PANAMA CITY PORT AUTHORITY

PANAMA CITY, FLORIDA

COMPONENT UNIT FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2025



Tipton, Marler, Garner & Chastain
The CPA Group

PANAMA CITY PORT AUTHORITY

PANAMA CITY, FLORIDA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Panama City Port Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Panama City Port Authority, component unit of the City of Panama City, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Panama City Port Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Panama City Port Authority, as of September 30, 2025, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended September 30, 2025, the Panama City Port Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. Our opinions are not modified with respect to this matter.

As described in Note 15 to the financial statements, the Panama City Port Authority's September 30, 2024 financial statements have been restated to account for material account reclassifications. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and asses 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 Panama City Port 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 Panama City Port 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, budgetary comparison information, and pension and other postemployment schedules on pages 5-10 and 45-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Panama City Port Authority's basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.550, Rules of the Auditor General, Rule, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other supplementary information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2026, on our consideration of the Panama City Port 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 Panama City Port 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 Panama City Port Authority's internal control over financial reporting and compliance.

Tipton, Mailey, Garner & Chastain

Panama City, Florida
April 3, 2026

PANAMA CITY PORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

INTRODUCTION

Each year we provide a Management's Discussion and Analysis ("MD&A") of the Panama City Port Authority's (the "Port") activities and financial performances. The MD&A is intended to provide an introduction to the Port's financial statements for the year ending September 30, 2025 with comparative information for the year ending September 30, 2024.

The MD&A provides some discussion and additional information related to capital assets and long-term debt activity during the year, including commitments made for future capital expenditures. The information provided in the MD&A has been prepared by management and should be considered in conjunction with the complete financial statements and notes included with the financial statements.

FINANCIAL STATEMENTS

The financial section of this report includes the MD&A, the financial statements, and the notes to the financial statements. The financial statements include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows.

SUMMARY OF FINANCIAL POSITIONS

The statements of net position are snapshots of the Port's financial position at the end of the fiscal years. The statements include all assets, deferred outflows, liabilities, and deferred inflows of the Port. Net position, the difference between total assets, deferred outflows, total liabilities, and deferred inflows is a good indicator of the Port's fiscal health from year to year. A summarized comparison of the Port's assets, deferred outflows, liabilities, deferred inflows, and net position on September 30th, is provided below:

(In thousands)	2025	2024 *
ASSETS:		
Current assets	$ 9,881	$ 9,286
Other noncurrent assets	3,944	5,965
Capital assets*	154,627	160,009
Total assets*	$ 168,452	$ 175,260
DEFERRED OUTFLOWS:		
Deferred outflows from hedging	$ 11	$ 26
Deferred outflows from pension	27	28
Deferred outflows from OPEB	1	1
Total deferred outflows	$ 39	$ 55

* As restated

(In thousands)	2025	2024
LIABILITIES:		
Current liabilities	$ 2,427	$ 2,245
Noncurrent liabilities	16,113	19,557
Total liabilities	$ 18,540	$ 21,802
DEFERRED INFLOWS:		
Deferred inflows from leases	$ 5,569	$ 7,638
Deferred inflows from pension	59	83
Deferred inflows from OPEB	141	147
Total deferred inflows	$ 5,769	$ 7,868
NET POSITION:		
Net investment in capital assets	$ 137,369	$ 140,128
Unrestricted net position*	6,813	5,517
Total net position*	$ 144,182	$ 145,645

The Port's assets and deferred outflows exceeded liabilities and deferred inflows by $144.2 million in 2025. Current assets increased by $595,000 mainly due to an increase in cash and cash equivalents. Current liabilities increased by $182,000 primarily due to an increase in accounts payable.

The amount invested in capital assets, net of related debt, decreased by $2.7 million from 2024 to 2025. The Port relies on these capital assets to provide Port facilities and services to Port users and tenants. These assets are not available for future spending or debt service.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The net of all revenues less all expenses result in the net income (loss) generated by the Port during the year. A review of these statements for years ended September 30, 2025 and 2024 can indicate the ongoing health of the Port's business operations. A positive net income increases the net position. Given below is a summary of the statement of revenues, expenses, and changes in net position:

(In thousands)	2025	2024 *
Operating revenues	$ 21,583	$ 18,402
Operating expenses *	15,509	15,453
Operating income before depreciation *	6,074	2,949
Depreciation	7,968	7,401
Operating loss *	(1,894)	(4,452)
Nonoperating income – net	431	303

(In thousands)	2025	2024 *
Increase (decrease) in net position *	(1,463)	(4,149)
Net position - beginning of year	145,645	149,794
Net position - end of year *	$ 144,182	$ 145,645

FINANCIAL OPERATION HIGHLIGHTS

Operating revenues were $3.2 million higher in 2025 compared to 2024, primarily due to higher dock warehouse storage and cargo handling.

Operating income prior to depreciation was $6.1 million. It was an Engineering and planning year for the Port with $800,000 in capital grants and contributions.

BUDGETARY HIGHLIGHTS

The following is a summary of the Port's budgetary performance for the year ended September 2025:

(In thousands)	Actual 2025	Budget 2025
Operating revenues	$ 21,583	$ 18,897
Operating expenses	15,509	15,582
Operating income before depreciation	6,074	3,315
Depreciation	7,968	7,796
Operating loss	(1,894)	(4,481)
Nonoperating income - net	431	10,672
Net income (loss)	$ (1,463)	$ 6,191

Operating revenues for the year were approximately $2.7 million above the budget estimate due to higher than anticipated dock warehouse storage and cargo handling.

Operating expenses were $73,000 below budget estimates primarily due to lower than planned casual labor. Also, depreciation expense was ultimately $172,000 higher than budgeted. The resulting operating loss was $2.6 million below the budgeted amount.

Net nonoperating income was $10.2 million below the budget estimate. This shortfall was caused by delaying some of the capital projects and the related collection of matching grants for those projects. The income from these grants will be realized in the coming year.

CAPITAL ASSETS

The Port's capital assets, less accumulated depreciation, totaled $154.6 million as of September 30, 2025. Buildings and improvements are the largest share of these assets. Other capital assets include land, material handling equipment, vehicles, furniture and fixtures, and construction in progress.

During 2025, the Port continued the engineering of the Phase 2 Warehouse and Berth Extension at the East Terminal.

Capital assets are recorded at cost and depreciated by the straight-line method over the useful lives of the individual assets.

DEBT MANAGEMENT

The Port had a total of $16.6 million in loans and notes payable as of September 30, 2025. This was a decrease of $1.4 million compared to September 30, 2024.

The Port's long-term obligations are as follows:

	Balance on September 30, 2025
Bank Swap (2007 Agreement)	$957,715
State Infrastructure Bank loan (IDC Warehouse)	2,020,560
State Infrastructure Bank loan (IDC Warehouse Expansion)	1,114,357
State Infrastructure Bank loan (East Terminal)	9,966,536
Note payable - Truist Bank	2,238,459
Note payable - Economic Development Alliance	300,000
Claims and judgments	351,198
Net pension liability	75,726
Compensated absences	132,021
Net OPEB liability	200,716
Lease liability	538,052

The Bank Swap, State Infrastructure Bank loans, and note payable with Truist Bank are collateralized by the pledge of the net revenues of the facility. The note payable with the Economic Development Alliance is collateralized by the specified property.

FUTURE EVENTS

The Panama City Port Authority recorded strong tonnage and revenue for Fiscal Year 2025. The Port handled 2.14 million tons of cargo at its East and West Terminals, highlighted by copper imports and forest products exports. Revenues of $21.58 million are derived from dockage, wharfage, cargo handling fees, and tenant leases which include on-port industrial manufacturing facilities and companies that provide port-related services. The revenues generated by cargo and lease activity support daily operations, ongoing infrastructure maintenance, cargo handling equipment, rail infrastructure, expansion projects, and Intermodal Distribution Center common area and mitigation management.

As in previous years, the Port Authority's focus on the East Terminal expansion, along with capacity expansion projects at the West Terminal, continue to be top priority to accommodate long-term cargo and on-port industrial tenant growth. The conversion of the former molasses liquid bulk terminal into a paved cargo laydown area commenced in 2025, and the bulkhead capacity project to fill in the Oceaneering Barge Slip will commence in 2026. The West Terminal projects are essential to the Port's long-term capacity strategy. They will support Borusan Berg Pipe's expansion by accommodating additional steel pipe and plate volumes, and will enhance heavy-lift and project cargo capabilities for Oceaneering. Combined with the consolidation of growing forest products volumes to the East Terminal, these projects will create the capacity needed to meet future demand. The Port continues to advance the 204(f) study with the U.S. Army Corps of Engineers (USACE) that will expand the turning basin at the East Terminal to enable deep-draft vessels to access the future second berth. In addition, the Port completed the Port Infrastructure Development Program (PIDP) grant agreement with U.S. Maritime Administration (MARAD) at the end of 2025. This project will double on-dock warehousing capacity at the East Terminal, and will be published for bid in early 2026.

PROJECTS PLANNED FOR 2026

Key to the Port's sustainable growth is continuing expansion of its deep-water terminals, investment in its workforce, adopting modern financial software, and predictive data modeling systems. The Port Authority is planning to support investment in the following capital projects and systems in the year ahead:

New Accounting Software	$60,000
East Terminal Phase Two Expansion	$7,00,000
West Terminal Bulkhead Capacity Expansion	$2,424,333
West Terminal Cap and Fender Refurbishment	$2,800,000
West Terminal Container Yard Expansion	$1,460,483
West Terminal Rail Upgrades	$1,016,275
West Terminal Truck Parking	$700,000

The Panama City Port Authority supports its mission by providing modern port facilities, promoting trade, and supporting industrial development. As the projects summarized in this letter suggest, the Port is committed to growth to support the on-port industries, and its many customers who utilize the Port's facilities for global trade. I am excited for the future of this Port, and the role these important projects will play providing our employees the infrastructure and technology needed to power global trade through our community and Northwest Florida for years to come.

ACKNOWLEDGEMENTS

Thank you to our Port Staff and our auditors at Tipton, Marler, Garner, and Chastain for their hard work and preparation of this annual audit report. Their professionalism, attention to detail, and commitment to accountability are essential to maintaining the trust of our stakeholders.

Respectfully Submitted,



Alex King
Executive Director

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PANAMA CITY PORT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Assets:		
Current Assets:		
Cash and cash equivalents	$	4,683,477
Accounts receivable, trade		1,544,913
Accounts receivable, grants		143,197
Leases receivable, current portion		2,020,921
Prepaid items		1,488,816
Total current assets		9,881,324
Noncurrent Assets:		
Leases receivable, less current portion		3,943,706
Capital assets:		
Non-depreciable		34,558,762
Depreciable, net		120,068,275
Total capital assets		154,627,037
Total noncurrent assets		158,570,743
Total assets		168,452,067
Deferred Outflows of Resources:		
Deferred outflows from hedging		11,166
Deferred outflows from pension related items		27,102
Deferred outflows from OPEB related items		660
Total deferred outflows of resources		38,928

Liabilities:	
Current Liabilities:	
Accounts payable	384,667
Accrued liabilities	249,369
Current maturities of long-term debt	1,738,728
Current maturities of claims and judgements	12,657
Current maturities of compensated absences	33,006
Lease liability, current portion	9,239
Total current liabilities	2,427,666
Noncurrent Liabilities:	
Interest rate swap agreement, net	11,166
Long-term debt, less current maturities	14,858,899
Claims and judgments, less current maturities	338,541
Compensated absences, less current maturities	99,015
Lease liability, less current portion	528,813
Net pension liability	75,726
Net OPEB liability	200,716
Total noncurrent liabilities	16,112,876
Total liabilities	18,540,542
Deferred Inflows of Resources:	
Deferred inflows from leases	5,568,823
Deferred inflows from pension related items	58,830
Deferred inflows from OPEB related items	140,822
Total deferred inflows of resources	5,768,475
Net Position:	
Net investment in capital assets	137,369,427
Unrestricted net position	6,812,551
Total net position	$ 144,181,978

See the accompanying notes to the financial statements.

PANAMA CITY PORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2025

Operating Revenues:	
Charges for services	$ 21,583,218
Operating Expenses:	
Personnel services	7,518,349
Operations and maintenance	7,990,924
Depreciation	7,967,768
Total operating expenses	23,477,041
Operating Loss	(1,893,823)
Nonoperating Revenues (Expenses):	
Grant administrative fees	(54,906)
Intergovernmental grants	31,591
Interest income	383,749
Interest expense	(706,361)
Total nonoperating revenues (expenses)	(345,927)
Capital Grants and Contributions	776,776
Change in Net Position	(1,462,974)
Net Position at Beginning of Year, as Restated	145,644,952
Net Position at End of Year	$ 144,181,978

See the accompanying notes to the financial statements.

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PANAMA CITY PORT AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2025

Cash Flows From Operating Activities:	
Cash received from customers	$ 23,811,283
Cash paid to suppliers for goods and services	(10,273,069)
Cash paid to employees for services	(7,494,590)
Net cash provided by operating activities	6,043,624
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(2,585,574)
Payments on line of credit	(2,000,000)
Principal paid on long-term debt	(1,386,157)
Interest paid	(706,361)
Principal payments made on lease liability	(9,058)
Grant administrative fees	(54,906)
Prior accounts receivable, grants received	913,129
Intergovernmental grant - capital	665,171
Net cash used by capital and related financing activities	(5,163,756)
Cash Flows From Investing Activities:	
Interest earned	383,749
Net Increase in Cash and Cash Equivalents	1,263,617
Cash and Cash Equivalents at Beginning of Year	3,419,860
Cash and Cash Equivalents at End of Year	$ 4,683,477

Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:		
Operating loss	$	(1,893,823)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		7,967,768
(Increase) decrease in assets and deferred outflows:		
Accounts receivable, trade		172,563
Leases receivable		2,055,503
Prepaid items		(308,348)
Deferred outflows from pension related items		1,267
Deferred outflows from OPEB related items		125
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable		98,125
Accrued liabilities		26,184
Compensated absences		22,393
Net pension liability		(11,250)
Net OPEB liability		12,782
Deferred inflows from leases		(2,068,987)
Deferred inflows from pension related items		(24,017)
Deferred inflows from OPEB related items		(6,661)
Net Cash Provided by Operating Activities	$	6,043,624

See the accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

The Panama City Port Authority (Port Authority) is a dependent special district created under Special Act 1945, Chapter 23466, and is a discretely presented component unit of the City of Panama City, Florida (City). The Port Authority's Board of Directors are appointed by the City Commission. Personnel, management, and finances are controlled by the Port Authority's Board of Directors, with the City's control over finances limited to approval of annual budgets.

The Port Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the Port Authority are reported below.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This means that all assets and liabilities (whether current or noncurrent) associated with this activity are included on the statement of net position. Under this method revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues when all eligibility requirements imposed by the provider have been met.

The Port Authority is accounted for as an enterprise fund. Enterprise funds are used to account for operations a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Port Authority are charges for services. Operating expenses of the Port Authority include personnel services, supplies and services, trade and promotions, insurance and taxes, professional services, repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues (expenses). Capital grants are reported as nonoperating revenues in compliance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions.*

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable, Trade:

Accounts are charged to bad debt expense as they are deemed uncollectible. At September 30, 2025, no allowance for uncollectible accounts was considered necessary.

Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets:

Capital assets purchased or acquired with an original cost of $25,000 or more are recorded at cost and are depreciated principally by the straight-line method over the estimated useful lives of individual assets. Capitalized leased assets are amortized over their estimated useful lives. Amortization expense on capitalized leased assets is included with depreciation expense on owned assets. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects once constructed. Estimated useful lives are generally as follows:

Buildings and improvements	7 to 40 years
Improvements other than buildings	5 to 25 years
Right-of-use lease assets	Lease time period
Machinery and equipment	5 to 10 years

Cash Equivalents:

For purposes of the statement of cash flows, the Port Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Leases:

Leases Receivable – The Port Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with exceptions for certain short-term leases and leases that transfer ownership of the underlying asset. As lessor, the asset underlying the lease is not unrecognized. The leases held by the Port Authority do not have an implicit rate of return, therefore, the Port Authority used their incremental borrowing rate on the date of lease commencement, or the date of implementation, to discount the lease revenue to the net present value.

For new or modified contracts, the Port Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(including any options to extend or terminate the lease when exercise is reasonably certain), the Port Authority records a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease.

At the commencement of a lease, the Port Authority measures the lease receivable as the present value of payments expected to be received during the lease term and then reduces the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as operating revenues over the lease term.

Right-of-Use Lease Asset and Lease Liability – Lease contracts that provide the Port Authority with control of a nonfinancial asset, such as land, buildings, or equipment, for a period of time in excess of 12 months are reported as a lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate, and reasonably certain residual guarantees. The intangible lease asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Key estimates and judgements related to leases include how the Port Authority determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments. When readily available or determinable, the Port Authority uses the interest rate charged by the lessor as the discount rate. If not readily available or determinable, the Port Authority uses its estimated incremental borrowing rate. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and, if applicable, the purchase option price the Port Authority is reasonably certain to exercise.

Interest:

Cash paid for interest for the year ended September 30, 2025 was $706,361 of which $10,942 was related to leases.

Estimates:

Management uses estimates and assumptions in preparing these financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position reports 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Port Authority has three items that qualify for reporting in this category: 1) the deferred outflow of resources on the hedging derivative instrument is a result from the decrease in the fair value of the derivative instrument in which a deferred outflow is recognized to verify that the decrease is not expected to be recognized in investment income in future periods; 2) deferred pension and pension expense as a result of changes in expected and actual experience, assumptions, contributions and proportionate share of contributions, and subsequent contributions; and 3) deferred OPEB and OPEB expense as a result of changes in assumptions.

In addition to liabilities, the statement of net position reports 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 and so will not be recognized as an inflow of resources (revenue) until that time. The Port Authority has three items that qualify for reporting in this category: 1) leases as a result of changes in assumptions; 2) deferred pension and pension expense as a result of changes in expected and actual experience, assumptions, projected and actual earnings on investments, and contributions and proportionate share of contributions; and 3) deferred OPEB and OPEB expense as a result of changes in expected and actual experience and assumptions.

Net Pension Liability:

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the Port Authority's pension plans and additions to/deductions from these plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Net Position:

Net position is categorized as net investment in capital assets and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position, which is associated with non-liquid capital assets less outstanding capital asset related debt.

Unrestricted net position represents unrestricted liquid assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements:

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement clarifies the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this statement are effective for financial statements for reporting periods beginning after December 15, 2023. The Port Authority has implemented the provisions of GASB Statement No. 101 in this annual report.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures.* This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement requires a government to assess (1) whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and (2) whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this statement are effective for fiscal years beginning after June 15, 2024. The Port Authority has implemented the provisions of GASB Statement No. 102 in this annual report, however, it does not have any current impact on the Port Authority.

In April 2024, the GASB issued statement No. 103, *Financial Reporting Model Improvements.* This statement outlines new regulations regarding governmental accounting, focusing on enhancing the effectiveness of the financial reporting model for state and local governments. The targeted improvements contained in this statement establish or modify existing accounting and financial reporting requirements related to: 1) management's discussion and analysis, 2) unusual or infrequent items, 3) presentation of the proprietary fund statements of revenues, expenses and changes in fund net position, 4) major component unit information, and 5) budgetary comparison information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Port Authority is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

In September 2024, the GASB issued Statement No. 104, *Disclosure 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. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Port Authority is evaluating the impact, if any, upon its financial position results of operations, or cash flows upon adoption.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The requirements of this statement are effective for fiscal years beginning after June 15, 2026. The Port Authority is evaluating the impact, if any, upon its financial position results of operations, or cash flows upon adoption.

NOTE 2 – ACCOUNTS RECEIVABLE, GRANTS

Accounts receivable, grants consist of the following at September 30, 2025:

Florida Department of Transportation	$	143,197

NOTE 3 – COMPENSATED ABSENCES

The annual leave policy states that all regular employees of the Port Authority who have satisfactorily completed 6 months of employment are entitled to annual leave with pay. Temporary or part-time employees shall not be eligible for annual leave. All regular employees accumulate annual leave time with pay as follows:

Years of Service	Hours per Month
1 to 2	6.67
3 to 7	10.00
8 +	13.34

First and second year employees may carry over 40 hours of leave into the next year. Third year and up employees may carry over 80 hours of leave into the next year. Each employee may choose to carry over the above hours or be paid for those hours. Each employee will be paid, on their anniversary date, for hours accumulated greater than 40 or 80 hours as mentioned above. An employee who has satisfactorily completed the 1-year initial probationary period and who separates from the Port Authority by retirement, resignation, layoff, or involuntary termination shall be paid for the annual leave balance available to the employee at the time of the separation. As of September 30, 2025, the accrued liability for compensated absences was $132,021.

NOTE 4 – LINE OF CREDIT

The Port Authority established a line of credit for $7,500,000 on May 22, 2019. The line of credit was renewed March 16, 2026 and is set to mature March 16, 2027. The line of credit carries an interest rate of 5.87% at September 30, 2025. The line of credit is collateralized by the Port Authority's net revenues.

NOTE 5 – LONG-TERM LIABILITIES

Changes in long-term liabilities are as follows:

	Balance 10/01/2024	Increases	Decreases	Balance 09/30/2025	Due in One Year
Bank Swap:					
Fixed interest currently at 4.43%; principal and interest are due based on equal quarterly installments amortized over the period to the final maturity date of the note; collateralized by the pledge of the net revenues of the facility; maturity date June 2027.	$ 1,472,715	$ -	$ 515,000	$ 957,715	$ 538,196
Note Payable:					
Interest currently at 3.00%; interest payable quarterly and principal balance payable upon the earlier of the sale or lease of any portion of the specified Industrial Park property or upon demand; collateralized by specified Industrial Park property.	300,000	-	-	300,000	300,000

NOTE 5 – LONG-TERM LIABILITIES (Continued)

	Balance 10/01/2024	Increases	Decreases	Balance 09/30/2025	Due in One Year
State Infrastructure Bank Loan: Interest currently at 4.00%; principal and interest are due based on equal annual installments amortized over the period to the final maturity date of the loan; collateralized by the pledge of the net revenues of the facility; maturity date October 2032.	2,296,605	-	276,045	2,020,560	287,086
State Infrastructure Bank Loan: Interest currently at 4.00%; principal and interest are due based on equal annual installments amortized over the period to the final maturity date of the loan; collateralized by the pledge of the net revenues of the facility; maturity date October 2035.	1,212,169	-	97,812	1,114,357	101,725
State Infrastructure Bank Loan: Interest currently at 3.00%; principal and interest are due based on equal annual installments amortized over the period to the final maturity date of the loan; collateralized by the pledge of the net revenues of the facility; maturity date October 2047.	10,283,413	-	316,877	9,966,536	326,384
Note Payable: Interest currently at 2.69%; principal and interest are due based on equal installments amortized over the period to the final maturity date of the note; collateralized by the pledge of the net revenues of the facility; maturity date April 2036.	2,418,882	-	180,423	2,238,459	185,337

NOTE 5 – LONG-TERM LIABILITIES (Continued)

	Balance 10/01/2024	Increases	Decreases	Balance 09/30/2025	Due in One Year
Total notes payable	17,983,784	-	1,386,157	16,597,627	1,738,728
Claims and judgments	351,198	-	-	351,198	12,657
Compensated absences	109,627	282,215	259,821	132,021	33,006
Lease liability	547,110	-	9,058	538,052	9,239
Line of credit	2,000,000	-	2,000,000	-	-
Net pension liability	86,976	-	11,250	75,726	-
Net OPEB liability	187,934	12,782	-	200,716	-
Total	$ 21,266,629	$ 294,997	$ 3,666,286	$ 17,895,340	$ 1,793,630

Debt service requirements to maturity subsequent to September 30, 2025 is as follows:

Year Ended 09/30	Bank Swap		Notes Payable		State Infrastructure Bank Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 538,197	$ 33,300	$ 485,337	$ 57,940	$ 715,195	$ 424,393
2027	419,518	8,501	190,384	52,893	740,539	399,049
2028	-	-	195,569	47,708	766,799	372,789
2029	-	-	200,895	42,383	794,008	345,580
2030	-	-	206,367	36,911	822,202	317,386
2031-2035	-	-	1,119,260	97,126	3,037,801	1,202,519
2036-2040	-	-	140,647	1,265	2,328,760	798,139
2041-2045	-	-	-	-	2,699,672	427,228
2046-2047	-	-	-	-	1,196,477	54,104
	$ 957,715	$ 41,801	$ 2,538,459	$ 336,226	$ 13,101,453	$ 4,341,187

Derivative Instrument Payments and Hedged Debt – Derivative Instrument A

As of September 30, 2025, aggregate debt service requirements of the Port Authority's debt (fixed-rate and variable-rate) and net receipts/payments on the associated hedging derivative instrument is presented below. These amounts assume a forward implied interest rate on the variable interest rate that the Port Authority will receive from the hedging derivative instrument. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instrument will vary. The hedging derivative instrument column reflects only net receipts/payments on the derivative instrument that qualify for hedge accounting.

NOTE 5 – LONG-TERM LIABILITIES (Continued)

Year Ended 09/30	Principal	Interest	Hedging Derivatives, Net	Total
2026	$ 538,197	$ 33,300	$ (24,952)	$ 546,545
2027	419,518	8,501	(5,684)	422,335
	$ 957,715	$ 41,801	$ (30,636)	$ 968,880

Lease Liability

Future obligations subsequent to September 30, 2025 is as follows:

Year Ended 09/30	Principal	Interest	Total
2026	$ 9,239	$ 10,761	$ 20,000
2027	9,424	10,576	20,000
2028	9,612	10,388	20,000
2029	9,804	10,196	20,000
2030	10,001	9,999	20,000
2031-2035	53,084	46,916	100,000
2036-2040	58,609	41,391	100,000
2041-2045	64,709	35,291	100,000
2046-2050	71,444	28,556	100,000
2051-2055	78,880	21,120	100,000
2056-2060	87,090	12,910	100,000
2061-2065	76,156	3,844	80,000
	$ 538,052	$ 241,948	$ 780,000

NOTE 6 – LEASES

The Port Authority leases a substantial portion of its property to various lessees under operating lease agreements, both cancelable and noncancelable. The Port Authority has a total of 17 leases in which they are the lessor with noncancellable terms ranging from 3-25 years at lease inception. The interest rates range from 2.00% to 7.09%. The terms of the leases include monthly payments ranging from $1,030 to $65,395, expiring January 2025 to August 2029. For leases in which the Port Authority is the lessor, the Port Authority recognized lease inflows of resources of $2,068,988 for the year ended September 30, 2025. For the year ended September 30, 2025, the Port Authority reported lease revenue of $3,559,632 of which $2,068,988 is noncancelable, and interest revenue of $273,289 related to noncancelable lease payments received.

NOTE 6 – LEASES (Continued)

Minimum future lease receipts to be received subsequent to September 30, 2025 are as follows:

Year Ended 09/30	Principal	Interest	Total
2026	$ 2,020,921	$ 187,690	$ 2,208,611
2027	1,601,837	116,816	1,718,653
2028	1,624,761	59,517	1,684,278
2029	717,108	9,342	726,450
	$ 5,964,627	$ 373,365	$ 6,337,992

Lessee:

The Port Authority is the lessee in an agreement with the City for the lease of the land occupied by the Port Authority. The lease is for a period of 99 years, expiring August 2065. The terms of the lease include a minimum annual payment of $20,000, plus additional rent as the Port Authority deems appropriate in view of its surplus. This additional amount is arbitrary and subject to mutual agreement. Annual rent in the amount of $24,000, $4,000 above the minimum, was paid for the year ended September 30, 2025. The Port Authority monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease asset and liability if changes occur that are expected to significantly affect the amount of the lease liability.

NOTE 7 – RETIREMENT PLANS

Florida Retirement System:

General Information – One of the Port Authority's employees participated in the Florida Retirement System (FRS) during the year ended September 30, 2025. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). None of the employees participated in the defined contribution plan. The plans are closed to new entrants. As a general rule, membership in the FRS is compulsory for employees filing in a regularly established position in a state agency, county agency, state university, state community college, or district school board. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to

NOTE 7 – RETIREMENT PLANS (Continued)

plan members and beneficiaries. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the web site: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan:

Plan Description – The Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed based on age and/or years of service, average final compensation, and service credit. For Pension Plan members initially enrolled before July 1, 2011, Regular Class members who retire at or after age 62 with at least 6 years of creditable service or 30 years of creditable service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.60% of their final average compensation based on the 5 highest years of salary, for each year of creditable service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to 8 years of creditable service for all these members and increases normal retirement to age 65 or 33 years of creditable service regardless of age for Regular Class members. The final average compensation will be based on the 8 highest years of salary, for each year of creditable service.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3.00% 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 3.00% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3.00%. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

NOTE 7 – RETIREMENT PLANS (Continued)

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3.00% of their salary to the FRS for Regular Class members. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 each year. The employer contribution rates by job class for the periods from October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively, were as follows: Regular – 13.63% and 14.03%; and DROP participants – 21.13% and 22.02%. These employer contribution rates do not include the 2.06% HIS Plan contribution for both periods.

The Port Authority's contributions, including employee contributions, to the Pension Plan totaled $12,703 for the year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the Port Authority reported a liability of $51,272 for its proportionate share of the Pension Plan's net pension liability. The net pension liability is 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 Port Authority's proportionate share of the net pension liability was based on the Port Authority's 2024-2025 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members. At June 30, 2025, the Port Authority's proportionate share was 0.000165206%, which increased by 0.000010221% compared to the June 30, 2024 proportionate share of 0.000154985%.

For the year ended September 30, 2025, the Port Authority recognized pension income of $13,813. In addition, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,476	$ -
Change of assumptions	5,954	-
Net difference between projected and actual earnings on Pension Plan investments	-	8,560
Changes in proportion and differences between Port Authority Pension Plan contributions and proportionate share of contributions	7,801	28,791
Port Authority Pension Plan contributions subsequent to the measurement date	2,581	-
Total Pension Plan	$ 21,812	$ 37,351

NOTE 7 – RETIREMENT PLANS (Continued)

The deferred outflows of resources related to the Pension Plan, totaling $2,581 resulting from Port Authority contributions to the Pension Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended 09/30	Amount
2026	$ (14,047)
2027	(6,967)
2028	1,221
2029	1,683
2030	(10)
Total	$ (18,120)

Actuarial Assumptions – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, including inflation
Investment rate of return	6.70%, net of Pension Plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table by member category and sex, projected generationally with Scale MP-2021.

The actuarial assumptions used in the July 1, 2025 valuation was based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on the 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 table:

NOTE 7 – RETIREMENT PLANS (Continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.20%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global equity	45.00%	8.50%	6.90%	18.30%
Real estate	12.00%	8.40%	7.10%	16.80%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.50%	6.10%	8.70%
Total	100.00%			
Assumed inflation – mean			2.40%	1.50%

(1) As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Discount Rate – The discount rate used to measure the total pension liability was 6.70% for the year ended September 30, 2025. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contributions are contributed in full each year. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

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

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Port Authority's proportionate share of the net pension liability	$ 100,620	$ 51,272	$ 9,899

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

Payables to the Pension Plan – The Port Authority reported a payable in the amount of $802 for outstanding contributions to the Pension Plan required for the year ended September 30, 2025.

NOTE 7 – RETIREMENT PLANS (Continued)

HIS Plan:

Plan Description – The HIS Plan is a non-qualified, cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit term of the HIS Program. The benefit is a monthly payment to assist eligible retirees of the state-administered retirement systems in paying their health insurance costs.

Benefits Provided – For the fiscal year ended June 30, 2025, retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $7.50. The payments are at least $45 but not more than $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive these benefits, a retiree under a state-administered retirement systems 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 year ended September 30, 2025, the HIS contribution rate for the period October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025 was 2.00%. The Port Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislation may reduce or cancel payments.

The Port Authority's contributions to the HIS Plan totaled $1,725 for the year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the Port Authority reported a liability of $24,454 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Port Authority's proportionate share of the net pension liability was based on the Port Authority's 2024-2025 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members. At June 30, 2025, the Port Authority's proportionate share was 0.000190787%, which increased by 0.000010656% compared to the June 30, 2024 proportionate share of 0.000180131%.

NOTE 7 – RETIREMENT PLANS (Continued)

For the year ended September 30, 2025, the Port Authority recognized pension income of $8,396. In addition, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 146	$ 39
Change of assumptions	216	5,915
Net difference between projected and actual earnings on HIS Plan investments	-	20
Changes in proportion and differences between Port Authority HIS Plan contributions and proportionate share of contributions	4,497	15,505
Port Authority HIS Plan contributions subsequent to the measurement date	431	-
Total HIS Plan	$ 5,290	$ 21,479

The deferred outflows of resources related to the HIS Plan, totaling $431 resulting from Port Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended 09/30	Amount
2026	$ (7,406)
2027	(4,793)
2028	(2,619)
2029	(516)
2030	(514)
Thereafter	(771)
Total	$ (16,619)

NOTE 7 – RETIREMENT PLANS (Continued)

Actuarial Assumptions – Actuarial valuations for the HIS Program are conducted biennially. The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, including inflation
Municipal Bond Index	5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation was based on the results of an actuarial 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% for the year ended September 30, 2025. 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 benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference.

Sensitivity of the Port Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following presents the Port Authority's proportionate share of the net pension liability, calculated using the discount rate of 5.20%, as well as what the Port 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 (4.20%) or one percentage point higher (6.20%) than the current rate.

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Port Authority's proportionate share of the net pension liability	$ 27,576	$ 24,454	$ 21,836

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

Payables to the HIS Plan – The Port Authority reported a payable in the amount of $133 for outstanding contributions to the HIS Plan required for the year ended September 30, 2025.

NOTE 7 – RETIREMENT PLANS (Continued)

Aggregate Schedule of Retirement Plan Information:

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the Port Authority reported $75,726, for its net pension liability.

For the year ended September 30, 2025, the Port Authority recognized total pension income of $22,209 and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,622	$ 39
Change of assumptions	6,170	5,915
Net difference between projected and actual earnings on investments	-	8,580
Changes in proportion and differences between Port Authority Plan contributions and proportionate share of contributions	12,298	44,296
Port Authority Plan contributions subsequent to the measurement date	3,012	-
Total	$ 27,102	$ 58,830

Retirement Plan and Trust for the General Employees:

The Port Authority participated in the Retirement Plan and Trust for the General Employees of the Port Authority for employees hired after January 1, 1996, who were not eligible to participate in the Florida Retirement System.

Plan Description – The Retirement Plan and Trust for the General Employees of the Port Authority is a single-employer defined contribution plan administered by the Florida League of Cities, Inc.

Plan Provisions and Eligibility – All full-time employees hired after January 1, 1996 are eligible to participate. Employees must have completed 3 months of service. The effective date of participation is the first day of the month coinciding with or following 90 days of employment. Members qualify for normal retirement, after obtaining 10 years of creditable service, on the first of the month coinciding with or following the participant's 65th birthday. Benefits fully vest after the participant reaches 10 years of service, with partial vesting after the completion of 6 through 9 years of service.

NOTE 7 – RETIREMENT PLANS (Continued)

Each participant who is an employee on his or her attainment of normal retirement age or is terminated as a result of death or disability, to the extent not then vested, shall become fully vested. Upon the death of the participant, the participant's vested plan account shall be paid to the participant's beneficiary. If a participant's employment terminates for any reason other than retirement, disability, or death, the benefits shall be vested as follows:

Years of Service	Vested Percentage
1 to 5	0%
6	60%
7	70%
8	80%
9	90%
10	100%

The unvested portion shall be forfeited on the day the participant's employment is terminated. Any forfeitures that result from a participant's termination before he or she completes at least 6 years of service will be returned to the employer. All other forfeitures are allocated to the employer contribution accounts of eligible participants.

Contribution Obligations – Required contributions under federal law are deducted from the employee's salary and matched by the Port Authority. Total pension expense amounted to $206,759 (with $95,904 being paid through forfeitures) for the year ended September 30, 2025. The Port Authority may make non-elective contributions. Contributions made equaled required contributions for the current and preceding years.

A separately issued annual report of the Fund is available from the Florida League of Cities, Inc., 301 S. Bronough Street, Tallahassee, Florida 32302.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The Port Authority administers a single-employer defined benefit healthcare plan (the OPEB Plan). This is an optional postemployment healthcare insurance plan available to eligible employees. Eligible individuals include all regular, full-time employees of the Port Authority who retire from active service and are eligible for retirement or disability benefits under any of the Port Authority's retirement plans. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children. Retirees must contribute an amount determined periodically by the Port Authority equal to 100% of the applicable health insurance premium charged by the insurance carrier. The premium varies depending on whether the retiree elects single, single plus one, or family coverage. There is no minimum required employer contributions. Pursuant to Section 112.0801, Florida Statutes, the Port Authority is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

coverage is available for active employees. For purposes of applying paragraph 4 under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust. No stand-alone report is issued for this plan.

Funding Policy, Benefits Provided, and Contributions – The contribution requirements of plan members and the Port Authority are established and may be amended by the City Commission. These contributions are neither mandated nor guaranteed. Currently, the Port Authority is financing the postemployment retirement benefits on a pay-as-you-go basis, contributing only those amounts necessary to provide for its portion of current year benefit costs.

There were 71 active employees who participated in the OPEB Plan. There were 2 inactive employees and beneficiaries currently receiving benefits and no inactive employees entitled but not yet receiving benefits.

Net OPEB Liability – The net OPEB liability was measured as of September 30, 2025. The total OPEB liability was determined from an actuarial valuation as of October 1, 2023. The net OPEB liability is the total OPEB liability less the plan fiduciary net position. The total OPEB liability is the present value of all future benefit payments for current retirees and active employees, considering assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

Total OPEB liability	$ 200,716
Less fiduciary net position	-
Net OPEB liability	$ 200,716

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Schedule of Changes in Net OPEB Liability – Changes in the net OPEB liability for the year ended September 30, 2025 is as follows:

Changes in Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning net OPEB liability	$ 187,934	$ -	$ 187,934
Service cost	17,578	-	17,578
Interest	9,116	-	9,116
Difference between expected and actual experience	(9,013)	-	(9,013)
Change of assumption	1,044	-	1,044
Benefit payments	(5,943)	-	(5,943)
Net change	12,782	-	12,782
Ending net OPEB liability	$ 200,716	$ -	$ 200,716

OPEB Expense – For the year ended September 30, 2025, the Port Authority recognized OPEB expense of $6,246.

OPEB expense is composed of the following components:

Service cost	$ 17,578
Interest	9,116
Difference between expected and actual experience	(9,013)
Change of assumptions	(5,492)
Benefit payments	(5,943)
Total OPEB expense	$ 6,246

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At September 30, 2025, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 127,708
Change of assumptions	660	13,114
Total	$ 660	$ 140,822

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB liability will be recognized in OPEB expense as follows:

Year Ended 09/30	Amount
2026	$ (14,505)
2027	(14,505)
2028	(14,505)
2029	(14,505)
2030	(14,505)
Thereafter	(67,637)
Total	$ (140,162)

Actuarial Assumptions −

The total OPEB liability in the October 1, 2023 actuarial valuation was determined using the following assumptions:

Discount rate – 4.50% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Salary increases – 3.00% per annum.

Cost-of-living increases: Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.

Healthcare cost trend rates – Increases in healthcare costs are assumed to be 7.00% for the 2023-2024 fiscal year graded down by 0.50% per year to 5.00% for the 2027-2028 and later fiscal years.

Age-related morbidity – Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.

Implied subsidy – Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of $675 for the retiree and $500 for the retiree's spouse has been assumed at age 62 for the 2023-2024 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Mortality basis − Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general employees, with full generational improvements in mortality using Scale MP-2017.

Retirement – For employees hired prior to July 1, 2011, retirement is assumed to occur at age 62 with 6 years of service or at any age with 30 years of service; for employees hired on or after July 1, 2011, retirement is assumed to occur at age 65 with 8 years of service or at any age with 33 years of service.

Other decrements – Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1).

Coverage election – 20% of eligible employees are assumed to elect medical coverage until age 65 under the "buy-up" plan upon retirement or disability; spouses are assumed to be covered in accordance with the employee's current election.

Spouses and dependents – Husbands are assumed to be 3 years older than wives; retirees are not assumed to have any dependent children.

COBRA − Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Changes − Since the prior measurement date, the discount rate was increased from 4.06% per annum to 4.50% per annum.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate − The following presents the Port Authority's net OPEB liability calculated using the discount rate of 4.50%, as well as what the Port Authority's net OPEB liability would have been if it were calculated using a discount rate that is one percentage point lower (3.50%) or one percentage point higher (5.50%) than the current rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Port Authority's net OPEB liability	$ 220,758	$ 200,716	$ 182,925

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates − The following presents the Port Authority's net OPEB liability, as well as what the Port Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00% graded down to 4.00%) or one percentage point higher (8.00% graded down to 6.00%) than the current healthcare cost trend rates (7.00% graded down to 5.00%).

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

	1% Decrease (6.00% graded down to 4.00%)	Healthcare Cost Trend Rates (7.00% graded down to 5.00%)	1% Increase (8.00% graded down to 6.00%)
Port Authority's net OPEB liability	$ 173,295	$ 200,716	$ 234,297

NOTE 9 – RISK MANAGEMENT

The Port Authority is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; business interruption; job-related illnesses or injuries to employees; and natural disasters for which the Port Authority carries commercial insurance. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the Port Authority. There were no significant reductions in insurance coverage during the current year. The amount of settlements has not significantly exceeded insurance coverage for any of the past three fiscal years.

NOTE 10 – DEPOSITS AND INVESTMENTS

GASB Statement No. 40, *Deposit and Investment Risk Disclosures-an amendment of GASB Statement No. 3* is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk and requires that deposit and investment policies related to the risks be disclosed, as applicable.

In accordance with GASB Statement No. 40, the following disclosures are made regarding the Port Authority's deposit and investment balances as of September 30, 2025.

Deposits:

The Port Authority has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415, Florida Statutes. Such policies shall be structured to place the highest priority on the safety of principal and liquidity of funds. The optimization of investment returns shall be secondary to the requirements for safety and liquidity.

NOTE 10 – DEPOSITS AND INVESTMENTS (Continued)

The Port Authority may invest or reinvest any surplus funds in their control or possession in the following:

a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01;
b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02;
d) Direct obligations of the U.S. Treasury.

The securities listed in c) and d) shall be invested to provide sufficient liquidity to pay obligations as they come due.

Included in the Port Authority's cash balances are amounts deposited with banks in interest-bearing accounts, noninterest-bearing demand accounts, and interest-bearing time deposit accounts. The bank balances are entirely insured by the Federal Depository Insurance Corporation or by collateral pursuant to the Security for Public Deposits Act of the State of Florida.

Investment Derivative Instrument:

The Port Authority obtained a hedge in June 2007 to lock into a fixed-rate and to budget for future payments. The agreement was amended in December 2022 to replace the LIBOR rate with a Secured Overnight Financing Rate (SOFR). The hedged derivative instrument automatically transitioned to SOFR on the LIBOR cessation date in July 2023. Hedge accounting was applied for the derivative instrument that was found to be an effective hedge. The Port Authority has determined that the swap is an effective hedge and the changes in the fair value are reported as deferred inflows/outflows on the statement of net position.

Derivative instruments outstanding as of September 30, 2025 are as follows:

Item	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	09/30/25 Fair Value (Negative)
A	Pay-fixed interest rate swap	Hedge the variable rate risk associated with the first draw on the $7,500,000 debt.	$7,500,000	06/01/2007	06/01/2027	Pay 4.43%, receive 67% of SOFR plus 70 basis points.	$ (11,166)

Derivative instrument A is considered a hedging derivative instrument for the year ended September 30, 2025. The fair value of the interest rate swap was estimated using the synthetic interest method, a proprietary valuation model developed by the counterparty. This method calculates future cash flows by projecting forward rates, then discounting those cash flows at their present value.

NOTE 10 – DEPOSITS AND INVESTMENTS (Continued)

Risks:

Credit Risk − The Port Authority's derivative instrument is held with a counterparty whose credit rating is "Baa1" for the year ended September 30, 2025. The counterparty bears the risk of non-payment.

Interest Rate Risk − The Port Authority is exposed to interest rate risk on its interest rate swap. On its pay-fixed, variable-rate interest rate swap, as SOFR decreases, the Port Authority's net payment on the swap increases.

Basis Risk − The Port Authority is exposed to basis risk on its pay-fixed swap derivative instrument because the variable-rate payments received by the Port Authority on this derivative instrument is based on a rate or index other than interest rates the Port Authority pays on its hedged variable-rate debt. The derivative instrument A used variable interest rates of 3.7944% and SOFR-based rates of 4.3492% at September 30, 2025.

Termination Risk − The swap may be terminated by the Port Authority or the counterparty if the other party fails to perform under the terms of the swap agreement. If the swap is terminated, the Port Authority would prospectively pay the variable-rate on the debt. The termination of the swap agreement could increase the Port Authority's total debt service if, at the time of termination, the swap has a negative fair value by the amount of such negative fair value. As noted below under fair value, the Port Authority has a negative fair value for derivative instrument A as of September 30, 2025 and would be liable to the counterparty if the swap were terminated prematurely.

Rollover Risk − Derivative instrument A's swap agreement termination date is June 1, 2027. The Port Authority may not be able to replicate the hedge associated with the current swap agreement on the termination date.

The Port Authority does not have a policy regarding exposure to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Fair Value Measurement:

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

NOTE 10 – DEPOSITS AND INVESTMENTS (Continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Port Authority has the ability to access. Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.
b) Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique provided by third party custodians. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.
c) Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Port Authority's own data.)

The fair value balance of derivative instrument A outstanding at September 30, 2025, classified by type, and the changes in fair value of such derivative instrument is as follows:

	Fair Value			Changes in Fair Value	
	Classification	Amount	Level	Classification	Amount
Business-type activities:					
Cash flow hedges:				Deferred	
Pay-fixed interest				outflow	
rate swap	Debt	$ (11,166)	Level 2	increase	$ 14,902

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates.

NOTE 11 – COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

Construction Commitments:

The Port Authority has outstanding commitments for construction contracts at year end. The commitments represent the difference between the contract prices of the various projects and the amounts paid on each contract. At September 30, 2025, the Port Authority had contractual commitments of approximately $2,110,483 for construction of port projects. The majority of funding for these future expenditures is expected to be received from grants and current operations.

NOTE 11 – COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS (Continued)

Grant Contingencies:

The Port Authority participates in various federal, state and local grants. These programs and projects are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures which are subsequently disallowed, the Port Authority may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements. As of September 30, 2025, there were no material questioned or disallowed costs as a result of grant audits in process or complete. The Port Authority has been awarded 3 grants subsequent to September 30, 2025; the first grant is for $3,000,000 for the East Terminal Turning Basin and Channel Improvements, the second is for $112,395 for the Traffic Management and Efficiency Upgrades and the third is for $11,250,000 for the East Terminal Phase Two Expansion Project.

Subsequent Events:

The Port Authority did not have any other subsequent events requiring disclosure or recording in these financial statements through April 3, 2026, which is the date these financial statements were available to be issued.

NOTE 12 – ADVERTISING

The Port Authority follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was $19,425 for the year ended September 30, 2025.

NOTE 13 – BULK WAREHOUSE SERVICE AGREEMENT

The Port Authority entered into an agreement with Enviva Port of Panama City, LLC (Enviva) related to the use of a bulk warehouse. The Port Authority provided the warehouse with the capacity to accommodate the storage of 33,000 tons of wood pellets. The contract period is for 10 years commencing in May 2021, with the option to renew for two additional 5 year periods. Enviva guaranteed the Port Authority a minimum cargo tonnage of 650,000 tons for each contract year. Enviva's performance is secured by a letter of credit renewable each year for ten years.

NOTE 14 – BUDGET TO ACTUAL – REVENUES AND EXPENSES

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Management may not increase a department's total expenditures without seeking the approval of the Board of Directors and City Commissioners, who may amend the budget at any time during the fiscal year. Amounts shown in the financial statements represent the original and final budgeted amounts and all supplemental amendments.

NOTE 15 – CORRECTION OF ERROR

During the course of audit fieldwork, it was identified that an item recorded in Construction in Progress (CIP) was placed into service as of September 30, 2023, as a result an adjustment of $1,689,790 was made to reclassify from CIP to capital assets. Due to the reclassification of the capital asset, $168,979 was recorded to recognize one year's depreciation expense on the asset. It was also noted that transactions had been added to CIP that should have been expensed as incurred, as a result $483,870 was reclassified from CIP to an expense. These adjustments are reflected in the financial statements for the period ended September 30, 2025.

Statement of Net Position as of September 30, 2024:

	Originally Reported	Adjustment	As Restated
Assets	$ 175,913,143	$ (652,849)	$ 175,260,294
Deferred outflows of resources	55,222	-	55,222
Liabilities	21,802,424	-	21,802,424
Deferred inflows of resources	7,868,140	-	7,868,140
Net position	$ 146,297,801	$ (652,849)	$ 145,644,952

Statement of Activities for the year ended September 30, 2024:

	Originally Reported	Adjustment	As Restated
Operating loss	$ (3,799,578)	$ (652,849)	$ (4,452,427)
Nonoperating revenues (expenses)	101,935	-	101,935
Capital grants and contributions	201,005	-	201,005
Change in net position	(3,496,638)	(652,849)	(4,149,487)
Net position at beginning of year	149,794,439	-	149,794,439
Net position at end of year	$ 146,297,801	$ (652,849)	$ 145,644,952

NOTE 16 – CAPITAL ASSETS

Changes in capital assets were as follows:

	Balance 10/01/24 *	Increases	Decreases	Transfers	Balance 09/30/25
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 32,304,173	$ -	$ -	$ -	$ 32,304,173
Construction in progress *	1,566,101	2,585,574	-	(1,897,086)	2,254,589
Total capital assets, not being depreciated	33,870,274	2,585,574	-	(1,897,086)	34,558,762
Capital assets, being depreciated:					
Buildings and improvements	116,053,817	-	-	5,393	116,059,210
Improvements other than buildings *	84,693,384	-	-	1,569,329	86,262,713
Right-of-use assets-buildings-amortizable	876,391	-	-	-	876,391
Machinery and equipment	24,061,273	-	-	322,364	24,383,637
Total capital assets, being depreciated	225,684,865	-	-	1,897,086	227,581,951
Less accumulated depreciation for:					
Buildings and improvements	39,452,378	3,292,689	-	-	42,745,067
Improvements other than buildings *	44,200,506	3,542,388	-	-	47,742,894
Right-of-use assets-buildings-amortizable	514,177	8,852	-	-	523,029
Machinery and equipment	15,378,847	1,123,839	-	-	16,502,686
Total accumulated depreciation	99,545,908	7,967,768	-		107,513,676
Total capital assets, being depreciated, net	126,138,957	(7,967,768)	-	1,897,086	120,068,275
Capital assets, net	$ 160,009,231	$ (5,382,194)	$ -	$ -	$ 154,627,037

Total depreciation expense for the year ended September 30, 2025 was $7,967,768.

*As restated

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS –ENTERPRISE FUND

PANAMA CITY PORT AUTHORITY
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY,
FLORIDA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022
Port Authority's proportion of the net pension liability	0.000165206%	0.000154985%	0.000128643%	0.000239287%
Port Authority's proportionate share of the net pension liability	$ 51,272	$ 59,955	$ 51,259	$ 89,035
Port Authority's covered-employee payroll	$ 85,240	$ 76,234	$ 60,719	$ 98,584
Port Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.15%	78.65%	84.42%	90.31%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	89.89%

	2021	2020	2019**
Port Authority's proportion of the net pension liability	0.000401095%	0.000480367%	0.000506861%
Port Authority's proportionate share of the net pension liability	$ 30,299	$ 208,196	$ 174,556
Port Authority's covered-employee payroll	$ 130,625	$ 165,824	$ 184,872
Port Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	23.19%	125.55%	94.42%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%

	2018	2017*	2016
Port Authority's proportion of the net pension liability	0.000668743%	0.000639137%	0.000722519%
Port Authority's proportionate share of the net pension liability	$ 201,429	$ 189,120	$ 182,437
Port Authority's covered-employee payroll	$ 247,397	$ 250,212	$ 270,640
Port Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	81.42%	75.61%	67.41%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%

Notes to Schedule

The amounts presented were determined by an actuarial valuation on July 1 of the fiscal year. The measurement period and measurement date is June 30 of the fiscal year.

*Net pension liability increased due to implementation of GASB Statement No. 75.
**Net pension liability has been decreased.

PANAMA CITY PORT AUTHORITY
SCHEDULES OF CONTRIBUTIONS,
FLORIDA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021
Contractually required contribution	$ 10,116	$ 9,521	$ 6,424	$ 7,587	$ 16,008
Contributions in relation to the contractually required contribution	(10,116)	(9,521)	(6,424)	(7,587)	(16,008)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Port Authority's covered-employee payroll	$ 86,240	$ 79,840	$ 59,923	$ 76,334	$ 139,000
Contributions as a percentage of covered-employee payroll	11.73%	11.93%	10.72%	9.94%	11.52%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 15,403	$ 16,138	$ 18,245	$ 17,677	$ 16,581
Contributions in relation to the contractually required contribution	(15,403)	(16,138)	(18,245)	(17,677)	(16,581)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Port Authority's covered-employee payroll	$ 152,801	$ 186,777	$ 228,088	$ 249,162	$ 262,300
Contributions as a percentage of covered-employee payroll	10.08%	8.64%	8.00%	7.09%	6.32%

Notes to Schedule

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation Timing:	Actuarially determined contribution rates for a given plan year are calculated in the valuation conducted as of the beginning of the preceding plan year (e.g., rates for the 2026-2027 plan year are calculated in the July 1, 2025 actuarial valuation).
Actuarial cost method:	Individual entry age
Amortization method:	Level percent, closed, layered
Amortization period at July 1, 2025:	Effective July 1, 2021: new bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over maximum 20 years
2019 actuarial cost method change:	Amortized over 30 years as level percentage of Tier 1 pay
Payroll growth rate:	3.50%
Asset valuation method:	5 years, asymptotic, 80 - 120% of fair market value
Inflation:	2.40%
Salary increases:	Varies by membership class and length of service
Investment rate of return:	6.70%
Cost of living adjustments:	3% for pre-July 2011 benefit service; 0.00% thereafter
Retirement age:	Varies by tier, membership class, age and gender
Turnover:	Varies by membership class, length of service, age and gender
Mortality:	PUB-2010 base table varies by member category and gender, projected generationally with Scale MP-2021

PANAMA CITY PORT AUTHORITY
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY,
HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022
Port Authority's proportion of the net position liability	0.000190787%	0.000180131%	0.000153267%	0.000256795%
Port Authority's proportionate share of the net position liability	$ 24,454	$ 27,021	$ 24,341	$ 27,199
Port Authority's covered-employee payroll	$ 85,240	$ 76,234	$ 60,719	$ 98,584
Port Authority's proportionate share of the net pension liability as a percentage of its covered-employed payroll	28.69%	35.44%	40.09%	27.59%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%

	2021	2020	2019
Port Authority's proportion of the net position liability	0.000365968%	0.000477782%	0.000552786%
Port Authority's proportionate share of the net position liability	$ 45,259	$ 58,340	$ 61,851
Port Authority's covered-employee payroll	$ 130,625	$ 165,824	$ 184,872
Port Authority's proportionate share of the net pension liability as a percentage of its covered-employed payroll	34.64%	35.18%	33.46%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%

	2018	2017	2016
Port Authority's proportion of the net position liability	0.000757457%	0.000784977%	0.000876684%
Port Authority's proportionate share of the net position liability	$ 80,170	$ 83,933	$ 102,174
Port Authority's covered-employee payroll	$ 247,397	$ 250,212	$ 270,640
Port Authority's proportionate share of the net pension liability	32.41%	33.54%	37.75%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%

Notes to Schedule

The amounts presented were determined by an actuarial valuation on July 1 of the fiscal year. The measurement period and measurement date is June 30 of the prior fiscal year.

PANAMA CITY PORT AUTHORITY
SCHEDULES OF CONTRIBUTIONS,
HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021
Contractually required contribution	$ 1,725	$ 1,597	$ 995	$ 1,267	$ 2,307
Contributions in relation to the contractually required contribution	(1,725)	(1,597)	(995)	(1,267)	(2,307)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Port Authority's covered-employee payroll	$ 86,240	$ 79,840	$ 59,923	$ 76,334	$ 139,000
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	1.66%	1.66%	1.66%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,536	$ 3,101	$ 3,786	$ 4,136	$ 4,354
Contributions in relation to the contractually required contribution	(2,536)	(3,101)	(3,786)	(4,136)	(4,354)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Port Authority's covered-employee payroll	$ 152,801	$ 186,777	$ 228,088	$ 249,162	$ 262,300
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%

Notes to Schedule

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Individual entry age
Amortization method:	Level percent, closed, layered
Amortization period at July 1, 2024:	Effective July 1, 2021: new bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over maximum 20 years
2019 actuarial cost method change:	Amortized over 30 years as level percentage of Tier 1 pay
Payroll growth rate:	3.50%
Asset valuation method:	5 years, asymptotic, 80 - 120% of fair market value
Inflation:	2.40%
Salary increases:	3.50%, including inflation
Investment rate of return:	6.70%
Cost of living adjustments:	3% for pre-July 2011 benefit service; 0.00% thereafter
Retirement age:	Varies by tier, membership class, age and gender
Turnover:	Varies by membership class, length of service, age and gender
Mortality:	Generational PUB-2010 with Projection Scale MP-2021

PANAMA CITY PORT AUTHORITY
SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	2025	2024	2023
Total OPEB Liability:			
Service cost	$ 17,578	$ 18,973	$ 16,955
Expected interest growth	9,116	8,155	9,080
Difference between expected and actual experience	(9,013)	(9,013)	(8,705)
Change of assumptions	(5,492)	(4,881)	(3,971)
Benefit payments, including refunds of employee contributions	(5,943)	(7,863)	(11,533)
Net change in OPEB liability	6,246	5,371	1,826
Net OPEB liability at beginning of year	187,934	185,780	173,662
Deferred outflows of resources	(125)	(125)	(125)
Deferred inflows of resources	6,661	(3,092)	10,417
Net OPEB liability at end of year (a)	200,716	187,934	185,780
Plan Fiduciary Net Position:			
Service cost	-	-	-
Employer contributions	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position at beginning of year	-	-	-
Plan fiduciary net position at end of year (b)	-	-	-
Port Authority's Net OPEB Liability at End of Year (a)-(b)	$ 200,716	$ 187,934	$ 185,780
Plan fiduciary net position as percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	$ 4,511,504	$ 4,511,504	$ 3,893,444
Net OPEB liability as a percentage of covered-employee payroll	4.45%	4.17%	4.77%

	2022	2021	2020
Total OPEB Liability:			
Service cost	$ 17,377	$ 25,875	$ 27,219
Expected interest growth	12,705	6,305	6,534
Difference between expected and actual experience	(8,705)	(3,966)	(3,966)
Change of assumptions	(3,796)	(1,662)	(1,112)
Benefit payments, including refunds of employee contributions	(9,705)	(10,019)	(4,631)
Net change in OPEB liability	7,876	16,533	24,044
Net OPEB liability at beginning of year	253,765	238,553	280,392
Deferred outflows of resources	(125)	(125)	(125)
Deferred inflows of resources	(87,854)	(1,196)	(65,758)
Net OPEB liability at end of year (a)	173,662	253,765	238,553
Plan Fiduciary Net Position:			
Service cost	-	-	-
Employer contributions	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position at beginning of year	-	-	-
Plan fiduciary net position at end of year (b)	-	-	-
Port Authority's Net OPEB Liability at End of Year (a)-(b)	$ 173,662	$ 253,765	$ 238,553
Plan fiduciary net position as percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	$ 3,893,444	$ 3,723,496	$ 3,723,496
Net OPEB liability as a percentage of covered-employee payroll	4.46%	6.82%	6.41%

See the independent auditor's report.

PANAMA CITY PORT AUTHORITY
SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
LAST 10 FISCAL YEARS

	2019	2018	2017
Total OPEB Liability:			
Service cost	$ 22,790	$ 22,538	$ 22,538
Expected interest growth	9,806	9,179	9,179
Difference between expected and actual experience	-	-	-
Change of assumptions	125	-	-
Benefit payments, including refunds of employee contributions	(9,616)	(10,837)	(10,837)
Net change in OPEB liability	23,105	20,880	20,880
Net OPEB liability at beginning of year	255,877	234,997	214,117
Deferred outflows of resources	1,410	-	-
Deferred inflows of resources	-	-	-
Net OPEB liability at end of year (a)	280,392	255,877	234,997
Plan Fiduciary Net Position:			
Service cost	-	-	-
Employer contributions	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position at beginning of year	-	-	-
Plan fiduciary net position at end of year (b)	-	-	-
Port Authority's Net OPEB Liability at End of Year (a)-(b)	$ 280,392	$ 255,877	$ 234,997
Plan fiduciary net position as percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	$ 3,565,480	$ 3,565,480	$ 3,565,480
Net OPEB liability as a percentage of covered-employee payroll	7.86%	7.18%	6.59%

Notes to Schedule

There are no assets accumulated in a trust that meets the criteria of GASB codifications P22.101 to

Change of assumptions: Since the prior measurement date, the discount rate was increased from 4.06% per to 4.50% per annum.

The amortization period for demographic experience and assumption changes was 12.26 years for the 2018-2019 fiscal year, 13.64 years for the 2019-2020 fiscal year, 12.64 years for the 2020-2021 fiscal year, 14.62 years for the 2021-2022 fiscal year, 13.62 years for the 2022-2023 fiscal year, 14.04 years for the 2023-2024 fiscal year, and 13.04 years for the 2024-2025 fiscal year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, we have only presented information for those years for which information is available.

PANAMA CITY PORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance
Operating Revenues:			
Charges for services:			
Cargo handling	$ 5,823,600	$ 6,461,505	$ 637,905
Container handling	722,500	656,944	(65,556)
Crane lift charges	446,000	474,258	28,258
Dock warehouse storage	275,000	1,262,339	987,339
Dockage	2,190,800	2,473,156	282,356
Foreign trade zone revenues	10,000	20,000	10,000
Miscellaneous income	100,000	65,446	(34,554)
Miscellaneous services	1,325,000	1,441,246	116,246
Property leases	3,524,400	3,559,632	35,232
Security assessment fees	575,800	632,088	56,288
Stevedore fees and facility charges	711,000	831,910	120,910
Wharfage and facility use	3,193,000	3,704,694	511,694
Total charges for services	18,897,100	21,583,218	2,686,118
Operating Expenses:			
Personnel services:			
Auto allowance - operations and maintenance	46,800	41,450	5,350
Disability insurance premiums	95,000	95,185	(185)
Employee and director retirement	233,100	184,555	48,545
Insurance - medical	965,000	925,638	39,362
Insurance - workers' compensation	218,600	224,376	(5,776)
Miscellaneous	100,000	87,823	12,177
OPEB expense	-	6,246	(6,246)
Salaries - administration	998,400	1,021,538	(23,138)
Casual labor	150,000	360,934	(210,934)
Salaries - operations and maintenance	4,189,800	4,167,665	22,135
Social security taxes	387,900	382,141	5,759
Workers' compensation claims	30,000	20,798	9,202
Total personnel services	7,414,600	7,518,349	(103,749)

PANAMA CITY PORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance
Operating Expenses (Continued):			
Operations and maintenance:			
Supplies and services:			
Bank fees	600	1,936	(1,336)
Gas, oil, and grease	290,600	180,954	109,646
I.D. badges/supplies	28,600	57,248	(28,648)
Janitorial services	70,500	67,844	2,656
Landscaping services	166,800	214,508	(47,708)
Lights and power	502,800	501,808	992
Material handling equipment rental	15,800	13,662	2,138
Miscellaneous	235,000	369,448	(134,448)
Postage	2,900	2,015	885
Safety supplies and equipment	90,500	150,161	(59,661)
Security guard services	982,500	1,111,594	(129,094)
Supplies - office	38,000	31,057	6,943
Supplies - operating	350,000	378,527	(28,527)
Telephone	118,500	79,899	38,601
Tools/miscellaneous equipment	20,000	45,159	(25,159)
Tools/miscellaneous equipment rental	160,000	155,600	4,400
Water and sewer	180,000	210,498	(30,498)
Total supplies and services	3,253,100	3,571,918	(318,818)
Trade and promotions:			
Advertising	10,500	19,425	(8,925)
Contract marketing	5,500	-	5,500
Dues and subscriptions	70,000	59,120	10,880
Other promotions	25,000	18,750	6,250
Solicitation	50,000	45,648	4,352
Travel	30,000	26,081	3,919
Total trade and promotions	191,000	169,024	21,976
Insurance and taxes	2,565,000	2,377,916	187,084
Professional services:			
Accounting	90,000	79,956	10,044
Engineering	250,000	47,636	202,364
Legal	88,900	82,502	6,398
Professional consultant	58,500	25,642	32,858
Total professional services	487,400	235,736	251,664

PANAMA CITY PORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENSES –
BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance
Operating Expenses (Continued):			
Operations and maintenance (Continued):			
Rent	24,000	4,000	20,000
Repairs and maintenance:			
Auto and buildings	406,800	480,428	(73,628)
Bulk terminal maintenance	200,000	204,993	(4,993)
Intermodal Distribution Center maintenance	40,000	84,102	(44,102)
Material handling	580,000	535,780	44,220
Tracks and railroad beds	225,000	161,323	63,677
Wharves and fenders	40,000	38,777	1,223
Total repairs and maintenance	1,491,800	1,505,403	(13,603)
Contingency fees	155,000	126,927	28,073
Total operations and maintenance	8,167,300	7,990,924	176,376
Depreciation	7,795,500	7,967,768	(172,268)
Total operating expenses	23,377,400	23,477,041	(99,641)
Operating Loss	(4,480,300)	(1,893,823)	2,586,477
Nonoperating Revenues (Expenses):			
Grant administrative fees	(36,600)	(54,906)	(18,306)
Intergovernmental grants	-	31,591	31,591
Interest income	293,000	383,749	90,749
Interest expense	(808,900)	(706,361)	102,539
Total nonoperating revenues (expenses)	(552,500)	(345,927)	206,573
Capital Grants and Contributions:			
Intergovernmental grants - capital	11,224,000	776,776	(10,447,224)
Change in Net Position	$ 6,191,200	$ (1,462,974)	$ (7,654,174)

OTHER SUPPLEMENTARY INFORMATION – ENTERPRISE FUND

PANAMA CITY PORT AUTHORITY
SCHEDULES OF OPERATIONS, GRANTS,
AND CAPITAL EXPENDITURES
LAST 10 FISCAL YEARS

	2025	2024 *	2023	2022*
% increase (decrease) of operating revenues over prior year	17%	-2%	-2%	9%
Operating revenues	$ 21,583,218	$ 18,401,464	$ 18,700,119	$ 18,998,444
Operating expenses	23,477,041	22,853,891	21,594,397	20,542,048
Operating income (loss)	(1,893,823)	(4,452,427)	(2,894,278)	(1,543,604)
Capital grants and contributions	776,776	201,005	19,375,178	4,490,593
Total operating income (loss) and capital grants and contributions	$ (1,117,047)	$ (4,251,422)	$ 16,480,900	$ 2,946,989
Capital/grant expenditures	$ (2,585,574)	$ (1,240,257)	$ (26,246,705)	$ (10,304,091)

	2021	2020*	2019*
% increase (decrease) of operating revenues over prior year	9%	11%	-4%
Operating revenues	$ 17,444,867	$ 16,061,744	$ 14,417,784
Operating expenses	18,432,127	16,544,500	14,636,759
Operating income (loss)	(987,260)	(482,756)	(218,975)
Capital grants and contributions	7,119,228	8,039,121	15,459,033
Total operating income (loss) and capital grants and contributions	$ 6,131,968	$ 7,556,365	$ 15,240,058
Capital/grant expenditures	$ (12,973,504)	$ (12,785,197)	$ (31,825,552)

	2018	2017	2016
% increase (decrease) of operating revenues over prior year	4%	-4%	1%
Operating revenues	$ 14,983,008	$ 14,347,121	$ 15,008,698
Operating expenses	14,328,990	13,608,865	13,311,986
Operating income (loss)	654,018	738,256	1,696,712
Capital grants and contributions	7,234,290	1,060,697	4,207,583
Total operating income (loss) and capital grants and contributions	$ 7,888,308	$ 1,798,953	$ 5,904,295
Capital/grant expenditures	$ (15,968,448)	$ (4,038,009)	$ (22,696,237)

*As restated in prior years.

SINGLE AUDIT SECTION

PANAMA CITY PORT AUTHORITY
SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2025

State Agency, Pass-through Entity, State Project	CSFA Number	Contract Grant No.	Expenditures
State Financial Assistance:			
Florida Department of Transportation:			
Intermodal Access Development Program	55.014	451196-2-94-02	$ 13,432
Intermodal Access Development Program	55.014	443521-1-94-01	201,688
			215,120
Seaport Grant Program	55.005	438763-1-94-05	35,274
Seaport Grant Program	55.005	438763-1-94-08	281,040
Seaport Grant Program	55.005	455376-1-94-01	67,500
Seaport Grant Program	55.005	438763-1-94-10	8,670
Seaport Grant Program	55.005	434828-1-94-03	30,518
Seaport Grant Program	55.005	438763-1-94-13	151,950
Seaport Grant Program	55.005	434828-1-94-02	14,133
Seaport Grant Program	55.005	438763-1-94-07	4,162
			593,247
Total expenditures of state financial assistance			$ 808,367

See the independent auditor's report and the accompanying notes to the schedule of expenditures of state financial assistance.

PANAMA CITY PORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state project activity of the Panama City Port Authority under projects of the state departments for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Panama City Port Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Panama City Port 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 Chapter 10.550, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as state expenditures were obtained from the Panama City Port Authority's general ledger.

For purposes of the Schedule, state projects include all grants, contracts, and similar agreements entered into directly with the state departments. The Panama City Port Authority has obtained Catalog of State Financial Assistance (CSFA) numbers to ensure that all awards and projects have been identified in the Schedule.

There were no awards passed through to subrecipients.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Panama City 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, the financial statements of the business-type activities of Panama City Port Authority, component unit of the City of Panama City, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Panama City Port Authority's basic financial statements and have issued our report thereon dated April 3, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Panama City Port 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.

Tipton, Mailey, Garner & Chastain

Panama City, Florida
April 3, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Board of Directors
Panama City Port Authority

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Panama City Port Authority's compliance with the types of compliance requirements identified as subject to audit in the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of Panama City Port Authority's major state projects for the year ended September 30, 2025. Panama City Port Authority's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Panama City Port Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General.* Our responsibilities under those standards and Chapter 10.550, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Panama City Port 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 each major state project. Our audit does not provide a legal determination of Panama City Port 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 Panama City Port Authority's state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Panama City Port Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing,* and Chapter 10.550, Rules of the Auditor General 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 Panama City Port Authority's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, 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 Panama City Port 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 Panama City Port 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 Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Panama City Port 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

state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Tipton, Mailey, Garner & Chastain

Panama City, Florida
April 3, 2026

PANAMA CITY PORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
STATE PROJECTS
YEAR ENDED SEPTEMBER 30, 2025

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Panama City Port Authority were prepared in accordance with GAAP.

2. One material weaknesses disclosed during the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Component Unit Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statements of Panama City Port Authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over major state projects were disclosed during the audit as reported in the Independent Auditor's Report on Compliance for each Major State Project and on Internal Control over Compliance Required by Chapter 10.550, Rules of the Auditor General.

5. The auditor's report on compliance for the major state projects for Panama City Port Authority expresses an unmodified opinion on all major state projects.

6. Audit findings that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General are reported in this Schedule.

7. The projects tested as major projects included the following:

State Project	State CSFA No.
Florida Department of Transportation	55.005

8. The threshold used for distinguishing between Type A and B programs and projects was $300,000.

9. Panama City Port Authority did not qualify to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

2025-001

Condition: The Port Authority's internal controls over capital assets did not detect that certain construction projects recorded as construction in progress (CIP) had been completed and placed into service in a prior fiscal year. In addition, expenditures that should have been

FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)

expensed were included in CIP. As a result, completed projects were not timely transferred from CIP to capital assets, and costs were not properly expensed. These matters were identified during the audit and resulted in a material prior period adjustment to the financial statements.

Criteria or Specific Requirement: Under U.S. generally accepted accounting principles for state and local governments, including GASB standards, costs directly attributable to the acquisition or construction of capital assets should be capitalized. Construction in progress should be transferred to capital assets when the related asset is substantially complete and placed into service, and depreciation should begin at that time. Management is responsible for establishing and maintaining internal controls designed to provide reasonable assurance that capital asset costs are properly identified, capitalized, classified, and reported in the correct accounting period in accordance with GAAP.

Cause: The Port Authority did not have effective controls in place to ensure timely communication between departments responsible for overseeing construction projects and those responsible for financial reporting. Specifically, there was no formalized process to (1) periodically review CIP balances for completed projects, (2) confirm project completion or placed-in-service dates, or (3) document management's review and approval of transfers from CIP to capital assets. As a result, completed projects were not identified and reclassified in a timely manner.

Effect or Potential Effect: Because expenses were improperly recorded and completed projects were not transferred out of CIP when placed into service, capital assets and accumulated depreciation were understated, construction in progress was overstated and expenses were understated in prior periods. The cumulative effect of those errors was material and required a prior period adjustment to correct beginning net position and related capital asset, expense, and depreciation balances in the current year financial statements.

Recommendation: We recommend that management strengthen controls over capital assets by implementing a formal process to identify, review, and approve construction-related expenditures for capitalization. This process should include periodic reconciliation of CIP balances, documented evaluation of costs to determine appropriate capitalization versus expensing, confirmation of project completion or placed-in-service dates from appropriate personnel, and management review and approval of all transfers from CIP to capital assets. These controls will help ensure that capital asset costs are properly recorded, classified, and reported in the appropriate accounting period in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions: The Panama City Port Authority agrees with the auditor's recommendations. See attached, Management's Corrective Action Plan.

PANAMA CITY PORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS
YEAR ENDED SEPTEMBER 30, 2025

FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no audit findings related to state financial assistance required to be reported by Rules of the Auditor General 10.654(1)(h).

April 3, 2026

Panama City Port Authority
Management's Corrective Action Plan
For the Fiscal Year Ended September 30, 2025

Finding Number 2025-001

Planned Corrective Action: The Port will design and implement effective policies, processes, and procedures to ensure construction in progress (CIP) is being transferred to capital assets timely. A formal capital improvement project management system will be adopted. The corrective action plan is proceeding on time as planned.

Anticipated Completion Date: September 30, 2026

Responsible Contact Person: John Miller

Director of Accounting & H. R.

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors
Panama City Port Authority

Report on the Financial Statements

We have audited the financial statements of the Panama City Port Authority, component unit of the City of Panama City, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated April 3, 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 Component Unit Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 3, 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. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. For information regarding the specific legal authority for the entity, see 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 Panama City Port 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 Panama City Port 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 Panama City Port Authority. It is management's responsibility to monitor the Panama City Port 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)6.a., Rules of the Auditor General, the Panama City Port Authority is required to include a statement as to whether a PACE Program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Panama City Port Authority's geographical boundaries during the fiscal year under audit. The Panama City Port Authority has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

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 note 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.

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

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 64.

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 10.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $5,230,653.

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $1,216,068.

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:

Bulkhead Improvements - Slip Enclosure and Apron	$ 2,424,333
Cap and Fender Refurbishment	2,800,000
West Terminal Access and Truck Parking	700,000
East Terminal Warehouse	7,000,000

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, is included on pages 51-53.

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 Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Tipton, Mailer, Garner & Chastain

Panama City, Florida
April 3, 2026

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Panama City Port Authority

We have examined Panama City Port Authority's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of Panama City Port Authority is responsible for Panama City Port Authority's compliance with the specified requirements. Our responsibility is to express an opinion on Panama City Port 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 Panama City Port Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Panama City Port Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence 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 Panama City Port Authority's compliance with specified requirements.

In our opinion, Panama City Port Authority complied, in all material respects, with the requirements specified in the first paragraph during the year ended September 30, 2025.

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

Tipton, Marler, Garner & Chastain

Panama City, Florida
April 3, 2026