



**CITY OF JACKSONVILLE, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2009**

CITY EMPLOYEES

“Public servant” is a quaint term but it is a phrase that holds true even today. The City of Jacksonville employs more than 8,000 people and their primary responsibility is to serve the public and be good stewards of taxpayer dollars. Whether their job is to fix roads, prepare budgets, oversee grants, mow parks, put out fires or prevent crime, all city jobs have one thing in common – they serve the public.

A city the size of Jacksonville must meet many daily demands to both preserve the quality of life and ensure the safety of its citizens. Last year Jacksonville Fire & Rescue, with its 55 fire stations and 34 rescue units, answered more than 128,000 calls for assistance. Almost 75 percent of those calls were for emergency medical attention.

With one of the largest park systems of any city in America, Jacksonville’s Public Works Department maintains 72,054 acres of parks. This is in addition to overseeing the repair of 3,600 miles of roads and 7.4 million square feet of public building space.

With initiatives like *The Jacksonville Journey* and *RALLY! Jacksonville*, city employees work daily to ensure that our children get the best care possible and that taxpayer dollars are being spent on proven programs that make a difference in our community. The Jacksonville Children’s Commission served nearly 18,000 children last year by providing medical care, developmental services and early literacy programs. Of those served, 80 percent were at-risk children from families living in poverty.

The city’s 21 libraries circulated more than 9 million pieces of material last year in the form of books, CDs and DVDs, videos and art. Library employees maintained this massive collection, and provided other services such as helping citizens use computers to do research or find a job.

Jacksonville is famous for its Jazz Festival and annual holiday Light Parade, but these are just two of the more than 40 happenings presented by the city’s Special Events Office. These varied events bring 2 million people to the downtown area alone, and have an estimated local economic impact of \$200 million. These events also serve as a catalyst to bring people together and create a sense of belonging to the community.

The city workforce is made up of people with a wide variety of specific skills. Each is trained to do a specific job. But the one job they all are expected to do above all else is to serve the public.

CITY OF JACKSONVILLE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009



PREPARED BY THE DEPARTMENT OF FINANCE
ACCOUNTING DIVISION

City of Jacksonville, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2009

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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL



OFFICE OF THE MAYOR

John Peyton, Mayor

March 24, 2010

Dear Citizens of Jacksonville:

It is a pleasure to present you with the City of Jacksonville's Comprehensive Annual Financial Report for Fiscal Year 2008/2009.

This document details the city's financial status and clearly reflects our commitment to the highest standards of financial management, accountability and efficiency. You may be assured that we will continue to seek ways to improve customer service and to be the best possible stewards of taxpayer dollars.

I hope this guide is helpful to you, and I look forward to our continued work together to help make Jacksonville the best place in America to live, work and raise a family.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Peyton".

John Peyton
Mayor





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March 24, 2010

The Honorable Mayor John Peyton
Members of the City Council
Citizens of the City of Jacksonville

INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) of the City of Jacksonville, Florida (the City), for the fiscal year ended September 30, 2009 is hereby submitted.

Responsibility for both the accuracy of the data and the completeness and fairness of its presentation, including all disclosures, rests with the City. Management believes the data, as presented, is accurate in all material respects and is presented in a manner designed to set forth fairly the financial position and the results of operations of the City on a government-wide and fund basis. Disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City, founded in 1832 and consolidated with Duval County in 1968, has an estimated population of 900,518 living within an area of 840.1 square miles. Within Duval County there are four separate municipalities (the Cities of Jacksonville Beach, Neptune Beach and Atlantic Beach and the Town of Baldwin) which represent a population of 45,451 within 15.9 square miles. The City is the doorway to Florida (along the Atlantic coast) and the center of the five-county Jacksonville Metropolitan Statistical Area (MSA) which has an estimated population of 1,367,700. The City operates under a charter adopted October 1, 1968 and a Mayor/Council form of government.

ECONOMIC CONDITIONS

Each fiscal year provides the City an opportunity to identify, address and resolve issues facing our community and our citizens, both exclusively and as part of the MSA.

The City's major challenges are to provide the infrastructure and both the City and county services needed to maintain the quality of life that has attracted considerable growth to our community. History has proven that significant emphasis on support systems such as transportation, stormwater management, potable water, wastewater and electric capacity must be balanced carefully with quality of life amenities. These amenities include parks, recreation, sports, entertainment and cultural opportunities to maintain the natural beauty and attractiveness of a community. For the City, these natural attributes take shape as they relate to water (the St. Johns River and its tributaries, the intracoastal waterway and the Atlantic Ocean), a significant tree canopy and lush vegetation, which provide the unique environment of Jacksonville MSA living.

Growth

The Jacksonville MSA, which includes Duval, Baker, St. Johns, Clay and Nassau Counties, has experienced significant growth during the last decade. Measures of growth come in many forms. The following schedule is intended to demonstrate not only individual year growth, but also three, five and ten year annual average trends.

The City and the MSA continue to demonstrate the benefits of being one of the identified sunbelt growth centers. Jacksonville is seen as having an attractive tax environment as well as being a great place to live, work and raise a family.

ECONOMIC GROWTH
ACTUAL/ESTIMATES AND AVERAGE % GROWTH
ANNUAL AND THREE, FIVE AND TEN YEAR PERSPECTIVES

	2009	2008	2007	2006	2005	2004	1999	Average % Growth		
								Last 3	Last 5	Last 10
Population (in thousands)										
City/County	901.0	905.0	898.0	891.2	859.4	837.0	778.3	0.4%	1.2%	1.6%
MSA	1,367.7	1,369.1	1,295.9	1,272.7	1,224.7	1,204.6	1,096.3	2.5%	2.9%	2.5%
Assessed Value (in billions)										
City (only)	55.5	55.2	47.6	41.6	37.1	34.5	24.7	11.1%	12.4%	12.5%
City/County	65.4	61.4	52.7	45.8	40.7	37.6	28.1	14.3%	15.2%	13.3%
MSA	103.9	104.0	97.1	84.8	72.2	63.7	40.5	7.5%	11.0%	15.7%
Dollar Value of Building Permits (in millions)										
City/County	828	2141	1948	2380	3654	2147	1278	N/A	N/A	N/A
MSA	2754	3894	3359	4484	6203	4080	2174	N/A	N/A	N/A
Building Permits (in thousands of Units)										
City/County	9.0	13.2	14.4	22.7	27.1	24.0	21.1	N/A	N/A	N/A
MSA	28.9	35.0	40.0	58.0	69.3	57.0	42.7	N/A	N/A	N/A
Employment MSA (in thousands)										
Selected Segments:										
Manufacturing & Construction	68.0	75.3	86.0	86.5	102.6	97.4	72.0	-7.1%	-8.4%	-0.6%
Wholesale & Retail	134.1	138.3	142.8	139.1	127.6	125.1	135.9	-1.2%	1.3%	-0.1%
Service	351.1	304.7	315.0	303.2	260.0	259.2	257.7	5.3%	8.8%	3.6%
Government	78.9	78.7	78.6	79.0	73.9	72.7	68.5	0.0%	1.7%	1.5%
Other	27.1	28.8	28.0	28.0	27.5	26.6	27.8	-1.1%	-0.4%	-0.3%
Total	659.2	625.8	650.5	635.8	591.6	581.0	561.9	1.2%	2.9%	1.7%
Chamber/Job Recruitment										
New Jobs(1)	2145	3393	7235	10166	10572	9674	N/A	N/A	N/A	N/A
Corporate (2)	1487	2127	2026	4449	3761	4177	N/A	N/A	N/A	N/A
Port (JPA) Activity										
Cruise Passengers (in thousands)	184.7	76.0	129.8	128.7	138.0	85.0	N/A	N/A	N/A	N/A
Tons of Freight (in millions)	7.3	8.4	8.3	8.7	8.4	7.7	7.5	-5.4%	-3.3%	-0.3%
Airport (JAA) Activity										
Passengers (in thousands)	5.6	6.0	6.3	5.9	5.7	5.1	4.8	-1.7%	-0.4%	1.7%
Tons of Airfreight (in millions)	72.1	81.6	83.2	86.8	85.1	83.2	73.9	-5.6%	-3.8%	-0.2%

(1) Total new jobs, both low and high wage

(2) New jobs - high wage

Limitation on Flexibility-State View

The State of Florida is the fourth largest state, with more than 18.75 million residents and, in recent history, is one of the fastest growing yet least taxed major states in the country. Local government revenue sources are restricted to property taxes and a limited array of permissive additional revenue opportunities. Because a personal income tax is constitutionally prohibited in Florida, state and local governments are continually seeking new and broader revenue opportunities to meet the service delivery and infrastructure requirements of our current and future population.

In 1985, the State Legislature passed significant growth management legislation, which requires state and local governments to develop five-year financeable capital infrastructure and minimum standard service level programs. The State, in an attempt to enhance the planning for the future, was attempting through the 1985 legislation to ensure that quality of life is maintained and that infrastructure and service delivery issues are reasonably addressed. The 1985 Legislature failed to address new revenue flexibility that would have allowed the State and local governments to develop greater financial flexibility to implement these five-year planning programs. Subsequently, the State legislature has been preoccupied with other issues, principally the need for state involvement to improve the quality of education in Florida. Currently, state budget balancing issues and citizen-initiated referendum (e.g., court system funding, K-12 class size reduction, etc.) are requiring the Legislature's primary attention and focus. As a result, enhanced City and County revenue flexibility for local governments has not been adequately addressed.

Local government's need for transportation, green space, recreation and other infrastructure improvements normally not associated with a paid-for-services fee, continues to place ever-tightening constraints on its ability to effectively plan for growth. Considerable attention needs to be placed on the broadening of the Home Rule Powers Act, in connection with the broadening of local government revenue flexibility, which would enable both individual City initiatives and, where appropriate, collective efforts on the part of local governments to address major regional infrastructure programs.

Limitation on Flexibility- City/County View

Facing the needs of a rapidly growing metropolitan community typically places a burden on the financial flexibility of any government. Broader revenue flexibility will be essential to maintaining Jacksonville's traditionally strong financial condition and to address the challenges of growth. The City, the Florida League of Cities and the Florida Association of Counties are seeking new optional local flexibility in an effort to match new revenues with both operational and capital objectives. Given the diversity of size and local government agendas, cities and counties, if granted the latitude, might elect to reduce or eliminate property taxes in favor of sales or other optional choices and/or revamp or revisit various revenue/expenditure relationships to more equitably balance benefits and recipients.

In 2000, the City initiated and the voters approved by referendum the \$2.25 billion Better Jacksonville Plan (BJP). The BJP program proposed to address \$1.5 billion in roadway system improvements and \$750 million in vertical construction and other improvements. The program proposed to (a) use excess capacity in a ½ cent sales tax previously approved to eliminate tolls in the City and to provide a recurring funding source for mass transit (bus and other) to fund \$750 million in road projects; (b) authorize a second ½ cent (\$1.5 billion in projects) for road/transportation projects and vertical initiatives; (c) to separate the funding into a unique and self contained accountability process and; (d) to provide for citizen advisor committee oversight.

Although the State has not addressed significant broadening of local government latitude, during the last 20 years (up through 2007) the growth of the State and the City/County and related impact on revenue, has allowed for an inadequate effort to meet the demands of growth.

Framework

To understand the City, one must first understand the framework under which this government operates.

Under the 1968 consolidation, the City of Jacksonville and Duval County have eliminated the typical city/county conflict and is able to re-channel the related energy often misfocused on these dialogue(s) to a more productive use. The county/city conflict with the remaining four municipalities has largely been addressed in a series of relationship framing Interlocal Agreements.

The City operates under a strong Mayor/City Council form of government. The 19-member City Council is made up of 14 districts and five (5) at-large Council members. These 20 elected officials stand for election every four years (having no mid-term elections) and are subject to a two-term limitation, with approximately half of the group changing every four years

By its charter, the county continues to utilize the typical Florida County structured elected Constitutional Officers (Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections and Clerk of the Court). The Sheriff operates the combined police/sheriff operation as well as the corrections/court bailiff activities. The Clerk of the Court operates the court/record filing activities, but unlike the majority of the other 67 counties, the Clerk does not have financial accounting/reporting responsibilities, which have been transferred to the Mayor.

A number of traditional City activities are operated by independent authorities and/or Commissions.

Jacksonville Aviation Authority (JAA)

JEA (electric, water and wastewater utilities)

Jacksonville Port Authority (JPA)

Jacksonville Transportation Authority, (JTA) (which also operates the mass transit system)

Water Sewer Expansion Authority (WSEA)

Jacksonville Children's Commission

Jacksonville Economic Development Commission (which also operates the City/county CRA districts)

Jacksonville Public Library

Each of the Authority/Commission is subject to annual budget submission to/approval by the City Council.

CHALLENGES/CONCERNS

As the City addresses the various demands of growth/changes, it is equally important that it identify the challenges the community will face over the next three to five years.

Turbulent Financial Times

The last several years have placed significant challenges both on local government(s) in Florida and across the country.

First, as an outgrowth of the 2006 Florida gubernatorial election, the new governor and the speaker of the Florida House set out to roll back property tax, the principal revenue of local government – City, County and (County) School Boards. During the 2007 legislative session, a) the State required a 3%,5%,7% or 9% millage rollback based on the level of property tax revenue growth for the period 2001 through 2006, and b) provided for a constitutional amendment (on the January 29, 2008 Presidential primary ballot) which would create:

- A second \$25,000 homestead exemption/targeted at the 3rd \$25,000 of value (between \$50,001 and \$75,000)
- A Tangible personal property exemption of \$25,000
- Portability of the 1993 “Save Our Homes” advantages when selling and buying a home and;
- A 10% taxable value growth limitation on non-homestead properties, beginning in 2009-10

The City argued that based on a 1993 local “advisory” referendum, the City millage had dropped from 11.31 mils in 1995 to 9.64 mils in 2007 and that the City of Jacksonville/County of Duval (the City) had not been guilty of abusing its taxpayers during this period of dramatic property value increases.

Nevertheless, it became clear that the City would be caught up in the sweeping net of change likely arising out of both the statutory required rollback (in which the City fell into the 3% - least required rollback) and the constitutional amendment (which while passing by the required 60% approval rate state-wide, failed in Duval County at 47%). With his 2007-2008 budget, the Mayor’s understanding of the state-wide situation led the City to reassess its possible underutilized local revenue options. The Mayor proposed a phased implementation of three (3) new fees:

Effective

April 2008	A franchise fee at 3.0% (although available up to 6.0%) on electric, water and sewer utilities
April 2008	A residential solid waste fee at \$3.00 per month (increasing by \$1.00 each October until it reaches \$12.00)
June 2008	A stormwater utility fee (based on impervious surface and an Equivalent Residential Unit (ERU) measurement – initially at \$5.00 per ERU.

While these new fees provided only partial relief in 2007-2008, a full year’s benefit for 2008-2009 was \$37.5, \$11.3 and \$29.0 million respectively.

Second, the 2007-2009 global economic down turn has resulted in significant revenue contraction on several of the City’s principal revenue sources. Property tax, which represents 50% of the City’s General Fund revenue and sales tax revenue with its impact on the ½ cent sales tax, City revenue sharing and county revenue sharing (from the State) represent an additional 15% of the General Fund. Separately, the Better Jacksonville (Capital Bond related) Programs was further impacted by the 11.44% and 10.38% reduction in the ½ cent sales tax streams over the three year period.

The States’ “Truth in Millage” statute provides for a rollback of the property tax millage to provide the same revenue received last year with an exception for new construction which is held separate from the rollback calculation. For the majority of the State, since implemented in the late 1970’s through 2008-2009, the rollback has always been a downward impact. For 2009-2010, probably 2010-2011 and possibly 2011-2012, the rollback will likely be a rollup. For 2009-2010, the 8.4841 millage rate (which was held flat for 2008-2009 after the 3.0% adjustment in 2007-2008) rolled up to 9.2727 mils. While this adjustment produced no new revenue, it was initially seen and politically reacted to as a tax increase. The Mayor proposed a rate of 9.5 millage rate but the City Council ultimately approved on the rollback rate of 9.2727 mils.

Budget and actual revenue derived from sales tax for 2007-2008, 2008-2009 and clearly 2009-2010 have had to be adjusted in light of economic market challenges.

Sales Tax Related General Fund Revenues
(In millions)

<u>Fiscal Year</u>	<u>Original Budget</u>	<u>Actual Received</u>
2005-2006	\$132.1	\$134.8
2006-2007	153.1	143.8
2007-2008	155.5	134.2
2008-2009	144.3	122.3
2009-2010	122.3	N/A

During the same trouble period, the City has been able to address and manage its General Fund budgetary process in a manner to add to the City’s available reserves by \$ 43.5 million.

<u>Fiscal Year</u>	<u>Increase In Reserves</u> (In millions)
2005-2006	\$17.8
2006-2007	4.8
2007-2008	14.1
2008-2009	6.8

Budgetary Challenges

Since September 11, 2001 Jacksonville, like most local governments, has seen an increased emphasis on assuring that the City's Public Safety (Sheriff/Police and Fire/Rescue) operational requirements are met. The following schedule illustrates these changes:

	<u>FY 2001</u>	<u>FY 2009</u>	<u>% Change</u>
Sheriff:			
Staffing	2,674	3,191	19.3%
Budget (in millions)	\$193.4	\$344.6	78.2%
Fire Rescue			
Staffing	1,076	1,333	23.9%
Budget (in millions)	\$ 86.5	\$159.1	83.9%

During the same period, the non-public safety operations (e.g. public works, parks and recreation, etc.) other than the Library systems, have been reduced significantly. The Library system, which opened 2 new regional libraries, 16 new or remodeled branch libraries and the new 297,000 square foot Main Library (in 2005), represents the only non public safety department to experience material growth. The following schedules reflect these changes.

	<u>FY 2001</u>	<u>FY 2009</u>	<u>% Change</u>
Library System			
Staffing	204	368	80.4%
Budget (in millions)	\$14.8	\$38.8	162.2%
Other non-public safety			
Staffing	2,396	1,551	(35.3%)
Budget (in millions)	\$195.1	173.5	(11.1%)

2008-2009 Budget Development

In December 2007, the Mayor initiated a 150 member citizen commission *The Jacksonville Journey* to address the City's violent crime problem. The commission produced a multi-faceted, multi-year phased strategy involving the City, the School Board (an independent elected body), the criminal justice system (a state-run operation) and the social service community. Upon receipt of the proposal, the Mayor's Office needed to address the City's appropriate role. The Mayor's 2008-2009 budget proposal included:

	<u>Millions</u>
Increasing police presence and crime elimination	\$13.6
Containing kids in after-school facilities, summer programs and out of school suspension centers	15.7
Focus on felon re-entry	<u>1.5</u>
Total	\$30.8

2009-2010 Budget Development

The budgetary process faced several significant challenges:

- The City's first drop in property value in twenty-seven (27) years, and the issues related to a rollback/rollup
- Significant reductions in sales tax related revenues (both general fund and BJP).
- Material increases in pension contribution, related to the October 1, 2008 actuarial report and the material investment losses during the 2007-2008 fiscal year
- Phase II implementation cost for the Journey initiative
- Need to negotiate with all of the City's thirteen (13) bargaining units, effective October 1, 2009

The Mayor proposed a zero salary increase across the board and the City Council adjusted the final budget to anticipate a 3.0% cut in salary plus other cuts in salary related costs.

In order to negotiate in good faith with the bargaining units, the City created a non-departmental negative contingency of \$20.7 million with a counterbalancing \$9.5 million cushion leaving a potential for a negative \$11.2 million outcome, all other things being equal. The level of salary reductions and timing therefore could further offset this possible negative outcome and use of operating services.

Better Jacksonville Program

As of October 1, 2008, the City had active capital projects anticipating future borrowing of \$300 million, a serious negative trend on each of the two pledged revenues (both the Transportation and Infrastructure Programs) and a change of status on the bond ratings from stable to negative outlook. The rating (Aa3, AA-, AA), the long term need/desire to maintain the Aa/AA category status and the related market access (concerns) in all market circumstances, caused the City to consider alternatives to meeting its capital program needs. Based on an assumption of three \$100 million borrowing(s) over three years, a strategy was developed and implemented to substitute a General Fund covenant pledge while anticipating use of a junior lien infrastructure ½ cent sales tax revenue to pay the debt service on the covenant bonds.

Pension Benefit Reform/Labor Relations

Related to the October 1, 2008 actuarial reports, analysis of projected future required contributions and a review of the 10 year history of required employer contribution, the Mayor initiated a review of the sustainability of the current pension benefit package. The concern over benefit levels correlated inversely to the funded status of the 3 pension plans:

	<u>Employer Contribution</u> (as a percentage of pay)	
	<u>FY 2009</u>	<u>FY 2010</u>
Police & Fire	32.11%	49.60%
Corrections	17.16%	31.78%
General Employee	10.43%	13.50%

Historically, while the Florida Constitutional grants both management and labor a right to negotiate pension benefits, the City has addressed benefit changes off-cycle or separate from the bargaining process. For the contract term starting October 1, 2009, the City has proposed reduced benefits for new employees hired after a date (to be determined). If successful, the resulting benefit package is still expected to be reasonable, fair and competitive in the northeast Florida marketplace and result in future contribution savings (over a 35 year period) of more than \$1.5 billion.

State and Federal Imposed Mandates

During the 1980's the State, like the federal government, elected to solve problems by imposing mandates on local government. The use of mandates effectively allows legislators to report that they have addressed and solved an issue, but relieves them of the often-unpopular obligation to finance or provide new revenue sources for the mandate. Local governments, who often support the resolution of the problem, have found it increasingly difficult to implement mandates without broadened revenue flexibility or without negatively affecting operating and capital agendas.

On November 6, 1990, the voters of Florida passed an amendment to the state constitution to limit the state legislature's ability to pass unfunded mandate that impose burdens upon local governments. A 2/3 majority of both chambers is now necessary to approve an unfunded mandate.

Capital Improvement Program (CIP) and Debt Affordability Model

The City annually approved a 5-year Capital Improvement Program (CIP) which anticipates a specific level of borrowing and is therefore designed to be financially feasible. Concurrent with the submission of the five- year CIP, the City reviews it's Debt Affordability Model which a) looks backward 5 years to compare history, b) measures the City's performance against self-imposed ratio targets and maximum/minimum limits, c) compares the City to national Aa/AA category norms and d) projects the City's performance within targets/limits for the next 5 years.

Pollution Remediation and Ash Site Settlement

During 2004-2005, the City was able to settle a long standing class action suit regarding land value diminution and personal injury that arose out of a Solid Waste practice prior to the early 1970's Solid Waste produced incinerator ash and used it as a fill when mixed with soil in low lying areas. The City agreed to pay \$25 million and to allow the plaintiffs to pursue the City's then-insurance providers related thereto. While temporarily financing the cost on a variable rate basis, the City will issue a combination of fixed and variable debt and amortize the \$25 million on a thirteen (13) year period.

Related thereto, the City also negotiated (and finalized a settlement agreement in Fall 2007) with the U.S. Environmental Protection Agency (EPA) regarding clean-up which will involve removing 2 feet of soil around the homes and related park land, putting down a mesh and replacing the removed top cover with new soil in an area of 1,300 or more homes. The current estimate for remediation of the ash sites and other remediation of approximately \$153.6 million is accrued as a liability at the end of 2009. \$135.9 million funding has been identified in the 2009-2014 Capital Improvement Program (CIP), with another \$17.6 million to be budgeted by the CIP beyond that.

Growth Management

As previously discussed, the State adopted the Growth Management Planning Act which requires local governments to develop a five-year plan, to install infrastructure support systems needed for growth and to maintain the types and quality of services presently being provided. The alternatives are to (a) adjust the service delivery standard; or (b) implement a mandatory moratorium on the issuance of new building permits. Each community is allowed to establish and periodically revisit its infrastructure and service delivery standards. However, the concept of a financeable five-year plan for both capital and service delivery projects, which will not involve periodically diminished standards, may require additional (statutorily authorized) flexibility in local revenue options and a constructive atmosphere of state and local government cooperation/collective effort.

New flexible revenue options will be essential in meeting the service and service delivery support systems needs of state and local government. Delays in providing for new revenue flexibility, in light of the strictly defined Growth Management Planning Act, could become a major inhibitor to growth projected for the state, MSA and City. More importantly, our ability to maintain the quality of life that we have traditionally enjoyed may be critically impaired. While cities and counties require the tools necessary to plan for and meet the challenges of growth, local officials are not asking the State to impose a new tax. Rather, they are asking state legislators to simply broaden local governments' horizon by authorizing new permissive revenue options for discretionary use.

Transportation

The Metroplan Jacksonville 2030 Long Range Transportation Plan Update has indicated that the 2006-2030 needs of Northeast Florida for an improved transportation network are projected to cost in excess of \$6.3 billion to meet a 38% increase in vehicle miles traveled in the region. Regional projected revenues over this 25 year period are expected to fund approximately \$3.3 billion, leaving a gap of \$3 billion. Even with such expenditures, there are no guarantees that the quality of transportation and, thus, the quality of life, would not deteriorate further.

MAJOR INITIATIVES/PROGRAMS:

Mayor John Peyton's Initiatives: Three Priorities

Mayor John Peyton has designated three focus areas as top priorities for his administration. These are the areas that will most affect Jacksonville's continued development and the taxpayers' quality of life.

1) Increased Public Safety

Amid growing concern for the safety of families and business owners in Jacksonville and an increasing crime rate, Mayor Peyton identified public safety as his number one priority. In 2009, he continued leadership of *The Jacksonville Journey: Take a Step*, a comprehensive, communitywide, anti-crime initiative that he initiated in December 2007. As a result of the mayor's budget recommendations to the Jacksonville City Council, \$43 million in funding was secured specifically for *Journey* programs in the last two years, representing a continuation of one of the largest public-safety investments in Jacksonville's history.

During its first year, the members of *The Jacksonville Journey* were charged with the task of developing a plan to end the trend of violent crime in Jacksonville. The roadmap they developed was the first step in a long-term process that will lead to a safer, more secure future for Jacksonville. The second year has focused on the plan's implementation.

In late 2008, the mayor participated in the selection of the *Jacksonville Journey* Oversight Committee which is now monitoring the implementation and success of *Journey*-funded programs. This groundbreaking initiative has seen progress on many fronts. According to the Sheriff's Office, Jacksonville had 16 fewer murders in 2009 than the year before, nearly a 14 percent reduction. In addition, out-of-school suspension rates have dropped by 71 percent. *The Jacksonville Journey* oversight committee continues to ask the tough questions, hold programs accountable and recommend changes when needed. *The Jacksonville Journey* is a work in progress, and it is employing methods that are proven to dismantle the cradle-to-prison pipeline: education, law enforcement, intervention, neighborhood safety and youth development.

2) Protection of the St. Johns River

The St. Johns River is a vital resource directly impacting the economy, culture, history and environment of Jacksonville and its surrounding areas, and as such, it is a natural resource that Mayor Peyton is fully committed to safeguarding. In 2009, great strides were made toward the mayor's goals as set forth in the River Accord alliance entered into in 2006, an agreement outlining \$700 million in investments to be made by the city and its partners over a ten-year period.

The Lower St. Johns River Basin Management Action Plan was finalized by the Total Maximum Daily Load (TMDL) Executive Committee. The city has been an active member on this committee since its inception, and provides input on actions needed to reach collective goals. The plan offers the framework for project implementation to meet target levels necessary to restore river health.

Plan components are in place to improve water quality through stormwater management, runoff restrictions, pollution discharge elimination, quality monitoring, reuse, credit trading and septic tank phase-out. In July 2008, the mayor signed bills enacting strict management practices for fertilizer application and restrictions on landscape irrigation, thereby limiting the amount of nutrient runoff allowed to flow into the river. Public education efforts and best management practices relating to these two bills were instituted in 2009.

In 2007, the City of Jacksonville authorized the implementation of the Jacksonville Stormwater Utility. This dedicated stormwater funding source, which began operations in 2008, enables the City to directly manage and reliably prioritize and implement projects, programs and services associated with the City's stormwater management system.

The stormwater utility generates revenue that is dedicated to meeting new and existing stormwater requirements and to improving Jacksonville's water system, including one of the City's greatest assets—the St. Johns River. This entity is responsible for the assessment and collection of a stormwater fee applied to residential and non-residential properties based on the parcel's impervious area, and the administration of those funds to implement stormwater management projects. Since its creation, the utility has generated \$37 million to fund the maintenance of 44,000 inlets, 1,000 miles of stormwater pipes, 6,000 miles of ditches, 134 City ponds and 8 pump stations. It has also funded the construction of \$8.5 million in City-wide drainage system rehabilitation projects.

In addition to improving water quality, another aspect of the mayor's focus on the river is increasing access. Increased access promotes awareness and support for conservation and quality-improvement practices. Access projects continued in 2009, and will continue through 2010. The projects address weekend access, park improvements, the addition of boat ramps and marina retention. During the remainder of the mayor's term, the City will invest more than \$30 million in access projects to develop miles of trails, boat docks, fishing piers, water taxi landings and improved access at various parks and preserves throughout the county.

3) Economic Growth

Economic development has long been one of Mayor Peyton's top goals, with an emphasis on creating jobs and working with the Jacksonville Regional Chamber of Commerce, the Jacksonville Economic Development Commission, the Jacksonville Port Authority and other organizations to recruit new members into Jacksonville's business community. As a result, 2009 marked several milestone developments in the area of economic growth.

Projects such as the expansion of JAXPORT and Cecil Commerce Center will bring new jobs and have an enormous economic impact on Northeast Florida. Current activities at the port support more than 50,000 jobs in the region and inject \$3 billion into our economy annually. Port-related development will bring approximately 25,000-50,000 additional jobs to Jacksonville in the next decade. And with more corporations making Cecil Commerce their home, the complex continues to grow its reputation as a distribution, industrial and aviation hub.

International banking giant Deutsche Bank opened a major financial center in Jacksonville that initially provided 400 jobs, and will employ approximately 1,000 people by the end of 2011.

Alenia Corporation, an Italian industrial manufacturer, announced its plans to move to Cecil Commerce Center as the complex's first aircraft manufacturing company. This move will bring \$42 million in equipment, technology and infrastructure investments and another \$65 million in new construction.

Jacksonville made huge gains in port-related growth in 2009. July 2008 welcomed the first Mitsui O.S.K. Lines container vessels into the newly completed TraPac terminal. This line and Korean-owned Hanjin Shipping Company, which came to an agreement with the City later in 2008, will facilitate increased container traffic between Asia and Jacksonville following the Panama Canal widening (on schedule for 2014). Like Mitsui O.S.K. Lines, Hanjin will bring with it an additional 5,600 new jobs and make an impact of approximately \$1 billion on Jacksonville's economy.

Through continued legislation and cooperation with military leaders, the mayor actively supports Jacksonville's sizeable military presence, one that contributes an excess of \$8 billion to the local economy

each year. He has worked continually with government and military administrators to promote the full utilization of Mayport and to gain the funding necessary to support it as a nuclear-capable port. The Navy has committed to make Naval Station Mayport the permanent homeport for a nuclear-powered aircraft carrier. This partnership equates to an additional 3,200 personnel and \$460 million in infrastructure improvements for the base.

In the wake of national economic instability, Mayor Peyton continues to work diligently toward economic development, including job creation for the citizens of Jacksonville. In a period when many municipalities are preparing themselves for economic survival, Jacksonville has positioned itself for growth.

CAPITAL PROJECTS

Better Jacksonville Plan - Update

As previously indicated, the City's \$2.252 billion Better Jacksonville Plan (BJP) was approved by the voters and budgeted in 2000. The following schedule reflects some of the major non-transportation related projects:

Vertical Projects (<i>in millions</i>)	Adjusted Budget	Expenditures			Remaining Budget Balance
		All Prior Years Expense	Current Year Expense	All Years Expense	
Arena	129.3	128.0	0.0	128.0	1.3
Baseball Stadium	33.8	33.8	0.0	33.8	0.0
Equestrian Center	14.9	14.9	0.0	14.9	0.0
New Main Library	93.0	92.3	0.0	92.3	0.7
Other Library Projects	56.2	55.3	0.0	55.3	0.9
Court house	210.1	68.1	32.3	100.4	109.7
Septic Tank Removal	75.0	71.3	1.5	72.8	2.2
Parks & Recreation Projects	100.6	84.6	4.6	89.2	11.4
Economic Development	30.8	21.5	1.7	23.2	7.6
	<u>743.7</u>	<u>569.8</u>	<u>40.1</u>	<u>609.9</u>	<u>133.8</u>

Transportation Projects (<i>in millions</i>)	Adjusted Budget	Expenditures			Remaining Budget Balance
		All Prior Years Expense	Current Year Expense	All Years Expense	
Beach Blvd Intercoastal Bridge	78.0	51.4	14.9	66.3	11.7
Kernan Blvd Improvements	92.0	76.8	(6.7)	70.1	21.9
Brannan Field-Chaffee Rd	77.7	34.7	4.8	39.5	38.2
Heckscher @ 9A Improvements	48.0	7.5	4.0	11.5	36.5
Argyle Forest Blvd Improvements	39.0	30.3	-	30.3	8.7
East-West Industrial Corridor	26.2	19.9	5.7	25.6	0.6
Cecil Field Roads and Drainage	25.0	24.9	(1.0)	23.9	1.1
St. Augustine Road	26.1	24.6	0.7	25.3	0.8
Shindler Road Improvements	22.4	2.4	2.0	4.4	18.0
Broward Rd Improvements	20.3	2.1	5.1	7.2	13.1
County-wide Road Resurfacing	132.2	114.8	8.6	123.4	8.8
Drainage System Improvements	98.7	86.3	5.1	91.4	7.3
Intersection & Bridge Improvements	23.9	23.6	0.1	23.7	0.2
Sidewalks and Bike Lanes-Countywide	20.0	19.7	0.3	20.0	-
Other Road Improvement Projects	427.2	181.1	106.6	287.7	139.5
Other JTA Transportation Projects	349.8	232.2	112.4	344.6	5.2
	<u>1,506.5</u>	<u>932.3</u>	<u>262.6</u>	<u>1,194.9</u>	<u>311.6</u>

BUSINESS ACTIVITIES

In addition to the Major Business Unit (Solid Waste) the following schedule reflects the level of activities, operations and debt service picture for the City's cultural and entertainment facilities.

	MAJOR		NON-MAJOR			
	Jacksonville Municipal Stadium	Veterans Memorial Arena	Baseball Stadium	Performing Arts	Convention Center	Equestrian Center
Seating capacity	75,000	15,000	10,000	4,000	4,000	4,000
Number of events	158	97	93	278	204	84
Attendees	726,240	411,691	595,093	284,422	147,889	40,143
<u>Revenues</u>						
Rent	4,305,771	820,890	126,084	490,187	638,981	100,503
Concessions	903,851	823,817	18,546	248,411	165,981	19,578
Event related reimbursement	3,536,010	4,703,542	339,523	1,750,360	767,467	301,542
Other	320,406	631,878	38,994	(61,088)	182,921	42,628
Operating Total Revenue	9,066,038	6,980,127	523,147	2,427,870	1,755,350	464,251
<u>Expenses</u>						
Event related	2,821,014	2,051,347	163,080	990,540	401,732	64,446
Operating (excluding depreciations)	8,345,312	5,194,955	1,191,043	2,254,470	3,289,394	1,082,410
Operating Total Expenses	11,166,326	7,246,302	1,354,123	3,245,010	3,691,126	1,146,856
<u>Operating Subsidy/Uses of Net Assets</u>						
Arena	99,121	(605,710)	187,510	258,724	0	60,355
Convention Center	882,074	0	0	0	(882,074)	0
Net Assets	0	871,885	0	0	1,813,536	0
	981,195	266,175	187,510	258,724	931,462	60,355
<u>Net Operating Surplus/Deficits</u>	(1,119,093)	0	(643,466)	(558,416)	(1,004,314)	(622,250)
<u>Net General Fund</u>						
<u>Operating Subsidy</u>	1,119,093	0	643,466	558,416	0	622,250
<u>Debt Service (D/S)</u>						
Expense (P&I)	11,390,088	8,125,105	2,146,768	51,879	3,362,000	103,807
<u>Revenues</u>						
Tourist Development Tax	4,675,449	0	0	0	0	0
Convention Dev. Tax	0	0	0	0	4,366,314	0
Better Jacksonville Plan		8,125,105	2,146,768	0	0	0
State Sales Tax Recapture	1,833,337	0	0	0	0	0
Total Revenue	6,508,786	8,125,105	2,146,768	0	4,366,314	0
<u>D/S Subsidy</u>						
General Fund	4,881,302	0	0	51,879	0	103,807
Operating and Debt Service subsidy	6,000,395	0	643,466	610,295	0	726,057
Total subsidy						7,980,213

*Excess Tourist Development, attributed to the Convention Center, can be used for debt service and operation support

The Non-Major funds are combined with other enterprise funds in the Fund Statement and shown in detail in the Combining Statement - Enterprise Fund activities.

OTHER FINANCIAL INFORMATION:

Debt Administration

The City's sound financial condition is evidenced by the continuation of its long-held high-grade bond ratings on indebtedness from the major credit rating services.

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
<u>General Government</u>			
Issuer Credit Rating (IRC)	Aa2	AA	AA
Excise Tax Revenue Bonds	Aa3	A+	AA
Local Government Half-cent Sales Tax Bonds	Aa3	AA-	AA
Guaranteed Entitlement Revenue Bonds	A2	A	AA-
Capital Improvement Revenue Bonds	A1	n/a	AA-
Capital Projects Revenue Bonds	A1	n/a	A+
Special Revenue Bonds	Aa3	AA-	AA-

Special Program

Better Jacksonville Plan			
Sales Tax Bonds	Aa3	AA-	AA
Transportation Bonds	Aa3	AA-	AA

Component Units

JEA			
Electric	Aa2	AA-	AA-
Water & Sewer	Aa3	AA-	AA
St. John's River Power Park (SJRPP)	Aa2	AA-	AA-
Bulk Power	Aa2	AA-	AA-
JAA	A3	A-	A
JPA	A2	n/a	A

Reference to Management, Discussion, and Analysis (MD&A)

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Jacksonville's MD&A can be found immediately following the report of the independent certified public accountants.

GENERAL INFORMATION

Accounting

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by generally accepted governmental accounting principles, and the number of individual funds established is determined by sound financial administration and statutory and ordinance requirements of the Council.

Budgeting

Detailed provisions regulating the City's budget, tax levies and appropriations are set in Florida Law in the City Charter and in the City's Ordinance Code. The mayor is required to submit a proposed budget to Council by the second Tuesday in July of each year. The mayor's Proposed Budget is to comply with state and local legal requirements for a balanced financial plan of operation for the government's upcoming fiscal year. The Mayor's Proposed Budget identifies revenues and other financial resources which are anticipated to be available for appropriations, makes recommendations for appropriations, expenditures and uses of financial resources, and otherwise presents concise policy direction and guidance for the continuing financial operation of the City. Prior to the beginning of each new fiscal year, the Council adopts, by ordinance, a balanced budget which contains estimated revenues and other financing sources, appropriations, authorizations of full time positions and temporary employee hours, and any amendments to the Ordinance Code which relate to the annual budget.

Reporting Entity

The financial reporting entity includes all funds of the primary government (Consolidated Government City of Jacksonville/Duval County), as well as all of its component units. Component units are legally separate organizations for which the City is financially accountable and, for financial statement purposes, are either blended with the activities of the City or discretely presented. The criteria used to determine whether an organization should be a part of the City of Jacksonville's reporting entity are outlined in note one (1).

Report Format

The Comprehensive Annual Financial Report is presented in three sections: (1) the Introductory Section includes general information about the City and summarizes financial activity for the fiscal year; (2) the Financial Section includes the Independent Certified Public Accountants Report on the City's Basic Financial Statements, Management's Discussion and Analysis, the Basic Financial Statements, Notes to Financial Statements, Required Supplementary Information, and the Combining and Individual Fund Financial Statements and Schedules; and (3) the Statistical Section, containing un-audited financial and other data of an economic, financial and demographic nature for prior and current years. The Notes to Financial Statements, in the financial section, are necessary for an understanding of the information included in the statements. They include the summary of significant accounting policies and other necessary disclosures of matters relating to the financial position of the City.

Independent Audit

The Report fulfills the requirements set forth in the City Charter, Section 5.11; Chapter 166.241, Florida Statutes and Chapter 10.550 Rules of the Florida Auditor General, requiring publication of basic financial statements which have been audited by independent auditors. The independent auditor's report is presented as the first component of the financial section of this report. The financial statements of certain component units were audited by other auditors as described in the Ernst & Young LLP audit opinion.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jacksonville for its comprehensive annual financial report for the fiscal year ended September 30, 2008. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for the preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid one year only. The City of Jacksonville has received this Certificate for twenty-nine consecutive years (fiscal years 1980 through 2008). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for their review.

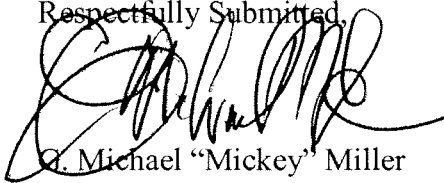
Use of the Report and Acknowledgments

The extensive effort of preparation and distribution of this report fulfills the Department of Finance's goal of full disclosure of the City's finances. We are committed to issuing reports that are informative and meet the highest standards of governmental accounting and financial reporting. Reports that meet these standards provide the reader with an opportunity to make more informed judgments about the government's financial position and changes in financial position.

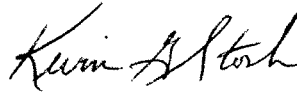
The 2009 Comprehensive Annual Financial Report represents our commitment to this goal and could not have been prepared without the efficient and dedicated efforts of the entire staff of the Department of Finance (Accounting, Budget, Risk Management and Treasury Divisions), who devoted many hours to compiling and assembling the report. We also wish to express our appreciation to all other City personnel who have contributed to its preparation. In addition, we thank the City's independent certified public accountants, Ernst & Young LLP and the Office of the Council Auditor, for their efforts and professional conduct throughout the audit engagement.

Special acknowledgment is due Mayor John Peyton, Council President Richard Clark, and Council Member Stephen Joost, Finance Committee Chair, and the remaining members of the City Council, for their strong and effective leadership and continued support in the coordination and planning of the financial affairs of the City of Jacksonville in a responsible and progressive manner.

Respectfully Submitted,



G. Michael "Mickey" Miller
CPA, CGFO, CIA, CGFM
Chief Financial Officer
Department of Finance



Kevin G. Stork, CGFM
City Comptroller
Chief, Accounting Division
Department of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jacksonville
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

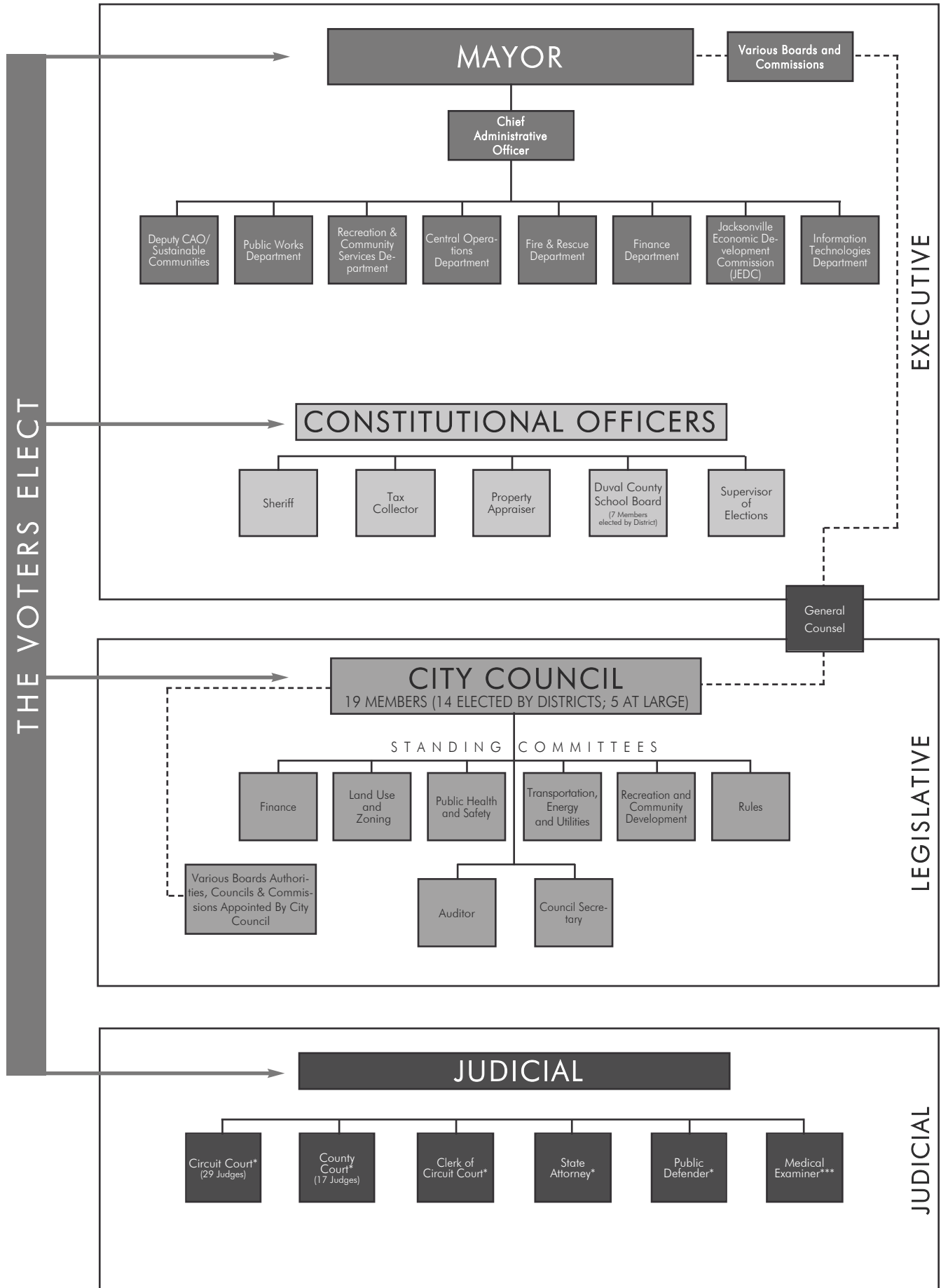


President

Executive Director

ORGANIZATIONAL CHART

CITY OF JACKSONVILLE, FLORIDA



City of Jacksonville, Florida

City Officers and Constitutional Officeholders

John Peyton, Mayor

City Officers

Adam Hollingsworth	Chief of Staff
Alan Mosley	Chief Administrative Officer
Roslyn Mixon-Phillips.....	Chief Community Officer
Misty Skipper.....	Director of Communications
Pamela Markham	Inspector General
Kerri Stewart	Deputy Chief Administrative Officer
Rick Mullaney, Esq.	General Counsel
G. Michael Miller, CPA, CGFO, CGFM, CIA.....	Chief Financial Officer & Dir. Finance
Devin Reed, Esq.	Director, Central Operations
Roslyn Mixon-Phillips.....	Director, Recreation and Community Services
Daniel A. Kleman	Director, Fire and Rescue
Dr. Robert Harmon.....	Public Health Administrator
Kevin Holzendorf	Director & Chief, Information Technology Department
Joey Duncan	Director, Public Works
Ebenezer Gujjarlapudi	Director, Environmental Resource Management
William Killingsworth	Director, Planning and Development
Wight Greger	Director, Housing and Neighborhoods
Kevin G. Stork, CGFM.....	Comptroller
Michael R. Givens, CPA	Treasurer
Kent R. Olson, CGFO.....	Budget Officer

Constitutional Officeholders

Jim Fuller.....	Clerk of Circuit Court
Jim Overton	Property Appraiser
John Rutherford	Sheriff
Jerry Holland	Supervisor of Elections
Mike Hogan.....	Tax Collector

City of Jacksonville, Florida

City Council Officials and Staff

City Council

President of CouncilRichard Clark
Vice President of CouncilJohn D. “Jack” Webb

District 1 — Clay Yarborough	District 8 — E. Denise Lee
District 2 — William Bishop	District 9 — Warren A. Jones
District 3 — Richard Clark	District 10 — Reginald L. Brown
District 4 — Don Redman	District 11 — Ray Holt
District 5 — Art Shad	District 12 — Daniel J. Davis
District 6 — John D. “Jack” Webb	District 13 — Vacant
District 7 — Dr. Johnny Gaffney	District 14 — Michael Corrigan

Group 1 At-Large — Ronnie Fussell
Group 2 At-Large — John R. Crescimbeni
Group 3 At-Large — Stephen C. Joost
Group 4 At-Large — Kevin Hyde
Group 5 At-Large — Glorious J. Johnson

Council Staff

Kirk Sherman, CPA Council Auditor
Cheryl Brown Director/Council Secretary
Kristi Sikes Chief of Administrative Services
Dana Farris Chief of Legislative Services
Jeff Clements Chief of Research



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FINANCIAL SECTION

Report of Independent Certified Public Accountants

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the City), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the Jacksonville Retirement System pension trust fiduciary fund included in the accompanying combining individual fund statements and schedules for the year ended September 30, 2009. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jacksonville Port Authority, Jacksonville Transportation Authority, and Downtown Vision, Inc., which collectively represent 14%, 23%, and 12%, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. In addition, we did not audit the financial statements of the Police and Fire Pension Plan Trust Fund, which represents 37% and 34%, respectively, of the assets and net assets of the pension trust funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units and the pension trust fund, are based solely on the reports of the other auditors. The prior year summarized comparative information has been derived from the City's 2008 financial statements and, in our report dated May 6, 2009, which refers to the reports of other auditors, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the City's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion.

An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major



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fund, and the aggregate remaining fund information of the City as of September 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jacksonville Retirement System pension trust fiduciary fund of the City as of September 30, 2009, and the changes in financial position thereof for the year then ended in conformity with US generally accepted accounting principles.

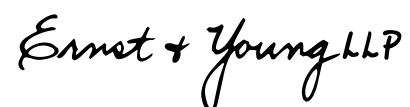
As discussed in Note 1 R. to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 54 related to fund balance reporting.

As discussed in Note 15 D. to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 49 related to pollution remediation obligations.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2010, on our consideration of the City'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, and the schedules of employer contributions and funding progress listed under required supplementary information on pages 6 through 20 and 152 through 159 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information presented in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

March 24, 2010



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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Jacksonville's discussion and analysis is designed to provide an objective and easy to read overview of the City's financial activities, with a focus on significant financial issues, as well as identify material deviations from the financial plan (the approved budget), identify changes in the City's financial position (its ability to address the next and subsequent year challenges), and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts. The information contained within this MD&A should be considered only a part of the entire report.

Financial Highlights

- Capital assets were \$2.9 billion on September 30, 2009, a \$170 million, 5.8% increase over last fiscal year.
- Property tax revenues experienced a \$3 million, 1% decrease. Capital grants and contributions decreased \$3.8 million. A decrease of \$17.4 million occurred in sales and tourist taxes as well as an \$18 million decrease in intergovernmental revenues.
- Increases in governmental activities expenses were net \$27.5 million or 3%. The major portion of the increase of \$38.3 million occurred in transportation, additional expense increases occurred with \$7.5 million in general government, \$5.9 million in human services, and \$16.2 million in public safety. These expense increases were offset by decreases in expenses for interest on long term debt and economic & physical environment of \$43.3 million.
- The City continues to maintain a \$44 million emergency reserve.
- The City's general fund operations had total revenues of \$959 million a 2.3% increase over fiscal year 2008.

Additional information that explains these financial highlights may be found on pages 13, 16, and 17 of this MD&A.

City Highlights

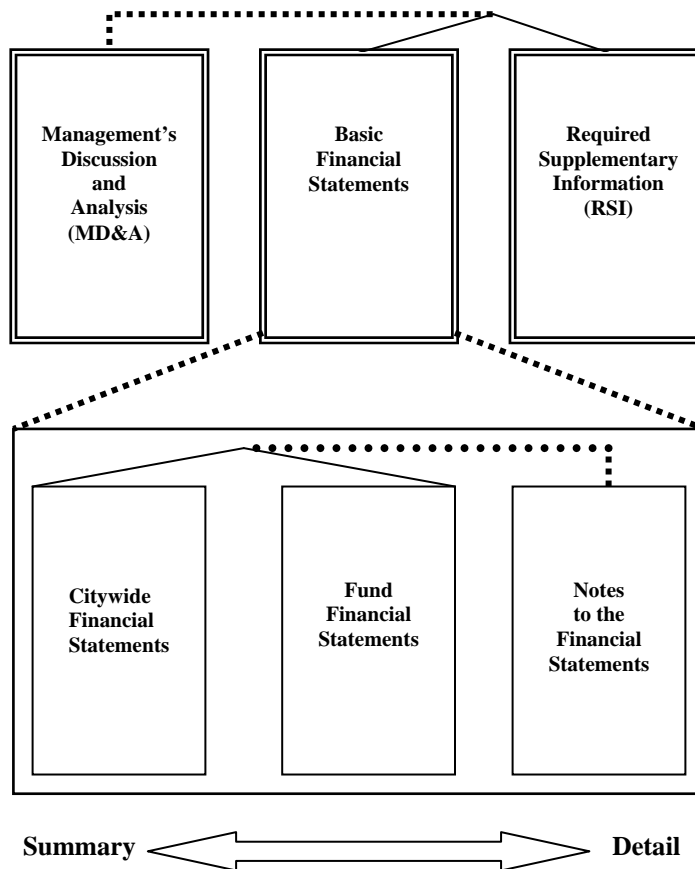
- Fiscal year 2008-2009 was the second year of Governor/Speaker of the House state imposed property tax rollback/restructure which involved both legislative and constitutional amendment required actions.
- In light of the actions in Tallahassee and an identified need to diversify the City revenue base, the mayor introduced, and the City Council approved, three new fees common around the state but historically not used in the City:
 - A 3% franchise fee on electric, water and sewer
 - A \$3 residential solid waste fee
 - A \$5 per equivalent residential unit (ERU) stormwater feeThe three fees were phased-in with partial impact in fiscal year 2007-2008 and a full year impact in fiscal year 2008-2009 with fees recorded in fiscal year 2009 of \$37.5 million, \$11.3 million and \$29 million, respectfully.
- To address the problem of violent crime, the mayor initiated a 150 member citizen commission to produce a multifaceted, multi-year phased-in action plan. Included in the 2008-2009 budget was a \$31 million program to a) get tougher on convicted criminals; (b) put more police on the street; (c) guide ex-offenders away from crime and toward self-sufficiency; and (d) to provide appropriate supervision and guidance for children in after-school programs and summer activities.
- In light of the January 1, 2009 property tax base contraction (a 6% reduction) the 2009-2010 millage rollback/rollup produced the first millage rate increase in 17 years to produce a revenue neutral result.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Jacksonville's basic financial statements. As indicated in the following graphic (Figure A-1), the City of Jacksonville's basic financial statements are comprised of three components: 1) citywide basic financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains supplementary and statistical information in addition to the basic financial statements themselves.

Figure A-1

COMPONENTS OF THE ANNUAL FINANCIAL REPORT



Citywide Basic Financial Statements

The citywide basic financial statements are designed to provide readers with a broad overview of the City of Jacksonville's finances, in a manner similar to a private-sector business.

The focus of the Statement of Net Assets is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long term obligations. The Statement of Activities distinguishes functions of the City of Jacksonville that are principally supported by taxes and intergovernmental revenues (governmental activities such as; police, fire, public works, recreation, and general administration) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities such as: solid waste, sports complex, motor vehicle, public parking and ferry operations).

Component Units, which are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the citywide statements. The City of Jacksonville's component units are as follows: JEA, Jacksonville Transportation Authority, Jacksonville Aviation Authority, Jacksonville Port Authority, Water Sewer Expansion Authority, Jacksonville Housing Finance Authority, Downtown Vision, Inc. and Jacksonville Economic Development Commission. JEA, Jacksonville Transportation Authority, Jacksonville Aviation Authority, Jacksonville Port Authority and Downtown Vision, Inc. publish separately issued financial statements. For more information, see footnote 1.B. The focus of the statements is on the primary government and the presentation allows the user to address the relationship with the Component Units.

The two statements (Statement of Net Assets and Statement of Activities) demonstrate how the City's net assets have changed. Increases or decreases in net assets are good indicators of whether the City's financial health is improving or deteriorating over time. Other non-financial factors such as changes in the City's property tax base are important considerations to assess the City's overall financial condition.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types, which provides detailed information about the most significant funds. The City of Jacksonville, like other state and local governments, uses funds to ensure and demonstrate compliance with financial requirements imposed by law, bond covenants and local administrative and legislative actions. All of the City's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

Since the focus of governmental funds is narrower than that of the citywide basic financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the citywide basic financial statements. This allows readers to better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Bonded Debt-Better Jacksonville Plan Obligations Fund, Bond Projects Fund, and Better Jacksonville Project Fund, all of which are considered to be major funds. Information from other non-major funds is combined into a single, aggregated presentation.

Proprietary Funds

Proprietary funds provide the same type of information as the business-type activities in the citywide basic financial statements, only in more detail. The proprietary fund financial statements can be found in the Fund Financial Statements section of this report.

The City of Jacksonville maintains two major types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the citywide basic financial statements. The City uses enterprise funds to report separate information on operations such as solid waste, which is a major fund and sports complex activities, motor vehicle, ferry operations, and public parking, which are non-major funds.

The internal service funds are used to account for activities that provide goods and services to the City's other programs and activities. Since the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the citywide basic financial statements.

Fiduciary Funds

The City of Jacksonville is the trustee, or fiduciary, for trusts such as the City employee's retirement plan. Because of a trust arrangement, these assets can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City of Jacksonville's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the citywide basic financial statements because the assets cannot be used to support or finance the City's programs or operations. The Fiduciary Funds Statement of Changes in Net Assets can be found in the Fund Financial Statement section of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the citywide and fund financial statements. The notes can be found as a part of the Basic Financial Statements section of this report.

Other Information

This report additionally includes required supplementary information (RSI) containing budgetary comparisons with related notes and the progress of the City's employee pension obligations.

The combined statements in connection with non-major governmental and enterprise funds, internal service funds, fiduciary funds and nonmajor component units are presented following the required supplementary information.

Additional statistical information is presented to give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit.

Economic data is presented to allow a broader understanding of the economic and social environment in which the city government operates.

CITYWIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of government's financial position.

As of September 30, 2009, the City of Jacksonville is able to report positive balances in overall net assets (See Table A-1).

Table A-1
Summary Statement of Net Assets
(In Thousands)
as of September 30, 2009 and September 30, 2008

	Governmental Activities		Business Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Cash and Investments	\$ 684,962	\$ 710,501	\$ 113,252	\$ 94,181	798,214	\$ 804,682
Other Current Assets	306,028	339,518	36,980	32,316	343,008	371,834
Capital Assets	2,480,672	2,310,411	436,791	436,848	2,917,463	2,747,259
Total assets	<u>3,471,662</u>	<u>3,360,430</u>	<u>587,023</u>	<u>563,345</u>	<u>4,058,685</u>	<u>3,923,775</u>
Current Liabilities	247,168	268,192	32,675	21,732	279,843	289,924
Long-term obligations	2,510,678	2,401,428	409,092	403,475	2,919,770	2,804,903
Total liabilities	<u>2,757,846</u>	<u>2,669,620</u>	<u>441,767</u>	<u>425,207</u>	<u>3,199,613</u>	<u>3,094,827</u>
Net assets						
Invested in capital assets, net of related debt	1,007,636	1,000,539	129,274	114,078	1,136,910	1,114,617
Restricted for:						
State and Federal Grants	52,938	40,979	-	-	52,938	40,979
Capital Projects	42,040	39,336	-	-	42,040	39,336
Permanent Fund non-expendable	123	123	-	-	123	123
Other	4,271	610	-	-	4,271	610
Unrestricted	<u>(393,192)</u>	<u>(390,777)</u>	<u>15,982</u>	<u>24,060</u>	<u>(377,210)</u>	<u>(366,717)</u>
Total net assets (deficit)	<u>\$ 713,816</u>	<u>\$ 690,810</u>	<u>\$ 145,256</u>	<u>\$ 138,138</u>	<u>\$ 859,072</u>	<u>\$ 828,948</u>

The largest portion of the City's net assets reflects its substantial capital assets, net of related debt. This displays the City's commitment to investing in assets that have useful lives in excess of the life of the debt issues used to finance the assets. The \$12 million increase in Restricted for State and Federal Grants in Table A-1 is reflective of decreases in expenses in the Housing Department due to a reduction in owner-occupied rehabilitation grant programs. The increase in capital assets in the 2009 governmental activity includes \$39 million from developer contributions for infrastructure assets.

The negative unrestricted net assets in the governmental activities is primarily due to non-asset related debt issued for various capital projects that belong to other entities, but the debt is a liability of the City. Some of the debt was issued under the Better Jacksonville Plan (BJP), which has a dedicated revenue sources for payment of the debt. See Note 18 for further discussion.

The City issued non-asset related debt:

- for the Jacksonville Transportation Authority for state highway projects within the City;
- for the Jacksonville Port Authority for their port terminal facilities;
- to finance improvements at Shands-Jacksonville – a large regional hospital serving the City's citizens, including its indigent population;
- to provide economic development incentives to entice developers to invest in the downtown and other targeted areas of the City, while using Tax Increment District funds to provide a dedicated revenue source for payment of the debt. (See Note 18 for further discussion.)
- For several other projects within the City, such as septic tank removals and sewer expansion and pollution remediation, etc.

On the following page, Table A-2 provides a summary comparison of the City's operations for the 2008 and 2009 fiscal year ends. .

Table A-2
Statement of Activities
(In Thousands)
as of September 30, 2009 and September 30, 2008

	Governmental Activities		Business Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Fines & charges for services	\$ 125,048	\$ 142,289	\$ 87,490	\$ 65,629	\$ 212,538	\$ 207,918
Operating grants/contributions	83,067	84,250	-	-	83,067	84,250
Franchise Fees	38,891	19,478	-	-	38,891	19,478
JEA Contribution	96,962	94,188	-	-	96,962	94,188
Capital grants/contributions	52,464	56,230	-	-	52,464	56,230
General revenues:						
Property taxes	474,381	477,368	-	-	474,381	477,368
Utility service taxes	118,453	114,392	-	-	118,453	114,392
Sales and tourist taxes	162,295	179,645	10,875	12,695	173,170	192,340
Intergovernmental	166,923	185,041	-	-	166,923	185,041
Earnings on Investments	73,326	15,263	8,237	2,516	81,563	17,779
Miscellaneous	29,028	48,976	20,400	8,822	49,428	57,798
Total Revenues	1,420,838	1,417,120	127,002	89,662	1,547,840	1,506,782
Expenses						
General government	180,054	174,777	-	-	180,054	174,777
Human services	107,991	102,076	-	-	107,991	102,076
Public safety	527,227	511,009	-	-	527,227	511,009
Cultural and recreational	71,091	67,054	-	-	71,091	67,054
Transportation	217,296	178,949	-	-	217,296	178,949
Economic & physical environment	169,685	203,444	-	-	169,685	203,444
Interest on long term debt	94,289	102,835	-	-	94,289	102,835
Parking system	-	-	3,417	3,921	3,417	3,921
Motor vehicle inspections	-	-	433	462	433	462
Solid Waste	-	-	86,674	69,230	86,674	69,230
Stormwater services	-	-	14,612	55	14,612	55
Jacksonville Municipal Stadium	-	-	20,361	11,850	20,361	11,850
Veterans Memorial Arena	-	-	12,355	8,055	12,355	8,055
Baseball Stadium	-	-	1,993	1,297	1,993	1,297
Performing Arts Center	-	-	4,006	3,264	4,006	3,264
Convention Center	-	-	4,342	3,681	4,342	3,681
Equestrian Center	-	-	1,890	1,449	1,890	1,449
Total Expenses	1,367,633	1,340,144	150,083	103,264	1,517,716	1,443,408
Increase (decrease) in net assets before transfers	53,205	76,976	(23,081)	(13,602)	30,124	63,374
Transfers	(30,199)	(232,306)	30,199	232,306	-	-
Change in net assets	23,006	(155,330)	7,118	218,704	30,124	63,374
Net assets (deficit), beginning of year	690,810	846,140	138,138	(80,566)	828,948	765,574
Net assets (deficit), end of year	\$ 713,816	\$ 690,810	\$ 145,256	\$ 138,138	\$ 859,072	\$ 828,948

Governmental activities:

The City's governmental activities revenues increased \$14.5 million from 2008 to 2009 (see Table A-2) and consists of:

- Franchise fee revenues increased by \$19.4 million due to a full year of the new franchise fee in fiscal year 2009. Fines & charges for services decreased \$17.2 million comprised of a \$7.4 million decrease in Circuit Court revenues and a \$6.9 million decrease in the Fair Share revenues due to the downturn in the economy.
- Utility service taxes increased \$4 million due to JEA rate increases in fiscal year 2009.
- Interest revenues increased \$58 million due to the upturn in the investment markets.
- Miscellaneous revenues decreased from FY 2008 because FY 2008 included \$6.2 million for land sold to the federal government to be used as a veteran's cemetery and \$7.4 million in revenues from sale of Loblolly Wetlands credits.
- Property tax revenues reflected a \$3 million decrease in FY 2009, although the ad valorem tax rate remained at 8.4841 throughout FY 2008 and FY 2009.
- The largest source of decreases in revenue in FY 2009 was an \$18 million decrease in intergovernmental revenue representing a reduction in state shared revenues of \$4.7 million and a \$14 million reduction in the ½ cent sales tax due to the downturn in the economy.

Increases in governmental activities expenses were \$40.5 million.

- Transportation expenses increased \$38.3 million in 2009 due to funding the Jacksonville Transportation Authority for use on the bus system and other related transportation costs in fiscal year 2009.
- Public safety expenses increased \$16.2 million with a \$15.8 million increase in the Sheriff's Office salaries and related benefits for additional police and correctional officers.
- Human services increased \$5.9 million primarily due to the new *Jacksonville Journey* initiative which funded \$5 million in programs such as Early Literacy, Team Up, and Juvenile Summer Camps in FY 2009.
- A decrease of \$33.8 million occurred in economic & physical environment due to \$50 million in FY 2008 increase in the estimated liability for pollution remediation at the ash sites, with only a \$17 million increase in landfill closure/post-closure liability in FY 2009.
- A \$13.5 million decrease occurred in FY 2009 in interest on long term debt due to lower rates on variable rate debt.

Business Type activities:

The City's business type revenues significantly changed from 2008 to 2009 (see Table A-2) and consists of:

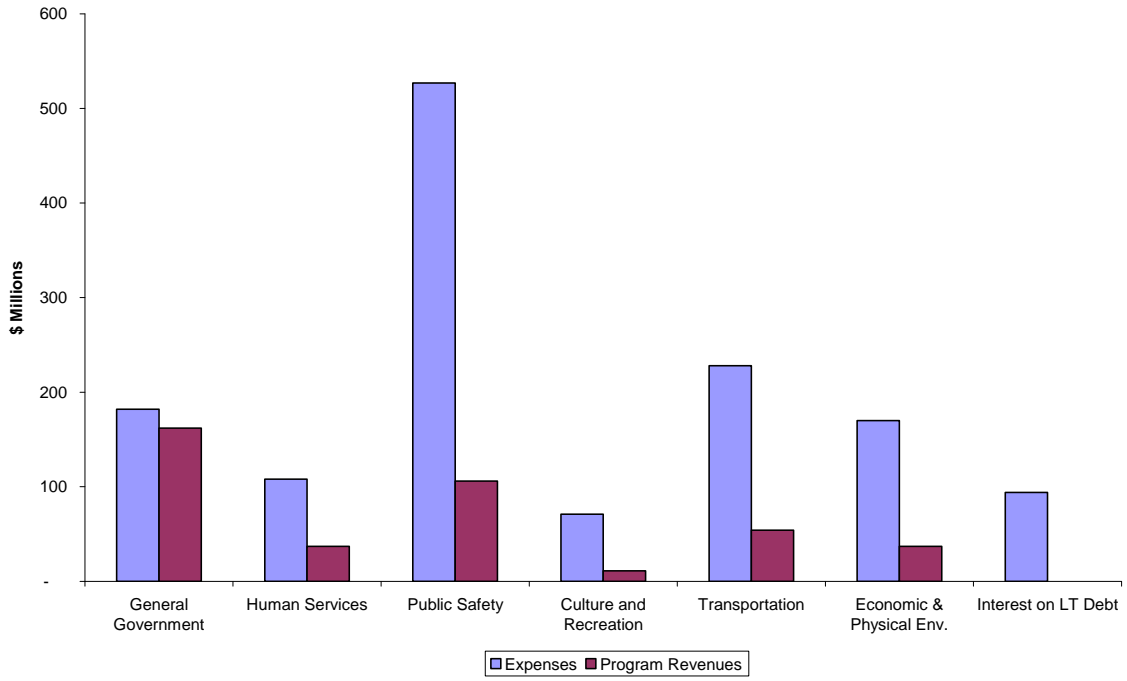
- Increases in fines and charges for services of \$22 million were due to the first full year of the new storm water user fees in FY 2009.
- There was a \$1.8 decrease in the tourist taxes in FY 2009 due to the downturn in the economy and related impact in hotel occupancy.
- Miscellaneous revenues increased \$11.6 million due to the removal of Mayport Ferry assets in FY 2008 and an increase in rental revenues due to the expiration of the Jaguar's rental discount in FY 2009.

Increases in business type activities expenses were \$44.6 million:

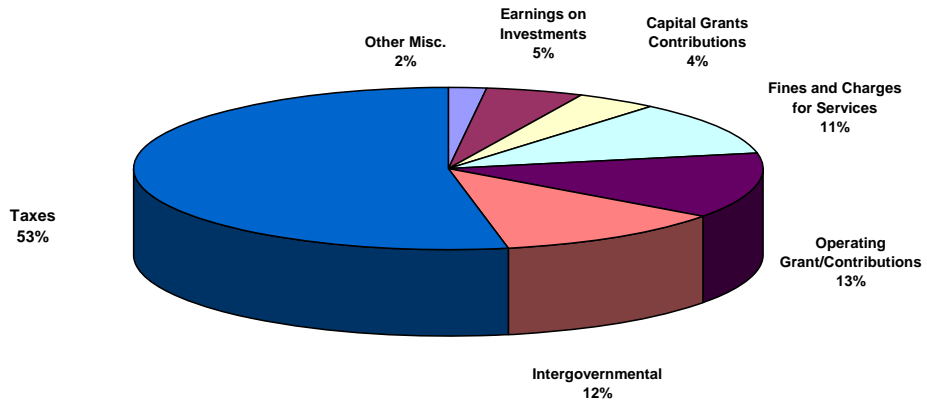
- Storm Water Services' increase of \$14.5 million was the result of the streets and drainage operations being moved from the General Fund.
- Solid Waste's increase of \$17.4 was due to the increased landfill closure/post-closure liability in FY 2009.
- The Jacksonville Municipal Stadium's \$8.5 million and the Veterans Memorial Arena's \$4.3 million expenditure increases are due to depreciation and interest expense from the movement/realignment of capital assets and debt to the venues from governmental activities.

The change in transfers between governmental and business type is due to movement/realignment of assets and debt to the enterprise venues in FY 2008.

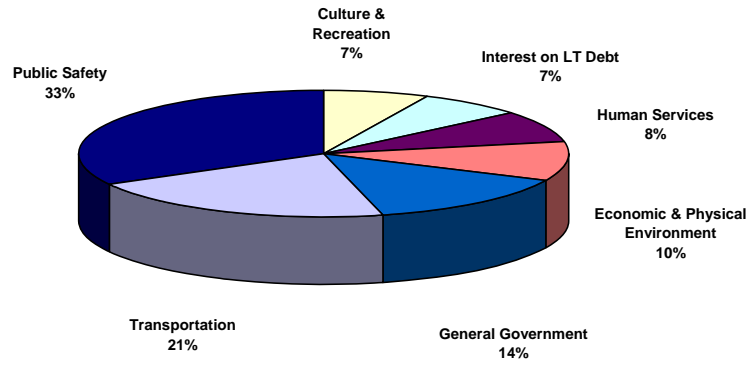
Expenses and Program Revenues - Governmental Activities



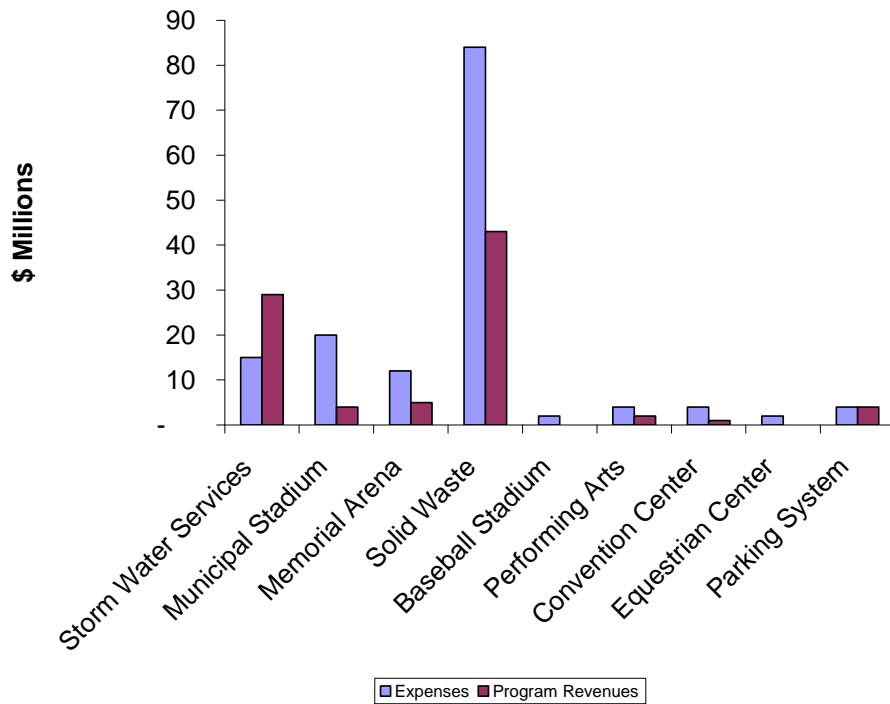
Revenues - Governmental Activities



Expenses - Governmental Activities



Expenses and Program Revenues - Business-Type Activities



FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

As noted earlier, the City of Jacksonville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City of Jacksonville's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2009. The City of Jacksonville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All non-major funds of each governmental fund type with legally adopted annual budgets are included in the Combining Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual. The General Fund Budget and Actual Schedule is included as Required Supplementary Information following the Notes to the Financial Statements.

The General Fund is the chief operating fund of the City of Jacksonville. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$37.6 million. The General Fund's total fund balance was \$110 million, with \$44 million reserved by City Council as an emergency reserve. The City's Reserve Policy for the General Fund is covered by Section 106.107 of the City's municipal code. The policy requires that the emergency reserve shall not be used except as initiated by the Mayor through written communication to City Council, explaining the emergency, with subsequent approval by two-thirds votes of all City Council members.

The 2009 assessed tax roll is up \$4 billion over the prior year an increase of 6%.

Key factors affecting changes in major funds and fund balance in fiscal year 2009 operations are as follows:

General Fund:

- Property taxes account for approximately 50% of the general fund revenue and decreased \$4.8 million or 1% below the previous year. The property tax millage rate was maintained at 8.4841 throughout FY 2008 and FY 2009.

Special Bonded Debt – Better Jacksonville Plan Obligations (BJP):

- Under the Interlocal Agreement, the City and JTA agreed to pledge the ½ cent sales tax and Constitutional Gas Tax to the payment of the BJP bonds. The ½ cent sales tax revenues decreased by \$14 million in fiscal year 2009 as compared to the prior fiscal year.
- Principal and Interest payments increased \$1.9 million in FY 2009 in accordance with the related amortization schedules.

Better Jacksonville Plan Construction Project Fund:

- The Better Jacksonville Plan continued major projects with \$86.2 million on road improvement projects, \$20.6 million on drainage projects, \$51 million on courthouse and building projects, and an additional \$25.8 million on projects such as countywide resurfacing, parks, fire stations, and other miscellaneous projects.
- Additional BJP debt of \$108 million was issued in fiscal year 2009, thus reflected in the \$67.6 million net increase in long term debt. See Note 8 for further reference.

Proprietary Funds: The City of Jacksonville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Solid Waste, the Jacksonville Municipal Stadium and the Veteran's Memorial Arena are reported as major proprietary funds in fiscal year 2009. The \$22 million increase in fines and charges for service revenues is representative of a full year of the new stormwater fees, and a reduction of \$2 million in sales and tourist taxes due to the downturn in the economy.

General Fund Budgetary Highlights:

- Actual revenues for fiscal year 2009 were \$20.7 million below the final budgeted amount. Positive variances in final budget to actual occurred with \$4.5 million actual over budget property tax revenue and \$9.6 in interest and other miscellaneous revenues. Intergovernmental was below final budget \$21.4 million primarily due to a decrease of the ½ cent sales tax and state's City/County shared revenues.
- Overall actual expenditures for fiscal year 2009 were \$83.6 million under final budget.
- Jacksonville Citywide Activities expenditure budget was increased \$9.2 million due to a realignment of debt service related to general capital projects including environmental remediation, primarily ash cleanup.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Jacksonville's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$2.9 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, infrastructure, and construction in progress (see Table A-3). With the partial completion of several major drainage projects in fiscal year 2008, a focus was placed in fiscal year 2009 on areas such as buildings and the courthouse. Both fiscal years experienced considerable costs in road projects due to the continuation of the Better Jacksonville Plan. Additional information on the City of Jacksonville's capital assets can be found in Notes to the Financial Statements, Footnote 6 of this report.

Table A-3
Capital Assets
Net of Accumulated Depreciation
(In Thousands)
as of September 30, 2009 and September 30, 2008

	<u>Governmental</u> <u>Activities</u>		<u>Business Type</u> <u>Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Land	\$ 280,404	\$ 277,562	\$ 45,089	\$ 34,859	\$ 325,493	\$ 312,421
Buildings and improvements	754,792	700,771	547,997	547,911	1,302,789	1,248,682
Furniture & Equipment	311,709	293,184	6,927	7,075	318,636	300,259
Construction in progress	97,090	60,217	-	-	97,090	60,217
Infrastructure	1,796,854	1,641,279	2,841	-	1,799,695	1,641,279
Other Assets	21,078	19,391	-	-	21,078	19,391
Less accumulated depreciation	(781,255)	(681,992)	(166,063)	(152,999)	(947,318)	(834,991)
Total	<u>\$ 2,480,672</u>	<u>\$ 2,310,411</u>	<u>\$ 436,791</u>	<u>\$ 436,848</u>	<u>\$ 2,917,463</u>	<u>\$ 2,747,259</u>

Major project costs in fiscal year 2009 included the following:

	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2008</u>	<u>Change</u>
Road Projects	\$ 86.2 million	\$ 88.2 million	\$(2.0)
Building Projects	14.8 million	7.5 million	7.3
Drainage Projects	20.6 million	35.4 million	(14.8)
Countywide Resurfacing	11.6 million	12.3 million	(.7)
Park Department Projects	5.9 million	8.9 million	(3.0)
Fire Department Projects	2.5 million	6.4 million	(3.9)
Courthouse Project	36.2 million	6.5 million	29.7
Miscellaneous Projects	<u>5.8 million</u>	<u>2.7 million</u>	<u>3.1</u>
Total	<u>\$ 183.6 million</u>	<u>\$167.9 million</u>	<u>\$ 15.7</u>

Debt Administration

Debt Service Funds account for the accumulation of resources for, and the payment of, interest and principal on most general governmental obligations. Individual debt service funds are described below.

The Special Bonded Debt Obligations Fund accounts for the accumulation of resources for, and the payment of, principal and interest on the City's special and limited bonded obligations payable solely from and secured by a lien upon and pledge of the revenues under the respective bond ordinances.

The Special Bonded Debt - Better Jacksonville Plan Obligations Fund accounts for the accumulation of resources for and the payment of, principal and interest on the City's special bonded obligations payable, which are related to the Better Jacksonville Plan.

The Other Non-Bonded Debt Obligations Fund accounts for the accumulation of resources for and the payment of, principal and interest on other non-bonded debt obligations including the U. S. Government Guaranteed Notes Payable (HUD 108 loans).

At year-end, the City had \$2.5 billion in bonds and notes outstanding as shown in Table A-4. Additional information on the City of Jacksonville's long term-debt can be found in Notes to the Financial Statements, Footnote 8 of this report.

Table A-4
Bonds and Notes Payable
Outstanding Debt at Year End
(In Thousands)

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Special Obligation Bonds	\$ 771,550	\$ 779,533	\$ -	\$ -	\$ 771,550	\$ 779,533
Special Obligation-BJP	1,178,193	1,090,568			1,178,193	1,090,568
Revenue Bonds Payable	82,828	54,215	341,887	357,124	424,715	411,339
Notes Payable	79,605	106,145	-	-	79,605	106,145
Notes Payable-BJP	60,719	66,414	-	-	60,719	66,414
Deferred Amounts						
Loss on Adv Ref	(4,065)	(4,449)	(1,158)	(1,441)	(5,223)	(5,890)
Issuance premiums	26,285	20,246	-	-	26,285	20,246
Issuance discounts	(3,160)	(3,315)	-	-	(3,160)	(3,315)
Total	\$ 2,191,955	\$ 2,109,357	\$ 340,729	\$ 355,683	\$ 2,532,684	\$ 2,465,040

The City of Jacksonville's debt increased by \$67.6 million as compared to fiscal year 2008.

New indebtedness of the City of Jacksonville consists of:

Closing Date	Par Amount	Source	Primary Use
September 2009	\$108,015,000	Revenue Bonds	BJP Capital Projects
September 2009	\$ 28,613,000	Revenue Bonds	Capital Projects/Refunding
September 2009	\$ 92,325,000	Revenue Bonds	Capital Projects/Refunding

During the fiscal year the City successfully addressed its declining sales tax revenue streams pledged to the Better Jacksonville Plan capital program by passing legislation to provide alternative covenant to budget and appropriate financing. By structuring the bonds to take advantage of excess general fund borrowing capacity while utilizing sales tax cash flows to service the debt the City was able to accelerate construction of capital projects with little burden on the general fund. The plan was received well by the rating agencies as demonstrated by the removal of the negative watch previously assigned to the AA/Aa3/AA-rated sales tax revenue pledge by two of the agencies.

The City continued to manage through market related challenges primarily related to liquidity providers by successfully replacing a downgraded bank surety and extending the combined replacement surety agreement through 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, occupational license, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.

Other Economic Factors:

- The unemployment rate for the City of Jacksonville is 10.8%. This compares to the state's average unemployment rate (11.1%) and the national average unemployment rate (9.8%). The Bureau of Labor Statistics reported forty-three states had statistically significant unemployment rate increases from 2008;
- Jacksonville has the largest Empowerment Zone in the nation;
- Jacksonville has a major port, home to the National Football League's (NFL) Jacksonville Jaguars, is the insurance and financial center of Florida, and is the site of key U.S. Navy bases.

Budget Highlights for fiscal 2009-2010:

- For fiscal year 2010, the City raised the millage rate for the first time in 17 years, from 8.4841 to the rollback rate of 9.2727. The rollback rate is the millage rate that will generate the same amount of property tax revenue in the current year as in the previous year from properties that were on the tax roll in the previous year. For the owner of a home with an assessed value of \$95,000 the increase in property taxes would be approximately \$75.00.
- A total of \$61.9 million in expenses was eliminated from the projected General Fund budget during the budget process. The savings include reductions in salary and benefit costs (including eliminated positions), time extension of the City vehicle replacement schedule, and several reductions in departmental and non-departmental operating costs from a variety of sources.
- *The Jacksonville Journey* is a major anti-crime initiative that was launched to focus on crime prevention as well as boosting law enforcement efforts. Although *The Jacksonville Journey* began operations in FY 2009, FY 2010 will be its full year of funding. A separate subfund for *The Jacksonville Journey* will receive \$8.1 million from the general fund for various prevention and intervention programs. These include expanded early literacy programs, supervised after-school guidance and recreational programs and expanded activities during the summer. Also included are funds for juvenile crime prevention programs and programs that will help ex-offenders become productive citizens. *Jacksonville Journey* funds have been allocated in the FY 2010 budget to hire an additional 44 correctional officers and 19 civilian support positions, including 7 technicians and 5 crime scene investigators.
- The City will receive a significant contribution in grants from the American Recovery and Reinvestment Act of 2009 (ARRA). For the non-police related programs of *The Jacksonville Journey*, approximately \$2.7 million in funding through ARRA will be received in FY2010. In addition, the Sheriff's Office grant of \$9 million over a three year period is also funded through ARRA. Subsequent to the original budget appropriation the City has received an addition ARRA grant contributions of \$5 million.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Department of Finance, Accounting Division, 117 West Duval Street, Suite 375, Jacksonville, Florida 32202, or call (904) 630-1250.

**CITYWIDE FINANCIAL
STATEMENTS**

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS -
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	PRIMARY GOVERNMENT				COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS		
			2009	2008	
ASSETS:					
Equity in cash and investments.....	\$ 585,120	\$ 113,252	\$ 698,372	\$ 692,656	\$ 1,357,288
Cash in escrow and with fiscal agents.....	99,842	-	99,842	112,026	208
Securities lending.....	56,609	-	56,609	83,864	-
Receivables, net.....	89,674	17,705	107,379	85,361	342,568
Internal balances.....	963	(963)	-	-	-
Due from independent agencies and other governments.....	130,510	103	130,613	153,768	55,580
Inventories.....	8,009	11	8,020	6,457	162,908
Prepaid expenses and other assets.....	20,263	132	20,395	19,714	337,007
Deferred charge - landfill related costs.....	-	19,722	19,722	22,362	-
Other deferred charges.....	-	270	270	308	427,517
CAPITAL ASSETS:					
Land and work in progress.....	378,187	45,089	423,276	373,183	816,352
Other capital assets, net of depreciation.....	2,102,485	391,702	2,494,187	2,374,076	7,202,627
TOTAL ASSETS.....	3,471,662	587,023	4,058,685	3,923,775	10,702,055
LIABILITIES:					
Accounts payable and accrued liabilities.....	96,424	7,081	103,505	112,458	221,320
Contracts payable.....	6,959	1	6,960	6,342	-
Due to component units.....	33	-	33	419	-
Due to independent agencies and other governments.....	16,067	-	16,067	2,822	11,401
Deposits.....	4,026	3,962	7,988	5,494	47,485
Accrued interest payable.....	35,508	9,193	44,701	35,943	106,984
Unearned revenue.....	26,522	12,438	38,960	36,730	44,779
Securities lending.....	58,646	-	58,646	86,795	-
Liabilities payable from restricted assets.....	-	-	-	-	21,230
Other current liabilities.....	2,983	-	2,983	2,921	90,533
NONCURRENT LIABILITIES:					
Due within one year.....	135,450	16,145	151,595	122,542	250,388
Due in more than one year.....	2,375,228	392,947	2,768,175	2,682,361	7,256,033
TOTAL LIABILITIES.....	2,757,846	441,767	3,199,613	3,094,827	8,050,153
NET ASSETS:					
Invested in capital assets, net of related debt.....	1,007,636	126,221	1,133,857	1,114,617	1,411,825
Restricted for:					
Debt service.....	-	-	-	-	29,350
State and Federal Grants.....	52,938	-	52,938	40,979	-
Capital projects.....	42,040	-	42,040	39,336	21,662
Permanent fund, non-expendable.....	123	-	123	123	-
Other purposes.....	4,271	-	4,271	610	562,098
Unrestricted.....	(393,192)	19,035	(374,157)	(366,717)	626,967
TOTAL NET ASSETS	\$ 713,816	\$ 145,256	\$ 859,072	\$ 828,948	\$ 2,651,902

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF ACTIVITIES -
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT			COMPONENT UNITS	
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS		
		2009	2008	2009			2008		
PRIMARY GOVERNMENT:									
Governmental activities:									
General government.....	\$ 180,054	\$ 64,978	\$ 97,284	\$ 334	\$ (17,458)	\$ (17,458)	\$ 22,029		
Human services.....	107,991	1,210	35,221	566	(70,994)	(70,994)	(88,486)		
Public safety.....	527,227	92,096	14,079	-	(421,052)	(421,052)	(446,866)		
Culture and recreation.....	71,091	3,874	1,036	6,282	(59,899)	(59,899)	(60,123)		
Transportation.....	217,296	779	513	41,627	(174,377)	(174,377)	(122,024)		
Economic environment.....	72,571	1	28,365	1	(44,204)	(44,204)	(26,139)		
Physical environment.....	97,114	1,001	3,531	3,654	(88,928)	(88,928)	(119,265)		
Interest on long term debt.....	94,289	-	-	-	(94,289)	(94,289)	(102,835)		
Total governmental activities.....	1,367,633	163,939	180,029	52,464	(971,201)	(971,201)	(943,709)		
Business-type activities:									
Parking system.....	3,417	3,783	-	-	-	366	366	290	
Motor vehicle inspections.....	433	422	-	-	-	(11)	(11)	(25)	
Solid Waste.....	86,674	42,752	-	-	-	(43,922)	(43,922)	(29,338)	
Storm Water Services.....	14,612	29,134	-	-	-	14,522	14,522	7,451	
Jacksonville Municipal Stadium..	20,361	3,536	-	-	-	(16,825)	(16,825)	(7,744)	
Veterans Memorial Arena.....	12,355	4,704	-	-	-	(7,651)	(7,651)	(2,535)	
Baseball Stadium.....	1,993	340	-	-	-	(1,653)	(1,653)	(617)	
Performing Arts.....	4,006	1,750	-	-	-	(2,256)	(2,256)	(1,614)	
Convention Center.....	4,342	767	-	-	-	(3,575)	(3,575)	(2,645)	
Equestrian Center.....	1,890	302	-	-	-	(1,588)	(1,588)	(858)	
Total business-type activities.....	150,083	87,490	-	-	-	(62,593)	(62,593)	(37,635)	
Total primary government.....	\$ 1,517,716	\$ 251,429	\$ 180,029	\$ 52,464	(971,201)	(62,593)	(1,033,794)	(981,344)	
COMPONENT UNITS:									
Governmental activities.....	\$ 88,237	\$ 1,148	\$ 11,523	\$ 4,210				\$ (71,356)	
Business-type activities.....	2,083,880	1,959,112	14,520	71,545				(38,703)	
Total component units.....	\$ 2,172,117	\$ 1,960,260	\$ 26,043	\$ 75,755				\$ (110,059)	
General revenues:									
Property taxes.....					474,381	-	474,381	477,368	-
Utility service taxes.....					118,453	-	118,453	114,392	-
Sales and tourist taxes.....					162,295	10,875	173,170	192,340	64,020
Intergovernmental - unrestricted.....					166,923	-	166,923	185,041	55,735
Unrestricted earnings on investments.....					73,326	8,237	81,563	17,779	36,220
Miscellaneous.....					29,028	20,400	49,428	57,798	47,408
Transfers.....					(30,199)	30,199	-	-	-
Total general revenues and transfers.....					994,207	69,711	1,063,918	1,044,718	203,383
Change in net assets.....					23,006	7,118	30,124	63,374	93,324
Net assets (deficit), beginning of year.....					690,810	138,138	828,948	765,574	2,560,923
Adjustment to beginning Net assets.....					-	-	-	-	(2,345)
Net assets (deficit), beginning of year, as restated.....					690,810	138,138	828,948	765,574	2,558,578
Net assets, end of year.....					\$ 713,816	\$ 145,256	\$ 859,072	\$ 828,948	\$ 2,651,902

See accompanying notes.



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**FUND FINANCIAL
STATEMENTS**



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MAJOR GOVERNMENTAL FUNDS:

GENERAL FUND

The **General Fund** is the principal fund of the City and is used to account for all activities not included in other funds. The General Fund accounts for the normal recurring activities of the City (i.e, police, fire, public works, courts, general government, etc.). These activities are funded principally by property taxes, intergovernmental revenues, and licenses and fees.

DEBT SERVICE FUNDS

The Special Bonded Debt Obligations Fund accounts for the accumulation of resources for, and the payment of, principal and interest on the City's special and limited bonded obligations, which are payable solely from and secured by a lien upon and pledge of the revenues under the respective bond ordinances.

The Special Bonded Debt - Better Jacksonville Plan Obligations Fund accounts for the accumulation of resources for, and the payment of, principal and interest on the City's special bonded obligations payable, which are related to the Better Jacksonville Plan.

CAPITAL PROJECTS FUNDS

The Better Jacksonville Plan Construction Projects Fund receives revenues from the two local option sales tax programs and proceeds from the sale of bonded debt issued by the City to fund projects under the Better Jacksonville Plan.

CITY OF JACKSONVILLE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	SPECIAL BONDED DEBT- OBLIGATIONS
ASSETS:			
Equity in cash and investments.....	\$ 79,887	\$ 89,575	\$ 20,410
Cash in escrow and with fiscal agents.....	377	40,591	55,557
Securities lending collateral.....	56,609	-	-
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts and interest.....	15,264	-	-
Mortgages.....	35	-	-
Other.....	14,458	-	-
Due from other funds.....	4,716	-	-
Due from independent agencies and other governments.....	55,780	-	-
Inventories.....	6,259	-	-
Prepaid items.....	-	-	-
TOTAL ASSETS.....	\$ 233,385	\$ 130,166	\$ 75,967
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable and accrued liabilities.....	\$ 43,041	\$ 43,056	\$ 55,747
Contracts payable.....	-	-	-
Due to other funds.....	33	-	-
Due to component units.....	33	-	-
Due to individuals.....	-	-	-
Deposits.....	1,289	-	-
Unearned revenue.....	20,162	-	-
Securities lending obligations.....	58,646	-	-
Advances from other funds.....	-	-	-
TOTAL LIABILITIES.....	\$ 123,204	\$ 43,056	\$ 55,747
FUND BALANCES:			
Non Spendable:			
Non Spendable.....	6,259	-	-
Spendable:			
Restricted.....	-	87,371	15,360
Committed.....	62,846	-	-
Assigned.....	3,114	-	4,860
Unassigned.....	37,962	(261)	-
TOTAL FUND BALANCES.....	110,181	87,110	20,220
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 233,385	\$ 130,166	\$ 75,967

See accompanying notes.

BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
		2009	2008
			Adjusted for GASB 54
\$ 378	\$ 273,108	\$ 463,358	\$ 485,305
-	3,317	99,842	112,026
-	-	56,609	83,864
-	2,608	17,872	17,251
-	38,617	38,652	26,872
-	447	14,905	15,284
-	24,000	28,716	1,913
27,134	46,277	129,191	151,052
-	-	6,259	4,300
-	-	-	433
<u>\$ 27,512</u>	<u>\$ 388,374</u>	<u>\$ 855,404</u>	<u>\$ 898,300</u>
\$ 30,719	\$ 22,553	\$ 195,116	\$ 197,760
4,481	2,478	6,959	6,338
24,000	3,000	27,033	1,580
-	-	33	33
-	203	203	441
-	2,735	4,024	3,687
-	3,851	24,013	24,656
-	-	58,646	86,795
-	8,500	8,500	9,164
<u>\$ 59,200</u>	<u>\$ 43,320</u>	<u>\$ 324,527</u>	<u>\$ 330,454</u>
-	123	6,382	4,423
-	94,978	197,709	155,333
-	248,364	311,210	346,443
-	3,904	11,878	26,827
(31,688)	(2,315)	3,698	34,820
<u>(31,688)</u>	<u>345,054</u>	<u>530,877</u>	<u>567,846</u>
<u>\$ 27,512</u>	<u>\$ 388,374</u>	<u>\$ 855,404</u>	<u>\$ 898,300</u>



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City of Jacksonville, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2009
(in thousands)

Total fund balances- governmental funds		\$ 530,877
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		2,480,672
Long term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:		
Bonds and notes payable	(2,172,895)	
Unamortized bond discounts	3,160	
Unamortized bond premium	(26,285)	
Unamortized loss on advance refunding of debt	4,065	
Total bonds and notes payable	(2,191,955)	(2,191,955)
Certain assets and liabilities reported in governmental activities are not financial resources and therefore are not reported in the funds:		
Compensated absences		(61,739)
Reduction of accounts payable in debt service funds for debt principal and interest		112,067
Unamortized bond issuance costs		17,137
Estimated settlement for Shipyards project		(2,500)
Estimated liability for self insured losses		(88,265)
Other post employment benefits (OPEB) liability		(14,839)
Accrued liability for pollution remediation		(153,567)
Accrued liability to other governments - Home program		(2,780)
Interest payable		(35,508)
Amounts due to independent agencies or other governments		(13,567)
Capitalized lease obligations		(313)
Eliminate government advance from Internal Service Fund		8,500
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance, to individual funds. The Capital Assets and Long term liabilities are consolidated with the governmental funds on an entity-wide basis. This figure represents the net of Current Assets and Current Liabilities of the Internal Service Funds.		129,596
Net assets of governmental activities		\$ 713,816

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	SPECIAL BONDED DEBT- OBLIGATIONS
REVENUE:			
Property taxes.....	\$ 458,539	\$ -	\$ -
Utility Service taxes.....	118,453	-	-
Sales and tourist taxes.....	1,101	-	-
Licenses and permits.....	46,774	-	-
Intergovernmental.....	122,056	25,702	-
Charges for services.....	69,713	-	-
Fines and forfeitures.....	3,364	-	-
JEA contribution.....	96,688	-	-
Interest.....	21,918	10,956	4,789
Other.....	20,541	-	-
Total Revenue.....	959,147	36,658	4,789
EXPENDITURES:			
Current:			
General government.....	135,264	-	-
Human services.....	69,886	-	-
Public safety.....	492,961	-	-
Culture and recreation.....	56,895	-	-
Transportation.....	42,700	-	-
Economic environment.....	13,771	-	-
Physical environment.....	15,990	-	-
Capital outlay.....	-	-	-
Debt service:			
Principal.....	-	25,604	53,110
Interest and fiscal charges.....	-	50,544	38,391
Other.....	-	1,136	1,710
Total Expenditures.....	827,467	77,284	93,211
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	131,680	(40,626)	(88,422)
OTHER FINANCING SOURCES (USES):			
Long term debt issued.....	5,292	8,015	6,074
Refunding bond issued.....	-	-	18,200
Premium on special obligation bonds payable.....	-	3,868	4,036
Payment to escrow agent - refunded bonds.....	-	-	(18,622)
Transfers in.....	6,113	42,434	93,471
Transfers out.....	(131,062)	(7,016)	(12,733)
Total Other Financing Sources (Uses).....	(119,657)	47,301	90,426
NET CHANGES IN FUND BALANCES.....	12,023	6,675	2,004
FUND BALANCES, BEGINNING OF YEAR:			
Fund balance, beginning of year.....	98,158	80,435	18,216
Prior year adjustments.....	-	-	-
Restated beginning fund balance.....	98,158	80,435	18,216
FUND BALANCES, END OF YEAR.....	\$ 110,181	\$ 87,110	\$ 20,220

See accompanying notes.

BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
		2009	2008
\$ -	\$ 15,842	\$ 474,381	\$ 477,368
-	-	118,453	114,392
-	161,194	162,295	179,645
-	-	46,774	27,356
7,750	107,808	263,316	286,492
148	42,152	112,013	128,570
-	1,788	5,152	5,841
-	-	96,688	94,188
-	24,930	62,593	15,346
6	8,484	29,031	47,443
<u>7,904</u>	<u>\$ 362,198</u>	<u>\$ 1,370,696</u>	<u>1,376,641</u>
-	31,981	167,245	162,202
-	37,423	107,309	100,858
-	34,066	527,027	502,305
-	7,181	64,076	59,096
-	101,598	144,298	164,918
-	52,942	66,713	72,433
-	8,955	24,945	20,539
179,314	94,204	273,518	216,770
-	840	79,554	74,365
-	404	89,339	102,423
-	-	2,846	1,607
<u>179,314</u>	<u>369,594</u>	<u>1,546,870</u>	<u>1,477,516</u>
<u>(171,410)</u>	<u>(7,396)</u>	<u>(176,174)</u>	<u>(100,875)</u>
100,000	47,477	166,858	584,893
-	-	18,200	-
-	-	7,904	3,587
-	-	(18,622)	(410,460)
16,288	38,608	196,914	219,862
-	(81,238)	(232,049)	(245,238)
<u>116,288</u>	<u>4,847</u>	<u>139,205</u>	<u>152,644</u>
(55,122)	(2,549)	(36,969)	51,769
23,434	347,603	567,846	623,973
-	-	-	(107,896)
<u>23,434</u>	<u>347,603</u>	<u>567,846</u>	<u>516,077</u>
<u>(\$ 31,688)</u>	<u>\$ 345,054</u>	<u>\$ 530,877</u>	<u>\$ 567,846</u>

City of Jacksonville, Florida
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended September 30, 2009
(in thousands)

Net change in fund balances- total governmental funds: \$ (36,969)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, certain capital assets are contributed to the City upon completion, requiring recognition of income not reported in the funds.

Capital assets acquired by use of financial resources	221,820	
Capital assets contributed by developers	39,412	
Capital assets transferred from proprietary funds of the city	590	
Current year depreciation	(93,543)	
Loss on disposition of assets	(389)	
		167,890

Governmental funds report certain bond transactions as resources or uses. However, in the statement of activities these transactions are reported over the life of the debt as expenses.

Bond Issuance Costs	1,941	
Amortization of issuance costs	(995)	
Amortization of bond discounts	(155)	
Amortization of bond premium	1,851	
Additional bond premium with new debt issue	(7,904)	
Amortization - loss on refunding	(679)	
		(5,941)

Repayment of bond principal is an expenditure in governmental funds, but the repayment results in a reduction of long-term liabilities in the statement of net assets. Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.

Long-term debt issued	(185,058)	
Debt retired with refunding issue	18,622	
Principal repayment	79,554	
		(86,882)

Some revenues and expenses reported in the statement of activities did not require the use of or provide current financial resources and therefore are not reported in governmental funds:

Accrued for self insured liabilities	(1,265)	
Increases in compensated absences payable	(712)	
Increase amounts due to independent agencies and other governments	(13,567)	
Miscellaneous payable	1,507	
Payable to other governments	(300)	
Other post employment benefits liability	(6,346)	
Pollution remediation accrual	(14,237)	
Net effect-elimination receivable/payable	5,581	
		(122,162)

Internal service funds are used to charge the cost of certain activities to individual funds. The net revenue (expense) and transfers are reported with governmental activities.

Interest revenue	10,733	
Other non-operating expenses	(7,834)	
Operating income	7,002	
Transfers in, net	4,346	
		14,247

Change in Net Assets - Governmental Activities \$ 23,006

See accompanying notes.

MAJOR ENTERPRISE FUNDS:

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises and where the costs of providing goods or services to the general public are recovered primarily through user charges; or where the city has decided that determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Individual major enterprise funds are described below.

The Solid Waste Disposal Fund accounts for collection, recycling and disposal of commercial and residential garbage services throughout the city, including the operation of three municipally owned landfill sites, two of which are closed.

The Jacksonville Municipal Stadium Fund accounts for events held at the stadium including National Football League and college football games, concerts and other activities.

The Veterans Memorial Arena Fund accounts for events held at the arena including concerts, college basketball games, and other entertainment events such as the circus, ice skating, gymnastics, professional wrestling and motor sports.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

ENTERPRISE FUNDS

	SOLID WASTE DISPOSAL	JACKSONVILLE MUNICIPAL STADIUM	VETERANS MEMORIAL ARENA	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
					2009	2008	
ASSETS:							
Equity in cash and investments.....	\$ 49,420	\$ 385	\$ 1,704	\$ 20,967	\$ 72,476	\$ 74,454	\$ 121,762
Receivables (net, where applicable, of allowances for uncollectibles):							
Accounts.....	5,308	184	1,800	10,411	17,703	9,386	60
Loans receivable.....	-	-	-	-	-	-	53,095
Other.....	-	-	-	-	-	-	1,607
Due from other funds.....	-	-	33	-	33	75	-
Due from independent agencies and other governments.....	103	-	-	-	103	167	1,319
Interest and dividend receivables.....	2	-	-	-	2	2	-
Inventories.....	-	-	-	11	11	14	1,750
Prepaid expenses and other assets.....	-	-	132	-	132	272	4,643
Total Current Assets.....	54,833	569	3,669	\$ 31,389	\$ 90,460	84,370	184,236
NONCURRENT ASSETS:							
Advances to other funds.....	-	-	-	-	-	-	8,500
Sinking fund cash and investments.....	21,441	7,732	5,550	6,053	40,776	19,727	-
Loans receivable.....	-	-	-	-	-	-	86,680
Other receivables.....	-	-	-	-	-	-	14,328
CAPITAL ASSETS:							
Land and work in progress.....	11,881	23,339	1,602	8,267	45,089	34,859	203
Other capital assets, net of depreciation.....	17,773	172,572	109,259	92,098	391,702	401,989	74,426
Deferred charge - Landfill related costs.....	19,722	-	-	-	19,722	22,362	-
Other deferred charges.....	270	-	-	-	270	308	-
Total Noncurrent Assets.....	71,087	203,643	116,411	106,418	497,559	479,245	184,137
TOTAL ASSETS.....	125,920	204,212	120,080	137,807	588,019	563,615	368,373

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

ENTERPRISE FUNDS

	SOLID WASTE DISPOSAL	JACKSONVILLE MUNICIPAL STADIUM	VETERANS MEMORIAL ARENA	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
					2009	2008	
LIABILITIES:							
Accounts payable and accrued liabilities.....	\$ 4,076	\$ 492	\$ 218	\$ 2,295	\$ 7,081	\$ 8,341	\$ 14,095
Contracts payable.....	1	-	-	-	1	4	-
Due to other funds.....	-	2	1	993	996	270	720
Capitalized lease obligations.....	-	-	-	-	-	-	313
Deposits.....	220	201	2,965	576	3,962	1,805	2
Accrued interest payable.....	948	4,161	2,846	1,238	9,193	1,939	-
Current portion of bonds payable.....	3,695	4,005	2,927	5,116	15,743	15,184	-
Unearned revenue.....	3,875	-	75	8,488	12,438	9,643	2,509
Accrued compensated absences, current portion.....	177	-	-	225	402	208	1,100
Current portion of notes payable.....	-	-	-	-	-	-	40,315
Current portion of loans payable.....	-	-	-	-	-	-	21,491
Total Current Liabilities.....	12,992	8,861	9,032	\$ 18,931	49,816	37,394	80,545
NONCURRENT LIABILITIES:							
Estimated liability for self-insured losses.....	-	-	-	-	-	-	86,750
Liability for landfill closure and postclosure care...	64,300	-	-	-	64,300	46,943	-
Accrued compensated absences.....	414	-	-	525	939	485	2,568
Notes payable.....	-	-	-	-	-	-	33,500
Loans payable.....	2,250	-	-	-	2,250	-	19,890
Bonds payable.....	31,083	148,975	110,117	34,811	324,986	340,499	83,155
Other liabilities.....	207	-	-	265	472	156	853
Total Noncurrent Liabilities.....	98,254	148,975	110,117	35,601	392,947	388,083	226,716
TOTAL LIABILITIES.....	111,246	157,836	119,149	54,532	442,763	425,477	307,261
NET ASSETS:							
Invested in capital assets, net of related debt.....	24,103	42,931	(2,183)	61,370	126,221	114,078	53,480
Restricted for:							
Other.....	-	-	-	-	-	-	4,271
Unrestricted.....	(9,429)	3,445	3,114	21,905	19,035	24,060	3,361
TOTAL NET ASSETS	\$ 14,674	\$ 46,376	\$ 931	\$ 83,275	\$ 145,256	\$ 138,138	\$ 61,112

See accompanying notes.



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CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	ENTERPRISE FUNDS						
	SOLID WASTE DISPOSAL	JACKSONVILLE MUNICIPAL STADIUM	VETERANS MEMORIAL ARENA	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
					2009	2008	
OPERATING REVENUE:							
Sales and tourist taxes.....	\$ -	\$ 6,509	\$ -	\$ 4,366	\$ 10,875	\$ 12,695	\$ -
Charges for services.....	42,752	3,536	4,704	36,498	87,490	65,629	210,924
Charges for services for independent authorities..	-	-	-	-	-	-	9,369
Other.....	-	-	-	-	-	-	2,420
Total Operating Revenue.....	<u>42,752</u>	<u>10,045</u>	<u>4,704</u>	<u>40,864</u>	<u>98,365</u>	<u>78,324</u>	<u>222,713</u>
OPERATING EXPENSES:							
Personal services.....	5,682	1,993	1,682	13,977	23,334	14,684	33,294
Supplies and materials.....	203	64	39	451	757	510	22,638
Central services.....	4,215	122	108	2,873	7,318	4,622	8,571
Interdepartmental charges.....	126	889	415	1,192	2,622	2,566	-
Other services and charges.....	69,688	8,090	5,033	9,030	91,841	75,947	20,442
Depreciation and amortization.....	2,194	5,476	2,446	3,163	13,279	2,869	22,944
Court reporter services.....	-	-	-	-	-	-	35
Claims and losses.....	-	-	-	-	-	-	19,916
Insurance premiums and participant dividends....	-	-	-	-	-	-	87,872
Total Operating Expenses.....	<u>82,108</u>	<u>16,634</u>	<u>9,723</u>	<u>30,686</u>	<u>139,151</u>	<u>101,198</u>	<u>215,712</u>
OPERATING (LOSS) INCOME.....	<u>(39,356)</u>	<u>(6,589)</u>	<u>(5,019)</u>	<u>10,178</u>	<u>(40,786)</u>	<u>(22,874)</u>	<u>7,001</u>
NON-OPERATING REVENUE (EXPENSES):							
Interest revenue.....	6,649	80	-	1,508	8,237	2,516	10,733
Interest expense.....	(1,896)	(3,727)	(2,632)	(7)	(8,262)	(2,066)	-
Other.....	(2,670)	9,351	5,165	5,884	17,730	8,822	(7,834)
Total Non-Operating Revenue (Expenses).....	<u>2,083</u>	<u>5,704</u>	<u>2,533</u>	<u>7,385</u>	<u>17,705</u>	<u>9,272</u>	<u>2,899</u>
(LOSS) INCOME BEFORE TRANSFERS.....	<u>(37,273)</u>	<u>(885)</u>	<u>(2,486)</u>	<u>17,563</u>	<u>(23,081)</u>	<u>(13,602)</u>	<u>9,900</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS:							
Capital Contributions.....	-	-	-	-	-	97,925	-
Transfers in.....	21,200	16,280	5,550	10,708	53,738	156,383	4,346
Transfers out.....	(590)	(12,213)	(607)	(10,129)	(23,539)	(22,002)	-
Net Transfers	<u>20,610</u>	<u>4,067</u>	<u>4,943</u>	<u>579</u>	<u>30,199</u>	<u>232,306</u>	<u>4,346</u>
CHANGES IN NET ASSETS.....	<u>(16,663)</u>	<u>3,182</u>	<u>2,457</u>	<u>18,142</u>	<u>7,118</u>	<u>218,704</u>	<u>14,246</u>
NET ASSETS (DEFICIT),							
BEGINNING OF YEAR.....	<u>31,337</u>	<u>43,194</u>	<u>(1,526)</u>	<u>65,133</u>	<u>138,138</u>	<u>(80,566)</u>	<u>46,866</u>
NET ASSETS,							
END OF YEAR.....	<u>\$ 14,674</u>	<u>\$ 46,376</u>	<u>\$ 931</u>	<u>\$ 83,275</u>	<u>\$ 145,256</u>	<u>\$ 138,138</u>	<u>\$ 61,112</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	ENTERPRISE FUNDS		
	SOLID WASTE DISPOSAL	JACKSONVILLE MUNICIPAL STADIUM	VETERANS MEMORIAL ARENA
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers.....	\$ 40,572	\$ 10,796	\$ 3,366
Payments to suppliers.....	(75,501)	(5,706)	(2,917)
Payments to employees	(5,538)	(1,993)	(1,682)
Internal activity-cash receipts from other funds.....	2,250	51	2,052
Internal activity-cash payments to other funds.....	-	(46)	(28)
Other cash receipts	17,430	9,351	5,213
Other operating cash payments.....	(546)	(945)	(415)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(21,333)	11,508	5,589
NONCAPITAL FINANCING ACTIVITIES:			
Interest payment on non-capital borrowing.....	-	-	-
Cash received through transfers from other funds.....	21,200	16,280	5,550
Cash payments through transfers to other funds.....	(590)	(12,213)	(606)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....	20,610	4,067	4,944
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Increase to property, plant and equipment.....	(10,074)	(8)	1
Decrease in landfill costs and other charges.....	2,678	-	-
Increase in construction fund cash and investments.....	(1,714)	(7,732)	(5,550)
Proceeds from loans receivable.....	-	-	-
Proceeds on long-term obligations.....	-	-	-
Principal paid on long-term obligations.....	(3,410)	(3,901)	(2,887)
Decrease in capitalized lease obligations.....	-	-	-
Proceeds from loans payable.....	-	-	-
Payments on loans payable.....	-	-	-
Proceeds on notes payable.....	-	-	-
Proceeds on bonds payable.....	-	-	-
Interest and payments to refunded bond escrow agent.....	(1,896)	(3,727)	(2,632)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(14,416)	(15,368)	(11,068)
INVESTING ACTIVITIES:			
Interest and dividends on investments.....	6,649	80	-
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	6,649	80	-
NET INCREASE IN CASH AND INVESTMENTS.....	(8,490)	287	(535)
Equity in cash and investments at October 1, 2008.....	57,910	98	2,239
Equity in cash and investments at September 30, 2009.....	<u>\$ 49,420</u>	<u>\$ 385</u>	<u>\$ 1,704</u>

ENTERPRISE FUNDS

NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
	2009	2008	
\$ 36,064	\$ 90,798	\$ 82,485	\$ 218,955
(9,797)	(93,921)	(80,234)	(140,187)
(13,157)	(22,370)	(14,550)	(32,714)
790	5,143	210	570
-	(74)	(7)	-
5,928	37,922	18,786	4,318
(1,198)	(3,104)	(7,282)	(28,171)
<u>18,630</u>	<u>14,394</u>	<u>(592)</u>	<u>22,771</u>
-	-	(953)	-
10,708	53,738	43,951	4,346
(10,129)	(23,538)	(22,002)	-
<u>579</u>	<u>30,200</u>	<u>20,996</u>	<u>4,346</u>
(3,141)	(13,222)	(2,510)	(25,312)
-	2,678	4,975	-
(6,053)	(21,049)	(5,011)	-
-	-	-	(13,474)
-	-	18	-
(4,756)	(14,954)	(7,379)	-
-	-	-	(296)
-	-	-	23,195
-	-	-	(16,611)
-	-	-	(25,700)
-	-	-	28,940
-	(8,255)	(2,066)	-
<u>(13,950)</u>	<u>(54,802)</u>	<u>(11,973)</u>	<u>(29,258)</u>
<u>1,501</u>	<u>8,230</u>	<u>2,516</u>	<u>10,733</u>
<u>1,501</u>	<u>8,230</u>	<u>2,516</u>	<u>10,733</u>
6,760	(1,978)	10,947	8,592
<u>14,207</u>	<u>74,454</u>	<u>63,507</u>	<u>113,170</u>
<u>\$ 20,967</u>	<u>\$ 72,476</u>	<u>\$ 74,454</u>	<u>\$ 121,762</u>

(continued)

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands; continued)

	ENTERPRISE FUNDS		
	SOLID WASTE DISPOSAL	JACKSONVILLE MUNICIPAL STADIUM	VETERANS MEMORIAL ARENA
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS).....	(\$ 41,606)	(\$ 6,589)	(\$ 5,019)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization.....	2,194	5,476	2,446
Interest payment on non-capital borrowing.....	-	-	-
Other non-operating revenue/(expenses).....	(420)	9,351	5,164
(Increase) decrease in assets:			
Receivables and other current assets, net.....	(1,684)	555	(1,372)
Due from other funds.....	-	51	(19)
Advances to other funds.....	-	-	-
Due from independent agencies and other governments.....	(103)	167	-
Interest and dividend receivables.....	-	-	-
Inventories.....	-	-	-
Other receivables.....	-	-	-
Loan receivables.....	-	-	-
Prepaid expenses and other assets.....	-	29	71
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses.....	(1,307)	(1,233)	(356)
Contracts payable.....	(3)	-	-
Due to other funds.....	-	(46)	(9)
Deposits.....	73	(56)	2,101
Accrued interest payable.....	(85)	3,803	2,618
Current portion of bonds payable.....	-	-	-
Unearned revenue.....	1,857	-	(36)
Loans payable.....	2,250	-	-
Other liabilities.....	102	-	-
Interest payable.....	-	-	-
Liability for landfill closure and postclosure care.....	17,357	-	-
Liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	42	-	-
TOTAL ADJUSTMENTS.....	20,273	18,097	10,608
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(\$ 21,333)	\$ 11,508	\$ 5,589
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	\$ 2,864	\$ 44	(\$ 34)
Capital assets transferred from governmental activities to proprietary funds of the city.....	-	-	-
Capital assets transferred from proprietary funds to governmental activities of the city.....	590	-	-
Debts transferred from governmental activities to proprietary funds of the city.....	-	-	-
Capital assets transferred to JPA.....	-	-	-
Transfer of long term pollution remediation liability to governmental activities.....	-	-	-

ENTERPRISE FUNDS

<u>NON MAJOR ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
	<u>2009</u>	<u>2008</u>	
<u>\$ 10,178</u>	<u>(\$ 43,036)</u>	<u>(\$ 22,874)</u>	<u>\$ 7,001</u>
3,163	13,279	2,869	22,944
-	-	953	-
5,884	19,979	12,742	(7,834)
(5,814)	(8,315)	(5,491)	5
10	42	209	12
-	-	-	664
-	64	7	1,230
-	-	(2)	-
3	3	(8)	393
-	-	-	565
-	-	-	(5,915)
40	140	8	(308)
1,608	(1,288)	777	(1,021)
28	25	4	-
780	725	203	570
38	2,156	650	-
-	6,336	(826)	-
-	-	270	-
974	2,795	9,643	78
-	2,250	-	-
214	316	156	420
918	918	-	-
-	17,357	343	-
-	-	(203)	3,807
606	648	(22)	160
<u>8,452</u>	<u>57,430</u>	<u>22,282</u>	<u>15,770</u>
<u>\$ 18,630</u>	<u>\$ 14,394</u>	<u>(\$ 592)</u>	<u>\$ 22,771</u>
\$ 605	\$ 3,479	(\$ 595)	\$ 5,033
-	-	404,899	-
-	590	-	-
-	-	(306,974)	-
-	-	(3,920)	-
-	-	112,432	-

See accompanying notes.

(continued)



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FIDUCIARY FUND LEVEL STATEMENTS

PENSION TRUST FUNDS are funds administered by independent boards for which the City performs a fiduciary role under a defined benefit program. The participant's retirement annuity is based on a statutory formula using such factors as age, average salary, length of service and others.

PRIVATE PURPOSE TRUST FUND is used to report all trust arrangements, other than those properly reported in pension trust funds, under which principal and income benefit individuals. The City reports its James Brady Disabled Scholarship, Michael Jackson Music Scholarship, J.B. Smith Memorial Scholarship, and Lex Hester Memorial Scholarship funds as private purpose trusts.

AGENCY FUNDS are funds which hold monies in an agency capacity for various government units, individuals or funds.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST FUND		AGENCY FUNDS	
	2009	2008	2009	2008	2009	2008
<u>ASSETS</u>						
CURRENT ASSETS:						
Equity in cash and investments.....	\$ 49,197	\$ 38,814	\$ 229	\$ 221	\$ 64,238	\$ 60,419
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends.....	6,682	6,637	-	-	-	-
Accounts.....	189	2,073	-	-	3,137	2,620
Total receivables.....	<u>6,871</u>	<u>8,710</u>	<u>-</u>	<u>-</u>	<u>3,137</u>	<u>2,620</u>
Investments, at fair value:						
U.S. Government obligations.....	81,855	135,108	-	-	-	-
Federal Agencies.....	117,271	-	-	-	-	-
Domestic corporate bonds.....	442,147	654,079	-	-	-	-
Short-term investments.....	37,319	-	-	-	-	-
Domestic stocks.....	972,251	1,114,727	-	-	-	-
International stocks.....	374,912	238,960	-	-	-	-
Real Estate.....	171,227	276,578	-	-	-	-
Other fixed income.....	60,509	-	-	-	-	-
Alternative investments.....	43,556	-	-	-	-	-
Total investments.....	<u>2,301,047</u>	<u>2,419,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets.....	<u>2,357,115</u>	<u>2,466,976</u>	<u>229</u>	<u>221</u>	<u>67,375</u>	<u>63,039</u>
CAPITAL ASSETS						
Other capital assets, net of depreciation.....	49	44	-	-	-	-
Total Capital Assets, net.....	<u>49</u>	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Securities Lending Collateral.....	103,599	137,967	-	-	-	-
TOTAL ASSETS.....	<u>2,460,763</u>	<u>2,604,987</u>	<u>229</u>	<u>221</u>	<u>67,375</u>	<u>63,039</u>
<u>LIABILITIES</u>						
CURRENT LIABILITIES:						
Obligations under securities lending agreement.....	105,108	140,791	-	-	-	-
Accounts payable and accrued liabilities.....	7,677	7,839	-	4	227	211
Due to independent agencies and other governments....	-	-	-	-	28,235	14,806
Due to individuals.....	-	-	-	-	4,627	6,620
Current portion accrued compensated absences.....	26	-	-	-	-	-
Deposits held in escrow.....	-	-	-	-	34,286	41,402
Total Current Liabilities.....	<u>112,811</u>	<u>148,630</u>	<u>-</u>	<u>4</u>	<u>67,375</u>	<u>63,039</u>
NONCURRENT LIABILITIES:						
Accrued compensated absences.....	62	83	-	-	-	-
Due to participants.....	175,854	160,450	-	-	-	-
Total Noncurrent Liabilities.....	<u>175,916</u>	<u>160,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>288,727</u>	<u>309,163</u>	<u>-</u>	<u>4</u>	<u>\$ 67,375</u>	<u>\$ 63,039</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....	<u>\$ 2,172,036</u>	<u>\$ 2,295,824</u>	<u>\$ 229</u>	<u>\$ 217</u>		

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST	
	2009	2008	2009	2008
<u>ADDITIONS</u>				
Contributions:				
Employer.....	\$ 84,927	\$ 82,501	\$ -	\$ -
Plan members.....	37,188	36,521	-	-
Total contributions.....	<u>122,115</u>	<u>119,022</u>	<u>-</u>	<u>-</u>
Other additions:				
State insurance contributions.....	8,901	9,427	-	-
Court fines & penalties.....	1,456	1,758	-	-
Contributions from other governmental units.....	4,286	-	-	-
Miscellaneous.....	186	80	-	-
Transfers in.....	-	24	-	8
Total other additions.....	<u>14,829</u>	<u>11,289</u>	<u>-</u>	<u>8</u>
Investment income:				
Net (depreciation) appreciation in fair value of investments.....	(77,655)	(496,729)	-	-
Interest.....	42,257	48,377	17	6
Dividends.....	19,690	33,420	-	-
Rebate of commissions.....	169	212	-	-
Rental income.....	1,874	2,070	-	-
Other miscellaneous.....	8	-	-	-
Total investment income (loss).....	<u>(13,657)</u>	<u>(412,650)</u>	<u>17</u>	<u>6</u>
Less investment expense.....	(10,442)	(12,374)	-	-
Less rental expense.....	(205)	(195)	-	-
Net investment income (loss).....	<u>(24,304)</u>	<u>(425,219)</u>	<u>17</u>	<u>6</u>
From Securities Lending Activities:				
Securities lending.....	2,601	7,375	-	-
Securities lending expenses				
Interest expense (returned to borrower).....	(316)	(7,601)	-	-
Agent fees.....	(24)	(650)	-	-
Total securities lending activities.....	<u>2,261</u>	<u>(876)</u>	<u>-</u>	<u>-</u>
TOTAL ADDITIONS, NET.....	<u>114,901</u>	<u>(295,784)</u>	<u>17</u>	<u>14</u>
<u>DEDUCTIONS</u>				
Benefits payments.....	195,807	187,176	-	-
DROP Benefits.....	31,908	25,485	-	-
Refunds of contributions.....	8,074	6,055	-	-
Administrative expenses.....	2,900	5,066	-	-
Operating expenses.....	-	-	5	13
TOTAL DEDUCTIONS.....	<u>238,689</u>	<u>223,782</u>	<u>5</u>	<u>13</u>
CHANGE IN NET ASSETS.....	<u>(123,788)</u>	<u>(519,566)</u>	<u>12</u>	<u>1</u>
NET ASSETS, BEGINNING OF YEAR.....	<u>2,295,824</u>	<u>2,815,390</u>	<u>217</u>	<u>216</u>
NET ASSETS, END OF YEAR.....	<u>\$ 2,172,036</u>	<u>\$ 2,295,824</u>	<u>\$ 229</u>	<u>\$ 217</u>

See accompanying notes.



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COMPONENT UNITS

Component Units are legally separate organizations for which the primary government is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's governing body with certain exceptions, and either (a) the ability to impose will by the primary government; or (b) the potential for the organization to provide financial benefits to, or impose financial burdens on the primary government. The City's major component units follow:

MAJOR COMPONENT UNITS:

The JEA manages and operates an electric utility system and a water and sewer utility system in the Consolidated City of Jacksonville/Duval County area.

The Jacksonville Transportation Authority is responsible for construction, improvement, and maintenance of the Jacksonville Expressway System and operation of the City's mass transit systems, including bus and automated skyway express throughout Duval County.

The Jacksonville Aviation Authority manages and operates the City's aviation/airport facilities.

The Jacksonville Port Authority manages and operates the City's marine port facilities.

COMPONENT UNITS THAT DO NOT ISSUE A SEPARATE REPORT:

The Jacksonville Housing Finance Authority provides money for loans and technical assistance for construction and rehabilitation of housing to alleviate a shortage of housing and capital for investment in housing in Jacksonville.

The Jacksonville Economic Development Commission provides a focal point for economic development in the City that results in a centralization of economic development programs.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS -
COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2009

MAJOR COMPONENT UNITS

	<u>JEA</u>	<u>JACKSONVILLE TRANSPORTATION AUTHORITY</u>	<u>JACKSONVILLE AVIATION AUTHORITY</u>	<u>JACKSONVILLE PORT AUTHORITY</u>
ASSETS				
Cash and cash equivalents.....	\$ 758,934	\$ 83,587	\$ 49,954	\$ 44,895
Cash in escrow with fiscal agent.....	-	-	-	-
Investments.....	319,397	26,581	39,632	-
Due from primary government.....	-	-	-	-
Due from other governmental agencies.....	-	55,574	-	-
Accounts and interest receivable.....	239,313	708	4,864	3,341
Mortgages receivable.....	-	-	-	-
Other receivables.....	-	-	12,936	26,916
Inventories.....	157,473	3,082	799	1,554
Other assets.....	312,294	345	2,172	17,761
Custodial Assets - Construction projects.....	-	427,517	-	-
Capital assets:				
Land and construction in progress.....	437,842	50,896	83,853	239,838
Buildings and improvements.....	-	73,052	736,268	497,067
Vehicles.....	-	39,607	-	-
Equipment.....	-	1,037	-	92,107
Utility plant in service.....	9,564,569	-	-	-
Other capital assets.....	-	13,557	2,420	-
Less: accumulated depreciation.....	(3,324,088)	-	(268,835)	(227,874)
Total capital assets, net of depreciation.....	<u>6,678,323</u>	<u>178,149</u>	<u>553,706</u>	<u>601,138</u>
Total assets.....	<u>8,465,734</u>	<u>775,543</u>	<u>664,063</u>	<u>695,605</u>
LIABILITIES				
Accounts payable and accrued expenses.....	184,656	5,736	7,791	18,190
Deposits.....	44,297	-	-	2,802
Unearned revenue.....	-	-	-	6,307
Due to other governmental agencies.....	-	848	-	10,553
Interest payable.....	102,655	-	4,329	-
Other current liabilities.....	90,000	-	-	533
Liabilities payable with restricted assets.....	-	21,230	-	-
Long-term liabilities:				
Due within one year:				
Estimated liability for injury and damage claims.....	-	1,854	-	-
Bonds, notes payable, capital leases and contracts.....	224,402	-	13,286	10,542
Compensated absences.....	-	301	-	-
Due in more than one year:				
Estimated liability for injury and damage claims.....	-	973	-	-
Bonds, capital leases and commercial paper.....	6,131,894	-	206,092	195,575
Compensated absences.....	-	1,368	-	-
Custodial projects - due to other governments.....	-	447,943	-	-
OPEB liability.....	-	-	693	-
Other noncurrent liabilities.....	121,548	-	-	149,665
Total liabilities.....	<u>6,899,452</u>	<u>480,253</u>	<u>232,191</u>	<u>394,167</u>
NET ASSETS				
Invested in capital assets, net of related debt.....	605,128	178,149	359,245	261,640
Restricted for:				
Capital projects.....	-	-	3,731	17,931
Debt service.....	-	-	21,037	8,313
Other purposes.....	550,129	-	9,638	2,331
Unrestricted.....	411,025	117,141	38,221	11,223
Total Net Assets.....	<u>\$ 1,566,282</u>	<u>\$ 295,290</u>	<u>\$ 431,872</u>	<u>\$ 301,438</u>

See accompanying notes.

JACKSONVILLE HOUSING FINANCE AUTHORITY	JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION	NON MAJOR COMPONENT UNITS	TOTAL
\$ 6,968	\$ 25,893	\$ 1,447	\$ 971,678
188	20	-	208
-	-	-	385,610
-	64	-	64
6	-	-	55,580
-	902	784	249,912
12,482	5,700	-	18,182
-	32,772	1,786	74,410
-	-	-	162,908
4,218	-	217	337,007
-	-	-	427,517
-	-	3,923	816,352
-	-	-	1,306,387
-	-	-	39,607
33	107	169	93,453
-	-	3,974	9,568,543
-	-	-	15,977
(32)	(99)	(412)	(3,821,340)
<u>1</u>	<u>8</u>	<u>7,654</u>	<u>8,018,979</u>
<u>23,863</u>	<u>65,359</u>	<u>\$ 11,888</u>	<u>10,702,055</u>
4,256	559	132	221,320
-	386	-	47,485
-	38,472	-	44,779
-	-	-	11,401
-	-	-	106,984
-	-	-	90,533
-	-	-	21,230
-	-	-	1,854
-	-	-	248,230
-	3	-	304
-	-	-	973
-	-	-	6,533,561
-	251	-	1,619
-	-	-	447,943
1	30	-	724
-	-	-	271,213
<u>4,257</u>	<u>39,701</u>	<u>132</u>	<u>8,050,153</u>
1	8	7,654	1,411,825
-	-	-	21,662
-	-	-	29,350
-	-	-	562,098
19,605	25,650	4,102	626,967
<u>\$ 19,606</u>	<u>\$ 25,658</u>	<u>\$ 11,756</u>	<u>\$ 2,651,902</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES -
 COMPONENT UNITS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				GOVERNMENTAL ACTIVITIES	
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE HOUSING FINANCE AUTHORITY
Governmental activities:						
Jacksonville Transportation Authority	\$ 72,699	\$ -	\$ -	\$ -	(\$ 72,699)	-
Jacksonville Housing Finance Authority	670	-	-	-	-	(670)
Jacksonville Economic Development Commission	12,568	1	10,659	606	-	-
Non Major Component Units	2,300	1,147	864	3,604	-	-
Total governmental activities.....	88,237	1,148	11,523	4,210	(72,699)	(670)
Business-type activities:						
JEA	1,827,479	1,831,380	-	39,587	-	-
Jacksonville Transportation Authority	97,929	20,479	11,773	10,818	-	-
Jacksonville Aviation Authority	91,150	59,909	31	16,132	-	-
Jacksonville Port Authority	67,322	47,344	2,716	5,008	-	-
Total business-type activities.....	2,083,880	1,959,112	14,520	71,545	-	-
Total component units.....	\$ 2,172,117	\$ 1,960,260	\$ 26,043	\$ 75,755	\$ (72,699)	\$ (670)
General revenues:						
Sales and tourist taxes.....					64,020	-
Intergovernmental - unrestricted.....					-	-
Payments from other governments.....					-	8
Unrestricted earnings on investments.....					1,381	569
Miscellaneous.....					117	2,145
Transfer					4,869	-
Total general revenues, special items and transfers.....					70,387	2,722
Change in net assets.....					(2,312)	\$ 2,052
Net assets, beginning of year:						
Net assets, beginning of year.....					112,646	17,554
Changes to beginning net assets.....					-	-
Restated beginning net assets					112,646	17,554
Net assets, end of year.....					\$ 110,334	\$ 19,606

See accompanying notes

Cont.

GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES			TOTAL
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION	NON MAJOR COMPONENT UNITS	JEA	JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE AVIATION AUTHORITY	JACKSONVILLE PORT AUTHORITY	GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
-	-	-	-	-	-	(\$ 72,699)
-	-	-	-	-	-	(670)
(1,302)	-	-	-	-	-	(1,302)
-	3,315	-	-	-	-	3,315
(1,302)	3,315	-	-	-	-	(71356)
-	-	43,488	-	-	-	43,488
-	-	-	(54,859)	-	-	(54,859)
-	-	-	-	(15,078)	-	(15,078)
-	-	-	-	-	(12,254)	(12,254)
-	-	43,488	(54,859)	(15,078)	(12,254)	(38703)
\$ (1,302)	\$ 3,315	\$ 43,488	\$ (54,859)	\$ (15,078)	\$ (12,254)	\$ (110,059)
-	-	-	-	-	-	64,020
-	-	-	55,482	-	-	55,482
-	-	-	-	245	-	253
2,859	132	27,551	97	3,312	319	36,220
1,119	33	12,708	-	11,506	19,780	47,408
-	-	-	(4,869)	-	-	-
3,978	165	40,259	50,710	15,063	20,099	203,383
\$ 2,676	3,480	83,747	(4,149)	(15)	7,845	\$ 93,324
22,982	8,276	1,482,535	189,105	431,887	295,938	2,560,923
-	-	-	-	-	(2,345)	(2,345)
22,982	8,276	1,482,535	189,105	431,887	293,593	2,558,578
\$ 25,658	\$ 11,756	\$ 1,566,282	\$ 184,956	\$ 431,872	\$ 301,438	\$ 2,651,902

See accompanying notes



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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Jacksonville, Florida (the City) conform to accounting principles generally accepted in the United States (GAAP) as applicable to governments. The following is a summary of the more significant policies. Notes 1C. through 20 are note disclosures of the primary government with significant disclosures for major component units incorporated within. Additional significant component unit disclosures are presented in Note 17.

A. Basis of Presentation:

The accompanying financial statements of the City have been prepared in conformity with GAAP as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the American Institute of Certified Public Accountants (AICPA). Under the auspices of GASB Statement No. 20, the City does not apply FASB pronouncements issued after November 30, 1989, for proprietary activities, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for units of local government.

B. Financial Reporting Entity:

The City is a consolidated city/county political entity created by Chapter 67-1320 of the Laws of Florida. When consolidation occurred on October 1, 1968, all existing municipalities, authorities and public agencies within Duval County, except for the Duval County School Board, were merged into a single new corporate and political entity also known as the City of Jacksonville. At the same time, however, the cities of Jacksonville Beach, Atlantic Beach, Neptune Beach and the Town of Baldwin elected to retain local autonomy for certain municipal purposes and were reconstituted as separate and distinct urban service districts. The consolidated city government, which is comprised of an elected City Council (19 members) and mayor, provides, under the administration of the appointed Chief Administrative Officer, services to approximately 901,000 residents living in an 840.1 square mile area.

To conform to the traditional county organization of government in the State of Florida, the City retained the offices of the Sheriff, Property Appraiser, Tax Collector, Supervisor of Elections, and Clerk of the Circuit Court, which are also elected by the citizenry. These officers are considered to be not only county officers, but also officers of the consolidated government as well, and therefore are considered as part of the primary government. The three beach cities and the Town of Baldwin continue to function as separate municipal governments.

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the mayor and/or controlled by or dependent upon the City Council as set forth in the City Charter. The City, a primary government, has also considered for inclusion all potential component units for which it may be financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. In GASB Statement No. 14, The Financial Reporting Entity, the GASB has set forth criteria to be considered in determining financial accountability.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization; or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

As required by GAAP, these financial statements present the City of Jacksonville (the primary government) and its component units. The City has identified and included within the financial reporting entity, as its component units, legally separate organizations for which the City is financially accountable or for which a significant relationship with the City exists such that exclusion would cause the City's financial statement to be misleading or incomplete.

The Jacksonville Public Library Board has been classified as a dependent special district by the State of Florida Department of Community Affairs. Per GASB Statement No. 14, the Library Board is not considered a component unit as it is not a legally separate organization. Therefore, its activity is included as part of the primary government.

Blended Component Unit. There is one component unit, which is legally separate from the City, but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into the appropriate funds.

The **Jacksonville Police and Fire Pension Board of Trustees**, created under Article 22 of the City Charter, provides retirement services and benefits to eligible employees of the Office of the Sheriff and the Department of Fire and Rescue. The City appoints two of the five-member board; one member is a police officer; one member is a firefighter; and the remaining member is appointed by the other four members. As sponsor, the City has the ability to modify the plan and to approve the defined benefit contribution to the Police and Fire Pension Board of Trustees in the City's annual budget. The Police and Fire Pension Board of Trustees issues separate financial statements on the fund, which may be obtained from its administrative office at One West Adams Street, Suite 100, Jacksonville, Florida 32202-3616. These transactions are blended in the Fiduciary Funds.

Discrete Component Units. These component units are entities which are legally separate from the City, but are financially accountable to the City, or whose relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The component units are reported separately to emphasize that they are legally separate from the primary government and are governed by separate boards. The footnotes include financial data of these entities. Each component unit listed below has a September 30 fiscal year end.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

Major Component Units

JEA (formerly known as the Jacksonville Electric Authority) was created by Chapter 67-1569 of the Laws of Florida to own, manage, and operate an electric utility system and a water and sewer utility system in the City and any or all counties adjacent thereto. The governing body of the JEA consists of seven members appointed by the mayor and confirmed by the City Council. The City has the ability to impose its will on the JEA manifested principally through formal budgetary approval. The JEA engages only in business-type activities and issues separate financial statements, which may be obtained from its administrative office in the JEA Plaza at 21 West Church Street, Jacksonville, Florida 32202.

The **Jacksonville Port Authority (JPA)** was created by Resolution 2000-1104-A, and was initially called the Jacksonville Seaport Authority. This resolution abolished what was the former Jacksonville Port Authority and created new Seaport and Airport Authorities. However, during fiscal year 2003, the Seaport Authority changed its name back to Jacksonville Port Authority. The governing body of the JPA consists of seven members, four of whom are appointed by the mayor and confirmed by the City Council, and three of whom are appointed by the Governor. The City can impose its will on the JPA through modification and approval of its budgets, which ensures strong accountability to the local constituent citizenry. The JPA engages only in business-type activities and issues separate financial statements. Requests for information may be addressed to the Chief Financial Officer, Jacksonville Port Authority, P.O. Box 3005, Jacksonville, FL 32206-0005.

The **Jacksonville Aviation Authority (JAA)** was created by Resolution 2000-1104-A, which abolished what was the former Jacksonville Port Authority (JPA). The former JPA was created in 1963 by Chapter 63-1447 of the Laws of Florida, to own and operate marine and aviation facilities in the Consolidated City/County Government of Jacksonville/Duval County. These state laws were repealed and separate seaport and airport authorities were established. The governing body of the JAA consists of seven members, four of whom are appointed by the Governor, and three of whom are appointed by the mayor and confirmed by the City Council. The JAA is fiscally dependent upon the City because the City Council approves and modifies the JAA budget. The JAA engages only in business-type activities and issues separate financial statements. Requests for information may be addressed to the JAA Administrative Office at P.O. Box 18018, Jacksonville, Florida 32229-0018.

The **Jacksonville Transportation Authority (JTA)** is a public body politic and corporate agency of the State of Florida under Chapter 349 of the Florida Statutes. The governing body of the JTA consists of seven members, three of whom are appointed by the governor of Florida, three of whom are appointed by the mayor and confirmed by the City Council, and the seventh member is the district engineer of the Florida Department of Transportation.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

The JTA is empowered to construct, improve, operate and lease the Jacksonville Expressway System. The JTA is, however, fiscally dependent upon the City under Section 14 of the City Charter through approval of its budgets which ensures strong accountability to the local constituent citizenry. The JTA engages in both governmental and business-type activities and issues separate financial statements, which may be obtained from its administrative office at 100 North Myrtle Avenue, Jacksonville, Florida 32203.

Component Units that do not issue a separate report

The **Jacksonville Housing Finance Authority (JHFA)**, formerly known as the Duval County Housing Finance Authority (DCHFA), was created by City Ordinance 2003-1058, to alleviate a shortage of housing and capital investment for the people of Duval County, pursuant to Florida Statutes, Section 159.604. The mayor appoints three of the five board members. The City has the ability to impose its will on the JHFA. The JHFA operates in conjunction with the Jacksonville Housing Commission, also created by Ordinance 2003-1058, and has the rights and duties necessary under Florida Statutes, Chapter 159, Part IV, to preserve outstanding debt, issue new debt and to shield the City from financial liability. The bonds issued and outstanding are included in Note 8J. Conduit Debt. The JHFA engages only in governmental activities. There are no separately issued financial statements for the JHFA, whose financial activity is accounted for by the City. The JHFA financial statements are presented in the financial section of the City report.

The **Jacksonville Economic Development Commission (JEDC)**, created July 1, 1997, under Chapter 92-341, Laws of Florida, provides a focal point for economic development in the City that results in a centralization of economic development programs under the auspices of one agency, thus ensuring a more efficient and practical means of addressing the goals, objectives and strategies for future economic development in the City. The JEDC operates with all the powers and authority of a community redevelopment agency under Part III, Chapter 163, Florida Statutes and as an industrial development authority under Part III, Chapter 159, Florida Statutes. The mayor appoints the board members and the chairman, who are confirmed by the City Council, and the City has the ability to impose its will. The JEDC engages only in governmental activities. There are no separately issued financial statements for the JEDC, whose financial activity is accounted for by the City. The JEDC financial statements are presented in the financial section of the City report.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

Non-major Component Units

Downtown Vision, Inc. (DVI) was established as a not-for-profit corporation under the Laws of Florida in 1997. DVI was created to provide community enhancements in the downtown area, with associated costs assessed to the properties benefited. The assessment is levied and collected by the City in accordance with the Enhanced Municipal Services Agreement, and was approved by City Ordinance 1999-1175-E. Therefore, DVI is fiscally dependent on the City. The DVI is governed by a 15-member Board of Directors, of which two are City representatives. The enhanced services are provided to property owners within several of the City's Downtown Community Redevelopment areas, including some properties owned by the City. DVI engages only in governmental activities and issues separate financial statements, which may be obtained from its main office at 214 North Hogan Street, Suite 120, Jacksonville, Florida 32202.

The **Jacksonville Health Facilities Authority** (JHFA), created under Chapter 490 of the City Ordinance Code pursuant to Chapter 154 Part III, Laws of Florida, provides appropriate additional means to assist in the development, improvement and maintenance of the public health. The JHFA provides a method for the financing and refinancing, on a tax-exempt basis, of projects on behalf of private corporations and organized not-for-profits that are authorized by law to provide hospital or nursing home services, thus providing facilities at favorable interest costs with a resultant decrease in health care costs for the users of health facilities within the City. All five members are appointed by the City Council, and the City is able to impose its will on the JHFA.

The bonds issued by the JHFA are special limited obligations of the JHFA and the principal and interest are payable from rental payments. The principal and interest on the bonds shall never constitute an indebtedness of the City of Jacksonville, Duval County, the State of Florida or any municipality or political subdivision thereof. Accordingly, the bonds issued and outstanding are included in Note 8J Conduit Debt. During the fiscal year presented, JHFA had no financial transactions or assets and liabilities to report. Therefore, there are no separately issued financial statements for JHFA.

The **Water and Sewer Expansion Authority** (WSEA) was created by City Ordinance 2003-586-E to allow property owners an opportunity to finance water and/or sewer infrastructure in their existing developed neighborhoods on a voluntary basis. The governing body of the WSEA consists of seven members appointed by the mayor and confirmed by the City Council. The City has the ability to impose its will on the WSEA principally through the mayor's ability to remove board members with two-thirds approval vote from the City Council, and the City Councils authority to review and approve the WSEA annual budget. WSEA issues separate financial statements, which may be obtained from its administrative office 21 West Church Street, T - 16 Jacksonville, Florida 32202.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

Related Organizations

The **Jacksonville Housing Authority (JHA)** is governed by a seven member board, whose members are appointed by the mayor and confirmed by City Council. However, the City does not have the ability to impose its will on JHA. The City cannot remove appointed members of the JHA Board at will. JHA managers are appointed by the JHA Board of Directors. The Board approves the operating budget and amendments to the budget. The City does not exercise influence in JHA management or operations. It does not approve JHA budgets, and does not provide or collect major revenues of the JHA. Accordingly, the financial activities of the JHA are not included in the City's financial statements.

The **Duval County Research and Development Authority (Authority)** is governed by a five member Board whose members are appointed by the City Council. However, the City does not have the ability to impose its will on the Authority. The City does not exercise influence in the management or operations of the Authority and is not financially accountable for the actions of the Authority. Accordingly, the financial activities of the Authority are not included in the City's financial statements.

Jointly Governed Organization

The Jacksonville Metropolitan Planning Organization (MPO) was previously reported by the City as a blended component unit. An Interlocal Agreement was entered into on February 27, 2004, by and between the Florida Department of Transportation, the Counties of Clay, Duval, and St. Johns, the cities of Jacksonville, Atlantic Beach, Jacksonville Beach, Neptune Beach and St. Augustine, the Jacksonville Aviation Authority, the Jacksonville Port Authority, the Jacksonville Transportation Authority and the St. Augustine/St. Johns County Airport Authority to redesignate as the **First Coast Metropolitan Planning Organization (FCMPO)**. Pursuant to Section 339.175(3), Florida Statutes, by letter to Mayor John Peyton, the governor agreed to the apportionment plan of newly proposed members. The City Council no longer serves as the MPO Board. The mayor, three Jacksonville City Council Members and various other leaders of the involved agencies, make up the 16 member board, with three members being non-voting.

The City does not have an ongoing financial interest or responsibility to the FCMPO. However, since the board includes members from each of the governments that created it, the FCMPO is considered a jointly governed organization of the City.

C. Basic Financial Statements:

The basic financial statements include both citywide and fund level statements. The City, as the primary government, is reported separately from its component units. The citywide statements report on all of the activities of the City and its component units except those that are fiduciary in nature.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basic Financial Statements: (continued)

Statements for fiduciary activities, such as employee pension plans, are presented in a separate section of this report. Both the citywide and fund level statements classify primary activities of the City as either governmental activities, which are primarily supported by taxes and intergovernmental revenues, or business type activities, which are primarily supported by user fees and charges.

The citywide statement of net assets reports all assets and liabilities of the City, including both long-term assets and long-term debt and other obligations. The statement of activities reports the degree to which direct expenses of City functions are offset by program revenues, which include program specific grants and charges for services provided by a specific function. Direct expenses are those that are clearly identifiable with a specific function or program. The net cost of these programs is funded from general revenues such as taxes, intergovernmental revenue and interest earnings.

The fund level statements report on governmental, proprietary and fiduciary fund activities. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund level financial statements.

Since the fund level statements for governmental activities are presented using a different measurement focus and basis of accounting than the citywide statements governmental column (as discussed under Basis of Accounting in this summary of significant accounting policies), a reconciliation is presented on the page following each fund level statement which briefly explains the adjustments necessary to convert the fund level statements into the citywide governmental column presentations.

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

D. Fund Structure:

The City's accounts are maintained in accordance with the principles of fund accounting to ensure compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions or limitations. Each individual fund is a self-balancing set of accounts recording assets and other financing resources, together with liabilities and residual equities or balances and changes therein. For financial statement presentation, funds with similar characteristics, including those component units referenced above, are grouped into generic classifications as required by GAAP. A brief description of these classifications follows:

Governmental Funds. These funds report transactions related to resources received and used for those services traditionally provided by city/county government. The following are major governmental funds used by the City:

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure: (continued)

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

Debt Service Funds:

The Special Bonded Debt – Better Jacksonville Plan Obligations Fund accounts for the accumulation of resources for, and the payment of, principal and interest on the City’s special bonded obligations payable, which are related to the Better Jacksonville Plan.

The Special Bonded Debt Obligations Fund accounts for the accumulation of resources for, and the payment of, principal and interest on the City’s special and limited bonded obligations, which are payable solely from and secured by a lien upon and pledge of the revenues under the respective bond ordinances.

Capital Project Funds:

The Better Jacksonville Plan Construction Projects Fund receives revenues from the two local option sales tax programs and proceeds from the sale of bonded debt issued by the City to fund projects under the Better Jacksonville Plan.

Other Non-major Governmental Funds:

This is the aggregate of all of the non-major governmental funds. Individual fund statements for these funds are included in the Combining and Individual Fund Statements and Schedules Section. Proceeds from the Banking fund are also recorded within these funds.

Proprietary Funds. These funds report transactions related to activities similar to those found in the private sector. Major proprietary funds include:

Solid Waste Disposal Fund - This fund accounts for the collection, recycling, and disposal of commercial and residential garbage services throughout the city, including operation of three municipally owned landfill sites, two of which are closed.

The Jacksonville Municipal Stadium Fund accounts for events held at the stadium including National Football League and college football games, concerts and other activities.

The Veterans Memorial Arena Fund accounts for events held at the arena including concerts, college basketball games, and other entertainment events such as the circus, ice skating, gymnastics, professional wrestling and motor sports.

Other Non-major Enterprise - This is the aggregate of all of the non-major enterprise funds. Individual fund statements for these funds are included in the Combining Individual Fund Statements and Schedules Section.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure: (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds' principal ongoing operation. The principal operating revenues for the City's enterprise funds are charges to customers for sales and services. Operating expenses include direct expenses of providing the goods or services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In addition, the City reports the following fund types:

Internal Service Funds - These funds account for services provided primarily to various departments of the City and to other governmental agencies. Since these funds principally service City departments, internal service fund statements are consolidated into the governmental activities column in the citywide presentations. These activities are fleet management, copy center, data processing, legal, various risk management activities and internal banking fund. Services provided to other governmental agencies are not considered to be material.

Private-purpose Trust Funds - These funds account for resources legally held in trust for the benefit of individuals pursuing higher education in music and urban studies. Earnings on invested resources may be used to support these activities but no expenditure may be made from the principal of these funds.

Pension Trust Funds - These funds account for the activities of the Jacksonville Retirement System and the Police and Fire Pension funds, which accumulate resources for pension benefit payments for qualified employees.

Permanent Fund - This fund is used to account for activities of the City relative to cemetery maintenance at specified locations. All resources of the fund, including earnings on invested resources, may be used to support these activities. There is no requirement that any portion of these resources be preserved as capital.

Agency Funds - These custodial funds account for monies held as an agent for other governmental units or individuals. The City utilizes several agency funds including the Treasurer Fund to clear cash received and disbursed, Tax Collector Fund accounts for the collection of all taxes, revenues and other cash, Clerk of the Circuit Court Fund accounts for revenues collected by the court system, Plat Deposits Fund accounts for collateral to insure the completion of public improvements, Duval County School Readiness Coalition Fund accounts for similar collections, Florida Retirement System Fund accounts for a multiple-employer, cost-sharing defined benefit plan for certain City employees who elected to remain with the State of Florida Retirement System.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The citywide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary pension trust fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider are met.

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

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Major revenues that are determined to be susceptible to accrual include property taxes, taxpayer-assessed tax revenues including sales and utilities services taxes, state shared revenue, intergovernmental revenue, charges for services and investment income. Generally, the City considers a 60-day availability period for revenue recognition. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made, and the City considers amounts received within one year as available.

Property taxes billed but uncollected as of the end of the fiscal year are reflected in the accompanying financial statements as due from individuals offsetting a liability due to other governments in the Tax Collector Agency Fund. These amounts are not considered to be available by the City to finance current operations. Accordingly, property taxes are recognized as revenue in the fiscal year in which they are collected and remitted to the City's General Fund by the Tax Collector Agency Fund. (See Note 5.)

Expenditures are recorded when the related fund liability is incurred, except for items that are not planned to be liquidated with expendable available resources. Exceptions to the general modified accrual expenditure recognition criteria include principal and interest on general long-term indebtedness and capital lease obligations, which are recognized when paid, and payments for compensated absences and claims and judgments which are recognized when due.

Agency funds are accounted for using the full accrual basis of accounting. Agency funds are custodial in nature (i.e. assets equal liabilities) and do not measure the results of operations.

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash, Cash Equivalents, and Investments:

Cash, cash equivalents and investments and related accrued investment earnings are reported in the financial statements as "Equity in cash and investments" under the City's "pooling" concept. (See Note 3.) All monies, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis by the city Treasurer. Investment earnings are distributed in accordance with the participating funds' relative percentage of investments. All Fund Types deposit monies into the Equity in Cash and Investments Pool of the City. The Proprietary Fund Types use this pool as a demand deposit account, and accordingly all amounts in the pool are considered cash and equivalents for purposes of the Statement of Cash Flows. Investments are stated at fair value based on quoted market prices. Short term investments are reported at cost which approximates fair value. Securities, traded on national or international exchanges, are valued at the last reported sales price at current exchange rates. The fair value of real estate investments are based on independent appraisals or estimates of fair value as provided by third party fund managers. Investments that do not have an established market are reported at estimated fair value as provided by third party fund managers. Increases and decreases in the fair value of investments are reported as investment income. The City of Jacksonville's swap policy allows for the use of interest rate swaps and other financial instruments to manage the City's financial exposure. This policy went into effect on October 1, 2003 and was revised on March 1, 2004. The City utilizes interest rate swaps to manage the interest rate risk associated with various assets. The City continuously works toward developing the optimal capital structure, including the amounts and types of variable rate exposure, in view of the City's risk tolerance to market fluctuations, capital market outlook, future capital funding needs, rating agency considerations, counterparty credit profiles, and competition. Interest rate swaps are one instrument used in achieving an optimal capital structure.

G. Receivables:

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined, based on past collection experience and current economic conditions, except for mortgages receivables which are reported within restricted fund balance because it is externally constrained for specific purposes. Types of receivables include amounts that are principally due from the State of Florida for state-shared revenues. Receivables in other funds have arisen in the ordinary course of business.

H. Inventories:

Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems stated at cost, which approximates market, using the average weighted costing method. Reported inventories in governmental funds are included within nonspendable fund balance because it is not in spendable form. In proprietary fund types, inventories are expended when consumed.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets:

All purchased capital assets are recorded at cost where historical records are available and at estimated cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, capital assets costing \$1,000 or more and having a useful life of more than one year are capitalized. Infrastructure is capitalized based on the accumulated amounts charged to specific capital projects on an annual basis. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are reported in the applicable governmental or business-type column in the citywide financial statements, and in the Proprietary Fund Level Statements.

Depreciation on all capital assets is calculated using the straight line method over the following useful lives:

Infrastructure - Other	12 - 50 years
Infrastructure - Bridges	100 years
Buildings and improvements	12 - 45 years
Furniture, equipment and library books	3 - 10 years
Software development	10 years

The City capitalizes collections, such as artwork and library books. The City has a collection of artwork in various sites throughout the interior and exterior of public facilities. The value of the art is expected to either remain the same or increase over time, so it is not depreciated. Software development is capitalized if over a threshold of \$30,000.

J. Contributions: Contributions in the form of cash and capital assets to the governmental activities of the City are recognized on the Statement of Activities as revenues in the period they are received. Contributions of capital assets, primarily completed infrastructure from developers, are recognized at the fair value at the date of donation. All contributions are reported on the Statement of Activities as program revenues, with operating contributions reported separately from capital contributions.

K. Interfund Activity: Interfund activity within and among the City’s three fund categories (governmental, proprietary, and fiduciary) are classified as reciprocal interfund activity and nonreciprocal interfund activity.

Reciprocal interfund resource flows between funds with an expectation of repayment are reported as interfund receivables and payables. Reciprocal interfund resource flows, without an expectation of repayment within a reasonable time, are reported as transfers between funds. Interfund services provided and used are sales and purchases of goods and services between funds for a price approximating their external value and are reported as revenues and expenditures (or expenses) in the funds.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Interfund Activity: (continued)

Nonreciprocal interfund activities are flows of assets between funds without an equivalent flow of assets in return or without a requirement for repayment are reported as transfers in governmental funds and nonoperating revenues and expenses in proprietary funds.

L. Restricted Assets:

Assets are reported as restricted in the citywide Statement of Net Assets and the enterprise fund level statements when constraints are placed on net asset use. The constraints are either: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law or through constitutional provisions or enabling legislation. Certain proceeds of the City's revenue bonds, both governmental and proprietary funds, as well as resources set aside for their repayment are classified as restricted assets on the statements.

M. Compensated Absences:

City employees may accumulate earned personal leave benefits (compensated absences) at various rates within limits specified in collective bargaining agreements. For all funds, this liability reflects amounts attributable to employee services already rendered, cumulative, probable for payment, and reasonably estimated in conformity with GASB Statement No. 16, Accounting for Compensated Absences.

Compensated absences liabilities are accrued when incurred in the citywide financial statements, and the proprietary and fiduciary fund level financial statements. No expenditure is reported in the governmental funds for these amounts until the payment is made. No liability is recorded for nonvesting, accumulated sick pay benefits. Compensated absences liability is determined based on current rates of pay.

N. Risk Financing:

The City is self-insured for general and automobile liability and up to \$1.2 million per occurrence for workers compensation. The liability for self-insured losses is based on individual case estimates for reported claims, historical loss data and valuations performed by independent actuaries at September 30, 2009, for incurred but not yet reported claims, claims development, and unallocated loss adjustment expenses. The liability for self-insured losses is accounted for in the Self-Insurance Fund (internal service fund) that pays for claims made against the City. The City has an excess liability policy which provides coverage for general liability at limits of \$1 million per occurrence and \$3 million in the aggregate, subject to a \$5 million self-insured retention; and employers liability at limits of \$1 million per occurrence and \$3 million in the aggregate subject to a \$1.2 million self-insured retention.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Pension Costs:

Substantially all permanent, full-time employees of the City are covered under two City sponsored defined benefit pension plans. Employer contributions are recorded as pension expenditure/expenses when the related payroll is accrued based on an actuarially determined rate in accordance with GASB Statement No. 27, Accounting for Pensions by State and Local Governments.

P. Landfill Closure and Postclosure Care Costs:

The City recognizes municipal solid waste landfill closure and postclosure care costs under the State of Florida's Solid Waste Management Act of 1988 (the "1988 Act"), regulations of the Federal Environmental Protection Agency (EPA), and GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs. For those landfills that stopped accepting solid waste prior to final implementation of the 1988 Act and EPA regulations, the total cost of municipal solid waste landfill (MSWLF) closure is recognized as a deferred charge in the Solid Waste Disposal Enterprise Fund, in accordance with FASB Statement No. 71, Accounting for the Effects of Certain Types of Regulation, (FAS 71). The City issued bonds to pay for closure costs on closed landfills. Post-closure care costs on closed landfills are recorded as a liability based on engineer's estimates. The City Council establishes rates that are designed to recover costs and believes it is reasonable to assume that such rates, which will recover the costs, can be charged to and collected from customers. Accordingly, the provisions of FAS 71 are applied. The City intends to recover these MSWLF costs through future operating revenues of the Solid Waste Disposal Enterprise Fund. Accordingly, MSWLF costs are recognized as expense each year to match the flow of revenue and bonds principal payments, thereby reducing the deferred charge. Expenses for closure and postclosure care costs are recorded each year and the liability is adjusted to the engineer's estimate. MSWLF closure and postclosure care costs incurred for landfills accepting solid waste after final implementation of the 1988 Act and EPA regulations are recognized as an expense. A liability is recorded based upon the landfill capacity used during that year applied to the engineer's estimate of closure and postclosure care costs. (See Note 13.C.)

Q. Long-Term Obligations:

In the citywide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net assets.

Special obligation bonds, which are supported by certain general revenues (other than ad valorem taxes), do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision, and the City is not obligated to pay the bonds except from revenues pledged for such purposes.

Each governmental fund that has long-term liabilities, such as, compensated absences and pension liabilities, is responsible for liquidating the same.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Long-Term Obligations: (continued)

Non Asset Bonds are created when the City issues debt and either (a) constructs an asset which will become the asset of another entity (e.g. State of Florida); (b) contributes proceeds to another entity (e.g. Shands Jacksonville Hospital) to participate in a construction project; or (c) provides an economic incentive to a development or redevelopment project. Part of the Better Jacksonville Plan (BJP) referendum was to make improvements to state roads and/or interchanges with/between state roads.

While these projects enhance traffic movements in and around Jacksonville, the constructed assets and the future maintenance responsibility are transferred to the Florida Department of Transportation. Additionally, under the BJP program, the City provided for non-capital expenditures, such as septic tank remediation and ash clean up, from debt proceeds, which will not result in a capital asset of the City. The City has also provided grants to Shands Jacksonville Hospital, a provider of health care for indigents, from debt proceeds. The City and/or its Community Redevelopment Authority (CRA) districts, to encourage target development, will enter into incentive agreements (including grants loans) which are in some instances designed to be repaid by either the CRA's tax increment revenues and/or the developer.

R. Categories and Classification of Fund Balance:

The City of Jacksonville has elected early implementation of GASB 54. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance for fiscal year 2008 has been restated for comparative purposes, in the fund level financial statements. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note 19.

S. Bond Discounts, Premiums and Issuance Costs:

In the fund financial statements, governmental funds recognize bond discounts, premiums and issuance costs in the current period. The face amount of debt issued and bond premiums are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the debt proceeds received, are reported as debt service expenditures.

In the citywide financial statements and for proprietary funds, material bond discount, premium and issuance costs are deferred and amortized as a component of interest expense over the term of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are recorded as deferred charges and bond discount/premium are included in Long-Term Liabilities - Revenue Bonds.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Deferred Loss on Debt Refundings:

Losses resulting from advance refundings of debt in the citywide and proprietary fund statements are deferred and amortized over the shorter of the life of the new debt or the remaining life of the old debt. The amount deferred is reported as a component of Long-Term Liabilities in the accompanying financial statements and is amortized and reported as a component of interest expense.

U. Use of Estimates:

The preparation of financial statements, in accordance with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

V. Reclassifications:

Certain amounts in the separately issued financial statements of component units have been reclassified to conform to the presentation of the primary government.

W. Summarized Comparative Information:

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended September 30, 2008, from which the summarized information was derived.

X. Prepaids:

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. These amounts do not constitute available spendable resources even though they are a component of current assets. Prepaids are processed using the consumption method.

2. BUDGETARY DATA

The City presents a Budgetary Comparison Schedule for the General Fund as Required Supplementary Information. For this reporting period, no special revenue funds met the major fund criteria. The City's budgetary comparison reporting and Notes to Required Supplementary Information containing descriptions of the City's budgetary policies and processes are included in the Required Supplementary Information section of this report.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**3. CASH, INVESTMENTS AND SECURITIES LENDING
 A. Equity in Cash and Investments:**

The City maintains a cash and investment pool that is available for use by all funds except for monies legally restricted to separate administration (i.e. pension plan custodians and deferred compensation plan administrators). The “Equity in cash and investments” on the City Wide Financial Statements, consists of cash and investments owned by each fund and defined as resources that can be liquidated without delay or penalty. Cash and investments held separately where contractual arrangements and bond covenants require such arrangements, are classified as “restricted assets.”

Investment earnings are allocated to the individual funds monthly based on the funds’ weighted average daily cash balance.

The schedule below details the cash, cash equivalents (including the cash management pool), cash in escrow, cash with fiscal agents, interest and dividends receivable and pension portfolios as shown in the city-wide financial statements.

CASH and INVESTMENTS

Cash and Cash Equivalents	\$ 116,985,297
Investments	681,228,703
Pension, Private Purpose Trust and Agency Funds:	
Cash and Cash Equivalents	113,664,000
Investments	2,307,729,000
Component Units:	
Cash and Cash Equivalents	971,886,000
Investments	385,610,000
Total Cash and Investments	<u>\$4,577,103,000</u>
Investments Schedules:	
Operating Portfolio	\$ 1,066,838,703
Pension Portfolio	<u>2,307,729,000</u>
Sub-total	3,374,567,703
Other Cash/Investments:	
Cash	445,411,297
Cash with Fiscal Agent	100,050,000
Restricted Funds	<u>657,074,000</u>
Total Cash and Investments	<u>\$4,577,103,000</u>

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Cash on Deposit:

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

C. Investments and Investment Practices - General Operating Investments:

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

The fair market value of the City's fixed maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates typically translate into decreases in the fair market value of fixed maturity investments. Fair values of interest rate sensitive instruments may also be affected by the liquidity and duration of the instrument, creditworthiness of the issuer, prepayment options, and other general market conditions.

All invested cash is managed by third-party money managers other than operating cash invested overnight through the City's zero balance sweep accounts. Within the aggregate portfolio, the Policy establishes a Liquidity Portfolio which is required to contain not less than 15% of the aggregate portfolio, and an Active Portfolio containing funds not earmarked to the Liquidity Portfolio. Performance benchmarks for the Liquidity and Active Portfolios are established in the Policy and performance benchmarks for each of the third party managers are established by the Investment Committee. The Policy defines the Average Duration and Compliance Categories for investments. Compliance Categories are stated as a percentage of the Normal Portfolio Balance (the average total portfolio balance for the proceeding twelve months). Performance and compliance reports for both portfolios are submitted to the Investment Committee monthly, and to the Finance Committee quarterly.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices - General Operating Investments (continued):

The City employs an independent investment custodian who takes direction from the money managers and independently settles all trades. In addition, the custodian provides performance and compliance reporting both for the portfolios and by individual managers. Managers are required to report any instances of noncompliance with investment guidelines.

Interest rate risk is controlled primarily through duration, which is a measure that approximates the change in value of a bond for a given change in interest rates. Shorter durations are less sensitive to interest rate shifts, while longer durations are more sensitive. To limit the portfolio volatility associated with changes in interest rates, the City's Investment Policy Statement restricts the average duration of the overall portfolio to a range of 0.75 – 5.00 years; no more than 7.5% of the individual securities in the portfolio can have a duration greater than 8.5 years.

The following schedule reports the minimum and/or maximum investment percentages for each Compliance Category and shows the current percentages of investments per actual balances at year end and as a percentage of the Normal Portfolio Balance.

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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices - General Operating Investments (continued):

Compliance Category	Operating Fund Portfolio Characteristics as of September 30, 2009			
	Total Aggregate Portfolio			
	Actual Year End \$	Actual Year End %	% of Portfolio	
			During Year	By Policy
Duration	2.69	N/A	3.23	5.00
Liquidity	\$ 153,548,379	23%	44%	100%
Requirements				
US Govt (USG)	\$ 67,472,035	10%	14%	100%
USG + Agencies*	\$ 155,000,820	23%	31%	100%
Constraints				
Agencies	\$ 87,528,786	13%	20%	45%
MBS*	\$ 75,726,944	11%	15%	35%
Agency MBS*	\$ 38,361,440	6%	13%	35%
Non-Agency MBS	\$ 37,365,504	5%	7%	15%
Corporates	\$ 209,347,953	31%	39%	60%
Corporates > 1 Year*	\$ 207,690,249	30%	39%	40%
Munis	\$ 10,958	0%	0%	10%
Bond Funds ¹	\$ 106,752,985	16%	21%	85%
Money Market Funds*	\$ 68,866,476	10%	38%	40%
CDs	\$ 502,500	0%	1%	20%
Repos	\$ -	0%	0%	20%
Specialty Risk				
High Yield ¹	\$ 32,966,167	5%	6%	8%
International*	\$ -	0%	0%	8%
International (non-hedged)	\$ -	0%	0%	5%
Emerging Market ¹	\$ 4,939,518	1%	1%	8%
Duration > 8.5*	\$ 22,853,348	3%	4%	8%
Sum	\$ 1,268,934,061	186%		
*Classification Adjustment - Assets in more than one category	\$ 587,705,359	86%		
Total	\$ 681,228,703	100%		

¹Fidelity (Pyramis) is a commingled bond fund whose characteristics are reported as indicated. The investment fund as a whole is in compliance with investment policy.

²Normal Portfolio Balance \$ 686,000,000

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices - General Operating Investments (continued):

Note that Agency securities carry an “implicit” government guarantee, meaning that in the event of default, it is believed rather than explicitly stated, that the U.S. Government would ensure timely payments of the interest and principal. Consequently, the quality is considered higher than the highest-rated corporate bonds, but below that of actual U.S. Government-backed instruments.

The Operating Portfolio by Credit Quality reports on the General Operating Portfolio investment rating using Moody’s rating schedule as an indicator of investment credit quality. The City’s Investment Policy Statement is designed to control credit risk by requiring both minimum amounts that must be invested in the highest quality U.S. Government securities, as well as a maximum limit of 7.5% of the portfolio that can be invested in non-investment grade securities. Operating Fund by Credit Quality reports on the overall portfolio to illustrate the credit risk of the portfolio at year end.

**Operating Portfolio by Credit Quality
 September 30, 2009**

Quality Breakdown (Moody's)	Active Portfolio
Treasury	12%
Agency	12%
AAA	10%
AA1-AA3	4%
A1-A3	10%
BAA1-BAA3	12%
Non-investment Grade / Unrated	4%
Commingled / Mutual Funds	36%
	100%

Moody’s rating definitions:

Treasury – United States Treasury Securities

Agency – Government Agency Securities

AAA – Highest Investment Grade Quality Rating

AA1–AA3 – Medium Investment Grade Quality Rating

BAA1-BAA3 – Lowest Investment Grade Quality Rating

Commingled – Securities that are not applicable to Quality Ratings - they represent predominantly mutual funds that are listed and valued as a whole, not individual holdings, as well as minor exposure to non-investment grade securities.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices - General Operating Investments (continued):

The City has nominal exposure to foreign currency in the Operating Fund due to investments in non-U.S. markets. Foreign currencies will fluctuate relative to the U.S. dollar, but it is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor.

Operating Portfolio		
Foreign Currency Exposure		
September 30, 2009		
U.S. DOLLAR	\$ 667,736,917	98.02%
CANADIAN DOLLAR	\$ 5,081,488	0.75%
NEW ZEALAND DOLLAR	\$ 3,525,545	0.52%
AUSTRALIAN DOLLAR	\$ 2,894,294	0.42%
MEXICAN NEW PESO	\$ 1,644,651	0.24%
BRAZIL REAL	\$ 272,901	0.04%
INDONESIAN RUPIAN	\$ 72,907	0.01%
Total	<u>\$ 681,228,703</u>	<u>100.00%</u>

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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)
C. Investments and Investment Practices - Pension Plan Investments:**

The City's two separate defined benefit pension plans are the Jacksonville Retirement System and the Police and Fire Pension Plan. Investments in the City's two plans are governed by state statute and locally adopted investment policies. These policies establish investment objectives and guidelines for the portfolio as a whole, for each individual manager, as well as by instrument and issuer. The following schedules are presented for only the Jacksonville Retirement System investments:

Jacksonville Retirement System Distribution by Asset Type 9/30/2009											
	Equities		Bonds		Other		Cash	Total	Percentage		
Equity (Domestic)	\$	533,288,950	\$	-	\$	-	\$	16,324,936	\$	549,613,886	38%
Large Cap Value	\$	125,660,678	\$	-	\$	-	\$	2,950,201	\$	128,610,879	9%
Large Cap Growth	\$	139,571,763	\$	-	\$	-	\$	4,599,987	\$	144,171,750	10%
Large Cap Core	\$	152,058,441	\$	-	\$	-	\$	968,834	\$	153,027,275	11%
Small Cap Value	\$	59,710,011	\$	-	\$	-	\$	4,902,938	\$	64,612,949	5%
Small Cap Growth	\$	36,039,986	\$	-	\$	-	\$	2,709,634	\$	38,749,620	3%
Small Cap Core	\$	20,248,071	\$	-	\$	-	\$	193,342	\$	20,441,413	1%
Equity (International)	\$	232,030,232	\$	-	\$	-	\$	21,047	\$	232,051,279	10%
Value	\$	125,533,896	\$	-	\$	-	\$	15,242	\$	125,549,138	9%
Growth	\$	88,548,594	\$	-	\$	-	\$	5,805	\$	88,554,399	0%
Core	\$	17,947,742	\$	-	\$	-	\$	-	\$	17,947,742	1%
Bonds*											
Intermediate	\$	-	\$	323,737,892	\$	-	\$	9,985,260	\$	333,723,152	23%
Aggregate	\$	-	\$	161,339,588	\$	-	\$	9,002,976	\$	170,342,564	12%
Cash	\$	-	\$	-	\$	-	\$	5,574,025	\$	5,574,025	
Other											
Real Estate	\$	9,660,171	\$	-	\$	126,411,259	\$	540,924	\$	136,612,354	10%
Total investments	\$	774,979,353	\$	485,077,480	\$	126,411,259	\$	41,449,168	\$	1,427,917,260	100%
Less: Amount reported as receivables								\$		4,130,497	
Total Investments less receivables								\$		1,423,786,763	

*Duration of bond portfolio is 4.45 years

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices - Pension Plan Investments (continued):

The Jacksonville Retirement System by Credit Quality reports on the plan’s portfolio investments rating using Moody’s rating schedule as an indicator of investment credit quality.

**General Employees Pension Fund by Credit Quality
 September 30, 2009**

Quality Breakdown (Moody's)	Portfolio (%)
Treasury	9%
Agency	37%
AAA	3%
AA1-AA3	3%
A1-A3	16%
BAA1-BAA3	17%
Other	3%
Outliers	13%
	<u>100%</u>

Moody’s rating definitions:

Treasury – United States Treasury Securities

Agency – Government Agency Securities

AAA – Highest Investment Grade Quality Rating

AA1-AA3 – Medium Investment Grade Quality Rating

BAA1-BAA3 – Lowest Investment Grade Quality Rating

Outliers – Securities that are not applicable to Quality Ratings - Outliers’ represent predominantly mutual funds that are listed and valued as a whole, not individual holdings, as well as minor exposure to non-investment grade securities.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices - Pension Plan Investments (continued):

The City has nominal exposure to foreign currency in the Pension Fund due to investments in non-U.S. markets. Foreign currencies will fluctuate relative to the U.S. dollar, but it is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor.

General Employees Pension Fund
Foreign Currency Exposure
September 30, 2009

Currency	Exposure	Percentage
U.S. DOLLAR	\$ 1,425,090,746	99.80%
NORWEGIAN KRONE	\$ 1,438,375	0.10%
SINGAPORE DOLLAR	\$ 746,162	0.05%
SWISS FRANC	\$ 563,865	0.04%
EURO CURRENCY UNIT	\$ 56,382	0.00%
JAPANESE YEN	\$ 13,788	0.00%
SWEDISH KRONA	\$ 4,978	0.00%
BRITISH POUND STERLING	\$ 2,962	0.00%
CANADIAN DOLLAR	\$ 1	0.00%
Total	<u>\$ 1,427,917,260</u>	<u>100.00%</u>

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**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices: (continued)

Investment performance is measured against comparable indices that are consistent with the City’s Investment Policy Statements, market opportunities, and liquidity/cash flow requirements.

The following schedule includes the actual fund returns as well as stocks and bond market indices to gauge relative performance.

INVESTMENT PORTFOLIO PERFORMANCE

October 1, 2008 to September 30, 2009

(Gross of investment management fees)

	% Annual Return		
	One Year	3-Year Average	5-Year Average
Operating Fund*	11.72	5.94	4.99
Pension Fund	0.33	-0.96	2.99
Indices			
Fixed Income			
Barclays Aggregate Bond	10.56	6.41	5.13
BofA ML US Treasuries 1 - 3 Year	3.46	5.17	4.03
Citigroup Treasury Bill 3-Month	0.39	2.63	2.96
Equity			
Russell 1000 Large Cap Index	-6.14	-5.10	1.49
Russell 2000 Small Cap Index	-9.55	-4.57	2.41
MSCi EAFE Int'l Equity Index	3.80	-3.12	6.57

*Excludes depository accounts

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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

D. Securities Lending: The City participates in securities lending for both its operating and pension portfolios. The City has a contract with its custodian, The Bank of New York Mellon (the City's Operating Portfolio and the Jacksonville Retirement System) that allows the custodian, acting as agent, to lend securities held in the portfolios. The Police and Fire Pension fund withdrew from the Securities Lending program with Northern Trust Company in March 2008. The transactions are designed to be invisible to either the third party money managers or in-house staff who manage segments of various portfolios. The market for securities lending was developed to provide temporary access to a large portfolio of securities for broker/dealers who might have a need to borrow specific instruments. Securities are loaned against collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. Securities are loaned against collateral valued at a minimum of 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral valued at a minimum of 105% of the market value of the securities plus any accrued interest. If the broker/dealer fails to return the security, upon request, and then the custodian, acting as agent, will utilize the collateral to replace the security borrowed. The securities loaned are on a rolling daily basis and the cash collateral can be deposited and/or withdrawn from the investment on a daily basis. The weighted average maturity duration of the collateral investment at September 30, 2009 was 54 days for the City's Operating Portfolio and 80 days for the Jacksonville Retirement System.

The transaction establishes a rebate interest rate (assuming cash collateral), which is due back to the broker/dealer upon return of the security. The cash is then invested short-term and the City and the custodian share in the incremental return available above the rebated interest rate. The short-term fixed income instruments can be invested in high quality, dollar-denominated fixed income instruments, with a policy dollar-weighted, average maturity limit of less than 30 days. The City, as a program participant, assumes the risk that (a) the overnight investment will not equal or exceed the rebate interest rate, (b) the overnight investment will experience a loss in fair value (i.e., principal) and (c) the collateral will not be sufficient if the borrower fails to return the security back to the lending bank. As noted above, cash collateral is invested in short-term income instruments. When non-cash collateral is provided the collateral must be obligations issued or guaranteed by the U.S. Government or its agencies and instrumentalities. The City cannot pledge or sell these obligations in the absence of a default by the borrower. While the net asset value of the collateral will fluctuate and potentially subject the City to credit risk if the above-mentioned 102% daily adjusted collateral were to fall below 100%, as of September 30, 2009, the City of Jacksonville maintained a sufficient 102.7%. During the fiscal year ended September 30, 2008, the Securities Lending program experienced a realized loss in the value of certain securities held in the collateral investment pool of \$5.7 million which was reported as a reduction in income earned over the course of the year. During the fiscal year ended September 30, 2009 the invested collateral market values recovered value, increasing Securities Lending income by \$2.2 million (\$0.9 million Operating, \$1.3 million Jacksonville Retirement System).

The City periodically reviews the custodian's practices to insure fair distribution of lending opportunities as well as risk evaluation of prospective broker/dealer borrowers. For accounting purposes, the Statements of Net Assets and Changes in Net Assets reflect the increase in assets, liabilities, interest income and expense associated with securities lending activity.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

4. ACCOUNTS AND MORTGAGES RECEIVABLE

The accounts and mortgages receivable balances in the funds listed below, in thousands, are shown net of an allowance for doubtful accounts. No other funds had an allowance for doubtful accounts at September 30, 2009.

Fund	Accounts Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
General Fund	\$ 43,671	\$ (28,407)	\$ 15,264
Non-Major Special Revenue Funds:			
Budgeted General Government	2	-	2
Major Enterprise Fund:			
Solid Waste Disposal	8,861	(3,553)	5,308
Jacksonville Municipal Stadium	184	-	184
Veterans Memorial Arena	1,801	(1)	1,800
Non-Major Enterprise Funds:			
Performing Arts	94	(27)	67
Convention Center	60	(14)	46
Equestrian Center	64	(53)	11
Storm Water Services	17,471	(7,243)	10,228
Motor Vehicle Inspection	59	(1)	58
Baseball Stadium	1	-	1

Fund	Mortgages Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
Non-Major Special Revenue Funds:			
Community Development Block Grant	\$ 4,885	\$ (1,920)	\$ 2,965
Housing and Neighborhoods	26,917	(6,311)	20,606
State Housing Initiative Partnership	15,571	(525)	15,046

5. PROPERTY TAXES

A. Ad Valorem Property Taxes:

Property tax collections are governed by Chapter 197, Florida Statutes. The Duval County Tax Collector bills and collects all property taxes levied within the consolidated city/county. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The total millage rate levied by the City was 9.2727 for the fiscal year ended September 30, 2009. The maximum millage rate for the City that may be levied is 20 mils due to the City being a consolidated City and County.

The Florida Constitution, as amended under Article VII, Section 4, limits the increase in homestead property valuations for ad valorem tax purposes to a maximum of the lesser of (i) three percent (3%) of the assessment for the prior year, or (ii) the percent change in the Consumer Price Index for the preceding calendar year. The first tax year in which the limitations of these constitutional provisions apply is January 1, 1995. Calendar year 1995 is the base year upon which assessed just value of the homestead property is determined.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

5. PROPERTY TAXES (continued)

B. Property Tax Calendar:

The Tax Collector remits collected taxes at least monthly to the City. The City recognizes property tax revenue as it is received from the Tax Collector since virtually all taxes levied will be collected through the tax collection process. The calendar of events is as follows:

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

6. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended September 30, 2009, was as follows (in thousands):

Primary Government

	*Beginning Balance October 1, 2008	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2009
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 277,562	\$ 2,842	\$ -	\$ 280,404
Art In Public Places	545	148	-	693
Construction in progress	53,913	43,102	(10,008)	87,007
* Furniture and equipment in work in process	43	473	(43)	473
Software Development In Process	6,304	3,306	-	9,610
Total capital assets not being depreciated	<u>338,367</u>	<u>49,871</u>	<u>(10,051)</u>	<u>378,187</u>
Capital assets being depreciated:				
Buildings	523,110	20,734	-	543,844
* Furniture, equipment and library books	293,141	36,581	(18,013)	311,709
Improvements	177,661	33,287	-	210,948
Infrastructure	1,641,279	155,575	-	1,796,854
Purchased Software	6,296	704	-	7,000
Internal Software	12,549	836	-	13,385
Total assets being depreciated	<u>2,654,036</u>	<u>247,717</u>	<u>(18,013)</u>	<u>2,883,740</u>
Less accumulated depreciation for:				
Buildings	147,428	9,041	-	156,469
Furniture, equipment and library books	208,236	34,439	(17,336)	225,339
Improvements	25,999	7,218	-	33,217
Infrastructure	294,444	62,531	-	356,975
Purchased Software	3,315	2,101	-	5,416
Internal Software	2,570	1,269	-	3,839
Total accumulated depreciation	<u>681,992</u>	<u>116,599</u>	<u>(17,336)</u>	<u>781,255</u>
Total capital assets being depreciated, net	<u>1,972,044</u>	<u>131,118</u>	<u>(677)</u>	<u>2,102,485</u>
Governmental activities capital assets, net	<u>\$ 2,310,411</u>	<u>\$ 180,989</u>	<u>\$ (10,728)</u>	<u>\$ 2,480,672</u>

* Beginning balances have been reallocated to classify Internal Service Funds into major classes of capital assets and accumulated depreciation.

	Beginning Balance October 1, 2008	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2009
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 34,859	\$ 10,230	\$ -	\$ 45,089
Total capital assets not being depreciated	<u>34,859</u>	<u>10,230</u>	<u>-</u>	<u>45,089</u>
Capital assets being depreciated:				
Buildings and improvements	547,912	85	-	547,997
Infrastructure	-	2,841	-	2,841
Furniture and equipment	7,075	70	(218)	6,927
Total assets being depreciated	<u>554,987</u>	<u>2,996</u>	<u>(218)</u>	<u>557,765</u>
Less accumulated depreciation for:				
Buildings and improvements	146,268	13,129	-	159,397
Furniture and equipment	6,730	150	(214)	6,666
Total accumulated depreciation	<u>152,998</u>	<u>13,279</u>	<u>(214)</u>	<u>166,063</u>
Total capital assets being depreciated, net	<u>401,989</u>	<u>(10,283)</u>	<u>(4)</u>	<u>391,702</u>
Business-type activities capital assets, net	<u>\$ 436,848</u>	<u>\$ (53)</u>	<u>\$ (4)</u>	<u>\$ 436,791</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

6. CAPITAL ASSET ACTIVITY

Depreciation expense was charged to the functions of the primary government as follows (in thousands):

Governmental activities:

General government	\$	27,296
Human services		695
Public Safety		11,036
Culture and recreation		12,472
Transportation		10,806
Economic environment		80
Physical environment		54,214
Total depreciation expense - governmental activities	\$	<u>116,599</u>

Depreciation expense was charged to the business-type activities as follows (in thousands):

Business-type activities:

Parking system	\$	369
Motor vehicle inspections		1
Solid waste		2,194
Stormwater Services		-
Jacksonville Municipal Stadium		5,476
Veterans Memorial Arena		2,446
Baseball Stadium		640
Performing Arts		762
Convention Center		651
Equestrian Center		740
Total depreciation expense - business-type activities	\$	<u>13,279</u>

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

A summary of interfund balances follows (in thousands):

<u>DUE TO OTHER FUNDS</u>	<u>AMOUNT</u>	<u>DUE FROM OTHER FUNDS</u>	<u>PURPOSE</u>
MAJOR FUNDS:			
General Funds			
General Services	\$ 3,000	Public Safety	Emergency Incident Funding
General Services	70	Public Parking System	Temporary Interfund Loan
General Services	2	Jacksonville Municipal Stadium	Receivable Adjustment-Venues
General Services	1	Veterans Memorial Arena	Receivable Adjustment-Venues
General Services	2	Convention Center	Receivable Adjustment-Venues
General Services	501	Performing Arts	Temporary Interfund Loan
General Services	420	Equestrian Center	Temporary Interfund Loan
General Services	360	Copy Center	Temporary Interfund Loan
General Services	360	Information Technology	Temporary Interfund Loan
	<u>4,716</u>		
Capital Project Funds			
Better Jacksonville Projects	24,000	Bond Projects	BJP Bond Project Funding
	<u>24,000</u>		
Enterprise Funds			
Veterans Memorial Arena	33	General Fund	Receivable Adjustment-Venues
	<u>33</u>		
TOTAL	<u>\$ 28,749</u>		
<u>ADVANCES TO OTHER FUNDS</u>	<u>AMOUNT</u>	<u>ADVANCES FROM OTHER FUNDS</u>	<u>PURPOSE</u>
NON-MAJOR FUNDS:			
Internal Service Funds			
Self Insurance	8,500	General Projects	Loan for Redevelopment Agreement
	<u>\$ 8,500</u>		

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

A summary of interfund transfers follows (in thousands):

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
MAJOR FUNDS:		
General Fund		
General Fund	\$ 408	Concurrency Management
General Fund	25	General Government Budgeted
General Fund	4,746	Tax Increment Districts
General Fund	183	Community Development Block Grant
General Fund	751	General Government Non Budgeted
Total	6,113	
Debt Service		
Special Bonded Debt Obligations	65,624	General Fund
Special Bonded Debt Obligations	2,003	Tax Increment Districts
Special Bonded Debt Obligations	6,335	Better Jacksonville Plan Trust
Special Bonded Debt Obligations	3,178	Public Parking
Special Bonded Debt Obligations	10,262	Municipal Stadium
Special Bonded Debt Obligations	3,362	Convention Center
Special Bonded Debt Obligations	2,707	Stormwater Services
Special Bonded Debt Obligations BJP	42,434	Better Jacksonville Plan Trust
Total	135,905	
Capital Projects		
Better Jacksonville Construction Project	16,288	Better Jacksonville Plan Trust Fund
Total	16,288	
Enterprise Funds		
Solid Waste Disposal	20,786	General Fund
Solid Waste Disposal	414	Special Bonded Debt Obligations
Municipal Stadium	7,567	General Fund
Municipal Stadium	99	Veterans Memorial Arena
Municipal Stadium	882	Convention Center
Municipal Stadium	7,732	Special Bonded Debt Obligations
Veterans Memorial Arena	5,550	Special Bonded Debt-BJP
	43,030	
NON-MAJOR FUNDS:		
Special Revenue		
General Government - Budgeted	1,035	General Fund
General Government - Budgeted	5,979	General Capital Projects
General Government Non Budgeted	67	Concurrency Management
Jacksonville Children's Commission	16,390	General Fund
Community Development Block Grant	270	General Fund
Community Development Block Grant	74	Tax Increment Districts
Maintenance, Parks and Recreation	1,728	General Fund
Other Federal, State & Local Grant Funds	4,579	General Fund
Housing and Neighborhoods	579	Community Development Block Grant
Air Pollution Control	424	General Fund
Total	31,125	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

A summary of interfund transfers follows (in thousands):

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
Debt Service		
Other Non-Bonded Debt Obligations	101	General Fund
Other Non-Bonded Debt Obligations	<u>1,153</u>	Tax Increment District
Total	<u>1,254</u>	
Capital Projects		
General Capital Projects	1,863	General Fund
General Capital Projects	1,951	Municipal Stadium
General Capital Projects	25	General Government Non Budgeted
Grant Capital Improvement Projects	128	General Capital Projects
Grant Capital Improvement Projects	<u>2,262</u>	General Fund
Total	<u>6,229</u>	
Enterprise Funds		
Public Parking System	1,563	General Fund
Public Parking System	4,466	Special Bonded Debt Obligations
Baseball Stadium	554	General Fund
Baseball Stadium	188	Veterans Memorial Arena
Baseball Stadium	1,466	Special Bonded Debt-BJP
Performing Arts	323	General Fund
Performing Arts	259	Veterans Memorial Arena
Performing Arts	26	Special Bonded Debt Obligations
Convention Center	16	Special Bonded Debt Obligations
Equestrian Center	146	General Fund
Equestrian Center	61	Veterans Memorial Arena
Equestrian Center	79	Special Bonded Debt Obligations
Stormwater Services	<u>1,561</u>	General Funds
Total	<u>10,708</u>	
Internal Service Funds		
Fleet Management	2,689	General Fund
Fleet Management	60	Other Federal, State and Local Grants
Information Technology	525	General Fund
Self Insurance	<u>1,072</u>	General Fund
Total	<u>4,346</u>	
TOTAL	<u><u>\$ 254,998</u></u>	

In the fund financial statements, net transfers out are greater than total transfers in by \$590. This is due to the treatment of transfers of capital assets and debt from enterprise funds to the general government. No amounts were reported in the governmental funds as the amount did not involve the transfer of current financial resources.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

7. INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS (continued)

During fiscal year 1999, the self-insurance fund advanced \$14,000,000 to the capital projects fund for the purpose of fulfilling City obligations under a redevelopment agreement for a new 900-room hotel with substantial convention and business spaces. The total capital investment for the project was \$126.0 million. The City Council passed an ordinance to treat the funding from the self-insurance fund as a loan which will be repaid from general fund revenues commencing on May 1, 2000 in equal annual installments over 20 years, plus simple interest of 4.4%. The balance of this advance was \$8,500,217 at September 30, 2009.

In fiscal year 2003, the City passed an ordinance to enter into a redevelopment agreement with Vestcor Companies and its subsidiaries for the redevelopment of the Lynch Building and the Roosevelt Hotel into apartment buildings as City historic landmarks. In fiscal year 2003, the City used internal self-insurance funds, in an amount of \$17,816,000, to provide permanent financing for the Lynch Building project. The self-insurance fund will be repaid on an annual basis with funds from the Northbank Downtown Tax Increment District. The terms of the repayment are a 30-year amortization, with a 20-year term at a fixed interest rate of 6% per year. Annual payments are \$1,294,313 which includes both principal and interest with a balloon payment of \$8,290,400 at the end of the 20-year period. The balance of the loan at September 30, 2009 was \$14,328,163 which is recorded in the Self Insurance Fund.

Vestcor will repay the City an amount of \$17,816,000 to the Downtown Economic Development fund as created by ordinance 2000-1079-E. The terms of the repayment is a 40-year amortization, with a 20-year term at a fixed interest rate of 1.525% per year. Annual payments are \$595,248 which includes both principal and interest with a balloon payment of \$10,304,798 on July 1, 2023. The balance of the loan at September 30, 2009 was \$15,725,315 which is recorded in the Jacksonville Economic Development Commission Fund.

During fiscal year 2009, the City had financial transactions with its discretely presented component units classified as follows for the financial reporting purposes:

JEA: Termination of Enhanced Joint Agency Financing Program- On November 5, 1996 the City and JEA executed a Financial Agreement in relation to the use of an “enhanced joint agency agreement” potentially requiring supplemental payments from JEA in support of certain bonds used to acquire and construct various marine facilities for the Jacksonville Port Authority. On December 7, 2007, the City and JEA mutually agreed to terminate the Financial Agreement.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

7. INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS (continued)

JEA Contribution - On October 1, 1968, the City turned its electrical department over to the newly created JEA. Additionally, on June 1, 1997, the JEA assumed the operation and all related assets and liabilities of the water and sewer system from the City. The JEA is required by the City Charter to contribute annually to the general fund of the City an amount not to exceed 5.513 mills per kilowatt per hour sold and at a rate of 2.149 mills per cubic feet of water sold. For the fiscal year ending September 30, 2009 these contributions totaled \$76,094,124 and \$20,593,422, respectively. Such contributions to the City's general fund are for the use of the public right-of-way in connection with its electric distribution system and its water sewer distribution and collection system, and are based on calculations contained within section 21.07 of the City Charter.

Jacksonville Transportation Authority (JTA) : Local Option One-Half Cent Sales Tax - On August 11, 1989, Jacksonville citizens voted for the removal of all tolls from county/city bridges and certain roads and replaced the revenue with a local option one-half cent sales tax that provides a permanent funding source for the construction and maintenance of the City's roads and bridges; the operation and maintenance of the bus system and the refinancing of existing bonds issued for the construction of such bridges and roads. All collections from the one-half cent sales tax are statutorily required to be remitted to the JTA. Accordingly, the City remitted all collections from the one-half cent sales tax to the JTA in the amount of \$65.1 million in fiscal year 2009. Such collection and payment by the City of this local option one-half cent sales tax is recorded in the Transportation Special Revenue fund as revenue and a transportation expenditure in the equal amount. The JTA reports the \$65.1 million transfer from the City as sales tax revenue.

In fiscal year 2000, the City and the JTA entered into an interlocal agreement for the purpose of jointly exercising the separate powers of each to the maximum extent allowable by the law in the development, scheduling, financing, planning, permitting, design, construction and implementation of a \$750 million Road, Bridge and Drainage Capital Improvement Work Program. The term of the agreement commenced on October 1, 2000 and is in effect until all of the bonds have been duly paid in full or defeased in accordance with their terms. The City and JTA agreed to pledge the sales tax and the constitutional gas tax for the payment of bonds issued to implement the program. Monies available above debt service would be collected in a Pay-As-You-Go fund to assist with the payment of program expenditures. The City is making available the Local Option Gas Tax for the operation of the JTA's Mass Transit Division.

Jacksonville Port Authority (JPA): Interlocal Agreement – In connection with a major port and marine facilities capital improvement project (the "Project"), the City and the JPA entered into an Interlocal Agreement upon the issuance of \$43,605,140 Excise Taxes Revenue Bonds, Series 1993 (the "1993 Bonds"). Subsequent to this transaction, the parties entered into an Amended and Restated Interlocal Agreement in conjunction with the issuance of \$57,150,000 Excise Taxes Revenue Bonds, Series 1996B (the "1996B Bonds"). The 1996B Bonds were refunded by the Excise Taxes Revenue Refunding Bonds, Series 2001A (the "2001A Bonds").

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

JPA: (continued)

The 1993 Bonds were partially refunded by the Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003C (the “2003C Bonds, and together with the 1993 Bonds and 2001A Bonds, the “Bonds”).

Under the Amended and Restated Interlocal Agreement, the City agreed to issue the bonds to finance the Project, and the JPA, in consideration therefore, agreed to reimburse the City for debt service payments on the bonds from certain revenues allocated to the JPA. Any insufficiency in the extent of such revenues allocated to the JPA under the Amended and Restated Interlocal Agreement or any amendments to the Amended and Restated Interlocal Agreement does not affect in any manner any obligation of the City pursuant to the terms of the Bonds. The Amended and Restated Interlocal Agreement is not for the benefit of the holders of the bonds and the JPA has no obligation under that Amended and Restated Interlocal Agreement to any third party bondholder. The revenues allocated to the JPA are not pledged as security for the bonds.

The Amended and Restated Interlocal Agreement provides for the allocation of three sources of revenue (collectively referred to as the “Pledged Revenues”) by the City to the JPA. The first source of revenue relates to the allocation of half of the increased revenues in the Telecommunications Tax, which is 85% of the Communication Services Tax (the “Authority Allocation No. 1”). The second source of revenue relates to the amount calculated by multiplying one quarter (.25) mills by the gross kilowatt hours (as defined in Article 21 of the City Charter) sold by JEA during the twelve month period ending May 31 of the prior fiscal year (the “Authority Allocation No. 2”). The third source of revenues relates to the \$800,000 annual contribution remitted by the City to the JPA as described in Section 5(a) of the JPA act. Such Pledged Revenues are to be applied by the City to the payment of debt service on the bonds for such fiscal year prior to being paid to the JPA. For the fiscal year ended September 30, 2009, the amount of Pledged Revenues in excess of the debt service requirements of the bonds was \$2.4 million with a total of \$2.7 million being distributed to JPA.

In previous years, the City expended \$43.1 million on the Project from proceeds of the 1993 Bonds for the benefit of the JPA under the Amended and Restated Interlocal Agreement, which completed the 1993 Bond Program. In previous years, the City expended \$64 million on the Project from proceeds of the 1996B Bonds for the benefit of the JPA under the Interlocal Agreement. The City accounts for these expenditures in the Capital Projects Funds. The City does not capitalize these capital outlay expenditures.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

8. LONG-TERM OBLIGATIONS

A. Bonds and loans outstanding at September 30, 2009, are comprised of the following (in thousands):

**SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC
REVENUE SOURCES OTHER THAN AD VALOREM TAXES:**

	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost (1)
Governmental Activities:				
Excise Taxes Revenue Bonds:				
Series 1993	\$ 43,605	\$ 7,545	6.20-6.30%	6.292%
* Series 1995A	7,580	1,735	5.00-5.125%	5.113%
* Series 1999A	75,834	1,395	4.00-5.00%	4.325%
Series 2001B	46,735	43,135	4.25-5.125%	5.271%
Series 2002A	56,685	25,320	4.250-5.50%	4.270%
Series 2002B	68,475	57,770	3.30-5.375%	4.576%
Series 2003A	18,745	17,565	3.00-4.50%	4.051%
* Series 2003B	17,535	3,280	3.00-5.00%	2.914%
Series 2003C (AMT)	34,540	32,535	3.00-5.250%	4.915%
* Series 2005A	42,820	42,820	3.50-5.00%	4.685%
Series 2006A	36,540	36,540	3.375-5.00%	4.559%
Series 2006B (AMT)	9,255	9,255	3.625-4.00%	4.169%
Series 2006C	23,555	23,555	4.88-5.22%	5.228%
Series 2007	42,245	41,295	3.50-5.00%	4.534%
Series 2009A	39,585	39,585	2.50-5.00%	4.399%
* Series 2009B	18,535	18,535	2.50-5.00%	3.035%
* Series 2009C	2,275	2,275	2.50-5.00%	3.281%
Local Government Sales Tax Revenue Bonds:				
* Series 1996	47,682	2,688	5.125%	5.352%
Series 2001	103,725	81,195	4.00-5.50%	4.571%
Series 2002	63,060	47,775	3.125-5.375%	4.407%
Guaranteed Entitlement Revenue Bonds:				
Series 2002	115,265	102,330	3.50-5.375%	5.019%
Capital Project Revenue Bonds:				
* Series 2008A	67,035	66,711	Variable, assumed 4.53%	5.559%
* Series 2008B	67,035	66,711	Variable, assumed 4.53%	5.559%
Total Special Obligation Bonds Payable from Specific Revenue Sources other than Ad Valorem Taxes	<u>\$ 1,048,346</u>	<u>\$ 771,550</u>		

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

A. Bonds and loans outstanding at September 30, 2009, are comprised of the following (in thousands): (continued)

**SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN:**

	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost (1)
Transportation Revenue Bonds (\$152,568 authorized but unissued):				
Series 2001	\$ 179,280	\$ 164,300	4.10-5.50%	4.042%
Series 2007	100,675	98,035	4.00-5.00%	4.745%
Series 2008A	154,535	154,535	Variable, assumed 4.01%	5.079%
Series 2008B	121,740	117,570	Variable, assumed 4.01%	4.089%
Sales Tax Revenue Bonds (\$34,731 authorized but unissued):				
* Series 2001	163,956	142,491	4.10-5.50%	5.263%
* Series 2003	158,416	139,632	3.00-5.250%	4.715%
* Series 2004	164,200	148,145	2.00-5.00%	4.345%
Series 2008	105,470	105,470	4.00-5.00%	4.626%
Special Obligation Bonds (\$191,985 authorized but unissued)				
Series 2009B-1A	52,090	52,090	2.00-5.00%	4.006%
Series 2009B-1B (Taxable BABs)	55,925	55,925	6.259% (taxable)	6.341%
Total Special Obligation Bonds Payable from Specific Revenue Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan				
	<u>\$ 1,256,287</u>	<u>\$ 1,178,193</u>		

NOTES PAYABLE FROM GENERAL REVENUE:

U.S. Government Guaranteed:				
Series 1995 (Coach)	\$ 3,845	\$ 2,245	4.32-5.19% (taxable)	N/A
Series 1996 (Sally Beauty)	1,065	240	6.70-6.88% (taxable)	N/A
Series 1996B (Hilton Hotel)	2,850	1,635	6.70-7.03% (taxable)	N/A
Series 1997 (La Villa)	1,700	755	6.70-7.08% (taxable)	N/A
Series 1997 (HTV Associates)	700	95	6.70-6.78% (taxable)	N/A
Series 1997 (Armor Holdings)	775	495	6.70-7.08% (taxable)	N/A
Series 1997 (Hampton Inns)	550	325	6.70-7.03% (taxable)	N/A
Total Notes Payable from General Revenue	<u>\$ 11,485</u>	<u>\$ 5,790</u>		

NOTES PAYABLE FROM BJP REVENUE:

State of Florida Infrastructure Bank (\$13,279 authorized but unissued):				
Series 2005	\$ 29,942	\$ 21,260	2.00%	1.901%
Series 2007	46,779	39,459	2.50%	2.456%
Total Notes Payable from BJP Revenue	<u>\$ 76,721</u>	<u>\$ 60,719</u>		

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

8. LONG-TERM OBLIGATIONS (continued)

A. Bonds and loans outstanding at September 30, 2009, are comprised of the following (in thousands): (continued)

BONDS and NOTES PAYABLE FROM INTERNAL SERVICE OPERATIONS:

Special Revenue Bonds (\$221,571 authorized but unissued):

	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost (1)
Series 2008	\$ 54,215	\$ 54,215	3.50-5.625%	4.966%
Series 2009A	\$ 28,613	\$ 28,613	Variable, assumed 5.12% (taxable)	5.071%

Commercial Paper Notes Maturing No Later Than 270 Days after
Date of Issuance, and in No Event Later than December 31, 2034
(\$62,227 authorized but unissued):

	\$ 122,705	\$ 73,815	Variable, assumed 4.31%	
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Total bonds and notes payable from Internal Service Funds 156,643

Total Governmental Activities \$ 2,569,759 \$ 2,172,895

Business-Type Activities:

Excise Taxes Revenue Bonds:

* Series 1995A	\$ 12,270	\$ 3,100	5.00-5.125%	5.113%
Series 1996A	19,965	1,230	4.70-5.50%	4.993%
* Series 1999A	56	15	4.00-5.00%	4.325%
Series 1999B	40,835	2,465	4.875-5.75%	5.388%
* Series 2003B	9,530	3,745	3.00-5.00%	2.915%
* Series 2005A	2,000	2,000	3.50-5.00%	4.685%
* Series 2009B	10,475	10,475	3.00-5.00%	3.035%
* Series 2009C (AMT)	21,455	21,455	3.00-5.00%	3.281%

Local Government Sales Tax Revenue Bonds:

* Series 1996	17,958	1,012	5.125%	5.352%
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Capital Project Revenue Bonds

* Series 2008A	250	249	Variable, assumed 5.40%	5.559%
* Series 2008B	250	249	Variable, assumed 5.40%	5.559%

Sales Tax Revenue Bonds

* Series 2001	54,474	47,329	4.10-5.50%	5.263%
* Series 2003	52,634	46,378	3.00-5.250%	4.715%
* Series 2004	54,555	49,205	2.00-5.00%	4.345%

Capital Improvement Revenue Bonds:

Series 1997	8,285	6,250	4.80-5.250%	5.452%
Series 1998	37,310	34,975	4.30-5.00%	5.250%
Series 2002A	54,135	52,475	3.00-5.00%	4.820%
Series 2002B	42,170	34,825	3.00-5.250%	4.820%
Series 2002C	26,920	24,455	3.00-5.250%	4.820%

Total Business-type Activities \$ 465,527 \$ 341,887

* Indicates individual bond series that were issued in support of both Governmental Activities and Business-Type Activities. The par amount of bonds allocated to the Business-Type Activities was determined prorata based on the project funded at the time of closing.

(1) True Interest Cost (TIC) is the actual cost of financing debt and refers to the overall rate of interest to be paid over the life of the bonds, factoring in coupon interest, any premium or discounts, and the time value of money.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

B. Debt Service Requirement to Maturity:

Debt service requirement to maturity on the city's Long-Term Obligations at September 30, 2009, are as follows (in thousands):

Fiscal Year Ending September 30	General Long-Term Bonds				Bonds Payable From Enterprise Funds		Other Long-Term Obligations		Total Long-Term Obligations And Interest
	Special Obligation		Special Obligation BJP		Principal	Interest	Principal	Interest	
	Principal	Interest	Principal	Interest					
2010	\$ 34,115	\$ 35,155	\$ 21,434	\$ 53,333	\$ 15,743	\$ 15,953	\$ 46,830	\$ 7,289	\$ 229,852
2011	32,861	36,403	23,291	52,521	13,125	15,161	24,091	6,600	204,053
2012	39,538	35,067	36,828	51,329	13,704	14,631	19,469	5,692	216,258
2013	36,503	34,297	25,673	50,091	12,962	14,087	17,643	4,990	196,246
2014	38,471	32,869	28,792	48,929	13,575	13,511	14,724	4,390	195,261
2015- 2019	203,058	127,161	189,497	218,963	68,885	57,564	59,753	15,239	940,120
2020- 2024	133,044	76,078	193,372	179,082	67,999	41,753	27,377	5,616	724,321
2025- 2029	124,383	45,320	365,574	113,973	85,193	23,256	5,760	2,894	766,353
2030- 2034	118,337	14,914	265,922	30,172	50,691	2,792	7,505	1,092	491,425
2035- 2039	11,240	153	27,810	2,866	10	1			42,080
Total Principal and Interest	771,550	437,417	1,178,193	801,259	341,887	198,709	223,152	53,802	4,005,969
Less: Interest to be paid	-	(437,417)	-	(801,259)	-	(198,709)	-	(53,802)	(1,491,187)
Totals	<u>\$ 771,550</u>	<u>\$ -</u>	<u>\$ 1,178,193</u>	<u>\$ -</u>	<u>\$ 341,887</u>	<u>\$ -</u>	<u>\$ 223,152</u>	<u>\$ -</u>	<u>\$ 2,514,782</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

8. LONG-TERM OBLIGATIONS (continued)

C. Changes in Long-Term Liabilities:

Changes in long-term liabilities for the fiscal year ended September 30, 2009, are summarized as follows (in thousands):

	Balance October 1, 2008	Additions	Reductions	Balance September 30, 2009	Due within one year
Governmental activities:					
General long-term obligations:					
Special Obligation Bonds	779,533	60,395	68,378	771,550	34,115
Special Obligation -BJP	1,090,568	108,015	20,390	1,178,193	21,434
Other long-term obligations:					
Notes Payable- General Revenue	6,630	-	840	5,790	945
Notes Payable- BJP	66,414	-	5,695	60,719	5,035
Debt activity reported in governmental funds	<u>1,943,145</u>	<u>168,410</u>	<u>95,303</u>	<u>2,016,252</u>	<u>61,529</u>
Bonds/Notes Payable- Banking Fund					
Special Revenue Bonds	54,215	28,613	-	82,828	535
Notes Payable	99,515	-	25,700	73,815	40,315
Debt activity reported in internal service funds	<u>153,730</u>	<u>28,613</u>	<u>25,700</u>	<u>156,643</u>	<u>40,850</u>
Total governmental activities	<u>2,096,875</u>	<u>197,023</u>	<u>121,003</u>	<u>2,172,895</u>	<u>102,379</u>
Deferred amounts:					
Loss on Advance Refunding	(4,449)	(295)	(679)	(4,065)	-
Issuance premiums	20,246	7,904	1,865	26,285	-
Issuance discounts	(3,315)	-	(155)	(3,160)	-
Total deferred amounts	<u>12,482</u>	<u>7,609</u>	<u>1,031</u>	<u>19,060</u>	<u>-</u>
Accrued Compensated Absences	60,867	36,443	35,571	61,739	18,521
Capitalized Lease Obligations	609	-	296	313	313
Estimated Liability for Self-					
Insurance Fund Losses	82,926	3,806	-	86,732	-
Pollution Remediation	139,330	14,250	13	153,567	14,237
Other Post-Employment Benefits	8,073	6,766	-	14,839	-
Miscellaneous long-term liability	266	1,267	-	1,533	-
Governmental activity long-term obligations	<u>2,401,428</u>	<u>267,164</u>	<u>157,914</u>	<u>2,510,678</u>	<u>135,450</u>
Business-type activities:					
Revenue Bonds	357,124	31,930	47,167	341,887	15,743
Less: Unamortized Discount/Premium and,					
Deferred Loss on Advance Refunding	(1,441)	-	(283)	(1,158)	-
Total Revenue Bonds, less Unamortized Discount/Premium and, Deferred	<u>355,683</u>	<u>31,930</u>	<u>46,884</u>	<u>340,729</u>	<u>15,743</u>
Loss on Advance Refunding	693	648	-	1,341	402
Liability for Landfill Closure					
and Post Closure Care	46,943	17,465	740	63,668	7,826
Picketville Waste Site	-	700	68	632	-
Other Post-Employment Benefits	156	316	-	472	-
Loans Payable - Banking Fund	-	2,250	-	2,250	-
Business-type activity long-term liabilities	<u>403,475</u>	<u>53,309</u>	<u>47,692</u>	<u>409,092</u>	<u>23,971</u>
TOTAL LONG-TERM LIABILITIES	<u>\$ 2,804,903</u>	<u>\$ 320,473</u>	<u>\$ 205,606</u>	<u>\$ 2,919,770</u>	<u>\$ 159,421</u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of \$3,668 for compensated absences payable and \$313 for capital leases are included above in the totals for governmental activities. Compensated absences for governmental activities are generally liquidated by the general fund.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

D. Pledged Revenues:

The City has formally committed to secure certain debt issued by the City with specific future revenues. A summary of those debt issues and the related pledged revenues follows. The detailed listing of individual series by pledge source is included in Note 8A.

	Range of remaining term	Approximate future principal and interest	Current year revenue received	Current year principal and interest	Principal and interest as % of revenue
Excise Taxes:	2011 - 2034	\$691,524,550	\$119,651,685	\$46,281,545	38.68%
Local Government					
1/2 Cent Sales Tax:	2018	\$170,604,481	\$70,510,011	\$17,395,298	24.67%
Guaranteed Entitlement					
Revenues:	2032	\$176,277,469	\$7,825,119	\$7,448,800	95.19%
JEA Charter Revenues					
(Capital Project Bonds):	2034	\$225,870,120	\$96,687,546	\$4,261,483	4.41%
(Better Jacksonville)					
Transportation Sales Tax:	2027 - 2037	\$915,275,757	\$73,825,240	\$28,548,838	38.67%
Better Jacksonville					
(Infrastructure) Sales Tax:	2014 - 2030	\$1,183,496,636	\$63,330,499	\$55,989,494	88.41%
Sports Facilities Capital					
Improvement Revenues:	2019 - 2030	\$250,529,720	\$19,117,281	\$11,458,270	59.94%

Excise Taxes: Bonds have been issued to fund citywide capital projects, and are supported by a pledge against the proceeds of the Utilities Services Taxes and the Occupational License Taxes.

Local Government 1/2 Cent Sales Tax: Bonds have been issued to fund the River City Renaissance program and various citywide capital improvements, and are supported by a pledge against the proceeds of the local government half-cent sales tax.

Guaranteed Entitlement Revenues: Bonds have been issued to fund the construction and renovation of various criminal justice facilities, and are supported by a pledge against the City's "guaranteed entitlement" portion of the State's shared revenues under the Revenue Sharing Act for counties and municipalities, which is derived from the State's i) sales and use tax and ii) Cigarette Tax.

JEA Contribution Revenues (Capital Project Bonds): Bonds have been issued to fund drainage and general capital programs, and are supported by a pledge against the JEA Contribution, which is annually appropriated to the City from available Electric and Water & Sewer revenues.

(Better Jacksonville) Transportation Sales Tax: Bonds have been issued to fund acquisition and construction of road, bridge, drainage and other transportation projects, and are supported by a pledge against the discretionary half-cent Transportation Sales Tax and Gas Tax.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

D. Pledged Revenues (continued)

Better Jacksonville (Infrastructure) Sales Tax: Bonds have been issued to fund the acquisition and construction of capital projects constituting part of the Better Jacksonville Plan, and are supported by a pledge against the discretionary half-cent Infrastructure Sales Tax.

Sports Facilities Capital Improvement Revenues: Bonds have been issued to fund renovations to the Municipal Stadium, and are supported by a pledge against the proceeds of Franchise Fees, 15% of the Communications Services Taxes, Sports Facility Sales Tax Rebates, Convention Development Taxes and the Sports Facilities Tourist Development Taxes.

E. New Indebtedness and Refunding Issued by the City:

On September 15, 2009, the City closed on the sale of \$28,613,000 Special Revenue and Refunding Bonds, Taxable Series 2009A with a true interest cost of 5.071% and a targeted average coupon rate of 5.00% with a mandatory sinking schedule beginning October 1, 2010 and a maturity date of October 1, 2014. The proceeds of the 2009A bonds were used to currently retire a maturing portion of the City's outstanding commercial paper (\$3,000,000), to advance refund a portion of the Commercial Paper program (\$19,522,733 maturing on October 28, 2009), and to reimburse the City's Building Inspection Funds for leasehold capital expenditures from prior fiscal years (\$5,980,000). The issuance provided net proceeds of \$28,472,733, which is inclusive of underwriter's discounts and costs of issuance totaling \$140,267. Since both the refunded and refunding bonds are variable rate, no economic gain or loss (based on the present value differences of the debt service payment streams of the old and new bonds) was realized.

On September 30, 2009, the City closed on the sale of \$108,015,000 Special Revenue Bonds issued as Series 2009B-1A (\$52,090,000) and Taxable Direct Payment Build America Special Revenue Bonds Series 2009B-1B (\$55,925,000). The 2009B-1A bonds have a true interest cost of 4.006% and a targeted average coupon rate of 4.787% with a mandatory sinking schedule beginning October 1, 2010 and a maturity date of October 1, 2025. The 2009B-1B Taxable Direct Pay Build America Bonds have a true interest cost of 4.163% after interest rebate and a targeted average coupon rate of 6.259% with a mandatory sinking schedule beginning October 1, 2010 and a maturity date of October 1, 2030. The proceeds of the 2009B-1A and 2009B-1B bonds were used to fund the acquisition and construction of various capital projects constituting a part of the Better Jacksonville Plan (\$100,000,000) and to fund a Debt Service Reserve Fund (\$10,746,579). The issuance provided net proceeds of \$111,882,556, which is inclusive of underwriter's discounts and costs of issuance totaling \$1,135,976 and a bond premium of \$3,867,556.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

E. New Indebtedness and Refunding Issued by the City: (continued)

On September 30, 2009, the City closed on the sale of \$92,325,000 Excise Tax Revenue and Refunding Bonds, Series 2009A, Series 2009B, and AMT Series 2009C with a true interest cost of 4.399%, 2.886%, and 3.281%, respectively, and a targeted average coupon rate of 4.545%, 4.854%, and 3.861%, respectively, with a mandatory sinking schedule beginning October 1, 2010 and a maturity date of October 1, 2034. The proceeds of the 2009 bonds, along with \$1,278,417 in other available debt service funds, were used i) to fund the acquisition and construction of various capital projects, ii) to refund the City's Excise Tax Revenue Bonds Series 1999A (\$18,005,000) under Governmental Activities, and iii) to refund the City's Excise Tax Revenue Bonds Series 1996 (\$10,475,000) and Series 1999B (\$21,455,000) bonds under the Business-Type Activities. The issuance provided net proceeds of \$97,639,172, which was inclusive of underwriter's discounts and costs of issuance totaling \$877,113 and a bond premium of \$4,035,754. As a result of the refunding, an economic gain was realized (the difference between the net present values of the old and new debt service payments) of \$927,423, or 8.854%, on the refunded Series 1996 bonds, \$1,449,466.26, or 8.050%, on the refunded Series 1999A bonds, and \$1,474,743.35, or 6.874%, on the refunded Series 1999B bonds.

F. Demand Bonds Issued by the City:

Each series of demand bonds listed below meets the criteria for inclusion as long term debt of the City.

\$154,535,000 Transportation Revenue Bonds, Series 2008A:

Bond Terms: The Series 2008A Transportation Bonds (the Bonds) are uninsured variable rate demand bonds which mature and are remarketed every seven days at a reset interest rate.

Liquidity Agreement Terms: Liquidity for the Bonds is provided by a Standby Bond Purchase Agreement (the Agreement) with JPMorgan Chase Bank (the Bank) dated April 1, 2008 and expiring April 10, 2012.

Terms of take out: The Agreement contains a mandatory purchase provision requiring the Bank to purchase the Bonds if the Agreement is not replaced or renewed by the expiration date. If the Bonds were to be purchased by the Bank, then the City would be required to amortize the balance of the Bonds over 12 equal quarterly installments beginning 180 days after the date of purchase.

The City intends to replace or renew this Agreement prior to the current expiration date.

As of September 30, 2009 the Bank was not holding any of the Bonds pending remarketing.

\$121,740,000 Transportation Revenue Bonds, Series 2008B:

Bond Terms: The Series 2008B Transportation Bonds (the Bonds) are uninsured variable rate demand bonds which mature and are remarketed every seven days at a reset interest rate.

Liquidity Agreement Terms: Liquidity for the Bonds is provided by a Letter of Credit and Reimbursement Agreement (the Agreement) with Wachovia Bank (the Bank) dated May 1, 2009 and expiring May 1, 2010.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

F. Demand Bonds Issued by the City: (continued)

Terms of take out: The Agreement contains a mandatory purchase provision requiring the Bank to purchase the Bonds if the Agreement is not replaced or renewed by the expiration date. If either i) the Bonds were to be purchased by the Bank or ii) the Bank extends an advance to the

City under the Letter of Credit, then the City would be required to amortize the balance of the Bonds over 10 equal semi-annual installments beginning 6 months after the date of purchase or advance.

The City intends to replace or renew this agreement prior to the expiration date.

As of September 30, 2009, there were no advances outstanding or bank bonds held under this Agreement.

\$67,285,000 Capital Projects Bonds, Series 2008A:

Bond Terms: The Series 2008A Capital Projects Bonds (the Bonds) are uninsured variable rate demand bonds which mature and are remarketed every seven days at a reset interest rate.

Liquidity Agreement Terms: Liquidity for the Bonds is provided by a Letter of Credit and Reimbursement Agreement (the Agreement) with the Bank of America (the Bank) dated July 1, 2008 and expiring July 15, 2011.

Terms of take out: The Agreement contains a mandatory purchase provision requiring the Bank to purchase the Bonds if the Agreement is not replaced or renewed by the expiration date. If either i) the Bonds were to be purchased by the Bank or ii) the Bank extends an advance to the City under the Letter of Credit, then the City would be required to amortize the balance of the Bonds over 10 equal semi-annual installments beginning 6 months after the date of purchase or advance.

As of September 30, 2009, there were no advances outstanding or bank bonds held under this Agreement.

\$67,285,000 Capital Projects Bonds, Series 2008B:

Bond Terms: The Series 2008A Capital Projects Bonds (the Bonds) are uninsured variable rate demand bonds which mature and are remarketed every seven days at a reset interest rate.

Liquidity Agreement Terms: Liquidity for the Bonds is provided by a Letter of Credit and Reimbursement Agreement (the Agreement) with SunTrust Bank (the Bank) dated July 1, 2008 and expiring July 15, 2011.

Terms of take out: The Agreement contains a mandatory purchase provision requiring the Bank to purchase the Bonds if the Agreement is not replaced or renewed by the expiration date. If either i) the Bonds were to be purchased by the Bank or ii) the Bank extends an advance to the City under the Letter of Credit, then the City would be required to amortize the balance of the Bonds over 10 equal semi-annual installments beginning 6 months after the date of purchase or advance.

As of September 30, 2009, there were no advances outstanding or bank bonds held under this Agreement.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

G. Non-asset debt: The city has issued debt for the benefit of its component units or other public use entities where the asset acquired or constructed will not be owned by the primary government. An expense is recorded by the city instead of a capital asset on the city-wide statements, while the debt remains as a liability of the city. The following is a listing of the outstanding debt in the Governmental Activities that was issued for non-asset backed debt:

<u>Excise Taxes Bonds</u>	<u>Entity or Purpose</u>	<u>Amount</u>
Series 1993	Jacksonville Port Authority	\$ 7,545,140
Series 2001B	Economic Development	43,135,000
Series 2002B	Shands Jacksonville Medical Center	57,770,000
Series 2003C (AMT)	Jacksonville Port Authority	32,535,000
 <u>Better Jacksonville Plan (BJP) Transportation Bonds</u>		
Series 2007	Jacksonville Transportation Authority (JTA) road projects	98,035,000
Series 2008	Refund Series 2003 and 2004 bonds that Refund the State of FL Bonds for JTA	117,570,000
 <u>BJP State Infrastructure Bank Loan</u>		
Loan #1	JTA road projects	21,260,447
Loan #2	JTA road projects	39,458,379
 <u>Other Bond Issues</u>		
Various	Misc. projects - BJP	162,366,000
Various	Misc. projects – other	53,390,120
 <u>Banking Fund Financed Projects</u>		
Various	Misc. projects – other	<u>947,000</u>
 TOTAL		 \$ 634,012,086

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

H. Defeased Debt:

The city has defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the city's financial statements.

As of September 30, 2009, the city had legally defeased the following bond maturities (in thousands):

<u>ISSUE</u>	<u>REFUNDED BY</u>	<u>PRINCIPAL BALANCE AT SEPTEMBER 30, 2009</u>	<u>INVESTMENT BALANCE WITH ESCROW AGENT AT SEPTEMBER 30, 2009 (a)</u>
Special Obligation Bonds payable from Specific Revenue Sources Other Than Ad Valorem Taxes:			
Sales Tax Revenue Bonds, Series 1996 (RCR)	Cash Refunded on October 10, 2002	\$14,535	\$15,733
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A	Excise Taxes Revenue Refunding Bonds, Series 2009B	\$18,005	\$18,594
Excise Taxes Revenue Bonds, Series 2001A	Cash Refunded on August 31, 2009	\$8,395	\$8,605
Bonds Payable from Enterprise Funds:			
Excise Taxes Revenue Refunding Bonds, Series 1996A	Excise Taxes Revenue Refunding Bonds, Series 2009B	\$10,475	\$10,784
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B	Excise Taxes Revenue Refunding Bonds, Series 2009C	\$21,455	\$22,375

(a) Source: Escrow Agent's Records

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

I. Lease Obligations: (continued)

At September 30, 2009, the city has one capital lease agreement in place. The lease meets the criteria of a capital lease as defined by FASB Statement No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The lease agreement contains options that allow the City to cancel the leases if sufficient funds are not appropriated. Since cancellation of the leases is not foreseen, the lease has been capitalized. Further, upon satisfaction of the lease obligations, asset title will pass to the City.

The City has copy equipment which was acquired through a capital lease (recorded in the Copy Center Internal Service Fund). Depreciation of the items acquired through this capital lease was \$769 thousand in fiscal year 2009 and was included in depreciation expense of capital assets.

The assets acquired through capital leases are as follows (in thousands):

	Internal Service Fund Copy Center
Asset:	
Furniture and Equipment	\$1,154
Less: Accumulated Depreciation	(769)
Total	<u>\$385</u>

The future minimum lease obligations as of September 30, 2009, were as follows (in thousands):

Fiscal Year Ending September 30,	General Fund
2010	<u>\$ 323</u>
Total minimum lease payments	\$ 323
Less: Amount representing interest	(10)
Present value of minimum lease Payments	<u>\$ 313</u>
Classified as:	
Current	\$313
Non-current	-
Total	<u>\$313</u>

The City does not have any material operating leases.

J. Conduit Debt:

The City issued certain conduit debt in the form of industrial development revenue bonds (IDB's) and private activity bonds (PAB's) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. Conduit debt refers to certain limited-obligation revenue bonds or similar debt instruments issued by the City for the express purpose of providing capital financing for a specific nongovernmental third party. Although conduit debt bears the name of the City as issuer, it is collateralized by the resources provided by the loan with the third party on whose behalf they are issued. The City acts solely as a conduit issuer with respect to the debt.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

8. LONG-TERM OBLIGATIONS (continued)

J. Conduit Debt: (continued)

Conduit debt is collateralized by the property financed and is payable solely from payments received on the underlying mortgage loans. Upon repayment of the IDB's and PAB's, ownership of the acquired facilities transfers to the private-sector entity serving the bond issue. None of the assets or revenues of the City are pledged to the payment of IDB's or PAB's and under the constitution and laws of Florida, the City may not legally pledge any of its revenues or assets to the payment thereof. Neither the City nor the State, or any political subdivision thereof, are obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Effective January 1, 1983, the City pursuant to Chapter 159, Florida Statutes, assumed responsibility for approving applications for IDB's and PAB's. As of September 30, 2009, the City had authorized \$2,034,577,469 in IDB's and PAB's, of which \$1,648,563,523 have been issued. From time to time, certain issues of such conduit debt may be in default or under investigation as to tax-exempt status of interest on such debt, however, this has no effect on the City's financial position.

As of September 30, 2009, the City has authorized a total of \$776,236,000 Jacksonville Housing Finance Authority (JHoFA), formerly Duval County Housing Finance Authority (DCHF), Single Family and Multi-Family Bonds, of which \$541,721,142 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$513,290,000 and \$363,166,142, respectively, with a total amount outstanding of \$40,882,663. The amount of Multi-Family Housing Bonds authorized and issued is \$262,946,000 and \$178,555,000, respectively, with a total amount outstanding of \$78,625,000. There were \$73,500,000 Multi-Family Housing Revenue Bonds authorized but unissued during the fiscal year ended 2009. The amount of Multi-Family Housing Bonds both authorized and issued during the fiscal year ended 2009 is \$73,500,000 and \$0, respectively. Refundings of previous issues make up \$88,120,000 of the total amount authorized, \$87,875,000 of the total amount issued, and \$28,267,663 of the total amount outstanding.

As of September 30, 2009, the City has authorized \$907,415,000 of Jacksonville Health Facilities Authority (JHFA) Bonds, of which \$861,096,184 have been issued. During 2009, the Jacksonville Health Facilities Authority issued \$ 30,000,000 of revenue bonds on behalf of Baptist Medical Center.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

8. LONG-TERM OBLIGATIONS (continued)

K. Interest Rate Swaps with Better Jacksonville Plan:

On July 1, 2003, the City of Jacksonville entered into a 17-year floating receiver swap with Wachovia Bank rated A+. The notional amount of the swap as of September 30, 2009 was \$40,365,000 and has a termination date of October 1, 2020. There were no payments at the initiation of the swap. The City receives a floating rate of the BMA Index and pays a fixed rate of 4.01%, which could result in a basis risk if there are changes in the tax laws. The City receives payments monthly and makes payments semi-annually. The swap is related to the \$47,775,000 Transportation Revenue Bonds, Series 2003 (Auction Rate Securities), which, together with the \$80,275,000 Transportation Revenue Bonds, Series 2004A (with a swap notional amount of \$76,300,000), has been refunded by the \$121,740,000 Transportation Revenue Bonds, Series 2008B. The swap was structured as an integrated hedge with the same amortization as the bonds, which resulted in synthetic fixed rate debt. For purposes of credit, the swap is secured by a pledge on the City's transportation sales tax and constitutional gas tax with a lien on parity to the bonds. The counterparty does not have the right to terminate this transaction unless a termination event occurs. The City retains the right to terminate this swap agreement at any time.

As of September 30, 2009, the underlying swap had a fair value of \$(4,276,665). This fair value was obtained by the counter-parties' mark-to-market reports submitted to the City. The threshold for posting collateral is when the market value of the swap exceeds \$(25 million); which then requires the City to post an amount of collateral equal to the residual exposure. Collateral is in the form of cash. A lower credit rating will also increase the amount of collateral required.

On September 30, 2004, the City of Jacksonville entered into a 23-year floating-to-fixed interest rate swap with Wachovia Bank rated Aa2/A+. The notional amount of the swap as of September 30, 2009 was \$76,300,000 and has a termination date of October 1, 2027. There were no payments at the initiation of the swap. The City pays Wachovia a fixed rate of 3.455% and receives floating based on 67% of 1-month LIBOR, which could result in a basis risk if there are changes in the tax laws. The swap is related to the \$80,275,000 Transportation Revenue Bonds, Series 2004A (Auction Rate Securities), which, together with the \$47,775,000 Transportation Revenue Bonds, Series 2003 (with a swap notional amount of \$40,365,000), has been refunded by the \$121,740,000 Transportation Revenue Bonds, Series 2008B. The swap was structured as an integrated hedge with the same amortization as the bonds, which resulted in synthetic fixed rate debt. For purposes of credit, the swap is secured by a pledge on the City's transportation sales tax and constitutional gas tax with a lien on parity to the bonds. The counterparty does not have the right to terminate this transaction unless a termination event occurs. The City retains the right to terminate this swap agreement at any time.

As of September 30, 2009, the underlying swap had a fair value of \$(8,383,232). This fair value was obtained by the counter-parties' mark-to-market reports submitted to the City. The threshold for posting collateral is when the market value of the swap exceeds \$(25 million); which then requires the City to post an amount of collateral equal to the residual exposure. Collateral is in the form of cash. A lower credit rating will also increase the amount of collateral required.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

K. Interest Rate Swaps with Better Jacksonville Plan: (continued)

As of September 30, 2009, the City was not exposed to credit risk (the risk of economic loss due to a counterparty default on the swap agreements) because each had a negative fair value. However, should interest rates change and the fair values of the swaps become positive, the City would then be exposed to credit risk in the amount of the swap’s fair value.

As of September 30, 2009, the swaps expose the City to basis risk (the risk of loss due to the mismatch in interest-earning assets and interest-incurring liabilities). The agreement dated July 1, 2003 calls for the City to pay a fixed rate and receive a variable payment based on the BMA index. If the fixed rate is greater than the rates on the BMA index the City will be liable for the difference. The agreement dated September 30, 2004 calls for the City to pay a fixed rate and receive a variable payment based on the one month LIBOR. If the fixed rate is greater than the rates on the LIBOR index, the City will be liable for the difference.

As of September 30, 2009, the swaps expose the City to market risk (the risk of loss due to the pricing of the swap under the current economic environment) because each swap currently has a negative fair value. If the swaps were to be terminated under the current economic conditions, the City would be liable to the counterparty for a make-whole payment in the amount equal to the negative fair value.

Swap Payments and Associated Debt

Using rates as of September 30, 2010, the debt service requirements for the City's hedged variable-rate bond current interest rates remain the same for their term, were as follows (in thousands):

Fiscal Year Ending 9/30	Variable-Rate Bonds			Swap Interest Payments		
	Principal	Interest	Total	Fixed	Variable	Net
2010	\$ 4,475	\$ 400	\$ 4,875	\$ 4,090	\$ 258	\$ 4,348
2011	4,535	385	4,920	3,918	247	4,165
2012	5,160	369	5,529	3,740	236	3,976
2013	4,680	352	5,032	3,555	224	3,779
2014	5,615	336	5,951	3,349	210	3,559
2015-2019	38,840	1,353	40,193	12,781	783	13,564
2020-2024	32,945	1,221	34,166	5,373	673	6,046
2025-2029	21,320	1,077	22,397	1,112	552	1,664
	<u>\$117,570</u>	<u>\$5,493</u>	<u>\$123,063</u>	<u>\$37,918</u>	<u>\$3,183</u>	<u>\$41,101</u>

The actual rates as of September 30, 2010 for the bond and swaps as of fiscal year end were as follows:

City of Jacksonville \$47,775,000 Transportation Revenue Bonds, Series 2003 (refunded by the Series 2008B bonds):

The 7-day variable rate reset was 0.340%

The BMA rate for swap receipts was 0.329%

City of Jacksonville \$80,275,000 Transportation Revenue Refunding Bonds, Series 2004A (refunded by the Series 2008B bonds):

The 7-day variable rate reset was 0.340%

The 67% of LIBOR rate for swap receipts was 0.175%

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

L. Interest Expense:

Total interest expense for the fiscal year ended September 30, 2009 was \$94.3 million for governmental activities and \$8.3 million for business-type activities.

M. JEA - Long-Term Debt:

The Electric System, Bulk Power Supply System, SJRPP System, Water and Sewer System and District Energy System (DES) revenue bonds (JEA Revenue Bonds) are each governed by one or more bond resolutions. The Electric System bonds are governed by both a senior and a subordinated bond resolution; the Bulk Power Supply System bonds are governed by a single bond resolution; the Water and Sewer System bonds are governed by both a senior and a subordinated bond resolution; the SJRPP System bonds are governed by the First and Second Power Park Resolutions; and the DES bonds are governed by a single bond resolution. In accordance with the bond resolutions of each system, principal and interest on the bonds are payable from and secured by a pledge of the net revenues of the respective system. In general, the bond resolutions require JEA to make monthly deposits into the separate debt service sinking funds for each System in an amount equal to approximately one-twelfth of the aggregate amount of principal and interest due and payable on the bonds within the bond year. Interest on the fixed rate bonds, other than the SJRPP capital appreciation bonds, is payable semiannually on April 1 and October 1 and principal is payable on October 1.

In accordance with the requirements of the SJRPP First Power Park resolution and the Agreement for Joint Ownership and Construction and Operation of St. Johns River Power Park Coal Units #1 and #2 between JEA and FPL, FPL is responsible for paying its share of the debt service on bonds issued under the First Power Park Resolution. The various bond resolutions provide for certain other covenants, the most significant of which (1) requires JEA to establish rates for each system such that net revenues with respect to that system is sufficient to exceed (by a certain percentage) the debt service for that system during the fiscal year and any additional amount required to make all reserve or other payments required to be made in such fiscal year by resolution of that system, and (2) restricts JEA from issuing additional parity bonds unless certain conditions are met.

The following JEA long-term debt presentation contains highly summarized data. A more detailed debt presentation is available in JEA's separately issued financial report, which may be obtained from its administrative office in the JEA Plaza at 21 West Church Street, Jacksonville, Florida 32202.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

M. JEA - Long-Term Debt: (continued)

Long-term bonded debt activity for the year ended September 30, 2009 was as follows (in thousands):

	Bonds Payable September 30, 2008	Par Amount of Bonds Issued	Par Amount of Bonds Refunded or Defeased	Scheduled Bond Principal Payments	Accretion of SJRPP Issue 2 Series 7 Capital Appreciation Bonds	Bonds Payable September 30, 2009	Current Portion September 30, 2009
Electric System	\$ 2,834,164	\$ 514,115	\$ (392,685)	\$ (52,068)	\$ -	\$ 2,903,526	\$ 46,755
Bulk Power Supply	-	77,945	-	-	-	77,945	-
SJRPP System	1,337,730	64,305	-	(95,500)	2,528	1,309,063	100,205
Water and Sewer System	1,939,221	130,168	(89,420)	(23,200)	-	1,956,769	27,442
District Energy System	47,800	-	-	-	-	47,800	-
Total	\$ 6,158,915	\$ 786,533	\$ (482,105)	\$ (170,768)	\$ 2,528	\$ 6,295,103	\$ 174,402

N. JAA - Long-Term Indebtedness:

A summary of noncurrent liability activity for the year ended September 30, 2009 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Revenue bonds	\$ 127,375	\$ -	\$ 2,000	\$ 125,375	\$ 2,055
Revenue refunding bonds	57,355	-	4,795	52,560	4,985
Revenue notes	41,490	-	540	40,950	1,965
Total	226,220	-	7,335	218,885	\$ 9,005
Unamortized deferred loss on bond refunding	(10,211)	-	863	(9,348)	
Unamortized bond discount	(56)	-	3	(53)	
Unamortized bond premium	6,122	-	(509)	5,613	
Total bonds and notes payable	\$ 222,075	-	\$ 7,692	\$ 215,097	

The above JAA long-term debt presentation contains highly summarized select data. A more detailed debt presentation is available in JAA's separately issued financial report, which may be obtained by contacting the JAA Chief Financial Officer at P.O. Box 18018, Jacksonville, Florida 32229-0018.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

8. LONG-TERM OBLIGATIONS (continued)

O. JPA - Long-Term Debt, Capital Leases and Other Noncurrent Liabilities:

A summary of noncurrent liability activity for the year ended September 30, 2009 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within one year
Bonds payable, notes payable and capital leases:					
Revenue bonds	\$ 108,130	\$ -	\$ (1,190)	\$ 106,940	\$ -
Revenue refunding bonds	53,295	-	(1,715)	51,580	3,960
Commercial Paper	77,000	-	(77,000)	-	-
State Infrastructure Bank Loan	45,100	-	(3,650)	41,450	3,657
Unamortized original issue discounts, premiums, and amounts deferred on refunding	(1,340)	-	285	(1,055)	-
Total bonds and notes payable	282,185	-	(83,270)	198,915	7,617
Liability for pollution remediation	1,568	-	-	1,568	-
Capital Leases	6,242	-	(964)	5,278	1,001
Compensated Absences & other	1,298	576	(496)	1,378	396
Line of Credit	-	35,295	-	35,295	-
	\$ 291,293	\$ 35,871	\$ (84,730)	\$ 242,434	\$ 9,014

The above JPA long-term debt presentation contains highly summarized select data. A more detailed debt presentation is available in JPA's separately issued financial report, which may be obtained from its administrative office at 2831 Tallyrand Avenue, Jacksonville, Florida 32206.

P. JTA – Long-Term Debt:

Accrued compensated absences at September 30, 2009 consisted of the following (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 308	\$ 190	\$ (34)	\$ 464	\$ 157
Business-type Activities:					
Compensated absences	\$ 813	\$ 1,733	\$ (1,342)	\$ 1,204	\$ 145

The above JTA long-term debt presentation contains highly summarized select data. A more detailed debt presentation is available in JTA's separately issued financial report which may be obtained from its administrative office at 100 North Myrtle Avenue, Jacksonville, Florida 32203.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

9. PENSION PLANS

The City sponsors two employer public employee retirement systems (PERS), administered by two separate and distinct pension boards of trustees, that provide retirement, death and disability benefits: the City of Jacksonville Retirement System and the Police and Fire Pension Plan. Substantially all employees of the City participate in one of these two plans. In addition, less than 1% of City employees participate in the State of Florida Retirement System.

The City of Jacksonville Retirement System, as amended, encompasses the Corrections Officers Retirement Plan which was established by the Laws of Florida 2004-411, and covers all certified Corrections Officers. Currently, both the General Employees Retirement Plan and the Corrections Officers Retirement Plan have the same benefits. Both are governed by the same board.

Under both the City of Jacksonville Retirement System and Police and Fire Pension Plans, the State of Florida requires plan contributions be made based upon an actuarial valuation and any contribution shortfalls are the responsibility of the City to fund. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The City of Jacksonville Retirement System and Police and Fire Pension Plan are considered to be a part of the City's financial reporting entity, as discussed in Note 1.B. Effective for the fiscal year ending September 30, 1997, these PERS adopted GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans, intended to provide information needed to assess (1) funding status of a PERS on a long-term, going-concern basis; (2) progress made in accumulating sufficient assets to pay benefits when due; and (3) whether employers are making actuarially determined contributions. These PERS also follow GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, which require measurement and disclosure of an amount for annual pension cost on the accrual basis of accounting, regardless of the amount recognized as pension expenditures.

A. Summary of Significant Accounting Policies:

- (1) **Basis of Accounting** -The City's pension trust financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.
- (2) **Method Used to Value Investments** - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals or estimates of fair value as provided by third party fund managers. Investments that do not have an established market are reported at estimated fair value as provided by third party fund managers.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

9. PENSION PLANS (continued)

B. City of Jacksonville Retirement System:

(1) Plan Description - The City of Jacksonville Retirement System is a cost-sharing, multiple-employer contributory defined benefit pension plan. All full-time City employees, the employees of JEA and the employees of JHA are eligible to participate in the General Employees Retirement Plan upon employment. All certified Corrections Officers employed by the City are eligible to participate in the Corrections Officers Retirement Plan upon employment. There are no separately issued financial statements for the City of Jacksonville Retirement System. The system is administered by a seven-member board of Trustees that makes recommendations to the City Council. The City Council is responsible for establishing or amending the pension plan provisions.

The payroll for members covered by the system was \$ 303.9 million during the 2009 fiscal year, consisting of \$175.6 million City of Jacksonville payroll, \$124.4 million JEA payroll and \$3.9 million JHA payroll. The total 2009 payroll was \$426.9 million for the City, \$140.5 million for the JEA, \$9.1 million for JPA, \$12.7 million for JAA and \$8.5 million for JHA, for a total of \$597.7 million.

The City of Jacksonville Retirement System provides for retirement, survivor, death and disability benefits. Under normal retirement provisions, a member may retire after reaching the age of 55 with 20 years of credited service or at age 65 with five years or more of credited service. The requirements for early retirement are: (1) when an employee reaches age 50 and has 20 years of service, reduced 1/2% per month for retirement prior to age 55; (2) any age after 25 years of service adjusted to a benefit accrual rate of 2% per year; and (3) any age after 30 years of creditable service at an unreduced rate of 2 1/2% per year.

Benefits vest after five years of credited service equal to 2 1/2% of a member's average earnings for each year of credited service up to 32 years with a maximum of 80%. Average earnings is the average monthly salary or wages for the highest 36 months of employment within the ten years preceding retirement. The regular benefit is increased by 3% on the April 1 nearest the fifth anniversary of the initial benefit commencement date, and on each April 1 thereafter. A monthly supplement is payable equal to 5 times the number of years of creditable service to subsidize retiree's health insurance. However, only that portion of the increase in excess of the supplement is payable. Members who terminate covered employment with less than five years of credited service shall be paid a refund of 100% of their contributions to the Plan. All members of the City of Jacksonville Retirement System are required to contribute 8% of their earnings actuarially determined and required by City Ordinance effective October 1, 1993. There is no mandatory retirement age.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**9. PENSION PLANS (continued)
 B. City of Jacksonville Retirement System: (continued)**

At October 1, 2008, the most recent census data reported by the actuary, Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>General Employee</u>	<u>Corrections Officer</u>	<u>Total</u>
Retired	4,534	88	4,622
Current employees:			
Vested	3,523	449	3,972
Nonvested	1,628	104	1,732
Total Current Employees	5,151	553	5,704
Total Membership	9,685	641	10,326

(2) Contributions - The City's funding policy provides for contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Level percentages of payroll employer contribution rates are determined using the "entry age" actuarial cost method. Under this method, the cost of each member's projected retirement benefit is funded through a series of payments, determined as a level percentage of each year's earnings, from age at hire to assumed exit age.

The level-percentage-of-payroll method is also used to amortize the unfunded liability and changes in Plan provisions, actuarial assumptions and gains and losses over a period of 30 years. If the Plan is in a surplus position, the surplus is recognized as an amortization credit in a level dollar amount over ten years. The amortization period is closed.

City contribution requirements are, as part of the funding policy, met through two sources; cash payments from the City, and allocations from the Past Excess Contribution account, maintained as part of the pension fund in accordance with State requirements to track prior payments made in excess of the actuarially required amounts. Contributions during fiscal year 2009 totaled \$58.2 million. The City contributed \$33.2 million in cash with no allocation from the past excess contribution account. Employees paid \$25.0 million. Contributions during fiscal 2008 and 2007 were \$57.0 million and \$54.5 million, respectively. These contributions were made in accordance with contribution requirements determined through an actuarial valuation performed February, 2009. The actuarial methods used for this purpose are the same as those used in determining funding progress.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

9. PENSION PLANS (continued)

B. City of Jacksonville Retirement System: (continued)

(3) Trend Information - Trend information gives an indication of whether the actuarial value of plan assets is increasing or decreasing over time in relation to the actuarial accrued liability for benefits. Nine-year historical trend information is presented on a year-by-year basis and is included in the accompanying required supplemental information. The Schedule of Funding Progress – Actuarial Assumptions for this pension plan are as follows:

Actuarial Accrued Liability - Present values are determined under the Individual Entry Age Actuarial Cost Method.

Investment rate of return	8.4%
Projected salary increases	4.0% to 7.5%
Includes inflation at:	3.5%
Cost-of-living adjustments	3.00% and Def. 5yrs.
Amortization method	Level percent open
Remaining amortization period	24 to 30 years
Asset value method	5 year smoothing
Actuarial value of assets – General Employees	\$1,591,345
Actuarial value of assets – Corrections	\$ 86,358
Actuarial Accrued Liability – General Employees	\$2,065,464
Actuarial Accrued Liability – Corrections	\$ 181,031
Unfunded Actuarial Liability – General Employees	\$ 474,119
Unfunded Actuarial Liability – Corrections	\$ 94,673
Funded Ratio – General Employees	77.05%
Funded Ratio – Corrections	47.70%

(4) Annual Pension costs and Contributions – The fund had annual pension costs of \$34.6 million for the fiscal year ended September 30, 2009 which was equal to the actual and required contributions. Three-year trend information is as follows:

(in thousands)	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (Asset)	Unfunded Actuarial Liability % of Covered Payroll
<u>Valuation Date</u>	<u>Cost</u>	<u>Contributed</u>	<u>(Asset)</u>	<u>% of Covered Payroll</u>
General Employees Pension Plan				
9/30/2007	29,297	101%	(284)	77.3%
9/30/2008	29,371	100%	(117)	126.1%
9/30/2009	29,491	100%	(156)	171.6%
Corrections Officers Plan				
9/30/2007	1,830	136%	(652)	142.1%
9/30/2008	4,329	100%	(21)	208.0%
9/30/2009	5,268	100%	146	342.3%

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

9. PENSION PLANS

B. City of Jacksonville Retirement System: (continued)

(5) The Statement of Fiduciary Net Assets – Jacksonville Retirement System - General Employees and Corrections Officers Plan for the year ended September 30, 2009 is as follows (in thousands):

<u>ASSETS</u>	
Equity in cash and investments.....	\$ 28,747
Receivables	
Interest and dividends.....	4,130
Accounts.....	-
Total receivables.....	<u>4,130</u>
Investments, at fair value:	
U.S. Government obligations.....	43,993
Federal Agencies.....	117,271
Domestic corporate bonds.....	263,305
Short-Term Investments.....	37,319
Domestic stocks.....	543,579
International stocks.....	231,400
Real Estate.....	82,855
Other Fixed Income.....	60,509
Alternative Investments.....	43,556
Total investments.....	<u>1,423,787</u>
Capital assets:	
Other capital assets, net of depreciation.....	<u>5</u>
Net capital assets.....	5
Securities Lending Collateral.....	<u>103,599</u>
TOTAL ASSETS.....	<u>1,560,268</u>
<u>LIABILITIES</u>	
Obligations Under Securities Lending Agreement.....	105,108
Accounts payable and accrued liabilities.....	6,522
Accrued Compensated Absences.....	70
Due to Drop Participants.....	<u>5,023</u>
TOTAL LIABILITIES.....	<u>116,723</u>
NET ASSETS HELD IN TRUST FOR	
PENSION BENEFITS.....	<u><u>\$ 1,443,545</u></u>

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

9. PENSION PLANS

B. City of Jacksonville Retirement System: (continued)

(6) The Statement of Changes in Fiduciary Net Assets – Jacksonville Retirement System for the year ended September 30, 2009 is as follows (in thousands):

<u>ADDITIONS</u>	
Contributions:	
Employer.....	\$ 32,765
Plan Member.....	25,018
Total contributions.....	<u>57,783</u>
Other additions:	
Miscellaneous.....	467
Transfer In.....	-
Investment income:	
Net appreciation (depreciation) in fair value of investments	
Interest, dividends, and Securities Lending.....	<u>(3,239)</u>
TOTAL ADDITIONS.....	<u>55,011</u>
<u>DEDUCTIONS</u>	
Benefits payments.....	114,989
DROP Benefits.....	2,749
Refunds of contributions.....	7,811
Administrative expenses.....	<u>1,121</u>
TOTAL DEDUCTIONS.....	<u>126,670</u>
Net change in net assets.....	(71,659)
NET ASSETS, BEGINNING OF YEAR.....	<u>1,515,204</u>
NET ASSETS, END OF YEAR.....	<u>\$ 1,443,545</u>

C. Police and Fire Pension Plan:

(1) Plan Description - The Police and Fire Pension Plan (the “Plan”) is a single-employer contributory defined benefit pension plan covering all full-time civil-service members of the City of Jacksonville’s Sheriff’s Office and Fire and Rescue Departments. The Plan is administered solely by a five-member board of trustees. There are separately-issued financial statements for the Police and Fire Pension Plan. The City’s payroll for members covered by the Plan was \$156 million during the fiscal year, excluding DROP participants. The Plan, as amended effective April 1, 2001, provides, in general, a 3% annual rate of accrual for retirement benefits after 20 years of credited membership, regardless of age, with a minimum benefit of 60% of the average salary received for the 52 pay periods immediately preceding retirement. An additional 2% for each completed year over 20 up to a maximum of 80% may be earned. There is no mandatory retirement age. Effective April 1, 2000, the Fund provides for a cost of living increase to pensioners and their beneficiaries of 3% per annum. Pension benefits vest after a minimum of five years of membership. Benefits are computed based on average salary for the 52 pay periods immediately preceding vesting multiplied by 3% times the number of credited years of service. Employees, in this category, may alternatively select a 100% payout of member contributions to the Plan without interest, upon withdrawal from the Plan.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

9. PENSION PLANS (continued)

C. Police and Fire Pension Plan: (continued)

At September 30, 2009, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits	1,926
Deferred Retirement Option Program (DROP) Participants	314
Terminated Employees entitled to benefits but not yet receiving them	38
Active plan members	<u>2,583</u>
Total membership	<u><u>4,861</u></u>

- (2) The City is currently contributing 32.11% of Plan members' salaries. The Plan members contribute 7.00% of salaries, and DROP participants contribute 2.00%. The remaining required contribution is primarily comprised of state insurance contributions, fines and forfeitures, and transfers from reserve account.

The State of Florida requires funding of pension contributions to be made based upon an actuarial valuation; the most recent valuation is as of October 1, 2008. The City Council has the authority to amend its contribution to the Plan to not less than the minimum state requirement.

- (3) Net Assets Available for Benefits - Net assets available for benefits are designated pursuant to an agreement between the Police and Fire Pension Plan Board of Trustees and the City effective April 1, 2000, consisting of the following actuarially computed components as of September 30, 2009 (in thousands):

Combined Reserve Account ⁽¹⁾	\$ 13,048
Base benefits fund	715,443
Total net assets available for benefits	<u><u>\$ 728,491</u></u>

⁽¹⁾ The value of the Combined Reserve Account is composed of the value of the City Budget Stabilization Account and the Enhanced Benefit Account.

The City stabilization reserve account was established for the purpose of cushioning actuarial losses in the base benefits fund and giving the City greater flexibility in its funding of the Plan. The enhanced benefits account was established to hold any remaining State premium tax refunds not assigned to offset City contribution requirements. The base benefits fund consists of the assets pledged to provide fund benefits. The combined balances as of September 30, 2009, have been calculated under the terms of the 2000 agreement between the Plan and the City of Jacksonville.

- (4) Trend Information - Trend information gives an indication of whether the actuarial value of plan assets is increasing or decreasing over time in relation to the actuarial accrued liability for benefits. Six-year historical trend information, on a year- by-year basis, is included in the accompanying required supplemental information.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

9. PENSION PLANS (continued)

C. Police and Fire Pension Plan: (continued)

Actuarial methods and assumptions used in the valuations on which reported information about the Annual Required Contribution, Annual Pension Cost, the funded status, and the funding progress of the Plan is based on the following:

Valuation date	October 1, 2008
Actuarial cost method	Individual entry age
Amortization method	Level percent, open
Remaining amortization period	5 - 30 years
Asset valuation method	5 year smoothing
Actuarial Assumptions:	
Net investment rate of return*	8.50%
Projected salary increases*	5.00%
*Includes inflation percentage of	3.00%
Post retirement benefit increases	3.00%
Actuarial value of assets	\$855,997
Actuarial accrued liability (AAL)	\$1,753,946
Unfunded AAL	\$897,949
Funded ratio	48.80%

See Note 1.B. concerning financial statement availability.

(5) During the fiscal year, the Plan received a remittance from the State of Florida in the amount of \$8.9 million pursuant to Chapters 175 and 185, Florida Statutes. Such remittances, which are reported as State insurance contributions in the Statement of Changes in Fiduciary Net Assets, are generally earmarked under state policy and legal guidance for the purpose of granting enhanced benefits to public safety pension plans throughout the State of Florida. The remittances received by the Plan are governed by a Restated Agreement executed between the Plan and the City.

The Agreement stipulated that \$6.2 million of the \$8.9 million remittance received during the fiscal year is to be allocated for expenditures authorized within the current benefit structure, with the remaining \$2.7 million being uncommitted and earmarked for use in funding future benefits and/or ad-hoc, non-recurring expenditures as authorized by the Trustees of the Plan. During the fiscal year, \$1.6 million of the \$2.7 million uncommitted element was expended for ad-hoc non-recurring expenditures.

(6) Annual Pension Costs and Contributions - The Fund had annual pension costs of \$67,993,368 for the fiscal year ended September 30, 2009, which was equal to the actual and required contributions. Three-year trend information is as follows: (in thousands)

Plan fiscal years ended September 30th	Annual pension cost ("APC")	Percentage contributed	Net Pension Obligation	Unfunded Actuarial Liability % of Covered Payroll
2007	55,927	100%	-	373.45%
2008	65,389	100%	-	538.23%
2009	67,993	100%	-	577.24%

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

9. PENSION PLANS (continued)

D. Florida Retirement System:

- (1) Plan Description - The City also participates in the Florida Retirement System (FRS), a multiple-employer cost-sharing retirement system which covers less than 1% of the City's full-time employees. FRS is a defined-benefit contributory retirement plan, administered by the State of Florida, Division of Retirement. The City payroll for employees covered by FRS was \$3.2 million during the fiscal year; the City's total payroll for all employees was \$463.9 million.

The System provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after they have met one of the following; (1) after 30 years of service regardless of age; (2) six years of service and age 62; or (3) 25 years special risk service (age 55 if not continuous). Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest years of earnings. The System also provides death and disability benefits. Benefits are established by state statutes

- (2) Contributions – For the fiscal years ended September 30, 2009, 2008, and 2007, the City contributed \$562,000, \$569,000, and \$577,000 respectively, to the System for covered employees. For the fiscal year ended September 30, 2009, the contributions represented less than 1% of the System's total contributions required by all participating employers of \$3.2 billion. Contributions in fiscal years 2008 and 2007 were also less than 1% of the total contributions required by all participating employers, which amounted to approximately \$3.0 and \$2.3 billion per year.

The funding methods and the determination of benefits payable are provided in various Acts of the State Legislature. These Acts require that employers make contributions actuarially determined at the rates in effect at September 30, 2009, of 9.85% of the compensation for regular members, 20.92% for special risk members, 16.53% for elected county officials, 13.12% for senior management and 10.91% for DROP Plan members.

- (3) Trend Information - Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2009 annual financial report. The report may be obtained from the State of Florida, Department of Management Services, Division of Retirement P.O. Box 9000, Tallahassee, Florida 32315-9000.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Plan Description: The City provides retirees with the option to purchase health insurance from the City's single employer, experience rated health insurance contract plan (Plan) that provides medical benefits to active and eligible retirees at the City's group rate as mandated by Florida Statute 112.0801 and therefore has an implicit rate subsidy benefit for the retirees' participation. As of the valuation date, the Plan had approximately 7,919 active participants and 1,397 retirees receiving benefits. The Plan does not issue a separate publicly available financial report.

Funding Policy: To date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses plus any addition to the reserve for accrued costs incurred but not yet reported, as determined as part of the insurance contract. The contribution requirements of Plan members are established by the City. The City pays any remaining required amounts after contributions of plan members are taken into account. Currently, retired members pay the full premium associated with the coverage elected; no direct City subsidy is currently applicable; however, there is an implicit cost discussed below. Spouses and other dependents are also eligible for coverage, and the member is responsible for payment of the applicable premiums. Plan members contributed \$3.9 million in premiums for fiscal year 2009, representing 35.5% of the total fiscal year 2009 OPEB cost.

State of Florida law prohibits the City from separately rating retirees and active employees. The City therefore assigns to both groups equal, blended-rate premiums. Although both groups are assigned the same blended rate premiums, GAAP requires the actuarial liabilities to be calculated using age-adjusted premiums approximating claim costs for retirees separate from active members. The use of age-adjusted premiums results in the full expected retiree obligation recognized in this disclosure.

Annual OPEB Cost and Net OPEB obligation: The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC).

The City has elected to calculate the ARC and related information using the Entry Age Normal Salary Based Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years. Annual requirements include a 4.5% discount rate, compounded annually, based on assumptions that the plan will be unfunded. The annual health care cost trend rate was assumed at 9.5% at September 30, 2009 grading down by 0.5% each year until an ultimate health care cost trend rate is reached in 2018 of 5.0%. The salary increase assumption is 4% per year.

The actuarial accrued liability (AAL) was determined as of September 30, 2009, based on the above assumptions and cost method, and applied to member date current at September 30, 2009. Liabilities were developed based on age adjusted costs for retirees currently receiving Plan benefits as of September 30, 2009, with an AAL calculated to be \$137 million, which is unfunded (or 0% funded).

The annual covered payroll is \$387 million, resulting in an unfunded AAL of 35.4%. The actuarial calculations reflect a long-term perspective using methods and assumptions that are designed to reduce short-term volatility in AAL and actuarial value of assets. The Plan provisions affecting the valuation were those in effect on September 30, 2009.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)

OPEB Government Accounting Standards Board (GASB) 45 results are not based on the assumption that all members terminate service as of the valuation date, but rather on the assumption that the various forces of decrement-future disablement, future mortality, future termination of employment, and future retirement-continue to be operative.

Plan Obligation:	<u>2009</u>	<u>2008</u>
Annual Required City Contribution (ARC)	\$ 10,933,000	\$ 13,280,398
Interest on Plan Obligation	371,000	-
Adjustment to ARC	(294,000)	-
Annual Plan Retiree Cost	<u>\$ 11,010,000</u>	<u>\$ 13,280,398</u>
Contributions Made	<u>(3,911,400)</u>	<u>(5,037,444)</u>
Change in Plan Obligation	7,098,600	8,242,954
Plan Obligation Beg of Year	<u>8,242,954</u>	<u>-</u>
Plan Obligation End of Year	<u>\$ 15,341,554</u>	<u>\$ 8,242,954</u>

At fiscal year end 2009, the City accrued \$14.839 million in the Governmental Statement of Net Assets, \$472,000 in the Business-Type Statement of Net Assets, \$30,000 in the Jacksonville Economic Development Commission (JEDC), and \$1,000 in the Jacksonville Housing Finance Authority (JHFA) two discreetly presented component units.

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the preceding year are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2007	12,280,398	37.9%	8,242,954
9/30/2009	11,010,000	35.5%	15,341,554

As of September 30, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$136.9 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$136.9 million. The covered payroll (annual payroll of active employees covered by the plan) was \$386.8 million and the ratio of the UAAL to the covered payroll was 35.4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

11. DEFERRED COMPENSATION PROGRAM AND 401A PLAN

The City offers its employees a deferred compensation program created in accordance with Internal Revenue Code (IRC) Section 457 and Chapter 112.215, Florida Statutes. During the year ended September 30, 1999, the City complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Pursuant to the provisions of GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the financial statements do not display deferred compensation balances in an Agency Fund.

The City also provides a defined contribution plan under the Internal Revenue Code, Section 401(a). The plan provides an employer-paid, pre-tax allowance for employees under certain union contracts, managerial and confidential, and some appointed personnel. It also allows employees to participate on a post-tax basis. This benefit does not replace a pension plan, or serve in lieu of a qualified pension plan. The City contributes from .25% to 1.00% of the base salary of the employee depending on the bargaining unit and specific leave plan. For the year ended September 30, 2009, the City contributed \$436,855 for 401A plan benefits.

12. RISK FINANCING

The City is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, and natural disasters. The Risk Management Division (“Division”) administers the public liability (general liability and automobile liability) and workers’ compensation self-insurance program (“Program”) covering the activities of the City general government, JEA, Jacksonville Housing Authority, Jacksonville Port Authority, and the Jacksonville Aviation Authority.

The Program’s self-insurance fund provides coverage for the workers’ compensation and tort liability of the City, its officers, employees, or agents. It is established pursuant to Jacksonville City Ordinance, Chapter 128. The Program is a combination of self-insurance, coupled with a layer of excess coverage to mitigate aberrant and substantial unexpected losses.

While the City self-insures for automobile liability and automobile first party property damage, general liability and workers’ compensation; it transfers its risk through the purchase of insurance for its other exposures.

Major Categories of Policies purchased to transfer risk

<u>Type of Policy</u>	<u>Principal Named Insured</u> ⁽¹⁾
Excess Workers’ Compensation And General Liability Policy	City, JEA, JPA, JHA, JAA
Property (Real & Personal)	City, JPA
Boiler & Machinery	City, JPA
Crime/Employee Dishonesty Policy	City, JAA, JPA, JHA
Aircraft Hull and Liability Policy	City, JEA, JPA, JHA, JAA
Watercraft Hull and Liability Policy	City, JEA, JPA, JHA
Wharfing Policy	City
Fine Arts Policy	City

⁽¹⁾City – City of Jacksonville, JEA – JEA, JPA - Jacksonville Port Authority, JHA - Jacksonville Housing Authority, JAA - Jacksonville Aviation Authority

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

12. RISK FINANCING (continued)

The following schedule indicates the types of insurance and reinsurance acquired, the deductible or retention level (per occurrence), and where appropriate the limit of the reinsurance coverage acquired (per occurrence):

<u>Retention Level</u>	<u>Coverage</u>	<u>Policy Limit</u>
\$5,000,000	General Liability	\$1,000,000 ⁽¹⁾
\$1,200,000	Employer's Liability	\$1,000,000 ⁽¹⁾
\$1,200,000	Workers' Compensation	Statutory
\$100,000	Property (Real & Personal)	\$480,000,000 ^{(2) (3) (4)}
\$50,000	Boiler & Machinery	\$100,000,000
\$50,000	Employee Dishonesty Bond (Includes computer fraud)	\$3,000,000
\$0	Aircraft Liability	\$20,000,000
\$2,000	Watercraft (P & I)	\$1,000,000
\$1,000	Wharfinger Liability	\$5,000,000
\$1,000	Fine Arts-Scheduled	\$105,625

⁽¹⁾Under the General Liability, and Employer's Liability policies there is an annual \$3,000,000 aggregate limit. In addition to the deductible amounts, the City is responsible for the excess payments above the policy per occurrence and aggregate limits.

⁽²⁾The property retention and limits are on a per occurrence basis.

⁽³⁾The policy deductible for named windstorm losses is equal to 5% of total values of the locations involved in the occurrence, subject to a minimum retention of \$500,000 and maximum of \$25M.

⁽⁴⁾The property retention and limits are shared between the entities.

The Division performs the following functions internally: loss prevention, workers' compensation claims, general liability and automobile liability claims, and related management activities.

Annually, as of September 30, the Program has a third party actuary review of the claim history for all open claim years. The actuary projects the ultimate claim payment obligation (including the incurred but not reported claims and claim development) for each year's claim experience and the probable loss fund cost for the new year. These projections are provided as a range of estimates (low, middle and high), with a discounted alternative for each of the three estimates. The liability is established at the middle undiscounted range. The following table reflects the discounted and undiscounted estimates:

**Estimated Risk Management Liability ^{(1) (3)}
(In thousands)**

	<u>Discounted ⁽²⁾</u>	<u>Undiscounted</u>
Low	\$58,871,575	\$71,157,239
Middle	\$65,604,862	\$79,270,917
High	\$72,338,149	\$87,384,596

⁽¹⁾ Actuarial projection excludes property liability.

⁽²⁾ 4 % yield on investments assumption

⁽³⁾ Actuarial Unallocated Loss Adjustment Expense (ULAE) projections are \$6,285,202 discounted and \$7,461,194 undiscounted. Actuarial Unallocated Loss Adjustment Expense (ULAE) projections are not included.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

12. RISK FINANCING (continued)

The probable loss fund estimate is used to budget the self-insurance fund for general liability, automobile liability, and workers' compensation. As an internal service fund, charges are billed to the various funds and component units of the City. If an adjustment is necessary to increase the reported fund liability to reflect the actuary's estimated ultimate claim payment, then the self-insurance fund will either draw upon its accumulated net assets and/or initiate a year-end billing to the City itself and component units of the City. The City's practice of cash funding the projected ultimate claims payment is intended to temporarily accumulate net assets, which can be used to meet changes in estimates over time. Projected ultimate claims payment experience is as of the end of each fiscal year, even though some payments may not be made until a later date.

The City maintains separate fiscal year accounting, which allows any excess revenues available to be returned to the City itself, and component units and the accumulation of an operating reserve authorized by the City of Jacksonville Ordinance Code Section 106.106. As of September 30, 2009, the City has available excess revenues in the Self-Insurance fund of \$8,243 (in thousands) and an operating reserve in the amount of \$2,499, (in thousands) for a combined unrestricted net asset of \$10,742 (in thousands). In the Supplemental Section of the City's Comprehensive Annual Financial Report, is a trend information schedule for general/auto liability and workers' compensation, entitled "Schedule of Self-Insurance Ten Year Claims Development Information," which reflects the claims paid and liability projection development of each of the most recent ten years as of September 30, 2009.

The following schedule presents the changes in aggregate claims liabilities for the past two years of the self-insurance fund's general liability, automobile liability, and workers' compensation.

**SELF-INSURANCE FUND
CHANGES IN AGGREGATE CLAIMS LIABILITIES (including ULAE)
FOR THE YEARS ENDING SEPTEMBER 30 (in thousands)**

	<u>General/Auto Liability</u>		<u>Workers Compensation</u>		<u>Totals</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Unpaid claims and claims adjustment expenses at beginning of fiscal year	\$ 11,953	\$ 11,252	\$ 70,972	\$ 66,722	\$ 82,925	\$ 77,974
Incurred claims and claim adjustment expenses:						
Provisions for insured events of the current fiscal year	3,586	5,066	8,973	13,175	12,559	18,241
Increases (decreases) in provision for insured events of prior fiscal years	<u>257</u>	<u>1,073</u>	<u>9,077</u>	<u>4,551</u>	<u>9,334</u>	<u>5,624</u>
Total incurred claims and claim adjustment Expenses	<u>3,843</u>	<u>6,139</u>	<u>18,050</u>	<u>17,726</u>	<u>21,893</u>	<u>23,865</u>
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,428	1,942	3,147	2,894	4,575	4,836
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	<u>3,173</u>	<u>3,496</u>	<u>10,338</u>	<u>10,582</u>	<u>13,511</u>	<u>14,078</u>
Total Payments	<u>4,601</u>	<u>5,438</u>	<u>13,485</u>	<u>13,476</u>	<u>18,086</u>	<u>18,914</u>
Total unpaid claims and claim adjustment expenses at end of fiscal year	<u>\$ 11,195</u>	<u>\$ 11,953</u>	<u>\$ 75,537</u>	<u>\$ 70,972</u>	<u>\$ 86,732</u>	<u>\$ 82,925</u>

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES

A. Compliance with Finance Related Legal and Contractual Provisions:

In the opinion of management, the City has no violations of finance related legal and contractual provisions.

B. Fund Deficits:

The following individual funds had a fund deficit at September 30, 2009, (in thousands):

	<u>Fund Balance/ Net Asset</u>
Major Capital Fund:	
Better Jacksonville Plan Construction Project	\$(31,688)
Non-Major Enterprise Fund:	
Baseball Stadium	(179)
Non-Major Special Revenue Fund:	
Public Safety	(1,790)
Internal Service Funds:	
Copy Center	(432)

The Better Jacksonville Plan is a \$2.25 billion construction plan that was appropriated in its entirety in FY2001. Funding for the plan comes from two ½ cent dedicated sales tax and from bond issued to support the construction as it occurs. In FY2009, the fund balance went negative due to the timing of debt issues versus construction expenditures. The City will address the deficit in FY2010 with currently authorized but unissued Better Jacksonville bonds.

The Baseball Stadium Net Asset deficit is due to transferring \$29.3 million net book value for assets and \$30.6 million of related debt to the enterprise fund from Governmental Activities City wide in 2008. The transfer was made to align all activity for the arena into one fund. The deficit will be eliminated over time as the bond principal payments will be greater under the debt schedule as compared to the reduction in net book value for the assets due to the straight line depreciation recorded over the life of the assets in the fund.

Public Safety – The Emergency Incidents Fund deficit is a result of Tropical Storm Fay. The deficit is made up of the 12.5% share of the costs and those costs that were not covered for reimbursement under the Stafford Act. The city will ultimately have to cover these costs after the event has been audited and is ready to close.

The Copy Center’s rates are being reviewed and will be adjusted to reduce the fund deficit in FY 2010.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES

C. Landfill Closure and Postclosure Care Costs:

The State of Florida's Solid Waste Management Act of 1988 (the "Act") and regulations of the U.S. Environmental Protection Agency (EPA) and the State of Florida Department of Environmental Protection (FDEP) require the City to be responsible for constructing and maintaining the final landfill cover, monitoring ground water and methane gas, and continuing leachate management 30 years after its municipally owned landfills stop accepting solid waste and are closed. The estimated total costs of municipal solid waste landfill (MSWLF) closure and postclosure care costs reported by the City are based upon professional consulting engineers' studies prepared annually pursuant to rules promulgated by EPA and FDEP. However, existing EPA and FDEP closure and postclosure regulations may change which might require the City to revise its MSWLF cost estimates used in the future.

MSWLF costs, for open landfills, are recognized in accordance with GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs. A liability of the Solid Waste Disposal Enterprise Fund (the "Fund") is recorded based upon landfill capacity used at fiscal year-end and a current operating expense of the Fund in the fiscal year in which the MSWLF costs are recovered through earned, operating revenue.

The estimated liability for MSWLF closure and postclosure care costs at September 30, 2009, is (in thousands):

	Balance, September 30, 2008	Accrual of Costs	Payment of Costs	Balance, September 30, 2009
Closed Landfills -				
Postclosure care costs	\$ 11,333	\$ (303)	(\$740)	\$ 10,290
Operating Landfill -				
Closure and Postclosure care costs	<u>34,910</u>	<u>18,468</u>	<u>-</u>	<u>53,378</u>
Total Landfill Postclosure Care Costs	\$ 46,243	\$ 18,165	(\$740)	\$ 63,668

At September 30, 2009, the closure and postclosure care costs for the closed landfills (North and East sites) had been fully accrued as these two landfills both stopped accepting solid waste in April 1992. Of the total MSWLF closure and postclosure care cost liability, \$46.2 million had been accrued for the cost of closure and \$17.5 million has been increased for postclosure care costs through September 30, 2009.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES
C. Landfill Closure and Postclosure Care Costs: (continued)**

Funding MSWLF costs for these two closed landfills will be provided from future operating revenues of Solid Waste Disposal Enterprise Fund activities. As discussed in Note 1.P., after adjustments for the current year change in estimate, the \$61.2 million in MSWLF closure and postclosure care costs recorded for the City's two closed landfills, North and East, and the \$9.1 million in Waste Dump Site decontamination costs have been capitalized and recorded as a deferred charge in the Solid Waste Disposal Enterprise Fund. Through fiscal 2008, \$22.4 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2009, \$2.7 million of this deferred charge was expensed to solid waste operations, resulting in a balance at September 30, 2009, of \$19.7 million. It is the intent of the City that these costs be recovered from future operating revenues of the Solid Waste Disposal Enterprise Fund, and accordingly will be recognized as operating expenses as such revenue is earned.

The total closure and postclosure liability for the operating landfill (Trailridge) is \$53.4 million. This total is based on the estimated capacity used of 69.682% or 13,947,154 tons used with a total estimated capacity of 20,015,335 tons. The City will recognize the remaining estimated cost of closure and postclosure costs of \$23.2 million as the remaining capacity is filled.

These amounts are based upon what it would cost to perform all closure and postclosure care in 2009. The City expected to close the landfill in approximately three years (2012); however, it is presently extending the life of the landfill by increasing the capacity (Phase III) and the life to 24 more years (2036). As mentioned, actual costs may be higher due to inflation, changes in technology, or changes in environmental regulations.

Annually, the Florida Department of Environmental Protection (FDEP) requires the City to meet a proof of financial responsibility for its two closed (East and North) and one open (Trailridge) municipally owned landfills. This proof of financial responsibility provides assurance to FDEP that future closure and postclosure care costs will be adequately funded by the City. At September 30, 2009, this proof of financial responsibility has been met by the City under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$28.7 million in deposits made to a restricted cash escrow account of the Solid Waste Disposal Enterprise Fund.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES
 C. Landfill Closure and Postclosure Care Costs: (continued)**

The amount to be deposited into the escrow account is based on estimates made annually by a registered Professional Engineer plus an adjustment for additional future costs associated with the closing of the Trail Ridge landfill. The escrow account was comprised of the following estimated components at September 30, 2009 (in thousands):

	<u>Trail Ridge</u>	<u>North</u>	<u>East</u>	<u>Total</u>
Current cost of closure (1)	\$21,611,053	\$ -	\$ -	\$21,611,053
Annual cost of postclosure care (2)	-	889,771	380,299	1,270,070
Total estimated closure and postclosure care costs	<u>\$ 21,611,053</u>	<u>\$ 889,771</u>	<u>\$ 380,299</u>	<u>\$ 22,881,123</u>
Balance in escrow account (3)	\$ 27,408,772	\$ 889,771	\$ 380,229	\$ 28,678,772
City funding above state minimum (4)	\$ 5,797,719	\$ -	\$ -	\$ 5,797,719

1) Trail Ridge – Total submitted cost of \$ 25,424,769 x 17/20 (requirement is to annually fund current estimate divided by years remaining in landfill life; landfill is expected to reach capacity in 2012; at September 30, 2009 17 years of the 20 year landfill life have passed), North – landfill was certified closed in October 1999, East landfill was certified closed in April 1995.

2) Trail Ridge – Total cost of \$ 33,864,394 x 0/30 (since landfill is not closed yet, 30 year post closure care period has not begun) North – total cost of \$ 17,795,416 x 1/20 (requirement is to fund one year of postclosure care), East – total cost of \$ 7,605,975 x 1/20 (requirement is fund one year postclosure care).

3) The \$28,678,842 escrowed amounts are accounted for in the Solid Waste Disposal Fund, in separate subfund 443 - Landfill Closure per City of Jacksonville ordinance and is legally restricted. It consists of bank accounts to meet DEP funding requirements, with remaining funds to meet the additional amount required by the City of Jacksonville funding ordinance.

4) The City funding above the state minimum of \$ 5,797,719 represents the difference between the funding required by the State of Florida and the funding required by City ordinance. The funding of landfill closure is based on a formula passed by City ordinance, which approximates the projected cash flow needs for the future liability as calculated under GASB 18 – Accounting for Municipal Solid Waste Landfill Closure and Postclosure care costs. The liability is based on a per cell closing methodology utilized by the Solid Waste Division of the City.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

14. LESSOR OPERATING LEASE

A. Jacksonville Jaguars, Inc. - The City has entered into a lease dated September 7, 1993, pursuant to which the City leases the Jacksonville Municipal Stadium and adjacent practice facilities to the Jacksonville Jaguars, Inc. (Jaguars) for a period of 30 years from the first National Football League (NFL) regular season play in 1995; Amendment 5, executed September 6, 2002, extends the lease an additional five years.

The lease entitles the Jaguars to use the stadium on game days, for practices and summer training camp, and for the period necessary before game days. During other periods of time, the City has the right to use the stadium, except for certain administrative spaces, training facilities, suites, and other areas that are for the exclusive use of the Jaguars.

For the first five years, rent is deferred in the amount of \$250,000 per year; in years 6-10 rent is \$500,000 per year; in years 11-20 \$1,000,000; and in the final 15 years \$1.25 million, including the lease extension. Amendment 8, executed January 2006, reduced the total Jaguars rent obligations by \$8,600,000, which was provided through rental reductions in the amount of \$1,433,333 for six payments beginning with the November 2005 payment through the June 2008 payment.

Amendment 8 also reduces supplemental lease obligations, with the City's acceptance of payment from the Jaguars in the amount of \$10,197,891 for the full satisfaction of amounts due for Super Bowl net revenues. Rents from years 11 through the end of the lease are subject to escalation based on one-half of any increase in the Consumer Price Index, but not to exceed 2.5% per year.

In addition, the Jaguars are obligated to pay supplemental rent in an amount equal to the annual debt service incurred by the City for certain costs of renovation of \$53.1 million requested by the Jaguars over a 30 year period with interest computed on a tax-exempt basis; inclusive of Amendment 7 executed May 27, 2004.

The lease generally permits the City to retain revenues from City events at the stadium, with some exceptions. Amendment 8 outlines provisions for advertising revenue generated from electronic signage for different stadium functions. The City is required to provide electricity, water and sewer services for the stadium at its expense. The City must maintain the Stadium and all leasehold improvements. Per Amendment 8, the City agreed to provide \$1,000,000 for additional electronic signs. The City is required to pay for game day personnel, excluding concessions, on the days of Jaguar games. Amendment 8 gives the Jaguars the responsibility to provide concessions to all events within the concessions area. The Jaguars retain all net revenues from concessions and similar sales on NFL game days. The lease obligates the Jaguars to maintain its franchise at the stadium in Jacksonville and to not relocate unless it pays the City certain guaranteed amounts. Amendment 9 outlines a revenue sharing agreement for the stadium naming rights and provides the parameters for the marketing of the stadium name. Also, Amendment 9 details additional advertising rights and allows for certain fixed signage at the stadium.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**14. LESSOR OPERATING LEASE (continued)
 A. Jacksonville Jaguars, Inc.**

A summary of scheduled lease payments is as follows:

<u>Year</u>	<u>Payment</u>
2010	3,964,861
2011	4,127,519
2012	4,091,334
2013	4,047,200
2014	4,006,519
2015 - 2019	22,931,825
2020 - 2024	20,242,264
2025 - 2029	31,100,431
2030	3,074,554

B. Shands Jacksonville

Under an agreement with a not-for-profit corporation, Shands Jacksonville, formerly known as University Medical Center, the City leases to Shands certain capital assets, principally land and buildings, over a term to September 30, 2027 with an option to renew for an additional 40 years to 2067 at \$1 per year. In addition, Shands is to be a full service hospital in support of the indigent care programs of the City of Jacksonville and Duval County under the agreement. Shands is to maintain, in good condition, and make improvements and betterments to the hospital as necessary over the life of the lease. At termination of the lease, all leased property shall revert to the City.

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation:

The City is named as party in legal proceedings which occur in the normal course of government operations. Such litigation includes, but is not limited to, claims asserted against the City arising from alleged torts, alleged breaches of contract, condemnation proceedings and other alleged violations of state or federal laws.

It is not possible at the present time to estimate the ultimate outcome or liability, if any, to the City for these proceedings. However, it is the City’s opinion that ultimate liability in these matters, if any, is not expected to have a material adverse effect on the City’s financial position.

B. Grants and Contracts:

The City participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal or state audit may become a liability of the City. All City agencies and departments are required to comply with various federal regulations issued by the U.S. Office of Management and Budget if such agency or department is a recipient of federal

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

B. Grants and Contracts: (continued)

grant, contracts or their sponsored agreements. Certain agencies and departments may not be in total compliance with these regulations. Failure to comply may result in questions concerning the allocability of related direct and indirect charges pursuant to such agreements. It is believed that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the City.

C. Self-Insurance:

Through the City's Risk Management Division, the City maintains an insurance and self-insurance program (See Note 12). The Division administers the public liability (general liability and automobile liability) and workers' compensation self-insurance program covering the activities of the City general government, JEA, Jacksonville Housing Authority, Jacksonville Port Authority, and Jacksonville Aviation Authority under the City's Ordinance Code Chapter 128. The City purchases commercial insurance for workers' compensation claims in excess of \$1.2 million. Under the laws of the State of Florida, the City has sovereign immunity for state tort claims in excess of \$100,000 per person, and \$200,000 per occurrence. The City retains coverage on all other types of insurance including real and tangible property. The self-insured programs of the City, which are included in the Self-Insurance Internal Service Fund, are funded on a dollar-for-dollar basis determined actuarially for the estimated losses for claim development and incurred but not reported claims, and unallocated loss adjustment expenses. Claims are reserved on an ultimate probable cost basis.

D. Pollution Remediation:

Governmental Accounting Standards Board Statement No. 49 Accounting and Financial Reporting for Pollution Remediation Obligations (GASB 49) became effective in fiscal year 2009. GASB 49 provides proper accounting and financial reporting for pollution remediation obligations. While GASB 49 does not require the City to search for pollution, it does require the City to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

- The City is compelled to take remediation action because pollution creates an imminent endangerment to public health,
- The City is in violation of pollution prevention,
- The City is named, or has evidence that it will be named as responsible party by a regulator,
- The City is named, or has evidence that it will be named in a lawsuit to enforce cleanup, or
- The City commences or legally obligates itself to conduct pollution remediation activities.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

D. Pollution Remediation: (continued)

The City recorded a pollution remediation liability as of September 30, 2009 of approximately \$154.2 million (See Note 8. C for schedule) using the expected cash flow technique. Under this technique, the City estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This did not have any material effects on beginning balance of net assets for FY09. However, this liability could change over time due to changes in cost of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts.

The USEPA identified the City as a PRP at the Whitehouse Waste Oil Pits Superfund Site in western Duval County. The City and other PRPs participated in the USEPA's Pilot Allocation Project which resulted in the EPA assuming as much as 65% of the liability at the site, with the City being allocated less than 10% of the liability. The USEPA estimates \$20 million site costs, with the City paying approximately \$2 million over the life of the project (which includes a 30 year operations and maintenance period). Site work was substantially complete in October 2006 when operations and maintenance work began. The PRPs have more than \$1.9 million on deposit to fund operations and maintenance; however until USEPA officially declares the remedial action complete, the prospect for additional work remains. In January 2008, the City met with adjacent property owners to negotiate the purchase of additional private property to account for the location of the remedial berm. Negotiations are ongoing, with the estimated additional purchase within the limits of the remaining funds contributed by PRPs. The City and other PRPs settled with the USEPA which had sought reimbursement of its cost of a removal action in 1995, regarding the Bill Johns Waste Oil Site. The City's liability is based on contracting with the waste oil service to empty used oil collection points operated under a recycling grant from the State. The Florida Department of Environmental Protection (FDEP) has submitted a demand to the PRPs to assess the site further to determine the extent of contamination that may remain after the removal action. The liability to FDEP is being assessed, but the site may be eligible for the state-funded clean up program, relieving the City of any financial exposure. Because of the uncertainty of this event, no accrual has been recorded.

Incinerator Ash Site Pollution Remediation: The City has identified four sites that were used for incinerator ash waste. The common practice during the 1950s and 1960s was to incinerate garbage and then mix the residual ash waste with other soil and use it as fill dirt.

The City and the U. S. Environmental Protection Agency (EPA) signed an agreement in 1999 to develop a plan to remediate the four sites. In order to make the sites and surrounding areas safe from a variety of residual pollutants, the City has proposed to the EPA a plan to clean up the areas by removing the top two feet of soil, placing a barrier, and then replacing the topsoil with untainted dirt. The project is estimated to take several years to complete once started and a cost estimate of \$110.9 million has been accrued based on the City's estimate used in its five year capital project plan. Approximately \$22.7 million has been appropriated for FY2010.

Department of Environmental Protection (DEP) Sites: The City, working in conjunction with the DEP, have identified four sites of potential liability including the Burke St. Lime Pitts, Doe Boy Dump Site, Gold Merit / Pope Plan and Southside Incinerator Site.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

D. Pollution Remediation: (continued)

The project, which is estimated to take several years to complete once started, has an estimated cost of \$37.18 million, which has been accrued by the City and included in the City's five year capital projects plan.

Various other remediation sites exist within the City and \$5.5 million has been accrued for their estimated liability based on their inclusion in the City's five year capital projects plan.

The liability for the Waste Dump Site at September 30, 2009, of \$0.632 million is based on the most recent estimate by the Federal Government of the City's allocated share of the clean-up and long term care cost of the site under a Participation Agreement and Consent Decree with the Environmental Protection Agency. The City was identified as a responsible party, sharing 65% of the total clean-up costs

E. Shipyards Project:

In previous fiscal years, the City provided economic development grant monies to a developer totaling approximately \$36.5 million, funded by tax exempt bond proceeds (City of Jacksonville, Florida Excise Tax Revenue Bonds, Series 2001B). The grant was to provide for certain public improvements related to a project titled "Shipyards". The original developer did not complete the improvements anticipated in the public offering, and a City review of the project determined that the developer had inappropriately spent City grant proceeds (financed by the bonds) on private use elements of the overall project and/or business expenditures not related to the project, and therefore was in default under the Redevelopment Agreement. The City also determined that the original developer's default may have resulted in the private use portion of the bond proceeds exceeding limits allowed by the tax code. On June 28, 2005 the City reached agreement with a replacement developer to provide the anticipated public improvements with some modifications, and soon thereafter the developer commenced work on certain of the public improvements. In April 2009, the City deemed the replacement developer in default under the terms of replacement development agreement and in June 2009 the developer filed for bankruptcy protection. The City has obtained approval from the bankruptcy court to pursue a foreclosure action for purposes of obtaining title to the entire property through the foreclosure process.

The City anticipates that over time the tax exempt status of interest on the bond issue will be preserved by virtue of the City's retained beneficial ownership of the property in addition to the modified public improvements made by the replacement developer prior to their default.

The City in a previous fiscal year elected to notify the Internal Revenue Service of the matter and enter into voluntary negotiations intended to preserve the tax exempt status of interest on the bonds and provide for a city settlement payment. The settlement is anticipated to address the time period between the point of misuse and the substitution of appropriate public uses, and the incremental cost between tax exempt and taxable debt. While the City has submitted legal arguments that it believes will result in favorable settlement terms, the City estimates that the eventual settlement payment could be as much as \$2.5 million. This amount is accrued in the entity-wide financial statements as due to independent agencies and other governments.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

F. Other Litigation:

The City is involved in a federal court litigation concerning alleged breach of agreement claims involving its landfill and disputed costs. The plaintiff seeks unspecified damages, but is expected to claim damages of over \$1,000,000 from the City.

The City is involved in a matter where the plaintiff is seeking reimbursement of attorney fees for previous litigation. Currently the parties have agreed on a stay of further litigation until the Court of Appeals renders a decision on a related issue. Potential liability exposure is \$1,400,000 plus interest running from April 2008.

The City is involved in two state law claims for negligence involving a motor vehicle accident. Maximum potential liability exposure is \$100,000 per claim.

The City is involved in a federal civil rights and wrongful death claim. Discovery is pending. Liability is not likely, but the plaintiff is seeking a large sum of damages. A potential loss estimate cannot be made at this time.

The City is involved in a case filed in state court by property owners for violation of civil rights, negligence, and inverse condemnation for the City's emergency demolition of property. Maximum potential liability is the value of the plaintiff's property plus attorney fees. Estimated potential liability exposure is \$200,000 - \$500,000.

The City is involved in a state law claim for negligence in connection with an accident involving an alleged defective sidewalk. Maximum potential liability exposure is \$100,000.

Since September 30, 2009, the City settled several legal matters including: state law claims for negligence and other threatened state law claims. The City does not consider the settlement amounts to be material.

In accordance with relevant accounting standards, no accrual has been made in the accompanying financial statements for these cases because relevant criteria have not been met. Funding for these payments, if any, will be from general revenue sources and earnings.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

G. Construction Commitments: At September 30, 2009, the City had major construction contracts for the following projects:

Public Works Projects	
Ed Ball Building	\$ 1,547,402
Economic Development Projects	
Edward Waters College	550,000
Hallmark Partners - Phase I & II	9,021,850
Miles Development - Phase I & II	5,421,449
Pinnacle Project	800,000
Shipyards Project	3,122,399
Infrastructure Projects	
Pedestrian Vehicle RR Crossing	3,358,702
Coastline Drive & Riverwalk Repairs	958,198
Metro Park Marina - lighting, Elec & Water	671,400
Springfield Rd Improvement Project	513,896
Public Works/Banking Fund Improvement Projects	1,921,779
Courthouse Projects	157,354,138
Public Works Road Projects	42,703,328
Countywide Resurfacing	8,986,926
Drainage Rehab Projects	9,532,524
Septic Tank Remediation	15,284,831
Jacksonville Ash Site	6,377,027
Radio System Replacement	1,374,448
	<u>\$ 269,500,297</u>

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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

H. Encumbrance Commitments:

At September 30, 2009, the City had encumbrance commitments in the Governmental Funds as follows:

ENCUMBRANCES: (in thousands)

MAJOR FUNDS

General Fund	\$16,705
* Better Jacksonville Construction Project	84,513
	<hr/>
Total Major Funds	101,218

NON-MAJOR FUNDS

Concurrency Management Fund	3,137
Air Pollution Control & Monitoring Fund	-
Tourism Development Fund	1,467
Clerk of the Court	58
Transportation Fund	2,365
Budgeted General Government	4,926
Public Safety Fund	31
Emergency 9-1-1 Fund	415
Tax Increment Districts Fund	950
Jacksonville Children's Commission	1,213
Community Development Block Grant	5,502
Maintenance, Parks and Recreation Fund	106
Other Federal, State, & Local Grants Fund	10,009
Housing and Neighborhoods	2,932
State Housing Initiative Partnership	4,745
Non-Budgeted General Government	651
General Project	34,819
Bond Projects	25,933
Grant Projects Funds	5,737
River City Renaissance Project Fund	3
Total Non-Major Funds	105,001
	<hr/>
TOTAL ENCUMBRANCES	\$206,218
	<hr/> <hr/>

*The Better Jacksonville Plan Construction Project Fund accounts for funds associated with the \$2.25 billion improvement plan. Council appropriated funds for the plan in its entirety at the inception, while funding sources including dedicated sales tax and debt issues are secured as needed. Multi-year contracts are encumbered and funding sources are obtained as construction occurs.

16. SUBSEQUENT EVENTS

A. City Debt Issuance

On December 15, 2009 the City issued bonds totaling \$107,640,000 as Special Revenue Bonds Series C-1 Bonds (\$70,330,000 tax exempt) and Taxable Special Revenue Bonds Series 2009 C-2 (\$37,310,000 Build America Bonds) to finance a portion of the costs of acquisition and construction of certain drainage and Capital Improvement Plan projects and to fund a portion of the City's composite Special Revenue Bond Cash Debt Service Reserve Account.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

16. SUBSEQUENT EVENTS (continued)

B. Defined Contribution Pension Plan

On October 1, 2009 the City introduced a Defined Contribution (DC) Plan alternative to the City's Defined Benefit (DB) Plan for all full time new and existing employees. The DC alternative plan was established within the Jacksonville Retirement System and administered by the same seven-member Board of Trustees. The City Council is responsible for establishing or amending plan provisions.

C. Pension lawsuit

In December 2009, a group of plaintiffs filed an action against the City in federal court. The plaintiffs alleged that the City operated its General Employees Pension Plan and its Correctional Officers Pension Plan in such a manner that it violated the American with Disabilities Act and the terms of the pension itself by requiring a different process to be followed for persons with certain medical issues. Subsequently, plaintiffs alleged a class action in an amended complaint, which the City answered and to which affirmative defenses were raised. Initial reviews of the potential class indicate that it may be approximately 1,300. Plaintiffs seek 1) admission into the pension plan and 2) purchase or credit by the City for pension contributions for years in which plaintiffs were excluded, and attorneys fees.

D. Police and Fire Pension

The City contribution percentage to the Police and Fire Pension Plan increased by 18.91% for the fiscal year beginning October 1, 2009. The increase in contribution is the result of the most recent actuarial valuation.

E. JEA

JEA made additional debt draws and issued bonds to finance capital expenditures and refund existing debt. The draws for capital expenditures, which will be replaced with permanent financing in 2010, total \$14,000,000. The refunding draw totals \$ \$4,285,000. The bonds issued include \$45,955,000 of Electric System Revenue Bonds, Series Three 2009D and \$68,600,000 of Electric System Subordinated Revenue Bonds, 2009 Series F to fund capital expenditures. JEA also issued \$27,675,000 of Subordinated Electronic System Revenue Bonds, 2009 Series G to refund prior issues.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

17. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE

A. JEA/City of Jacksonville

JEA is a separately-governed authority and is also considered to be a discretely presented component unit of the City of Jacksonville. JEA provides electric, water and sewer service to the City and its agencies and bills for such service using established rate schedules. JEA utilizes various services provided by departments of the City, including insurance, legal and motor pool. JEA is billed on a proportionate cost basis with other user departments and agencies. The revenues for services provided and expenses for services received by JEA for these related-party transactions with the City were as follows (in thousands):

	<u>Revenues</u>	<u>Expenses</u>
Fiscal year 2009	\$ 35,056	\$ 6,176

The calculation of the City contribution is based on a formula negotiated with the City of Jacksonville. Fiscal year 2009 is the first year of an eight year agreement. This calculation is subject to a minimum average increase of \$2,500,000 per year using 2008 as the base year for the combined assessment for the JEA Electric Enterprise Fund and Water and Sewer Fund. There is also a maximum annual assessment for the combined Electric Enterprise Fund and Water and Sewer Fund.

The JEA Electric System is required to contribute annually to the City’s General Fund an amount not to exceed 5.5 mills per kilowatt hour delivered by JEA to retail users in JEA’s service area, and to wholesale customers under firm contracts having an original term of more than one year, other than sales of energy to FPL from JEA’s St. Johns River Power Park System. The contribution for fiscal year 2009 amounted to \$76,094,124. The JEA Water and Sewer System is required to contribute annually to the City’s General Fund an amount not to exceed 2.1 mils per cubic foot of potable water and sewer service provided, excluding reclaimed water service. The contribution for fiscal years 2009 amounted to \$20,593,422.

Although the calculation for the annual transfer of available revenue from JEA to the City is based upon formulas that are applied specifically to each utility system operated by JEA, JEA may, in its sole discretion, utilize any of its available revenues regardless of source to satisfy its total annual obligation to the City.

In addition to the contributions described above, JEA is also obligated to make semi-annual payments with respect to a portion of the debt service for the City’s Excise Tax Revenue Bonds, Series 1999A and 1995A through Fiscal Year 2009. In fiscal year 2009, JEA made principal and interest payments to the City of \$1,124,000.

Franchise Fees - Effective April 1, 2008, the City enacted a 3% franchise fee from designated revenues of the Electric and Water and Sewer Utility systems. The ordinance authorizes JEA to pass through these fees to its electric and water and sewer funds. For the year ended September 30, 2009, JEA recorded \$30,999,000 and \$6,534,000 in its electric and water and sewer funds, which are included in JEA operating revenues and expenses.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

17. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE (continued)

A. JEA/City of Jacksonville (continued)

Risk Management - JEA insures its risks related to general liability, automobile liability, and workers' compensation through the City's self insurance program. The City's Director of Administration and Finance manages the self-insurance program, estimates the liabilities through actuarial and other methods, and assesses the user departments and agencies. JEA purchases property insurance separate from the City for its insurable assets. In addition, JEA purchases property, liability and workers' compensation insurance for its St. Johns River Power Park facility, including ownership interest of Florida Power and Light Company, as an additional insured.

Better Jacksonville Plan - The City is providing funding for sewer improvements as a part of the Better Jacksonville Plan. The City receives sales tax revenues, a portion of which are used for capital contributions to JEA for sewer improvements. These contributions amounted to \$1,516,000 in fiscal year 2009.

B. JPA – Prior Period Restatement

In 2009, JPA adopted Governmental Accounting Standards Board (GASB) No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. As a result, JPA reduced net assets, invested in capital assets by \$777,000 for amounts previously capitalized, and reduced unrestricted net assets by \$1,568,000 for estimated liabilities recognized in accordance with GASB 49.

18. NET ASSETS:

The government –wide and business-type Fund Financial Statements utilizes a net assets presentation. Net assets are categorized as invested in capital assets net of related debt, restricted, and unrestricted.

Invested in Capital Assets Net of Related Debt - is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Assets – are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations on their use. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use there of to a future project or replacement equipment acquisition.

Unrestricted Net Assets – typically represents unrestricted liquid assets. While City management may have categorized and segmented portions for various purposes, the City Council has authority to revisit or alter these managerial decisions.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

18. NET ASSETS: (continued)

While the Unrestricted Net Assets balance is a single number in accordance with GASB Statement 34, the impact of non-asset debt will appear to reduce the year-end discretionary balance available to the government.

However, in the City’s case, given that a portion of these non-asset bonds/loans reported in the Governmental Activities column have a dedicated revenue source (to amortize the debt over time) the year-end available portion of the Net Assets to the city is greater than is apparent. The following schedule illustrates these differences (000s):

Governmental Unrestricted Net Assets (per statement – page 22)	\$ (393,192)
Impact of Better Jacksonville Plan’s (BJP) bond financed capital expenditures incurred by component units and other entities. Includes refinancing of state held debt for associated component unit.	438,690
Economic Incentives to be repaid by TIF revenue and/or Developer	<u>46,931</u>
Governmental - Unrestricted Net Assets (adjusted for dedicated revenue funded portions)	<u><u>\$ 92,429</u></u>

Because the BJP program has dedicated sales tax revenue sources which will be used to repay the related debt service and either the CRA’s tax increment financing (TIF) revenue or the Developer repayments are anticipated to address the related debt service principal and all or a portion of the interest, the Government Unrestricted Net Assets (adjusted for dedicate revenue funded portions of non-assets debt) more truly reflect the General Government’s available (although partially tentatively targeted) portion of net assets.

19. FUND BALANCE DISCLOSURE:

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

19. FUND BALANCE DISCLOSURE: (continued)

- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. The City’s original budget legislation begins with the Budget Office combining historical data, assessment of needs for the upcoming year and the Mayor’s platform to review, and/or make changes to each department’s budget. In June, a Budgetary Committee will meet again with each department for final review and approval of preliminary budget. Budget is then formally presented to City Council the first Council Meeting in July for their review, revisions and final approval by September 30th, at which time it becomes law. All subsequent budget requests made during the year, after Council’s approval, must be presented on a Budget Transfers (BT) and again approval by Council. City Council may also amend the budget outside of the BT process.
- Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned through the following: 1) The Director of Finance is authorized by City Council to assign amounts for a specific purpose. (2) The City Council has authorized the Director of Finance, in coordination with the Council Auditor, to recapture excess fund balance that isn’t restricted or committed and transfer the excess to the General Fund – General Service District. Excess fund balance that is not recaptured is classified as assigned by the Director of Finance to be used for the purpose of the subfund.
- Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City Council established an emergency reserve policy and fund beginning with the fiscal year 2006 budget. The emergency fund is contained as a separate subfund within the General Fund and is included in each annual budget. The emergency reserve shall not be used except as initiated by the Mayor through written communication to City Council, explaining the emergency, and requires approval by two-thirds vote of all City Council members.

The City does not have a formal minimum fund balance policy. However, the City’s Ordinance code addresses various targeted reserve positions and the Administration calculates targets and actuals to report the results annually to City Council.

A schedule of City fund balances is provided in the following pages.

19. FUND BALANCE DISCLOSURE

A. FUND BALANCE CLASSIFICATION

	MAJOR FUNDS			
	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	SPECIAL BONDED DEBT- OBLIGATIONS	BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT
FUND BALANCES:				
Non Spendable:				
Inventories	\$ 6,259	\$ -	\$ -	\$ -
Other	-	-	-	-
Spendable:				
Restricted for:				
Debt Service Reserved by Debt Covenants	-	87,371	15,360	-
Waterway Projects	-	-	-	-
Shipyard Project	-	-	-	-
Park Projects	-	-	-	-
Conservation and Resource Management	-	-	-	-
Transportation Projects	-	-	-	-
Other Grants	-	-	-	-
Human Services	-	-	-	-
Regional Stormwater Facilities	-	-	-	-
Environmental	-	-	-	-
Drainage System Projects	-	-	-	-
Housing and Urban Development	-	-	-	-
Building	-	-	-	-
Public Safety	-	-	-	-
Other Infrastructure and Development	-	-	-	-
Other Facilities Improvement	-	-	-	-
Other	-	-	-	-
Committed to:				
City Council Emergency Use	44,112	-	-	-
Debt Service	-	-	-	-
Drainage Projects	-	-	-	-
Waterway Projects	-	-	-	-
Water-Sewer Combination	-	-	-	-
Park Projects	1,641	-	-	-
Planning Projects	6,763	-	-	-
Physical Environment	-	-	-	-
Conservation and Resource Management	-	-	-	-
Transportation Projects	856	-	-	-
Emergency and Disaster Relief	-	-	-	-
Court Projects	-	-	-	-
Public Safety	8,676	-	-	-
Human Services	-	-	-	-
Industry Development	-	-	-	-
Other Grants	-	-	-	-
Other	798	-	-	-
Assigned to:				
Debt Service	-	-	4,860	-
Transportation Projects	142	-	-	-
Parks Projects	273	-	-	-
Planning Projects	1,124	-	-	-
Public Safety	1,442	-	-	-
Other	133	-	-	-
Unassigned:				
Unassigned	37,962	(261)	-	(31,688)
Total Fund Balances	\$ 110,181	\$ 87,110	\$ 20,220	\$ (31,688)

**NONMAJOR
SPECIAL REVENUE FUNDS**

CONCURRENCY MANAGEMENT	AIR POLLUTION CONTROL AND MONITORING	TOURISM DEVELOPMENT	CLERK OF THE COURT	TRANSPORTATION FUND	BUDGETED GENERAL GOVERNMENT	PUBLIC SAFETY	EMERGENCY 9-1-1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	642	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	142	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,642	-	-	-	-	566	-	-
-	-	-	-	-	-	-	-
-	640	-	-	-	20,913	-	-
61,362	-	-	-	38,931	-	-	6,349
-	-	-	-	-	-	-	-
-	-	-	200	-	10,248	-	-
-	-	-	-	-	3,164	525	-
-	-	-	-	-	-	-	-
-	-	3,319	-	-	-	-	-
-	-	-	-	-	-	-	-
57	-	789	-	-	828	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(2,315)	-
<u>\$ 64,061</u>	<u>\$ 1,282</u>	<u>\$ 4,108</u>	<u>\$ 200</u>	<u>\$ 39,073</u>	<u>\$ 35,719</u>	<u>\$ (1,790)</u>	<u>\$ 6,349</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2009

19. FUND BALANCE DISCLOSURE (continued)

A. FUND BALANCE CLASSIFICATION (continued)

	<u>TAX INCREMENT DISTRICTS</u>	<u>JACKSONVILLE CHILDREN'S COMMISSION</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>JOB TRAINING PARTNERSHIP ACT GRANT</u>	<u>MAINTENANCE PARKS AND RECREATION</u>
FUND BALANCES:					
Non Spendable:					
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Spendable:					
Restricted for:					
Debt Service Reserved by Debt Covenants	-	-	-	-	-
Waterway Projects	-	-	-	-	-
Shipyard Project	-	-	-	-	-
Park Projects	-	-	-	-	-
Conservation and Resource Management	-	-	-	-	-
Transportation Projects	-	-	-	-	-
Other Grants	-	-	-	-	-
Human Services	-	-	-	629	-
Regional Stormwater Facilities	-	-	-	-	-
Environmental	-	-	-	-	-
Drainage System Projects	-	-	-	-	-
Housing and Urban Development	-	-	3,898	-	-
Building	-	-	-	-	-
Public Safety	-	-	-	-	-
Other Infrastructure and Development	-	-	-	-	-
Other Facilities Improvement	-	-	-	-	-
Other	-	-	-	-	-
Committed to:					
City Council Emergency Use	-	-	-	-	-
Debt Service	-	-	-	-	-
Drainage Projects	-	-	-	-	-
Waterway Projects	-	-	-	-	-
Water-Sewer Combination	-	-	-	-	-
Park Projects	-	-	-	-	2,762
Planning Projects	-	-	-	-	-
Physical Environment	-	-	-	-	-
Conservation and Resource Management	-	-	-	-	-
Transportation Projects	-	-	-	-	-
Emergency and Disaster Relief	-	-	-	-	-
Court Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Human Services	-	4,825	-	-	-
Industry Development	950	-	-	-	-
Other Grants	-	-	-	-	-
Other	-	-	-	-	-
Assigned to:					
Debt Service	-	-	-	-	-
Transportation Projects	-	-	-	-	-
Parks Projects	-	-	-	-	-
Planning Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Other	3,707	-	-	-	-
Unassigned:					
Unassigned	-	-	-	-	-
Total Fund Balances	<u>\$ 4,657</u>	<u>\$ 4,825</u>	<u>\$ 3,898</u>	<u>\$ 629</u>	<u>\$ 2,762</u>

**NONMAJOR
SPECIAL REVENUE FUNDS**

METROPOLITAN PLANNING ORGANIZATION	OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST	HOUSING AND NEIGHBORHOODS	STATE HOUSING INITIATIVE PARTNERSHIP	NON-BUDGETED GENERAL GOVERNMENT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	28,599	18,676	-
-	106	-	-	-	-
-	-	-	-	-	-
125	263	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	920
-	-	-	-	-	-
-	-	-	-	-	5,043
-	-	-	-	-	-
-	-	-	-	-	-
-	-	21,167	-	-	-
-	4,583	-	-	-	-
-	-	-	-	-	-
-	355	-	-	-	4,604
-	5,070	-	-	-	-
-	-	-	-	-	-
-	4,462	-	-	-	-
-	-	-	-	-	3,803
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 125</u>	<u>\$ 14,839</u>	<u>\$ 21,167</u>	<u>\$ 28,599</u>	<u>\$ 18,676</u>	<u>\$ 14,370</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2009

19. FUND BALANCE DISCLOSURE (continued)

A. FUND BALANCE CLASSIFICATION (continued)

	NONMAJOR DEBT SERVICE FUNDS		NONMAJOR CAPITAL PROJECTS FUNDS			
	GENERAL BONDED DEBT OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	GENERAL PROJECTS	BOND PROJECTS	GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT
FUND BALANCES:						
Non Spendable:						
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Spendable:						
Restricted for:						
Debt Service Reserved by Debt Covenants	-	-	-	-	-	-
Waterway Projects	-	-	-	-	1,266	-
Shipyards Project	-	-	-	3,122	-	-
Park Projects	-	-	-	2,823	2,846	142
Conservation and Resource Management	-	-	-	-	-	-
Transportation Projects	-	-	-	9,734	859	3,267
Other Grants	-	-	-	-	616	1,112
Human Services	-	-	-	-	-	-
Regional Stormwater Facilities	-	-	-	9,022	-	-
Environmental	-	-	-	-	-	-
Drainage System Projects	-	-	-	2,213	-	-
Housing and Urban Development	-	-	-	-	-	-
Building	-	-	-	1,832	-	-
Public Safety	-	-	-	-	-	-
Other Infrastructure and Development	-	-	-	1,826	-	-
Other Facilities Improvement	-	-	-	954	-	-
Other	-	-	-	356	50	-
Committed to:						
City Council Emergency Use	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Drainage Projects	-	-	1,779	-	-	-
Waterway Projects	-	-	-	-	1,829	-
Water-Sewer Combination	-	-	9,522	-	-	-
Park Projects	-	-	1,660	-	1,369	-
Planning Projects	-	-	-	-	-	-
Physical Environment	-	-	8,924	-	-	-
Conservation and Resource Management	-	-	-	-	-	-
Transportation Projects	-	-	9,729	-	-	-
Emergency and Disaster Relief	-	-	-	-	-	-
Court Projects	-	-	-	-	-	-
Public Safety	-	-	20	-	-	-
Human Services	-	-	-	-	-	-
Industry Development	-	-	-	-	-	-
Other Grants	-	-	-	-	-	-
Other	-	-	3,645	-	574	-
Assigned to:						
Debt Service	-	197	-	-	-	-
Transportation Projects	-	-	-	-	-	-
Parks Projects	-	-	-	-	-	-
Planning Projects	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Other	-	-	-	-	-	-
Unassigned:						
Unassigned	-	-	-	-	-	-
Total Fund Balances	\$ -	\$ 197	\$ 35,279	\$ 31,882	\$ 9,409	\$ 4,521

<u>NONMAJOR PERMANENT FUND</u>	<u>ALL FUNDS</u>	
	<u>TOTAL</u>	
	<u>2009</u>	<u>2008</u>
\$ -	\$ 6,259	\$ 4,300
123	123	123
-	102,731	75,018
-	1,266	964
-	3,122	-
-	5,811	2,348
-	642	524
-	13,860	12,850
-	1,728	894
-	629	-
-	9,022	9,579
-	-	7,777
-	2,213	4,046
-	51,173	39,278
-	1,832	-
-	106	158
-	1,826	-
-	954	-
-	794	1,897
-	44,112	40,000
-	-	22,039
-	2,841	5,439
-	1,829	1,963
-	9,522	27,235
-	12,475	9,565
-	9,971	25,997
-	8,924	2,148
-	21,553	24,155
-	132,045	112,462
-	10,932	8,392
-	10,448	10,045
-	17,344	12,306
-	9,895	12,414
-	4,269	6,325
-	4,462	5,666
94	10,588	20,292
-	5,057	23,777
-	142	371
-	273	276
-	1,124	874
-	1,442	1,289
-	3,840	240
-	3,698	34,820
<u>\$ 217</u>	<u>\$ 530,877</u>	<u>\$ 567,846</u>

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REQUIRED SUPPLEMENTAL INFORMATION

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

GENERAL FUND						
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
REVENUE:						
Property taxes.....	\$ 454,049	\$ 454,049	\$ 458,539	\$ -	\$ 458,539	\$ 4,490
Utility service taxes.....	123,846	123,846	118,453	-	118,453	(5,393)
Sales and use taxes.....	1,311	1,311	1,101	-	1,101	(210)
Franchise Fees.....	40,714	40,714	38,891	-	38,891	(1,823)
Licenses and permits.....	8,584	8,584	7,883	-	7,883	(701)
Intergovernmental.....	143,485	143,484	122,056	-	122,056	(21,428)
Charges for services.....	73,538	73,617	69,713	-	69,713	(3,904)
Fines and forfeitures.....	4,697	4,697	3,364	-	3,364	(1,333)
JEA contribution.....	96,688	96,962	96,962	-	96,962	-
Interest.....	13,190	13,541	21,918	-	21,918	8,377
Other.....	18,990	19,004	20,267	-	20,267	1,263
Total Revenue.....	979,092	979,809	959,147	-	959,147	(20,662)
EXPENDITURES AND ENCUMBRANCES:						
Central Operations.....	21,607	21,571	19,890	733	20,623	948
City Council.....	9,276	9,271	8,813	139	8,952	319
Clerk of the Courts.....	4,291	4,291	3,795	-	3,795	496
Courts.....	1,560	1,560	1,471	8	1,479	81
Environmental and Compliance.....	18,084	18,983	17,877	232	18,109	874
Finance.....	9,414	9,395	8,495	37	8,532	863
Fire/Rescue.....	157,300	159,102	152,981	2,372	155,353	3,749
General Counsel.....	343	428	425	-	425	3
Health Administrator.....	770	1,328	1,319	-	1,319	9
Housing and Neighborhoods.....	500	500	311	189	500	-
Jacksonville Children's Commission.....	6,531	6,531	4,792	1,640	6,432	99
Jacksonville Human Rights Commission.....	1,244	1,244	1,223	10	1,233	11
Mayor.....	2,356	2,356	2,079	-	2,079	277
Mayor's Boards and Commissions.....	439	464	462	1	463	1
Medical Examiner.....	3,119	3,110	2,927	50	2,977	133
Property Appraiser.....	9,353	9,462	9,079	99	9,178	284
Public Defender.....	914	914	882	-	882	32
Planning and Development.....	9,677	9,537	8,447	700	9,147	390
Pension Funds.....	15	15	-	-	-	15
Public Libraries.....	38,796	38,769	37,131	527	37,658	1,111
Public Works.....	85,739	85,735	81,802	3,590	85,392	343
Recreation and Community Services	57,622	54,743	50,600	1,729	52,329	2,414
State Attorney.....	631	534	459	10	469	65
Supervisor of Elections.....	8,261	8,496	7,506	347	7,853	643
Office of the Sheriff.....	342,911	344,582	331,331	4,048	335,379	9,203
Tax Collector.....	17,020	17,453	14,942	186	15,128	2,325
Federal Program Reserve.....	2,058	689	-	-	-	689
Contribution to Shands-Jacksonville.....	23,776	23,776	23,776	-	23,776	-
Cash Carryover Reserves.....	38,602	38,602	-	-	-	38,602
Jacksonville Misc. Citywide Activities.....	28,417	37,603	34,652	58	34,710	2,893
Total Expenditures.....	900,626	911,044	827,467	16,705	844,172	66,872
EXCESS OF REVENUE OVER (UNDER)						
EXPENDITURES.....	78,466	68,765	131,680	(16,705)	114,975	46,210
OTHER FINANCING SOURCES (USES):						
Long Term Debt Issued.....	7,245	9,188	5,292	-	5,292	(3,896)
Operating transfers in.....	5,224	6,069	6,113	-	6,113	44
Operating transfers out.....	(142,178)	(135,535)	(131,062)	-	(131,062)	4,473
Total Other Financing Sources (Uses).....	(129,709)	(120,278)	(119,657)	-	(119,657)	621
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	(51,243)	(51,513)	12,023	(16,705)	(4,682)	46,831
FUND BALANCES - BEGINNING.....	98,158	98,158	98,158	-	98,158	-
FUND BALANCES - ENDING.....	46,915	46,645	110,181	(16,705)	93,476	46,831

CITY OF JACKSONVILLE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

1. BUDGETARY DATA

The City uses the following procedures in establishing the budgetary data reflected in the financial statements.

A. The City adopts its budget in accordance with Chapters 129 and 200, Florida Statutes, the City Charter and Municipal Ordinance Code.

(1) The Mayor's Proposed Budget is presented to the City Council on the second Tuesday in July; the budget ordinance, millage levy ordinance and related resolutions are introduced.

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

The City presents a Budgetary Comparison Schedule as Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget. For the Fiscal Year 2009, no special revenue funds met the criteria to be reported as a major fund. The City has opted to make this presentation in the format and classifications of the budget document. These schedules report actual expenditures using generally accepted accounting principles as well as expenditures on the budgetary basis, which include amounts encumbered for future spending.

B. All funds of each governmental fund type with legally adopted annual budgets are included in the Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual.

C. The City adopts annual budgets for the General Fund, certain Special Revenue Funds, and Proprietary Funds. The City reports Budgetary Comparisons for its General Fund and Major Special Revenue Funds in the Required Supplementary Information section of the report. None of these funds had an excess of expenditures over appropriations for the year ended September 30, 2009. Proprietary Fund budgets are adopted for management control purposes. The City is not required to include Budgetary Comparisons for Proprietary Funds in this report. Project or program budgets, which may not coincide with the City's fiscal year, or which may exceed a single annual period, are adopted by separate ordinance for most Special Revenue Funds and Capital Project Funds. Budgets are not formally adopted for Debt Service Funds as internal spending controls are set by compliance with bond covenants. The Special Revenue Funds which are not budgeted annually include the following: Community Development Block Grant, Job Training Partnership Act Grant, Maintenance, Parks and Recreation, Metropolitan Planning Organization, Other Federal, State and Local Grants, Better Jacksonville Trust Fund, Housing and Neighborhoods, State Housing Initiative Partnership, and Non-Budgeted General Government.

D. Level of Budgetary Control - Expenditures may not exceed appropriations and are

CITY OF JACKSONVILLE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

1. BUDGETARY DATA (continued)

controlled in the following manner:

- (1) The budget is adopted by ordinance which sets the legal level of control at the fund level by department.
- (2) The City has adopted more stringent administrative policies that control expenditures at the major category (Personal Services, Operating Expense, Capital Outlay, Debt Service) level within divisions within individual funds.
- (3) The City, additionally, has adopted a Municipal Ordinance Code Policy that provides transfer authority to the mayor, without City Council approval, within an individual fund if the total transferred funds for a specific purpose, project or issue is under \$750,000 during the fiscal year. These transfers are reported to the Finance Committee on a quarterly basis.

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

In certain instances the City may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2009 Annual Budget Ordinance were made throughout the year, the effects of which were not material.

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

G. Formal budgetary integration is used as a management control device for all funds of the City, except certain Debt Service Funds as explained in Note to RSI 1.C.

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

I. The Clerk of Court special revenue budget is not approved by the City. It is submitted and approved by the state.

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**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
SEPTEMBER 30, 2009**

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Annual Required Contributions</u>	<u>City Cash Contributions</u>	<u>Alloted from Past Excess Contributions</u>	<u>Total Employer Contributions</u>	<u>Percentage Contributed</u>
Combined Plans					
2001	\$ 12,235	\$ 125	\$ 12,110	\$ 12,235	100%
2002	12,724	-	12,724	12,724	100%
2003	19,003	8	18,995	19,003	100%
2004	25,775	23,773	2,002	25,775	100%
General Employees Pension Plan					
2005	\$ 27,724	\$ 14,607	\$ 13,117	\$ 27,724	100%
2006	28,670	7,934	20,736	28,670	100%
2007	29,297	29,581	-	29,581	101%
2008	29,371	29,488	-	29,488	100%
2009	29,491	29,530	-	29,530	100%
Corrections Officers Plan					
2005	\$ 3,233	\$ 1,787	\$ 1,446	\$ 3,233	100%
2006	1,917	1,917	-	1,917	100%
2007	1,830	2,482	-	2,482	136%
2008	4,329	4,350	-	4,350	100%
2009	5,268	5,101	146	5,247	100%

Certain adjustments are made to the annual required contribution if the plan carries a net pension obligation (NPO) The net pension obligation (asset if a credit) is defined in GASB No. 27 as the cumulative difference at the date of adoption (or transition) between annual requirements and actual contributions plus the cumulative difference between the requirements and contributions after that date. For 2009, additional interest credits attributable to the timing of contribution payments resulted in a net pension credit (negative NPO) of \$10 thousand for the plan as a whole represented by a net pension credit (negative NPO) of \$156 thousand for General Employees offset by a net pension debit (positive NPO) of \$146 thousand for Corrections.

Note that the net pension asset is not the same as "past excess contributions," which stands for the difference, including interest, between the City's contributions for a plan year and that year's funding requirement determined as though the fund's assets did not include any contributions made in a prior year in excess of that year's requirement.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE AND FIRE RETIREMENT SYSTEM
SEPTEMBER 30, 2009**

(in thousands)

Plan Year Ending September 30	Annual Required Contributions	City Cash Contributions	Allocated from Contribution Reserves	Court Fines and Premium-Tax Refunds	Total Employer Contributions	Total Member Contributions	Percentage Contributed
2004	39,295	22,098	769	7,654	30,521	8,774	100%
2005	50,727	25,851	8,753	6,541	41,145	9,582	100%
2006	53,263	34,712	2,106	6,800	43,618	9,646	100%
2007	55,927	42,866	(4,358)	7,062	45,570	10,357	100%
2008	65,389	47,145	443	7,150	54,738	10,651	100%
2009	67,993	49,246	329	7,211	56,785	11,207	100%

Notes: In all years shown, 100% of the ARC has been contributed thus producing a Net Pension Obligation of \$0 for all years.

City Cash Contributions shown above do not include employer buyback contributions.

Total Member Contributions shown above include DROP contributions, but do not include employee buyback contributions.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
SEPTEMBER 30, 2009**

(in thousands)

Valuation Date	Actuarial Value of Assets (2) (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
Combined Plans						
9/30/2001	\$ 1,459,649	\$ 1,511,829	\$ 52,180	96.55%	\$ 234,684	22.2%
9/30/2002	1,425,708	1,528,742	103,034	93.26%	243,446	42.3%
9/30/2003	1,426,783	1,611,958	185,175	88.51%	237,373	78.0%
9/30/2004	1,496,315	1,810,451	314,136	82.65%	236,540	132.8%
General Employees Pension Plan						
9/30/2005	\$ 1,509,710	\$ 1,734,997	\$ 225,287	87.02%	\$ 226,819	99.3%
9/30/2006	1,593,296	1,812,972	219,676	87.88%	237,108	92.6%
9/30/2007	1,712,461	1,904,929	192,468	89.90%	248,887	77.3%
9/30/2008	1,673,435	2,004,279	330,844	83.49%	262,345	126.1%
9/30/2009	1,591,345	2,065,464	474,119	77.05%	276,257	171.6%
Corrections Officers Plan						
9/30/2005	\$ 60,106	\$ 75,151	\$ 15,044	79.98%	\$ 26,256	57.3%
9/30/2006	68,791	104,126	35,335	66.07%	27,702	127.6%
9/30/2007	78,458	116,945	38,487	67.09%	27,083	142.1%
9/30/2008	83,056	137,830	54,774	60.26%	26,334	208.0%
9/30/2009	86,358	181,031	94,673	47.70%	27,661	342.3%

(1) Actuarial Assumptions provided in the notes to financial statements

(2) Net of the unassigned past-excess contributions separate account

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
POLICE AND FIRE RETIREMENT SYSTEM
SEPTEMBER 30, 2009**

(in thousands)

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
09/30/04	727,955	1,222,355	494,400	59.55%	118,510	417.18%
09/30/05	765,180	1,314,424	549,244	58.21%	130,392	421.23%
09/30/06	827,338	1,376,659	549,321	60.10%	134,694	407.83%
09/30/07	930,454	1,464,508	534,054	63.53%	143,006	373.45%
09/30/08	894,903	1,692,975	798,071	52.86%	148,277	538.23%
09/30/09	855,997	(2) 1,753,946	897,949	48.80%	155,558	577.24%

(1) Actuarial Assumptions provided in the notes to the financial statements

(2) This account was redefined by the Restated Agreement effective April 1, 2000.
As of September 30, 2009, the value of the City Budget Stabilization Account was \$0 and the Enhanced Benefit Account was \$13,048,401. These amounts are not included in the Actuarial Value of Assets.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
CITY OF JACKSONVILLE POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)
SEPTEMBER 30, 2009**

(in thousands)

<u>Valuation Date</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded AAL (UAAL)</u>	<u>Percentage Funded</u>	<u>Annual Covered Payroll</u>	<u>UAAL as Percentage of Payroll</u>
9/30/2007	\$175,117	\$0	\$175,117	0.00%	\$370,069 (3)	47.32%
9/30/2009	\$136,879	\$0	\$136,879	0.00%	\$386,761	35.39%

(1) Valuation information was available for the FY2007 and FY2009 study only.

(2) Actuarial Assumptions provided in the notes to financial statements. The City is not funding the AAL.

(3) FY2008 Annual Covered Payroll

(4) The decrease in Actuarial Accrued Liability (AAL) from fiscal year 2007 to 2009 was due to the following:

(a) A 4.5% discount rate was used in fiscal year 2009 as compared to a 4.0% discount rate in fiscal year 2007.

(b) Used marginally lower participation assumptions based on actual data provided by the City.

(c) The other key assumption that changed was the treatment of retirees who are not eligible for Medicare.

Based on the information provided by the City's health insurance carrier (Aetna), fiscal year 2009 assumed that 10% of the current retirees would not be eligible for Medicare.



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NON-MAJOR GOVERNMENTAL FUNDS:

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditure for specific purposes as described below.

The Concurrency Management Fund provides funding for maintenance and update of the Concurrency Management System which is the basis for ensuring compliance with the 2010 Comprehensive Plan.

The Air Pollution Control and Monitoring Fund receives revenue from licenses and fees, and contributions from the federal government to monitor and control environmental problems related to the air quality in Jacksonville.

Tourism Development Fund collects revenues from tourist and convention development taxes to fund tourism programs sponsored by the Tourist Development Council through the City.

The Clerk of the Circuit Court Fund receives revenue collected on behalf of the state and City by the courts system for various judgments, fines, bonds, fees and licenses, and other miscellaneous amounts. The Fund includes Public Records Modernization activity which receives revenues from a service charge authorized by Florida Statute 28.24(15)(d) to be held in trust and used exclusively for equipment, personnel training, and technical assistance in modernizing the official public records system of the Clerk's office.

The Transportation Fund accounts for revenue from the City's six cent local option gas tax, the state-shared 5th and 6th cent gas tax, and the one-half cent local option sales tax used to fund major road and related capital infrastructure construction and maintenance and the City's mass transit and automated skyway express system operations.

The Budgeted General Government Fund accounts for numerous smaller accounts whose revenues are dedicated to a variety of specific purposes.

The Public Safety Fund funds specific public safety programs through user fees and intergovernmental revenue for emergency management planning and disaster medical services provided by the Office of the Sheriff and the City Department of Fire and Rescue.

The Emergency 9-1-1 Fund receives revenues from a fee added to the telephone bill of telephone customers that may be used for system operations and improvements.

The Tax Increment Districts Fund receives a distribution of ad valorem tax revenue levied and collected in the City's four tax increment districts used to promote future commercial business development that expands property tax base values in the City's core downtown areas and the northwest region.

The Jacksonville Children's Commission Fund receives City funds, and various grants, to serve as the community coalition for children. The autonomous board has the ongoing responsibility of improving the lives of Jacksonville's children by serving as the central focus for the evaluation, planning and distribution of funds for children's services that are consistent with City programs and goals.

The Community Development Block Grant Fund receives monies from the federal government in the form of community development block grants made available to specific targeted areas of Jacksonville to assist in rehabilitation and revitalization in support of the area's future economic growth and stability.

The Job Training Partnership Act Grant Fund accounts for direct federal assistance to the Private Industry Council of Jacksonville in providing employment and training services to the economically disadvantaged and displaced citizens of Jacksonville through cooperative efforts with local private sector businesses.

The Maintenance, Parks and Recreation Fund receives revenues from user fees and charges from parks and recreation facilities that are dedicated to parks maintenance and improvements, and acquisition of new recreational facilities.

The Metropolitan Planning Organization Fund receives funds from the Federal Highway Department and the Federal Urban Mass Transportation Administration, and the Florida Department of Transportation for planning the future of Jacksonville's metropolitan area, principally in the area of transportation.

The Other Federal, State and Local Grants Fund records all other miscellaneous grants administered by the City from federal, state and local sources not specifically accounted for by other funds covering diverse programs such as: day care, adult homemaker, beach erosion, base conversion and redevelopment, economic capital development, aids treatment care, senior services and nutrition, crime prevention and drug abuse, teenage pregnancy and childhood development, foster grandparents, and waste tire disposal.

The Better Jacksonville Plan Trust Fund receives revenue from the half-cent infrastructure sales tax. All monies placed into this trust are appropriated for Debt Service requirements and contributions to the Better Jacksonville Capital Projects Fund.

Housing and Neighborhoods was designated as the housing agency for Affordable Housing, State Housing Initiative Partnership funds, and all other matters related to housing, with the exception of those matters which fall within the responsibility of the Jacksonville Housing Authority.

The State Housing Initiative Partnership Fund accounts for revenue collected by the Clerk of the Circuit Court on certain property transactions in Duval county passed from the State earmarked for housing assistance and financial incentive programs to increase the availability of affordable housing in Jacksonville including down payment assistance, home owner repair and rehabilitation and acquisition of existing single family dwellings for home ownership.

The Non-Budgeted General Government Fund accounts for numerous smaller funds whose revenues are dedicated to a variety of specific purposes.

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for, and the payment of, interest and principal on most general governmental obligations. Individual debt service funds are described below.

The General Bonded Debt Obligations Fund accounts for the accumulation of resources for, and the payment of, principal and interest on the Duval County Certificates of Indebtedness of 1972 General Obligation Bonds of the construction of the Police Administration Complex.

The Other Non-Bonded Debt Obligations Fund accounts for the accumulation of resources for, and the payment of, principal and interest on other non-bonded debt obligations.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources segregated for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and fiduciary funds). Descriptions of individual funds in this fund type follow.

The General Projects Fund receives monies appropriated from the General Fund and other sources including proceeds from non-bonded debt for general capital improvements.

The Bond Projects Fund receives proceeds from the sale of bonded debt issued by the City to fund major capital improvement projects.

The Grant Projects Fund accounts for monies received by the City under various federal, state and local grants restricted to expenditure of specific capital improvements funded under the grant program.

The River City Renaissance Project Fund accounts for proceeds of a comprehensive capital improvement initiative (the "River City Renaissance") for projects concerning the environment, children, health and social services, economic development, neighborhoods and downtown, parks and recreation, and the arts.

PERMANENT FUND

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry. The City accounts for its Cemetery Maintenance Funds as a Permanent Fund.

CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2009
 WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	SPECIAL REVENUE FUNDS			
<u>ASSETS</u>	<u>CONCURRENCY MANAGEMENT</u>	<u>AIR POLLUTION CONTROL AND MONITORING</u>	<u>TOURISM DEVELOPMENT</u>	<u>CLERK OF THE COURT</u>
Equity in cash and investments.....	\$ 64,529	\$ 1,123	\$ 4,054	\$ 2,024
Cash in escrow and with fiscal agents.....	-	-	100	906
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	-	-
Mortgages.....	-	-	-	-
Others.....	-	-	-	-
Due from other funds.....	-	-	-	-
Due from independent agencies and other governments.....	-	272	-	-
TOTAL ASSETS	\$ 64,529	\$ 1,395	\$ 4,154	\$ 2,930
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 17	\$ 113	\$ 46	\$ 730
Contracts payable.....	89	-	-	-
Due to other funds.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	362	-	-	2,000
Advances from other funds.....	-	-	-	-
Unearned revenue.....	-	-	-	-
TOTAL LIABILITIES	468	113	46	2,730
FUND BALANCES:				
Non Spendable:				
Non Spendable.....	-	-	-	-
Spendable:				
Restricted.....	-	642	-	-
Committed.....	64,061	640	4,108	200
Assigned.....	-	-	-	-
Unassigned.....	-	-	-	-
Total Fund Balances.....	64,061	1,282	4,108	200
TOTAL LIABILITIES AND FUND BALANCES	\$ 64,529	\$ 1,395	\$ 4,154	\$ 2,930

See accompanying notes.

SPECIAL REVENUE FUNDS

TRANSPORTATION FUND	BUDGETED GENERAL GOVERNMENT	PUBLIC SAFETY	EMERGENCY 9-1-1	TAX INCREMENT DISTRICTS	JACKSONVILLE CHILDREN'S COMMISSION
\$ 25,134	\$ 36,467	\$ 308	\$ 6,565	\$ 4,674	\$ 3,213
-	-	-	-	-	-
-	2	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,814	428	909	-	-	2,813
<u>\$ 39,948</u>	<u>\$ 36,897</u>	<u>\$ 1,217</u>	<u>\$ 6,565</u>	<u>\$ 4,674</u>	<u>\$ 6,026</u>
\$ 857	\$ 916	\$ 7	\$ 216	\$ 17	\$ 1,201
18	-	-	-	-	-
-	-	3,000	-	-	-
-	-	-	-	-	-
-	262	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>875</u>	<u>1,178</u>	<u>3,007</u>	<u>216</u>	<u>17</u>	<u>1,201</u>
-	-	-	-	-	-
-	-	-	-	-	-
39,073	35,719	525	6,349	950	4,825
-	-	-	-	3,707	-
-	-	(2,315)	-	-	-
<u>39,073</u>	<u>35,719</u>	<u>(1,790)</u>	<u>6,349</u>	<u>4,657</u>	<u>4,825</u>
<u>\$ 39,948</u>	<u>\$ 36,897</u>	<u>\$ 1,217</u>	<u>\$ 6,565</u>	<u>\$ 4,674</u>	<u>\$ 6,026</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2009
 WITH COMPARATIVE TOTALS FOR 2008 (in thousands; continued)

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION	METROPOLITAN PLANNING ORGANIZATION
<u>ASSETS</u>				
Equity in cash and investments.....	\$ 1,573	\$ 629	\$ 3,163	\$ 125
Cash in escrow and with fiscal agents.....	391	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	8	-
Mortgages.....	2,965	-	-	-
Others.....	-	-	-	-
Due from other funds.....	-	-	-	-
Due from independent agencies and other governments.....	866	-	-	-
TOTAL ASSETS.....	\$ 5,795	\$ 629	\$ 3,171	\$ 125
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 1,066	\$ -	\$ 409	\$ -
Contracts payable.....	-	-	-	-
Due to other funds.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	6	-	-	-
Advances from other funds.....	-	-	-	-
Unearned revenue.....	825	-	-	-
TOTAL LIABILITIES.....	1,897	-	409	-
FUND BALANCES:				
Non Spendable:				
Non Spendable.....	-	-	-	-
Spendable:				
Restricted.....	3,898	629	-	125
Committed.....	-	-	2,762	-
Assigned.....	-	-	-	-
Unassigned.....	-	-	-	-
Total Fund Balances.....	3,898	629	2,762	125
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 5,795	\$ 629	\$ 3,171	\$ 125

See accompanying notes.

SPECIAL REVENUE FUNDS

OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST	HOUSING AND NEIGHBORHOODS	STATE HOUSING INITIATIVE PARTNERSHIP	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2009	2008 Adjusted for GASB 54
\$ 9,634	\$ 10,251	\$ 3,429	\$ 4,510	\$ 14,479	\$ 195,884	\$ 186,781
43	-	1,837	-	1	3,278	2,371
-	-	-	-	2,598	2,608	2,670
-	-	20,606	15,046	-	38,617	26,835
-	-	-	-	15	15	-
-	-	-	-	-	-	-
7,336	10,916	3,232	152	381	42,119	49,691
<u>\$ 17,013</u>	<u>\$ 21,167</u>	<u>\$ 29,104</u>	<u>\$ 19,708</u>	<u>\$ 17,474</u>	<u>\$ 282,521</u>	<u>\$ 268,348</u>
\$ 2,174	\$ -	\$ 428	\$ 1,032	\$ 279	\$ 9,508	\$ 16,577
-	-	-	-	-	107	276
-	-	-	-	-	3,000	1,549
-	-	-	-	203	203	441
-	-	77	-	28	2,735	2,909
-	-	-	-	-	-	-
-	-	-	-	2,594	3,419	3,553
<u>2,174</u>	<u>-</u>	<u>505</u>	<u>1,032</u>	<u>3,104</u>	<u>18,972</u>	<u>25,305</u>
-	-	-	-	-	-	-
369	-	28,599	18,676	-	52,938	40,979
14,470	21,167	-	-	14,370	209,219	203,163
-	-	-	-	-	3,707	-
-	-	-	-	-	(2,315)	(1,099)
<u>14,839</u>	<u>21,167</u>	<u>28,599</u>	<u>18,676</u>	<u>14,370</u>	<u>263,549</u>	<u>243,043</u>
<u>\$ 17,013</u>	<u>\$ 21,167</u>	<u>\$ 29,104</u>	<u>\$ 19,708</u>	<u>\$ 17,474</u>	<u>\$ 282,521</u>	<u>\$ 268,348</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2009
 WITH COMPARATIVE TOTALS FOR 2008 (in thousands; continued)

DEBT SERVICE FUNDS

	GENERAL BONDED DEBT OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	TOTALS	
			2009	2008 Adjusted for GASB 54
ASSETS				
Equity in cash and investments.....	\$ -	\$ 197	\$ 197	\$ 144
Cash in escrow and with fiscal agents.....	39	-	39	39
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	-	-
Mortgages.....	-	-	-	-
Others.....	-	-	-	-
Due from other funds.....	-	-	-	-
Due from independent agencies and other governments.....	-	-	-	-
TOTAL ASSETS.....	\$ 39	\$ 197	\$ 236	\$ 183
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 39	\$ -	\$ 39	\$ 39
Contracts payable.....	-	-	-	-
Due to other funds.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	-	-	-	-
Advances from other funds.....	-	-	-	-
Unearned revenue.....	-	-	-	-
TOTAL LIABILITIES.....	39	-	39	39
FUND BALANCES:				
Non Spendable:				
Non Spendable.....	-	-	-	-
Spendable:				
Restricted.....	-	-	-	-
Committed.....	-	-	-	-
Assigned.....	-	197	197	144
Unassigned.....	-	-	-	-
Total Fund Balances.....	-	197	197	144
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 39	\$ 197	\$ 236	\$ 183

See accompanying notes.

CAPITAL PROJECTS FUNDS

GENERAL PROJECTS	BOND PROJECTS	GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS	
				2009	2008 Adjusted for GASB 54
\$ 51,282	\$ 13,021	\$ 7,986	\$ 4,521	\$ 76,810	\$ 124,936
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
432	-	-	-	432	489
-	24,000	-	-	24,000	-
1,079	-	3,079	-	4,158	10,197
<u>\$ 52,793</u>	<u>\$ 37,021</u>	<u>\$ 11,065</u>	<u>\$ 4,521</u>	<u>\$ 105,400</u>	<u>\$ 135,622</u>
\$ 8,130	\$ 3,655	\$ 1,221	\$ -	\$ 13,006	\$ 19,198
452	1,484	435	-	2,371	2,520
-	-	-	-	-	30
-	-	-	-	-	-
-	-	-	-	-	-
8,500	-	-	-	8,500	9,164
432	-	-	-	432	489
<u>17,514</u>	<u>5,139</u>	<u>1,656</u>	<u>-</u>	<u>24,309</u>	<u>31,401</u>
-	-	-	-	-	-
-	31,882	5,637	4,521	42,040	39,336
35,279	-	3,772	-	39,051	64,885
-	-	-	-	-	-
-	-	-	-	-	-
<u>35,279</u>	<u>31,882</u>	<u>9,409</u>	<u>4,521</u>	<u>81,091</u>	<u>104,221</u>
<u>\$ 52,793</u>	<u>\$ 37,021</u>	<u>\$ 11,065</u>	<u>\$ 4,521</u>	<u>\$ 105,400</u>	<u>\$ 135,622</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2009

WITH COMPARATIVE TOTALS FOR 2008 (in thousands; continued)

	PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	CEMETERY MAINTENANCE FUNDS		TOTALS	
	2009	2008 Adjusted for GASB 54	2009	2008 Adjusted for GASB 54
ASSETS				
Equity in cash and investments.....	\$ 217	\$ 195	\$ 273,108	\$ 312,056
Cash in escrow and with fiscal agents.....	-	-	3,317	2,410
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	2,608	2,670
Mortgages.....	-	-	38,617	26,835
Others.....	-	-	447	489
Due from other funds.....	-	-	24,000	-
Due from independent agencies and other governments.....	-	-	46,277	59,888
TOTAL ASSETS.....	\$ 217	\$ 195	\$ 388,374	\$ 404,348
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ -	\$ -	\$ 22,553	\$ 35,814
Contracts payable.....	-	-	2,478	2,796
Due to other funds.....	-	-	3,000	1,579
Due to individuals.....	-	-	203	441
Deposits.....	-	-	2,735	2,909
Advances from other funds.....	-	-	8,500	9,164
Unearned revenue.....	-	-	3,851	4,042
TOTAL LIABILITIES.....	-	-	43,320	56,745
FUND BALANCES:				
Non Spendable:				
Non Spendable.....	123	123	123	123
Spendable:				
Restricted.....	-	-	94,978	80,315
Committed.....	94	72	248,364	268,120
Assigned.....	-	-	3,904	144
Unassigned.....	-	-	(2,315)	(1,099)
Total Fund Balances.....	217	195	345,054	347,603
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 217	\$ 195	\$ 388,374	\$ 404,348

See accompanying notes.



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**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)**

SPECIAL REVENUE FUNDS

	CONCURRENCY MANAGEMENT	AIR POLLUTION CONTROL AND MONITORING	TOURISM DEVELOPMENT	CLERK OF THE COURT
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	4,675	-
Intergovernmental.....	-	2,296	-	5,081
Charges for services.....	3,575	-	-	18,509
Fines and forfeitures.....	-	-	-	-
Interest.....	6,041	107	422	-
Other.....	-	-	732	252
Total Revenue.....	9,616	2,403	5,829	23,842
EXPENDITURES:				
General government.....	1,057	-	-	24,238
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	560	-
Transportation.....	165	-	-	-
Economic environment.....	-	-	5,758	-
Physical environment.....	-	2,361	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
Other.....	-	-	-	-
Total Expenditures.....	1,222	2,361	6,318	24,238
EXCESS OF REVENUE OVER (UNDER)				
EXPENDITURES.....	8,394	42	(489)	(396)
OTHER FINANCING SOURCES (USES):				
Long term debt issued.....	-	-	-	-
Premium on special obligation bonds payable.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	-	424	-	-
Transfers out.....	(475)	-	-	-
Total Other Financing Sources (Uses).....	(475)	424	-	-
NET CHANGE IN FUND BALANCES.....	7,919	466	(489)	(396)
FUND BALANCES, BEGINNING OF YEAR	56,142	816	4,597	596
FUND BALANCES, END OF YEAR.....	\$ 64,061	\$ 1,282	\$ 4,108	\$ 200

See accompanying notes.

SPECIAL REVENUE FUNDS

TRANSPORTATION FUND	BUDGETED GENERAL GOVERNMENT	PUBLIC SAFETY	EMERGENCY 9-1-1	TAX INCREMENT DISTRICTS	JACKSONVILLE CHILDREN'S COMMISSION
\$ -	\$ -	\$ -	\$ -	\$ 15,842	\$ -
93,189	-	-	-	-	-
6,938	1,585	3,927	-	-	31,723
-	10,909	-	4,802	-	-
-	997	-	-	-	-
2,045	3,107	61	601	-	458
-	228	-	-	102	997
102,172	16,826	3,988	5,403	15,944	33,178
-	5,092	-	-	91	-
-	1,045	-	-	-	26,100
-	10,768	5,234	4,708	-	-
-	119	-	-	-	-
101,081	-	-	-	-	-
-	-	-	-	5,586	28,005
-	6,544	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
101,081	23,568	5,234	4,708	5,677	54,105
1,091	(6,742)	(1,246)	695	10,267	(20,927)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,014	-	-	-	16,390
-	(25)	-	-	(7,977)	-
-	6,989	-	-	(7,977)	16,390
1,091	247	(1,246)	695	2,290	(4,537)
37,982	35,472	(544)	5,654	2,367	9,362
\$ 39,073	\$ 35,719	(\$ 1,790)	\$ 6,349	\$ 4,657	\$ 4,825

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)**

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION	METROPOLITAN PLANNING ORGANIZATION
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	6,435	-	-	-
Charges for services.....	-	-	1,908	-
Fines and forfeitures.....	-	-	-	-
Interest.....	-	62	284	-
Other.....	191	-	434	-
Total Revenue.....	6,626	62	2,626	-
EXPENDITURES:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	4,028	-
Transportation.....	-	-	352	-
Economic environment.....	4,926	-	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
Other	-	-	-	-
Total Expenditures.....	4,926	-	4,380	-
EXCESS OF REVENUE OVER (UNDER)				
EXPENDITURES.....	1,700	62	(1,754)	-
OTHER FINANCING SOURCES (USES):				
Long term debt issued.....	-	-	-	-
Premium on special obligation bonds payable.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	344	-	1,728	-
Transfers out.....	(762)	-	-	-
Total Other Financing Sources (Uses).....	(418)	-	1,728	-
NET CHANGE IN FUND BALANCES.....	1,282	62	(26)	-
FUND BALANCES, BEGINNING OF YEAR	2,616	567	2,788	125
FUND BALANCES, END OF YEAR.....	\$ 3,898	\$ 629	\$ 2,762	\$ 125

See accompanying notes.

SPECIAL REVENUE FUNDS

OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST	HOUSING AND NEIGHBORHOODS	STATE HOUSING INITIATIVE PARTNERSHIP	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2009	2008
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,842	\$ 13,994
-	63,330	-	-	-	161,194	178,412
19,387	-	8,866	8,128	190	94,556	90,321
-	-	1	-	2,448	42,152	60,118
-	-	-	-	791	1,788	1,539
583	855	192	604	590	16,012	2,966
65	-	82	(249)	4,281	7,115	20,280
<u>20,035</u>	<u>64,185</u>	<u>9,141</u>	<u>8,483</u>	<u>8,300</u>	<u>338,659</u>	<u>367,630</u>
497	-	-	-	1,006	31,981	40,033
9,733	-	-	-	545	37,423	37,557
10,717	-	-	-	2,639	34,066	36,790
912	-	-	-	1,562	7,181	5,967
-	-	-	-	-	101,598	111,839
1,055	-	2,562	5,028	22	52,942	59,588
35	-	-	-	15	8,955	7,802
-	-	-	-	-	-	3,979
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>22,949</u>	<u>-</u>	<u>2,562</u>	<u>5,028</u>	<u>5,789</u>	<u>274,146</u>	<u>303,555</u>
<u>(2,914)</u>	<u>64,185</u>	<u>6,579</u>	<u>3,455</u>	<u>2,511</u>	<u>64,513</u>	<u>64,075</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,579	-	579	-	67	31,125	33,296
(60)	(65,057)	-	-	(776)	(75,132)	(94,456)
<u>4,519</u>	<u>(65,057)</u>	<u>579</u>	<u>-</u>	<u>(709)</u>	<u>(44,007)</u>	<u>(61,160)</u>
1,605	(872)	7,158	3,455	1,802	20,506	2,915
13,234	22,039	21,441	15,221	12,568	243,043	240,128
<u>\$ 14,839</u>	<u>\$ 21,167</u>	<u>\$ 28,599</u>	<u>\$ 18,676</u>	<u>\$ 14,370</u>	<u>\$ 263,549</u>	<u>\$ 243,043</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)**

	DEBT SERVICE FUNDS			
	GENERAL BONDED DEBT OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	TOTALS	
			2009	2008
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	-	-	-	-
Charges for services.....	-	-	-	-
Fines and forfeitures.....	-	-	-	-
Interest.....	-	43	43	16
Other.....	-	-	-	-
Total Revenue.....	-	43	43	16
EXPENDITURES:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	-	-
Transportation.....	-	-	-	-
Economic environment.....	-	-	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	840	840	730
Interest on fiscal charges.....	-	404	404	445
Other.....	-	-	-	-
Total Expenditures.....	-	1,244	1,244	1,175
EXCESS OF REVENUE OVER (UNDER)				
EXPENDITURES.....	-	(1,201)	(1,201)	(1,159)
OTHER FINANCING SOURCES (USES):				
Long term debt issued.....	-	-	-	-
Premium on special obligation bonds payable.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	-	1,254	1,254	1,110
Transfers out.....	-	-	-	-
Total Other Financing Sources (Uses).....	-	1,254	1,254	1,110
NET CHANGE IN FUND BALANCES.....	-	53	53	(49)
FUND BALANCES, BEGINNING OF YEAR	-	144	144	193
FUND BALANCES, END OF YEAR.....	\$ -	\$ 197	\$ 197	\$ 144

See accompanying notes.

CAPITAL PROJECTS FUNDS

GENERAL PROJECTS	BOND PROJECTS	GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS	
				2009	2008
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,654	-	9,598	-	13,252	18,401
-	-	-	-	-	-
-	-	-	-	-	-
6,143	1,847	430	433	8,853	611
1,309	-	60	-	1,369	8,501
<u>11,106</u>	<u>1,847</u>	<u>10,088</u>	<u>433</u>	<u>23,474</u>	<u>27,513</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
44,992	37,092	12,101	19	94,204	95,918
-	-	-	-	-	-
-	-	-	-	-	1,240
-	-	-	-	-	-
<u>44,992</u>	<u>37,092</u>	<u>12,101</u>	<u>19</u>	<u>94,204</u>	<u>97,158</u>
<u>(33,886)</u>	<u>(35,245)</u>	<u>(2,013)</u>	<u>414</u>	<u>(70,730)</u>	<u>(69,645)</u>
11,700	35,777	-	-	47,477	48,905
-	-	-	-	-	-
-	-	-	-	-	-
3,839	-	2,390	-	6,229	6,547
<u>(6,106)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,106)</u>	<u>-</u>
<u>9,433</u>	<u>35,777</u>	<u>2,390</u>	<u>-</u>	<u>47,600</u>	<u>55,452</u>
<u>(24,453)</u>	<u>532</u>	<u>377</u>	<u>414</u>	<u>(23,130)</u>	<u>(14,193)</u>
<u>59,732</u>	<u>31,350</u>	<u>9,032</u>	<u>4,107</u>	<u>104,221</u>	<u>118,414</u>
<u>\$ 35,279</u>	<u>\$ 31,882</u>	<u>\$ 9,409</u>	<u>\$ 4,521</u>	<u>\$ 81,091</u>	<u>\$ 104,221</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)**

	PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	CEMETERY MAINTENANCE FUNDS		TOTALS	
	2009	2008	2009	2008
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ 15,842	\$ 13,994
Sales and tourist taxes.....	-	-	161,194	178,412
Intergovernmental.....	-	-	107,808	108,722
Charges for services.....	-	-	42,152	60,118
Fines and forfeitures.....	-	-	1,788	1,539
Interest.....	22	-	24,930	3,593
Other.....	-	1	8,484	28,782
Total Revenue.....	22	1	362,198	395,160
EXPENDITURES:				
General government.....	-	-	31,981	40,033
Human services.....	-	-	37,423	37,557
Public safety.....	-	-	34,066	36,790
Culture and recreation.....	-	-	7,181	5,967
Transportation.....	-	-	101,598	111,839
Economic environment.....	-	-	52,942	59,588
Physical environment.....	-	-	8,955	7,802
Capital outlay.....	-	-	94,204	99,897
Debt service:				
Principal.....	-	-	840	730
Interest on fiscal charges.....	-	-	404	1,685
Other.....	-	-	-	-
Total Expenditures.....	-	-	369,594	401,888
EXCESS OF REVENUE OVER (UNDER)				
EXPENDITURES.....	22	1	(7,396)	(6,728)
OTHER FINANCING SOURCES (USES):				
Long term debt issued.....	-	-	47,477	48,905
Premium on special obligation bonds payable.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	-	-	38,608	40,953
Transfers out.....	-	-	(81,238)	(94,456)
Total Other Financing Sources (Uses).....	-	-	4,847	(4,598)
NET CHANGE IN FUND BALANCES.....	22	1	(2,549)	(11,326)
FUND BALANCES, BEGINNING OF YEAR	195	194	347,603	358,929
FUND BALANCES, END OF YEAR.....	\$ 217	\$ 195	\$ 345,054	\$ 347,603

See accompanying notes.



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**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUND 110 - CONCURRENCY MANAGEMENT

	<u>BUDGETED AMOUNTS</u>				<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>		
REVENUE:						
Charges for Services	\$ 2,193	\$ 3,769	\$ 3,575	\$ -	\$ 3,575	\$ (194)
Interest	123	126	6,041	-	6,041	5,915
Total Revenue	2,316	3,895	9,616	-	9,616	5,721
EXPENDITURES:						
Planning and Development	17,933	15,184	1,057	278	1,335	13,849
Public Works	33,152	37,484	165	2,817	2,982	34,502
Total Expenditures	51,085	52,668	1,222	3,095	4,317	48,351
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(48,769)</u>	<u>(48,773)</u>	<u>8,394</u>	<u>(3,095)</u>	<u>5,299</u>	<u>54,072</u>
OTHER FINANCING (USES):						
Operating transfers out	(408)	(475)	(475)	-	(475)	-
Total Other Financing (Uses)	(408)	(475)	(475)	-	(475)	-
NET CHANGE IN FUND BALANCES	<u>(49,177)</u>	<u>(49,248)</u>	<u>7,919</u>	<u>(3,095)</u>	<u>4,824</u>	<u>54,072</u>
FUND BALANCE, BEGINNING	56,142	56,142	56,142	-	56,142	-
FUND BALANCE, ENDING	<u>\$ 6,965</u>	<u>\$ 6,894</u>	<u>\$ 64,061</u>	<u>\$ (3,095)</u>	<u>\$ 60,966</u>	<u>\$ 54,072</u>

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUND 120 - AIR POLLUTION CONTROL AND MONITORING

	BUDGETED AMOUNTS				BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES		
REVENUE:						
Intergovernmental	\$ 2,491	\$ 3,303	\$ 2,296	\$ -	\$ 2,296	\$ (1,007)
Interest	20	20	107	-	107	87
Total Revenue	2,511	3,323	2,403	-	2,403	(920)
EXPENDITURES:						
Environmental Resource Management	2,925	3,576	2,361	23	2,384	1,192
Jacksonville Misc Citywide Activities	46	46	-	-	-	46
Total Expenditures	2,971	3,622	2,361	23	2,384	1,238
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(460)	(299)	42	(23)	19	318
OTHER FINANCING (USES):						
Operating transfers in	424	424	424	-	424	-
Total Other Financing (Uses)	424	424	424	-	424	-
NET CHANGE IN FUND BALANCES	(36)	125	466	(23)	443	318
FUND BALANCE, BEGINNING	816	816	816	-	816	-
FUND BALANCE, ENDING	<u>\$ 780</u>	<u>\$ 941</u>	<u>\$ 1,282</u>	<u>\$ (23)</u>	<u>\$ 1,259</u>	<u>\$ 318</u>

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUND 130 - SPORTS, CONVENTION AND TOURISM DEVELOPMENT

	BUDGETED AMOUNTS				BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES		
REVENUE:						
Sales and Use Tax	\$ 5,473	\$ 5,473	\$ 4,675	\$ -	\$ 4,675	\$(798)
Interest	63	91	171	-	171	80
Other	248	732	983	-	983	251
Total Revenue	5,784	6,296	5,829	-	5,829	(467)
EXPENDITURES:						
Finance	3	3	-	1,467	1,467	(1,464)
City Council	10,083	9,569	5,758	-	5,758	3,811
Housing/Neighborhoods	23	30	4	-	4	26
Recreation & Community	772	1,273	556	-	556	717
Jacksonville Misc Citywide Activities	-	3	-	-	-	3
Total Expenditures	10,881	10,878	6,318	1,467	7,785	3,093
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(5,097)	(4,582)	(489)	(1,467)	(1,956)	2,626
NET CHANGE IN FUND BALANCES	(5,097)	(4,582)	(489)	(1,467)	(1,956)	2,626
FUND BALANCE, BEGINNING	4,597	4,597	4,597	-	4,597	-
FUND BALANCE, ENDING	\$ (500)	\$ 15	\$ 4,108	\$ (1,467)	\$ 2,641	\$ 2,626

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUND 140 - TRANSPORTATION

	BUDGETED AMOUNTS				BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES		
REVENUE:						
Sales and Tourist Taxes	\$ 107,263	\$ 107,263	\$ 93,189	\$ -	\$ 93,189	\$ (14,074)
Intergovernmental	7,091	7,091	6,938	-	6,938	(153)
Interest	290	290	849	-	849	559
Other	-	-	1,196	-	1,196	1,196
Total Revenue	\$ 114,644	114,644	102,172	-	\$ 102,172	(12,472)
EXPENDITURES:						
Public Works	36,077	36,077	32,911	1,816	34,727	1,350
Jacksonville Misc Citywide Activities	80,648	80,648	68,170	-	68,170	12,478
Total Expenditures	116,725	116,725	101,081	1,816	102,897	13,828
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(2,081)	(2,081)	1,091	(1,816)	(725)	1,356
NET CHANGE IN FUND BALANCES	(2,081)	(2,081)	1,091	(1,816)	(725)	1,356
FUND BALANCE, BEGINNING	37,982	37,982	37,982	-	37,982	-
FUND BALANCE, ENDING	\$ 35,901	\$ 35,901	\$ 39,073	\$ (1,816)	\$ 37,257	\$ 1,356

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUND 150 - BUDGETED GENERAL GOVERNMENT

	BUDGETED AMOUNTS				BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES		
REVENUE:						
Intergovernmental	\$ 1,879	\$ 2,625	\$ 1,585	\$ -	\$ 1,585	\$ (1,040)
Charges for services	15,399	15,399	10,909	-	10,909	(4,490)
Fines and forfeitures	1,000	1,000	997	-	997	(3)
Interest	471	471	1,276	-	1,276	805
Other	306	316	2,059	-	2,059	1,743
Total Revenue	19,055	19,811	16,826	-	16,826	(2,985)
EXPENDITURES:						
Courts	6,027	6,339	3,340	211	3,551	2,788
Community Services	177	156	-	-	-	156
Environmental Resource Management	3,366	4,119	2,192	44	2,236	1,883
Fire/Rescue	579	581	462	-	462	119
Housing and Neighborhoods	24	24	-	-	-	24
Jacksonville Citywide Activities	5,509	5,676	350	12	362	5,314
Mayor Board	12	23	9	-	9	14
Public Defender	583	583	463	97	560	23
Planning and Development	11,222	11,227	10,303	7	10,310	917
Public Library	325	325	119	40	159	166
Public Works	8,140	13,383	4,559	4,395	8,954	4,429
Recreation & Community	729	729	684	-	684	45
State Attorney	1,708	1,360	1,087	23	1,110	250
Tax Collector	2	2	-	-	-	2
Total Expenditures	38,403	44,527	23,568	4,829	28,397	16,130
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES						
	(19,348)	(24,716)	(6,742)	(4,829)	(11,571)	13,145
OTHER FINANCING (USES):						
Operating transfers in	1,027	7,014	7,014	-	7,014	-
Operating transfers out	(25)	(25)	(25)	-	(25)	-
Total Other Financing (Uses)	1,002	6,989	6,989	-	6,989	-
NET CHANGE IN FUND BALANCES	(18,346)	(17,727)	247	(4,829)	(4,582)	13,145
FUND BALANCE, BEGINNING	35,472	35,472	35,472	-	35,472	-
FUND BALANCE, ENDING	\$ 17,126	\$ 17,745	\$ 35,719	\$ (4,829)	\$ 30,890	\$ 13,145

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

FUND 160 - PUBLIC SAFETY						
	BUDGETED AMOUNTS			ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL			
REVENUE:						
Intergovernmental	\$ -	\$ 246	\$ 3,927	\$ -	\$ 3,927	\$ 3,681
Interest	-	20	26	-	26	6
Other	-	-	35	-	35	35
Total Revenue	-	266	3,988	-	3,988	3,722
EXPENDITURES:						
Fire and Rescue	295	561	433	(15)	418	143
Jacksonville Economic Dev Comm	-	-	60	2	62	(62)
Public Works	-	-	4,737	(3,764)	973	(973)
Sheriff's Office	-	-	4	-	4	(4)
Total Expenditures	295	561	5,234	(3,777)	1,457	(896)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES						
	(295)	(295)	(1,246)	3,777	2,531	2,826
NET CHANGE IN FUND BALANCES						
	(295)	(295)	(1,246)	3,777	2,531	2,826
FUND BALANCE, BEGINNING						
	(544)	(544)	(544)	-	(544)	-
FUND BALANCE, ENDING						
	\$ (839)	\$ (839)	\$ (1,790)	\$ 3,777	\$ 1,987	\$ 2,826

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUND 170 - EMERGENCY 9 1 1

	BUDGETED AMOUNTS				BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES		
REVENUE:						
Charges for services	\$ 4,786	\$ 4,786	\$ 4,802	\$ -	\$ 4,802	\$ 16
Interest	50	50	601	-	601	551
Total Revenue	4,836	4,836	5,403	-	5,403	567
EXPENDITURES:						
Jacksonville Citywide Activities	303	303	-	-	-	303
Office of the Sheriff	6,219	6,219	4,708	92	4,800	1,419
Total Expenditures	6,522	6,522	4,708	92	4,800	1,722
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(1,686)	(1,686)	695	(92)	603	2,289
NET CHANGE IN FUND BALANCES	(1,686)	(1,686)	695	(92)	603	2,289
FUND BALANCE, BEGINNING	5,654	5,654	5,654	-	5,654	-
FUND BALANCE, ENDING	\$ 3,968	\$ 3,968	\$ 6,349	\$ (92)	\$ 6,257	\$ 2,289

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUND 180 - TAX INCREMENT DISTRICTS

	BUDGETED AMOUNTS				BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES		
REVENUE:						
Property taxes	\$ 15,997	\$ 15,997	\$ 15,842	\$ -	\$ 15,842	\$ (155)
Other	170	170	102	-	102	(68)
Total Revenue	16,167	16,167	15,944	-	15,944	(223)
EXPENDITURES:						
Jacksonville Citywide Activities	8,515	8,515	5,586	448	6,034	2,481
JEDC	502	502	-	502	502	-
Planning Department	91	91	91	-	91	-
Total Expenditures	9,108	9,108	5,677	950	6,627	2,481
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	7,059	7,059	10,267	(950)	9,317	2,258
OTHER FINANCING (USES):						
Operating transfers out	(8,088)	(8,088)	(7,977)	-	(7,977)	111
Total Other Financing (Uses)	(8,088)	(8,088)	(7,977)	-	(7,977)	111
NET CHANGE IN FUND BALANCES	(1,029)	(1,029)	2,290	(950)	1,340	2,369
FUND BALANCE, BEGINNING	2,367	2,367	2,367	-	2,367	-
FUND BALANCE, ENDING	\$ 1,338	\$ 1,338	\$ 4,657	\$ (950)	\$ 3,707	\$ 2,369

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

FUND 190 - JACKSONVILLE CHILDREN'S COMMISSION

	BUDGETED AMOUNTS				BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES		
REVENUE:						
Intergovernmental	\$ 25,245	\$ 32,917	\$ 31,723	\$ -	\$ 31,723	\$ (1,194)
Charges for Services	-	-	-	-	-	-
Interest	150	150	458	-	458	308
Other	285	287	997	-	997	710
Total Revenue	25,680	33,354	33,178	-	33,178	(176)
EXPENDITURES:						
Jacksonville Children's Commission	49,763	56,686	54,105	1,261	55,366	1,320
Total Expenditures	49,763	56,686	54,105	1,261	55,366	1,320
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(24,083)	(23,332)	(20,927)	(1,261)	(22,188)	1,144
OTHER FINANCING (USES):						
Operating transfers in	16,390	16,390	16,390	-	16,390	-
Total Other Financing (Uses)	16,390	16,390	16,390	-	16,390	-
NET CHANGE IN FUND BALANCES	(7,693)	(6,942)	(4,537)	(1,261)	(5,798)	1,144
FUND BALANCE, BEGINNING	9,362	9,362	9,362	-	9,362	-
FUND BALANCE, ENDING	\$ 1,669	\$ 2,420	\$ 4,825	\$ (1,261)	\$ 3,564	\$ 1,144

NON-MAJOR ENTERPRISE FUNDS:

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises and where the costs of providing goods or services to the general public are recovered primarily through user charges; or where the city has decided that determination of net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Individual non-major enterprise funds are described below.

The Public Parking System Fund accounts for the City's on-street, off-street, and parking garage facility operations, including revenue collection and enforcement.

The Storm Water Services Fund accounts for the storm water utility financed by service charges, to be used to pay the expenses of constructing and maintaining the storm water management system.

The Motor Vehicle Inspection Fund accounts for the operations of the City's motor vehicle inspection stations.

The Baseball Stadium Fund accounts for events held at the stadium including professional minor league and college baseball games.

Times Union Center for the Performing Arts (Performing Arts) Fund - accounts for events held at the center such as the symphony, FCCJ performing arts series, dance recitals and concerts.

The Prime Osborn Convention Center (Convention Center) Fund accounts for events held at the center such as gate and trade shows, banquets, meetings and other.

The Equestrian Center Fund accounts for events held at the center including horse shows / competitions, rodeos and concerts.

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)**

<u>ASSETS</u>	<u>PUBLIC PARKING SYSTEM</u>	<u>STORM- WATER SERVICES</u>	<u>MOTOR VEHICLE INSPECTION</u>	<u>BASEBALL STADIUM</u>
CURRENT ASSETS:				
Equity in cash and investments.....	\$ 4	\$ 19,699	\$ 95	\$ 310
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts.....	-	10,228	58	1
Due from other funds.....	-	-	-	-
Due from other governments.....	-	-	-	-
Inventories.....	-	-	11	-
Prepaid expenses and other assets.....	-	-	-	-
Total Current Assets.....	<u>4</u>	<u>29,927</u>	<u>164</u>	<u>311</u>
NONCURRENT ASSETS:				
Sinking fund cash and investments.....	4,466	-	-	1,466
Accounts and interest receivable.....	-	-	-	-
CAPITAL ASSETS:				
Land and work in progress.....	1,768	208	32	-
Other capital assets, net of depreciation.....	7,838	2,841	2	28,679
Total Noncurrent Assets.....	<u>14,072</u>	<u>3,049</u>	<u>34</u>	<u>30,145</u>
TOTAL ASSETS.....	<u>14,076</u>	<u>32,976</u>	<u>198</u>	<u>30,456</u>
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities.....	138	1,879	17	39
Due to other funds.....	70	-	-	-
Accrued compensated absences, current portion.....	35	177	13	-
Deposits	92	-	-	8
Accrued interest payable.....	171	-	-	721
Current portion of bonds payable.....	4,295	-	-	773
Unearned revenue.....	-	8,484	-	-
Total Current Liabilities.....	<u>4,801</u>	<u>10,540</u>	<u>30</u>	<u>1,541</u>
NONCURRENT LIABILITIES:				
Notes payable	-	-	-	-
Accrued compensated absences.....	81	414	30	-
Bonds payable.....	2,240	-	-	29,094
Other liabilities.....	84	165	16	-
Total Noncurrent Liabilities.....	<u>2,405</u>	<u>579</u>	<u>46</u>	<u>29,094</u>
TOTAL LIABILITIES.....	<u>7,206</u>	<u>11,119</u>	<u>76</u>	<u>30,635</u>
NET ASSETS:				
Invested in capital assets, net of related debt.....	4,003	3,049	34	(1,188)
Unrestricted.....	2,867	18,808	88	1,009
TOTAL NET ASSETS.....	<u>\$ 6,870</u>	<u>\$ 21,857</u>	<u>\$ 122</u>	<u>\$ (179)</u>

See accompanying notes.

PERFORMING ARTS	CONVENTION CENTER	EQUESTRIAN CENTER	TOTALS	
			2009	2008
\$ 41	\$ 812	\$ 6	\$ 20,967	\$ 14,207
67	46	11	10,411	4,597
-	-	-	-	10
-	-	-	-	-
-	-	-	11	14
-	-	-	-	40
<u>108</u>	<u>858</u>	<u>17</u>	<u>31,389</u>	<u>18,868</u>
26	16	79	6,053	-
-	-	-	-	-
1,000	5,259	-	8,267	8,059
<u>24,235</u>	<u>14,054</u>	<u>14,449</u>	<u>92,098</u>	<u>92,327</u>
<u>25,261</u>	<u>19,329</u>	<u>14,528</u>	<u>106,418</u>	<u>100,386</u>
<u>25,369</u>	<u>20,187</u>	<u>14,545</u>	<u>137,807</u>	<u>119,254</u>
30	176	16	2,295	659
501	2	420	993	212
-	-	-	225	43
335	134	7	576	538
130	131	85	1,238	320
-	15	33	5,116	4,911
-	-	4	8,488	7,514
<u>996</u>	<u>458</u>	<u>565</u>	<u>18,931</u>	<u>14,197</u>
-	-	-	-	-
-	-	-	525	101
1,012	-	2,465	34,811	39,772
-	-	-	265	51
<u>1,012</u>	<u>-</u>	<u>2,465</u>	<u>35,601</u>	<u>39,924</u>
<u>2,008</u>	<u>458</u>	<u>3,030</u>	<u>54,532</u>	<u>54,121</u>
24,223	19,298	11,951	61,370	57,654
(862)	431	(436)	21,905	7,479
<u>\$ 23,361</u>	<u>\$ 19,729</u>	<u>\$ 11,515</u>	<u>\$ 83,275</u>	<u>\$ 65,133</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	PUBLIC PARKING SYSTEM	STORM- WATER SERVICES	MOTOR VEHICLE INSPECTION	BASEBALL STADIUM
OPERATING REVENUE:				
Sales and tourist taxes.....	\$ -	\$ -	\$ -	\$ -
Charges for services.....	3,783	29,134	422	340
Total Operating Revenue.....	3,783	29,134	422	340
OPERATING EXPENSES:				
Personal services.....	1,635	9,343	339	264
Supplies and materials.....	47	336	7	5
Central services.....	744	1,942	13	5
Interdepartmental charges.....	60	43	5	202
Other services and charges.....	562	2,948	68	877
Depreciation and amortization.....	369	-	1	640
Total Operating Expenses.....	3,417	14,612	433	1,993
OPERATING INCOME (LOSS).....	366	14,522	(11)	(1,653)
NON-OPERATING REVENUE (EXPENSES):				
Interest revenue.....	57	1,294	10	37
Interest expense.....	-	-	-	-
Other.....	4,015	-	-	217
Total Non-Operating Revenue (Expenses).....	4,072	1,294	10	254
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....				
	4,438	15,816	(1)	(1,399)
Capital Contributions.....	-	-	-	-
Transfers in.....	6,029	1,561	-	2,208
Transfers out.....	(3,178)	(2,707)	-	-
CHANGES IN NET ASSETS.....	7,289	14,670	(1)	809
TOTAL NET ASSETS, BEGINNING OF YEAR.....	(419)	7,187	123	(988)
TOTAL NET ASSETS, END OF YEAR.....	\$ 6,870	\$ 21,857	\$ 122	\$ (179)

See accompanying notes.

PERFORMING ARTS	CONVENTION CENTER	EQUESTRIAN CENTER	TOTALS	
			2009	2008
\$ -	\$ 4,366	\$ -	\$ 4,366	\$ 5,197
1,750	767	302	36,498	16,111
<u>1,750</u>	<u>5,133</u>	<u>302</u>	<u>40,864</u>	<u>21,308</u>
794	1,231	371	13,977	5,316
19	25	12	451	165
43	49	77	2,873	863
508	283	91	1,192	1,128
1,880	2,103	592	9,030	6,223
762	651	740	3,163	434
<u>4,006</u>	<u>4,342</u>	<u>1,883</u>	<u>30,686</u>	<u>14,129</u>
(2,256)	791	(1,581)	10,178	7,179
(64)	174	-	1,508	204
-	-	(7)	(7)	-
716	817	119	5,884	1,875
<u>652</u>	<u>991</u>	<u>112</u>	<u>7,385</u>	<u>2,079</u>
(1,604)	1,782	(1,469)	17,563	9,258
-	-	-	-	56,051
608	16	286	10,708	2,927
-	(4,244)	-	(10,129)	(6,898)
(996)	(2,446)	(1,183)	18,142	61,338
<u>24,357</u>	<u>22,175</u>	<u>12,698</u>	<u>65,133</u>	<u>3,795</u>
<u>\$ 23,361</u>	<u>\$ 19,729</u>	<u>\$ 11,515</u>	<u>\$ 83,275</u>	<u>\$ 65,133</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	PUBLIC PARKING SYSTEM	STORM - WATER SERVICES	MOTOR VEHICLE INSPECTION
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers.....	\$ 3,783	\$ 24,358	\$ 427
Payments to suppliers.....	(1,205)	(3,402)	(86)
Payments to employees.....	(1,581)	(8,587)	(329)
Internal activity - receipts from other funds.....	70	-	-
Other receipts.....	4,015	-	-
Other operating cash payments.....	(61)	(43)	(5)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	5,021	12,326	7
NONCAPITAL FINANCING ACTIVITIES:			
Cash received through transfers from other funds.....	6,029	1,561	-
Cash payments through transfers to other funds.....	(3,178)	(2,707)	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	2,851	(1,146)	-
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Increase to property, plant and equipment.....	(92)	(3,049)	-
Decrease to property, plant and equipment.....	-	-	-
Increase in construction fund cash and investments.....	(4,466)	-	-
Proceeds on long-term obligations.....	-	-	-
Principal paid on long-term obligations.....	(3,987)	-	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(8,545)	(3,049)	-
INVESTING ACTIVITIES:			
Interest and dividends on investments.....	57	1,294	10
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	57	1,294	10
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....			
	(616)	9,425	17
Cash and cash equivalents at October 1, 2008.....	620	10,274	78
Cash and cash equivalents at September 30, 2009.....	<u>\$ 4</u>	<u>\$ 19,699</u>	<u>\$ 95</u>

BASEBALL STADIUM	PERFORMING ARTS	CONVENTION CENTER	EQUESTRIAN CENTER	TOTALS	
				2009	2008
\$ 343	\$ 1,727	\$ 5,122	\$ 304	\$ 36,064	\$ 24,420
(252)	(1,987)	(2,204)	(661)	(9,797)	(7,873)
(264)	(794)	(1,231)	(371)	(13,157)	(5,313)
0	295	-	425	790	206
217	716	817	163	5,928	6,271
(196)	(470)	(270)	(153)	(1,198)	(1,593)
(152)	(513)	2,234	(293)	18,630	16,118
2,208	608	16	286	10,708	2,927
-	-	(4,244)	-	(10,129)	(6,898)
2,208	608	(4,228)	286	579	(3,971)
-	-	-	-	(3,141)	(78)
-	-	-	-	-	-
(1,466)	(26)	(16)	(79)	(6,053)	-
-	-	-	-	-	18
(764)	-	(3)	(2)	(4,756)	(3,970)
(2,230)	(26)	(19)	(81)	(13,950)	(4,030)
37	(64)	174	(7)	1,501	204
37	(64)	174	(7)	1,501	204
(137)	5	(1,839)	(95)	6,760	8,321
447	36	2,651	101	14,207	5,886
\$ 310	\$ 41	\$ 812	\$ 6	\$ 20,967	\$ 14,207

See accompanying notes.

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands; continued)

	<u>PUBLIC PARKING SYSTEM</u>	<u>STORM - WATER SERVICES</u>	<u>MOTOR VEHICLE INSPECTION</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS).....	\$ 366	\$ 14,522	(\$ 11)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization.....	369	-	1
Other non-operating revenue/(expenses).....	4,015	-	-
(Increase) decrease in assets:			
Receivables and other current assets, net.....	-	(5,758)	5
Due from other funds.....	-	-	-
Inventories.....	-	-	3
Prepaid expenses.....	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses.....	(23)	1,796	(1)
Due to other funds.....	70	-	-
Contracts payable.....	-	28	-
Deposits.....	(1)	-	-
Current portion of bond payables.....	-	-	-
Unearned revenue.....	-	982	-
Other liabilities.....	41	165	8
Interest payable.....	171	-	-
Accrued compensated absences.....	13	591	2
TOTAL ADJUSTMENTS.....	<u>4,655</u>	<u>(2,196)</u>	<u>18</u>
NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES.....	<u>\$ 5,021</u>	<u>\$ 12,326</u>	<u>\$ 7</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	\$ 35	\$ 683	\$ 6
Capital assets transferred from proprietary funds of the city.....	-	-	-
Debts transferred from proprietary funds of the city.....	-	-	-
Capital assets transferred to JPA.....	-	-	-

<u>BASEBALL STADIUM</u>	<u>PERFORMING ARTS</u>	<u>CONVENTION CENTER</u>	<u>EQUESTRIAN CENTER</u>	<u>TOTALS</u>	
				<u>2009</u>	<u>2008</u>
<u>(\$ 1,653)</u>	<u>(\$ 2,256)</u>	<u>\$ 791</u>	<u>(\$ 1,581)</u>	<u>\$ 10,178</u>	<u>\$ 7,179</u>
640	762	651	740	3,163	434
217	716	817	119	5,884	5,795
(1)	(31)	(35)	6	(5,814)	(4,375)
3	-	-	7	10	(4)
-	-	-	-	3	(8)
4	8	24	4	40	(23)
(51)	(60)	(22)	(31)	1,608	(75)
(3)	295	-	418	780	206
-	-	-	-	28	-
6	38	13	(18)	38	(149)
-	-	-	-	-	105
-	-	-	(8)	974	7,514
-	-	-	-	214	51
686	15	(5)	51	918	(484)
-	-	-	-	606	(48)
<u>1,501</u>	<u>1,743</u>	<u>1,443</u>	<u>1,288</u>	<u>8,452</u>	<u>8,939</u>
<u>(\$ 152)</u>	<u>(\$ 513)</u>	<u>\$ 2,234</u>	<u>(\$ 293)</u>	<u>\$ 18,630</u>	<u>\$ 16,118</u>
\$ 20	(\$ 37)	(\$ 85)	(\$ 3)	\$ 605	(\$ 534)
-	-	-	-	-	90,212
-	-	-	-	-	(34,161)
-	-	-	-	-	(3,920)

See accompanying notes.

(continued)



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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one City department or agency to other City departments or agencies on a cost-reimbursement basis. Descriptions of individual funds in this category are presented below.

The Fleet Management Fund accounts for the operation of the City's fleet of police cars, fire and rescue vehicles, public works and public utilities trucks, and many other automotive on and off road type equipment.

The Copy Center Fund accounts for the operation of the centralized copy center, mail and messenger service functions for City agencies.

The Information Technologies Fund accounts for centralized information management and computer services that includes data processing, central telephone and network communications, and other voice/data electronic media services.

The Legal Fund accounts for centralized legal services to all City departments and agencies through the Office of General Counsel.

The Self-Insurance Fund accounts for centralized risk management and safety and loss prevention services to all City departments self-insured for workers' compensation, public, and general and vehicle liability.

The Group Health Fund accounts for employee health and life insurance premiums and manages third party health care contracts to all City employees.

The Insured Programs Fund accounts for providing all forms of property and casualty, commercial liability and other types of coverage to City departments.

The Banking Fund accounts for commercial paper issued for short intermediate life assets such as personal computers, vehicles, application software, equipment, etc.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

<u>ASSETS</u>	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
CURRENT ASSETS:			
Equity in cash and investments.....	\$ 6,138	\$ 2	\$ 5
Accounts receivable.....	-	-	-
Loans receivables.....	-	-	3,386
Other receivables.....	-	-	-
Due from other funds.....	-	-	-
Due from independent agencies and other governments.....	580	1	159
Inventories.....	1,240	-	510
Prepaid expenses and other assets.....	-	-	-
Total Current Assets.....	7,958	3	4,060
NONCURRENT ASSETS:			
Advances to other funds.....	-	-	-
Loans receivable - noncurrent.....	-	-	-
Other receivables - noncurrent.....	-	-	-
Total Noncurrent Assets.....	-	-	-
CAPITAL ASSETS AND INFRASTRUCTURE			
Land and work in progress.....	181	-	22
Other capital assets, net of depreciation.....	50,226	389	23,702
Total Capital Assets, Net.....	50,407	389	23,724
TOTAL ASSETS.....	58,365	392	27,784
<u>LIABILITIES</u>			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities.....	1,688	84	3,828
Due to other funds.....	-	360	360
Capitalized lease obligations, current portion.....	-	313	-
Deposits.....	-	-	-
Unearned revenue.....	-	-	-
Accrued compensated absences, current portion.....	245	15	509
Current portion of notes payable.....	-	-	-
Current portion of loans payable.....	12,473	-	5,632
Total Current Liabilities.....	14,406	772	10,329
NONCURRENT LIABILITIES:			
Notes payable.....	-	-	-
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	571	36	1,188
Loans payable.....	18,298	-	1,592
Bonds payable.....	-	-	-
Capitalized lease obligations.....	-	-	-
Other liabilities.....	254	16	364
Total Long-Term Liabilities.....	19,123	52	3,144
TOTAL LIABILITIES.....	33,529	824	13,473
NET ASSETS:			
Invested in capital assets, net of related debt.....	30,850	389	22,132
Restricted - other.....	-	-	-
Unrestricted	(6,014)	(821)	(7,821)
TOTAL NET ASSETS (deficit).....	\$ 24,836	\$ (432)	\$ 14,311

See accompanying notes.

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>BANKING FUND</u>	<u>TOTALS</u>	
					<u>2009</u>	<u>2008</u>
\$ 2,245	\$ 72,753	\$ 8,509	\$ 5,893	\$26,217	\$121,762	\$ 113,170
-	60	-	-	-	60	65
-	-	-	-	49,709	53,095	41,738
-	1,607	-	-	-	1,607	1,763
-	-	-	-	-	-	12
579	-	-	-	-	1,319	2,549
-	-	-	-	-	1,750	2,143
-	410	-	2,509	1,724	4,643	4,335
<u>2,824</u>	<u>74,830</u>	<u>8,509</u>	<u>8,402</u>	<u>77,650</u>	<u>184,236</u>	<u>165,775</u>
-	8,500	-	-	-	8,500	9,164
-	-	-	-	86,680	86,680	78,648
-	14,328	-	-	-	14,328	14,738
-	22,828	-	-	86,680	109,508	102,550
-	-	-	-	-	203	203
13	89	-	7	-	74,426	72,057
<u>13</u>	<u>89</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>74,629</u>	<u>72,260</u>
<u>2,837</u>	<u>\$ 97,747</u>	<u>8,509</u>	<u>8,409</u>	<u>164,330</u>	<u>368,373</u>	<u>340,585</u>
480	189	6,394	25	1,407	14,095	15,117
-	-	-	-	-	720	150
-	-	-	-	-	313	296
-	-	2	-	-	2	2
-	-	-	2,509	-	2,509	2,431
257	14	41	19	-	1,100	1,052
-	-	-	-	40,315	40,315	-
-	-	-	-	3,386	21,491	15,672
<u>737</u>	<u>203</u>	<u>6,437</u>	<u>2,553</u>	<u>45,108</u>	<u>80,545</u>	<u>34,720</u>
-	-	-	-	33,500	33,500	99,515
-	86,732	18	-	-	86,750	82,943
600	33	95	45	-	2,568	2,455
-	-	-	-	-	19,890	19,125
-	-	-	-	83,155	83,155	54,215
-	-	-	-	-	-	313
148	37	26	8	-	853	433
<u>748</u>	<u>86,802</u>	<u>139</u>	<u>53</u>	<u>116,655</u>	<u>226,716</u>	<u>258,999</u>
<u>1,485</u>	<u>87,005</u>	<u>6,576</u>	<u>2,606</u>	<u>161,763</u>	<u>307,261</u>	<u>293,719</u>
13	89	-	7	-	53,480	41,656
-	4,271	-	-	-	4,271	610
<u>1,339</u>	<u>6,382</u>	<u>1,933</u>	<u>5,796</u>	<u>2,567</u>	<u>3,361</u>	<u>4,600</u>
<u>\$ 1,352</u>	<u>\$ 10,742</u>	<u>\$ 1,933</u>	<u>\$ 5,803</u>	<u>\$ 2,567</u>	<u>\$ 61,112</u>	<u>\$ 46,866</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
OPERATING REVENUE:			
Charges for services.....	\$ 44,681	\$ 1,707	\$ 38,760
Charges for services for independent authorities.....	5,561	-	681
Other.....	1,707	-	657
Total Operating Revenue.....	<u>51,949</u>	<u>1,707</u>	<u>40,098</u>
OPERATING EXPENSES:			
Personal services.....	7,092	384	15,869
Supplies and materials.....	20,734	718	1,055
Central services.....	1,842	41	4,121
Other services and charges.....	2,992	358	11,707
Depreciation.....	15,539	289	7,092
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	154	2	103
Total Operating Expenses.....	<u>48,353</u>	<u>1,792</u>	<u>39,947</u>
OPERATING INCOME (LOSS).....	<u>3,596</u>	<u>(85)</u>	<u>151</u>
NON-OPERATING REVENUE (EXPENSES):			
Interest	(140)	(41)	(299)
Other.....	(1,447)	(119)	(1,794)
Total Non-Operating Revenue (Expenses)	<u>(1,587)</u>	<u>(160)</u>	<u>(2,093)</u>
INCOME (LOSS) BEFORE			
OPERATING TRANSFERS.....	2,009	(245)	(1,942)
Transfers in.....	2,749	-	525
Transfers out.....	-	-	-
CHANGE IN NET ASSETS.....	4,758	(245)	(1,417)
NET ASSETS, BEGINNING OF YEAR.....	<u>20,078</u>	<u>(187)</u>	<u>15,728</u>
NET ASSETS, END OF YEAR.....	<u>\$ 24,836</u>	<u>(\$ 432)</u>	<u>\$ 14,311</u>

See accompanying notes.

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	BANKING FUND	TOTALS	
					2009	2008
\$ 7,168	\$ 24,995	\$ 81,905	\$ 7,493	\$ 4,215	\$ 210,924	\$ 207,581
3,127	-	-	-	-	9,369	11,368
11	7	39	(1)	-	2,420	1,656
<u>10,306</u>	<u>25,002</u>	<u>81,944</u>	<u>7,492</u>	<u>4,215</u>	<u>222,713</u>	<u>220,605</u>
7,425	1,272	844	408	-	33,294	32,653
56	62	7	6	-	22,638	27,864
764	1,240	355	208	-	8,571	10,456
1,666	2,576	305	475	363	20,442	18,940
3	19	1	1	-	22,944	24,559
35	-	-	-	-	35	35
-	19,916	-	-	-	19,916	21,961
46	368	79,755	7,444	-	87,872	84,376
<u>9,995</u>	<u>25,453</u>	<u>81,267</u>	<u>8,542</u>	<u>363</u>	<u>215,712</u>	<u>220,844</u>
<u>311</u>	<u>(451)</u>	<u>677</u>	<u>(1,050)</u>	<u>3,852</u>	<u>7,001</u>	<u>(239)</u>
131	6,806	716	764	2,796	10,733	(83)
(252)	(1,121)	(92)	704	(3,713)	(7,834)	(6,508)
<u>(121)</u>	<u>5,685</u>	<u>624</u>	<u>1,468</u>	<u>(917)</u>	<u>2,899</u>	<u>(6,591)</u>
190	5,234	1,301	418	2,935	9,900	(6,830)
-	1,072	-	-	-	4,346	3,042
-	-	-	-	-	-	(239)
190	6,306	1,301	418	2,935	14,246	(4,027)
<u>1,162</u>	<u>4,436</u>	<u>632</u>	<u>5,385</u>	<u>(368)</u>	<u>46,866</u>	<u>50,893</u>
<u>\$ 1,352</u>	<u>\$ 10,742</u>	<u>\$ 1,933</u>	<u>\$ 5,803</u>	<u>\$ 2,567</u>	<u>\$ 61,112</u>	<u>\$ 46,866</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)**

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers.....	\$ 52,355	\$ 1,708	\$ 36,873
Payments to suppliers.....	(26,468)	(1,087)	(16,997)
Payments to employees.....	(6,957)	(388)	(15,491)
Internal activity- receipts from other funds.....	-	210	360
Internal activity- payments to other funds.....	-	-	-
Other receipts.....	2	-	-
Other operating cash payments.....	(1,447)	(119)	(1,784)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>17,485</u>	<u>324</u>	<u>2,961</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received through transfers from other funds.....	2,749	-	525
Cash payments through transfers to other funds.....	-	-	-
NONCAPITAL FINANCING ACTIVITIES.....	<u>2,749</u>	<u>-</u>	<u>525</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Additions to property, plant and equipment.....	(18,965)	(5)	(6,283)
Decrease in capitalized lease obligations.....	-	(296)	-
Proceeds from loans receivables.....	-	-	-
Proceeds from loans payable.....	14,571	-	5,238
Payments of loans payable.....	(11,937)	-	(4,674)
Payments of notes payable.....	-	-	-
Proceeds from bonds payable.....	-	-	-
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(16,331)</u>	<u>(301)</u>	<u>(5,719)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of investments.....	-	-	-
Interest and dividends.....	(140)	(41)	(299)
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>(140)</u>	<u>(41)</u>	<u>(299)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	3,763	(18)	(2,532)
Equity in cash and investments at October 1, 2008.....	<u>2,375</u>	<u>20</u>	<u>2,537</u>
Equity in cash and investments at September 30, 2009.....	<u><u>\$ 6,138</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 5</u></u>

See accompanying notes.

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>BANKING FUND</u>	<u>TOTALS</u>	
					<u>2009</u>	<u>2008</u>
\$ 10,292	\$ 26,889	\$ 81,944	\$ 7,415	\$ 1,479	\$ 218,955	\$ 172,589
(2,467)	(5,069)	(80,661)	(8,212)	774	(140,187)	(138,967)
(7,355)	(1,256)	(863)	(404)	-	(32,714)	(31,990)
-	-	-	-	-	570	150
-	-	-	-	-	-	(339)
-	3,807	-	836	(327)	4,318	6,089
<u>(252)</u>	<u>(21,037)</u>	<u>(92)</u>	<u>(54)</u>	<u>(3,386)</u>	<u>(28,171)</u>	<u>(29,050)</u>
<u>218</u>	<u>3,334</u>	<u>328</u>	<u>(419)</u>	<u>(1,460)</u>	<u>22,771</u>	<u>(21,518)</u>
-	1,072	-	-	-	4,346	3,042
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(239)</u>
<u>-</u>	<u>1,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,346</u>	<u>2,803</u>
1	(61)	-	1	-	(25,312)	(19,726)
-	-	-	-	-	(296)	(343)
-	-	-	-	(13,474)	(13,474)	799
-	-	-	-	3,386	23,195	2,509
-	-	-	-	-	(16,611)	(3,532)
-	-	-	-	(25,700)	(25,700)	27,310
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,940</u>	<u>28,940</u>	<u>54,215</u>
<u>1</u>	<u>(61)</u>	<u>-</u>	<u>1</u>	<u>(6,848)</u>	<u>(29,258)</u>	<u>61,232</u>
<u>131</u>	<u>6,806</u>	<u>716</u>	<u>764</u>	<u>2,796</u>	<u>10,733</u>	<u>(83)</u>
<u>131</u>	<u>6,806</u>	<u>716</u>	<u>764</u>	<u>2,796</u>	<u>10,733</u>	<u>(83)</u>
350	11,151	1,044	346	(5,512)	8,592	42,434
<u>1,895</u>	<u>61,602</u>	<u>7,465</u>	<u>5,547</u>	<u>31,729</u>	<u>113,170</u>	<u>70,736</u>
<u>\$ 2,245</u>	<u>\$ 72,753</u>	<u>\$ 8,509</u>	<u>\$ 5,893</u>	<u>\$ 26,217</u>	<u>\$ 121,762</u>	<u>\$ 113,170</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands; continued)**

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 3,596	(\$ 85)	\$ 151
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	15,539	289	7,092
Other non-operating revenue/(expenses).....	(1,447)	(119)	(1,794)
(Increase) decrease in assets:			
Receivables and other current assets, net.....	-	-	-
Due from other funds.....	2	-	10
Advances to other funds.....	-	-	-
Due from independent agencies and other governments.....	406	1	161
Other receivables.....	-	-	-
Loans receivables.....	-	-	(3,386)
Inventories.....	433	-	(40)
Prepaid expenses.....	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities.....	(1,179)	32	29
Due to other funds.....	-	210	360
Compensated absences.....	10	(12)	199
Other liabilities.....	125	8	179
Unearned revenue.....	-	-	-
Liability for self-insured losses.....	-	-	-
 TOTAL ADJUSTMENTS.....	 13,889	 409	 2,810
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	 \$ 17,485	 \$ 324	 \$ 2,961
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	(\$ 117)	(\$ 22)	(\$ 140)
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	(\$ 117)	(\$ 22)	(\$ 140)

See accompanying notes.

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>BANKING FUND</u>	<u>TOTALS</u>	
					<u>2009</u>	<u>2008</u>
<u>\$ 311</u>	<u>(\$ 451)</u>	<u>\$ 677</u>	<u>(\$ 1,050)</u>	<u>\$ 3,852</u>	<u>\$ 7,001</u>	<u>(\$ 239)</u>
3	19	1	1	-	22,944	24,559
(252)	(1,121)	(92)	704	(3,713)	(7,834)	(6,508)
-	5	-	-	-	5	165
-	-	-	-	-	12	978
-	664	-	-	-	664	-
(14)	676	-	-	-	1,230	(89)
-	565	-	-	-	565	(46,974)
-	-	-	-	(2,529)	(5,915)	-
-	-	-	-	-	393	(335)
-	(23)	-	(78)	(207)	(308)	(1,754)
100	(823)	(239)	(78)	1,137	(1,021)	3,039
-	-	-	-	-	570	(189)
(3)	(2)	(32)	-	-	160	230
73	18	13	4	-	420	-
-	-	-	78	-	78	215
-	3,807	-	-	-	3,807	4,951
<u>(93)</u>	<u>3,785</u>	<u>(349)</u>	<u>631</u>	<u>(5,312)</u>	<u>15,770</u>	<u>(21,279)</u>
<u>\$ 218</u>	<u>\$ 3,334</u>	<u>\$ 328</u>	<u>(\$ 419)</u>	<u>(\$ 1,460)</u>	<u>\$ 22,771</u>	<u>(\$ 21,518)</u>
<u>\$ 73</u>	<u>\$ 2,702</u>	<u>\$ 384</u>	<u>\$ 456</u>	<u>\$ 1,697</u>	<u>\$ 5,033</u>	<u>(\$ 2,374)</u>
<u>\$ 73</u>	<u>\$ 2,702</u>	<u>\$ 384</u>	<u>\$ 456</u>	<u>\$ 1,697</u>	<u>\$ 5,033</u>	<u>(\$ 2,374)</u>

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FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Below are descriptions of the generic fund types within this category and specific funds within each fund type.

PENSION TRUST FUNDS are funds administered by independent boards for which the City performs a fiduciary role under a defined benefit program. The participant's retirement annuity is based on a statutory formula utilizing such factors as age, average salary, length of service and others. The City has two pension trust funds as described below.

The Jacksonville Retirement System Fund includes resources accumulated to pay present and future retirement annuities to eligible employees of the City except for sworn officers of the Office of the Sheriff and the firefighters in the Department of Fire and Rescue.

The Police and Fire Pension Trust Fund accounts for a single employer, contributory defined benefit plan for City police officers and firefighters.

AGENCY FUNDS are funds which hold monies in an agency capacity for various government units, individuals or funds. Individual fund descriptions follow.

The Treasurer Fund is the clearing fund used to account for all cash received and disbursed on behalf of the City's payroll.

The Tax Collector Fund accounts for assets and liabilities from the collection of all taxes, revenues and other cash amounts on behalf of the City and various of its agencies, authorities, organizations, individuals, and funds.

Clerk of the Circuit Court accounts for assets and liabilities from revenues collected on behalf of the state and the city by the court system for various judgments, fines, bonds, fees and licenses and other miscellaneous amounts.

Plat Deposits Fund accounts for the deposits placed with the City as collateral to insure the completion of improvements in the event of default by a developer or failure by the developer to complete improvements within the time specified by the ordinance approving the Final Plat.

The Duval County School Readiness Coalition Fund accounts for the assets and liabilities from revenues collected on behalf of the Duval County School Readiness Coalition from the State, pursuant to Florida Statute 411.01, to provide comprehensive programs of readiness services to children.

The Florida Retirement System Fund accounts for a multiple-employer, cost-sharing defined benefit plan for certain City employees who elected to remain with the State of Florida Retirement System.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	PENSION TRUST FUNDS				
	JACKSONVILLE			TOTALS	
	RETIREMENT SYSTEM				
	GENERAL EMPLOYEES PLAN	CORRECTIONS OFFICERS PLAN	POLICE AND FIRE PENSION PLAN	2009	2008
<u>ASSETS</u>					
Equity in cash and investments.....	\$ 20,517	\$ 8,230	\$ 20,450	\$ 49,197	\$ 38,814
Receivables (net, where applicable, of allowances for uncollectible):					
Interest and dividends.....	4,130	-	2,552	6,682	6,637
Accounts.....	-	-	189	189	2,073
Total receivables.....	<u>4,130</u>	<u>-</u>	<u>2,741</u>	<u>6,871</u>	<u>8,710</u>
Investments, at fair value:					
U.S. Government obligations.....	43,993	-	37,862	81,855	135,108
Federal Agencies.....	117,271	-	-	117,271	-
Domestic corporate bonds.....	263,305	-	178,842	442,147	654,079
Short-term investments.....	37,319	-	-	37,319	-
Domestic stocks.....	543,579	-	428,672	972,251	1,114,727
International stocks.....	231,400	-	143,512	374,912	238,960
Real Estate.....	82,855	-	88,372	171,227	276,578
Other fixed income.....	60,509	-	-	60,509	-
Alternative investments.....	43,556	-	-	43,556	-
Equity in pooled investments.....	(72,789)	72,789	-	-	-
Total investments.....	<u>1,350,998</u>	<u>72,789</u>	<u>877,260</u>	<u>2,301,047</u>	<u>2,419,452</u>
Capital assets:					
Land.....	-	-	-	-	-
Other capital assets, net of depreciation.....	5	-	44	49	44
Net capital assets.....	<u>5</u>	<u>-</u>	<u>44</u>	<u>49</u>	<u>44</u>
Securities Lending Collateral.....	98,288	5,311	-	103,599	137,967
TOTAL ASSETS.....	<u>1,473,938</u>	<u>86,330</u>	<u>900,495</u>	<u>2,460,763</u>	<u>2,604,987</u>
<u>LIABILITIES</u>					
Obligations under securities lending agreement.....	99,720	5,388	-	105,108	140,791
Accounts payable and accrued liabilities.....	6,437	85	1,155	7,677	7,839
Accrued compensated absences.....	70	-	18	88	83
Due to participants.....	-	5,023	170,831	175,854	160,450
TOTAL LIABILITIES.....	<u>106,227</u>	<u>10,496</u>	<u>172,004</u>	<u>288,727</u>	<u>309,163</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS.....	<u>\$ 1,367,711</u>	<u>\$ 75,834</u>	<u>\$ 728,491</u>	<u>\$ 2,172,036</u>	<u>\$ 2,295,824</u>
(See schedule of funding progress.)					

see accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	PENSION TRUST FUNDS				
	JACKSONVILLE			TOTALS	
	RETIREMENT SYSTEM				
	GENERAL EMPLOYEES PLAN	CORRECTIONS OFFICERS PLAN	POLICE AND FIRE PENSION PLAN	2009	2008
<u>ADDITIONS</u>					
Contributions:					
Employer.....	\$ 28,337	\$ 4,428	\$ 52,162	\$ 84,927	\$ 82,501
Plan Member.....	22,739	2,279	12,170	37,188	36,521
Total contributions.....	<u>51,076</u>	<u>6,707</u>	<u>64,332</u>	<u>122,115</u>	<u>119,022</u>
Other additions:					
State insurance contributions.....	-	-	8,901	8,901	9,427
Court fines & penalties.....	-	467	989	1,456	1,758
Contributions from other governmental units.....	-	-	4,286	4,286	-
Miscellaneous.....	-	-	186	186	80
Transfers in.....	-	-	-	-	24
Total other additions.....	<u>-</u>	<u>467</u>	<u>14,362</u>	<u>14,829</u>	<u>11,289</u>
Investment income:					
Net appreciation in fair value of investments.....	(35,492)	(887)	(41,276)	(77,655)	(496,729)
Interest.....	24,582	1,301	16,374	42,257	48,377
Dividends.....	10,253	891	8,546	19,690	33,420
Rebate of Commissions.....	31	-	138	169	212
Rental Income.....	-	-	1,874	1,874	2,070
Other miscellaneous.....	8	-	-	8	-
Total investment income (loss).....	<u>(618)</u>	<u>1,305</u>	<u>(14,344)</u>	<u>(13,657)</u>	<u>(412,650)</u>
Less investment expense.....	(5,884)	(303)	(4,255)	(10,442)	(12,374)
Less rental expense.....	-	-	(205)	(205)	(195)
Net investment income (loss).....	<u>(6,502)</u>	<u>1,002</u>	<u>(18,804)</u>	<u>(24,304)</u>	<u>(425,219)</u>
From Securities Lending Activities:					
Securities lending.....	2,501	100	-	2,601	7,375
Securities lending expenses.....	-	-	-	-	-
Interest expense (returned to borrower).....	(305)	(11)	-	(316)	(7,601)
Agent fees.....	(23)	(1)	-	(24)	(650)
Total securities lending activities.....	<u>2,173</u>	<u>88</u>	<u>-</u>	<u>2,261</u>	<u>(876)</u>
TOTAL ADDITIONS.....	<u>46,747</u>	<u>8,264</u>	<u>59,890</u>	<u>114,901</u>	<u>(295,784)</u>
<u>DEDUCTIONS</u>					
Benefits payments.....	113,443	1,546	80,818	195,807	187,176
DROP Benefits.....	-	2,749	29,159	31,908	25,485
Refunds of contributions.....	7,741	70	263	8,074	6,055
Administrative expenses.....	561	560	1,779	2,900	5,066
TOTAL DEDUCTIONS.....	<u>121,745</u>	<u>4,925</u>	<u>112,019</u>	<u>238,689</u>	<u>223,782</u>
Net change in net assets.....	(74,998)	3,339	(52,129)	(123,788)	(519,566)
NET ASSETS, BEGINNING OF YEAR.....	<u>1,442,709</u>	<u>72,495</u>	<u>780,620</u>	<u>2,295,824</u>	<u>2,815,390</u>
NET ASSETS, END OF YEAR.....	<u>\$ 1,367,711</u>	<u>\$ 75,834</u>	<u>\$ 728,491</u>	<u>\$ 2,172,036</u>	<u>\$ 2,295,824</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2009
WITH COMPARATIVE TOTALS FOR 2008 (in thousands)

	<u>TREASURER</u>	<u>TAX COLLECTOR</u>	<u>CLERK OF THE CIRCUIT COURTS</u>
ASSETS:			
Equity in cash and investments.....	\$ 148	\$ 39,663	\$ 24,096
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts.....	<u>25</u>	<u>-</u>	<u>3,111</u>
TOTAL ASSETS.....	<u>\$ 173</u>	<u>\$ 39,663</u>	<u>\$ 27,207</u>
LIABILITIES:			
Accounts payable and accrued liabilities.....	\$ 173	\$ -	\$ -
Due to independent agencies and other governments.....	-	18,453	9,744
Due to individuals.....	-	2,840	1,787
Deposits held in escrow.....	<u>-</u>	<u>18,370</u>	<u>15,676</u>
TOTAL LIABILITIES.....	<u>\$ 173</u>	<u>\$ 39,663</u>	<u>\$ 27,207</u>

<u>PLAT DEPOSITS</u>	<u>DUVAL CO SCHOOL READINESS COALITION</u>	<u>FLORIDA RETIREMENT SYSTEM</u>	<u>TOTALS</u>	
			<u>2009</u>	<u>2008</u>
\$ 254	\$ 29	\$ 48	\$ 64,238	\$ 60,419
<u>-</u>	<u>1</u>	<u>-</u>	<u>3,137</u>	<u>2,620</u>
<u>\$ 254</u>	<u>\$ 30</u>	<u>\$ 48</u>	<u>\$ 67,375</u>	<u>\$ 63,039</u>
\$ 14	\$ 30	\$ 10	\$ 227	\$ 211
-	-	38	28,235	14,806
-	-	-	4,627	6,620
<u>240</u>	<u>-</u>	<u>-</u>	<u>34,286</u>	<u>41,402</u>
<u>\$ 254</u>	<u>\$ 30</u>	<u>\$ 48</u>	<u>\$ 67,375</u>	<u>\$ 63,039</u>

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2008</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2009</u>
<u>TREASURER</u>				
<u>ASSETS</u>				
Equity in cash and investments.....	\$ 160	\$ 815,035	\$ 815,047	\$ 148
Accounts receivable.....	<u>24</u>	<u>25</u>	<u>24</u>	<u>25</u>
TOTAL ASSETS.....	<u>\$ 184</u>	<u>\$ 815,060</u>	<u>\$ 815,071</u>	<u>\$ 173</u>
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities.....	<u>\$ 184</u>	<u>\$ 194,134</u>	<u>\$ 194,145</u>	<u>\$ 173</u>
TOTAL LIABILITIES.....	<u>\$ 184</u>	<u>\$ 194,134</u>	<u>\$ 194,145</u>	<u>\$ 173</u>
<u>TAX COLLECTOR</u>				
<u>ASSETS</u>				
Equity in cash and investments.....	<u>\$ 38,864</u>	<u>\$ 11,591</u>	<u>\$ 10,792</u>	<u>\$ 39,663</u>
TOTAL ASSETS.....	<u>\$ 38,864</u>	<u>\$ 11,591</u>	<u>\$ 10,792</u>	<u>\$ 39,663</u>
<u>LIABILITIES</u>				
Due to independent agencies and other governments.....	\$ 6,351	\$ 12,102	\$ -	\$ 18,453
Due to individuals.....	3,316	3	479	2,840
Deposits held in escrow.....	<u>29,197</u>	<u>11,513</u>	<u>22,340</u>	<u>18,370</u>
TOTAL LIABILITIES.....	<u>\$ 38,864</u>	<u>\$ 23,618</u>	<u>\$ 22,819</u>	<u>\$ 39,663</u>

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2008</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2009</u>
<u>CLERK OF THE CIRCUIT COURT</u>				
<u>ASSETS</u>				
Equity in cash and investments.....	\$ 21,089	\$ 24,096	\$ 21,089	\$ 24,096
Accounts receivable.....	2,595	3,111	2,595	3,111
TOTAL ASSETS.....	<u>\$ 23,684</u>	<u>\$ 27,207</u>	<u>\$ 23,684</u>	<u>\$ 27,207</u>
<u>LIABILITIES</u>				
Due to independent agencies and other governments.....	\$ 8,410	\$ 9,744	\$ 8,410	\$ 9,744
Due to individuals.....	3,304	1,787	3,304	1,787
Deposits held in escrow.....	11,970	15,676	11,970	15,676
TOTAL LIABILITIES.....	<u>\$ 23,684</u>	<u>\$ 27,207</u>	<u>\$ 23,684</u>	<u>\$ 27,207</u>
<u>PLAT DEPOSITS</u>				
<u>ASSETS</u>				
Equity in cash and investments.....	\$ 235	\$ 31	\$ 12	\$ 254
TOTAL ASSETS.....	<u>\$ 235</u>	<u>\$ 31</u>	<u>\$ 12</u>	<u>\$ 254</u>
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities.....	\$ -	\$ 14	\$ -	\$ 14
Deposits held in escrow.....	235	19	14	240
TOTAL LIABILITIES.....	<u>\$ 235</u>	<u>\$ 33</u>	<u>\$ 14</u>	<u>\$ 254</u>
<u>DUVAL CO SCHOOL READINESS COALITION</u>				
<u>ASSETS</u>				
Equity in cash and investments.....	\$ 26	\$ 3	\$ -	\$ 29
Accounts receivable.....	1	-	-	1
TOTAL ASSETS.....	<u>\$ 27</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 30</u>
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities.....	\$ 27	\$ 3	\$ -	\$ 30
TOTAL LIABILITIES.....	<u>\$ 27</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 30</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<u>BALANCE OCTOBER 1, 2008</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2009</u>
<u>FLORIDA RETIREMENT SYSTEM</u>				
<u>ASSETS</u>				
Equity in cash and investments.....	\$ 45	\$ 575	\$ 572	\$ 48
TOTAL ASSETS.....	<u>\$ 45</u>	<u>\$ 575</u>	<u>\$ 572</u>	<u>\$ 48</u>
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities.....	\$ -	\$ 10	\$ -	\$ 10
Due to independent agencies and other governments.....	45	565	572	38
TOTAL LIABILITIES.....	<u>\$ 45</u>	<u>\$ 575</u>	<u>\$ 572</u>	<u>\$ 48</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
<u>ASSETS</u>				
Equity in cash and investments.....	\$ 60,419	\$ 851,331	\$ 847,512	\$ 64,238
Accounts receivable.....	2,620	3,136	2,619	3,137
TOTAL ASSETS.....	<u>\$ 63,039</u>	<u>\$ 854,467</u>	<u>\$ 850,131</u>	<u>\$ 67,375</u>
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities.....	\$ 211	\$ 194,161	\$ 194,145	\$ 227
Due to independent agencies and other governments.....	14,806	22,411	8,982	28,235
Due to individuals.....	6,620	1,790	3,783	4,627
Deposits held in escrow.....	41,402	27,208	34,324	34,286
TOTAL LIABILITIES.....	<u>\$ 63,039</u>	<u>\$ 245,570</u>	<u>\$ 241,234</u>	<u>\$ 67,375</u>

(continued)

COMPONENT UNITS

Component Units are legally separate organizations for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's governing body with certain exceptions, and either (a) the ability to impose will by the primary government; or (b) the potential for the organization to provide financial benefits to, or impose financial burdens on the primary government. The City's non major component units follow:

NON-MAJOR COMPONENT UNITS:

The Downtown Vision, Inc. provides community enhancements, such as, security, hospitality and clean teams, within the downtown area.

The Water and Sewer Expansion Authority (WSEA) allows property owners an opportunity to finance water and/or sewer infrastructure in their existing developed neighborhoods on a voluntary basis.

COMPONENT UNITS THAT DO NOT ISSUE A SEPARATE REPORT:

The Jacksonville Housing Finance Authority provides money for loans and technical assistance for construction and rehabilitation of housing to alleviate a shortage of housing and capital for investment in housing in Jacksonville.

The Jacksonville Economic Development Commission provides a focal point for economic development in the City that results in a centralization of economic development programs.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS -
NON MAJOR COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2009

	<u>DOWNTOWN VISION, INC.</u>	<u>WATER AND SEWER EXPANSION AUTHORITY</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents.....	\$ 699	\$ 748	\$ 1,447
Accounts and interest receivable.....	666	118	784
Other receivables.....	-	1,786	1,786
Other assets.....	217	-	217
Capital assets:			
Equipment.....	169	-	169
Utility plant in service.....	-	3,974	3,974
Construction work in progress.....	-	3,923	3,923
Less: accumulated depreciation.....	(144)	(268)	(412)
Total capital assets, net of depreciation.	<u>25</u>	<u>7,629</u>	<u>7,654</u>
Total assets.....	<u>1,607</u>	<u>10,281</u>	<u>11,888</u>
LIABILITIES			
Accounts payable and accrued expenses.....	<u>52</u>	<u>80</u>	<u>132</u>
Total liabilities.....	<u>52</u>	<u>80</u>	<u>132</u>
NET ASSETS			
Invested in capital assets, net of related debt..	25	7,629	7,654
Unrestricted.....	<u>1,530</u>	<u>2,572</u>	<u>4,102</u>
Total Net Assets.....	<u><u>\$ 1,555</u></u>	<u><u>\$ 10,201</u></u>	<u><u>\$ 11,756</u></u>

see accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF ACTIVITIES -
NON MAJOR COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				GOVERNMENTAL ACTIVITIES		TOTAL
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	DOWNTOWN VISION, INC.	WATER SEWER EXPANSION AUTHORITY	
Governmental activities:							
Downtown Vision, Inc	1,341	958	-	297	(86)		(86)
Water Sewer Expansion Authority	959	189	864	3,307		3,401	3,401
Total component units.....	\$ 2,300	\$ 1,147	\$ 864	\$ 3,604	\$ (86)	\$ 3,401	\$ 3,315
General revenues:							
Intergovernmental - unrestricted.....					-	-	-
Payments from other governments.....					-	-	-
Unrestricted earnings on investments.....					15	117	132
Miscellaneous.....					33	-	33
Total general revenues.....					48	117	165
Change in net assets.....					(38)	3,518	3,480
Net assets, beginning of year.....					1,593	6,683	8,276
Net assets (deficit), end of year.....					<u>\$ 1,555</u>	<u>\$ 10,201</u>	<u>\$ 11,756</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
BALANCE SHEET-COMPONENT UNIT
JACKSONVILLE HOUSING FINANCE AUTHORITY
SEPTEMBER 30, 2009 (in thousands)**

	JACKSONVILLE HOUSING FINANCE AUTHORITY
ASSETS:	
Equity in cash and investments.....	\$ 6,968
Cash in escrow and with fiscal agents.....	188
Receivables (net, where applicable, of allowances for uncollectibles):	
Mortgages.....	12,482
Due from independent agencies and other governments.....	6
Prepaid items.....	4,218
TOTAL ASSETS.....	23,862
<u>LIABILITIES AND FUND BALANCES</u>	
LIABILITIES:	
Accounts payable and accrued liabilities.....	38
Loan payables.....	4,218
TOTAL LIABILITIES.....	4,256
FUND BALANCES:	
Spendable:	
Committed	
Housing and Urban Development.....	16,888
Unassigned.....	2,718
TOTAL FUND BALANCES.....	19,606
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 23,862
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1
Certain assets and liabilities reported in governmental activities are not financial resources and therefore are not reported in the funds:	
Other post employment benefits (OPEB) liability.....	(1)
TOTAL NET ASSETS	\$ 19,606

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
COMPONENT UNITS - JACKSONVILLE HOUSING FINANCE AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009 (in thousands)**

	JACKSONVILLE HOUSING FINANCE AUTHORITY
REVENUE:	
Intergovernmental.....	8
Interest.....	569
Other.....	73
Total Revenue.....	650
EXPENDITURES:	
Current:	
Economic environment.....	669
Total Expenditures.....	669
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(19)
OTHER FINANCING SOURCES (USES):	
Refunding bond issued.....	2,072
Total Other Financing Sources (Uses).....	2,072
NET CHANGES IN FUND BALANCES.....	2,053
FUND BALANCES, BEGINNING OF YEAR.....	17,553
FUND BALANCES, END OF YEAR.....	\$ 19,606

Amounts reported for governmental activities in the statement of activities are different because:

Some revenues and expenses reported in the statement of activities did not require the use of or provide current financial resources and therefore are not reported in governmental funds:

Other post employment benefits liability.....	(1)
Change in Net Assets.....	\$ 2,052

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
BALANCE SHEET-COMPONENT UNIT
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
SEPTEMBER 30, 2009 (in thousands)**

	JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
ASSETS:	
Equity in cash and investments.....	\$ 25,893
Cash in escrow and with fiscal agents.....	20
Receivables (net, where applicable, of allowances for uncollectibles):	
Accounts and interest.....	902
Mortgages.....	5,700
Other.....	32,772
Due from independent agencies and other governments.....	64
TOTAL ASSETS.....	65,351
<u>LIABILITIES AND FUND BALANCES</u>	
LIABILITIES:	
Accounts payable and accrued liabilities.....	559
Deposits.....	386
Unearned revenue.....	38,472
TOTAL LIABILITIES.....	39,417
FUND BALANCES:	
 Spendable:	
Committed	
Industry Development.....	25,934
TOTAL FUND BALANCES.....	25,934
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 65,351

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	8
Certain assets and liabilities reported in governmental activities are not financial resources and therefore are not reported in the funds:	
Compensated absences.....	(254)
Other post employment benefits (OPEB) liability.....	(30)
TOTAL NET ASSETS	\$ 25,658

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
COMPONENT UNITS -JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009 (in thousands)**

	JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
REVENUE:	
Intergovernmental.....	10,659
Charges for services.....	1
Interest.....	2,859
Other.....	1,725
Total Revenue.....	<u>15,244</u>
EXPENDITURES:	
Current:	
Culture and recreation.....	50
Economic environment.....	12,237
Total Expenditures.....	<u>12,287</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	<u>2,957</u>
NET CHANGES IN FUND BALANCES.....	2,957
FUND BALANCES, BEGINNING OF YEAR.....	<u>22,977</u>
FUND BALANCES, END OF YEAR.....	<u><u>\$ 25,934</u></u>

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, certain capital assets are contributed to the City upon completion, requiring recognition of income not reported in the funds.

Capital assets acquired by use of financial resources.....	52
Current year depreciation.....	(49)

Some revenues and expenses reported in the statement of activities did not require the use of or provide current financial resources and therefore are not reported in governmental funds:

Increases in compensated absences payable.....	(254)
Other post employment benefits liability.....	(30)

Change in Net Assets.....	<u><u>\$ 2,676</u></u>
----------------------------------	------------------------

See accompanying notes.



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SUPPLEMENTAL INFORMATION

The Supplemental Information provided herein contains schedules of the Debt Service Funds bonded indebtedness and debt service requirements detail, as well as Self Insurance Fund schedules detailing ten year trend information of general liability and workers compensation claims development.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands)
SEPTEMBER 30, 2009

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE			
SOURCES OTHER THAN AD VALOREM TAXES:			
Excise Taxes Revenue Bonds, Series 1993.....	6.200 - 6.300%	4/1; 10/1	02/23/93
* Excise Taxes Revenue Refunding Bonds, Series 1995A.....	5.000%	4/1; 10/1	01/04/96
* Sales Tax Revenue Bonds, Series 1996.....	5.125%	4/1; 10/1	01/07/97
* Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	4.000 - 5.000%	4/1; 10/1	03/09/99
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	4.125 - 5.500%	4/1; 10/1	04/24/01
Excise Taxes Refunding Bonds, Series 2001A.....	5.000%	4/1; 10/1	07/03/01
Excise Taxes Revenue Bonds, Series 2001B.....	4.250 - 5.125%	4/1; 10/1	04/01/02
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	5.250 - 5.500%	4/1; 10/1	07/03/02
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	3.500 - 5.375%	4/1; 10/1	07/03/02
Excise Taxes Revenue Bonds, Series 2002B.....	3.300 - 5.375%	4/1; 10/1	11/26/02
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	3.375 - 5.375%	4/1; 10/1	12/16/02
Excise Taxes Revenue Bonds, Series 2003A.....	3.000 - 4.500%	4/1; 10/1	12/29/03
* Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	5.000%	4/1; 10/1	07/03/03
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	3.250 - 5.250%	4/1; 10/1	07/03/03
* Excise Taxes Revenue Bonds, Series 2005A.....	3.500 - 5.000%	4/1; 10/1	10/10/05
Excise Taxes Revenue Refunding Bonds, Series 2006A.....	3.375 - 5.000%	4/1; 10/1	12/29/03
Excise Taxes Revenue Refunding Bonds, Series 2006B (AMT).....	3.625 - 4.000%	4/1; 10/1	12/29/03
Excise Taxes Revenue Bonds, Taxable Series 2006C.....	4.880 - 5.220%	4/1; 10/1	12/29/03
Excise Taxes Revenue Bonds, Series 2007.....	3.500 - 5.000%	4/1; 10/1	09/19/07
* Capital Project Revenue Bonds, Series 2008A.....	4.530% (a)	Monthly	07/01/08
* Capital Project Revenue Bonds, Series 2008B.....	4.530% (a)	Monthly	07/01/08
Excise Taxes Revenue Bonds, Series 2009A.....	2.500 - 5.000%	4/1; 10/1	09/30/09
* Excise Taxes Revenue Refunding Bonds, Series 2009B.....	2.500 - 5.000%	4/1; 10/1	09/30/09
* Excise Taxes Revenue Refunding Bonds, Series 2009C (AMT).....	2.500 - 5.000%	4/1; 10/1	09/30/09
Total			
SPECIAL OBLIGATION BONDS PAYABLE FROM OTHER SPECIFIC REVENUE			
SOURCES OTHER THAN AD VALOREM TAXES:			
Transportation Revenue Bonds, Series 2001.....	4.100 - 5.500%	4/1; 10/1	06/05/01
* Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	4.200 - 5.500%	4/1; 10/1	06/05/01
* Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	3.000 - 5.250%	4/1; 10/1	02/19/03
* Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	2.300 - 5.000%	4/1; 10/1	03/02/04
Transportation Revenue Bonds, Series 2007.....	4.000 - 5.000%	4/1; 10/1	09/05/07
Transportation Revenue Bonds, Series 2008A.....	4.010% (a)	Monthly	04/25/08
Transportation Revenue Bonds, Series 2008B.....	4.010% (a)	Monthly	05/14/08
Better Jacksonville Sales Tax Revenue Bonds, Series 2008.....	4.000 - 5.000%	4/1; 10/1	09/16/08
Special Revenue Bonds, Series 2009B-1A.....	2.000 - 5.000%	4/1; 10/1	09/30/09
Special Revenue Bonds, Taxable Series 2009B-1B (Direct Pay Build America Bonds).....	6.259%	4/1; 10/1	09/30/09
Total			
TOTAL GENERAL AND SPECIAL OBLIGATION BONDS.....			

* Indicates individual bond series that were issued in support of both Special Obligation Bond activities and Enterprise Fund activities.
The par amount of bonds allocated to the Enterprise Fund activities was determined proprata based on the project funding at the time of closing.

(a) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes.

- | | |
|--|---|
| (1) Total authorization of \$19,850,000 | (8) Total authorization of \$23,730,000 |
| (2) Total authorization of \$65,640,000 | (9) Total authorization of \$750,000,000 |
| (3) Total authorization of \$75,890,000 | (10) Total authorization of \$1,500,000,000 |
| (4) Total authorization of \$70,000,000 | (11) Total authorization of \$300,000,000 |
| (5) Total authorization of \$147,000,000 | (12) Total authorization of \$130,000,000 |
| (6) Total authorization of \$ | (13) Total authorization of \$275,785,811 |
| (7) Total authorization of \$29,010,000 | |

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/20	\$ 43,605	\$ 43,605	\$ 36,060	\$ 7,545
10/01/09	7,580 (1)	7,580	5,845	1,735
10/01/18	65,640 (2)	47,682	44,994	2,688
10/01/19	75,890 (3)	75,834	74,439	1,395
10/01/18	127,000	103,725	22,530	81,195
10/01/09	49,000	42,485	42,485	0
10/01/32	49,000	46,735	3,600	43,135
10/01/13	65,000	56,685	31,365	25,320
10/01/32	125,000	115,265	12,935	102,330
10/01/26	90,300	68,475	10,705	57,770
10/01/18	70,000	63,060	15,285	47,775
10/01/23	18,745	18,745	1,180	17,565
10/01/11	70,000 (4)	17,535	14,255	3,280
10/01/20	n/a (4)	34,540	2,005	32,535
10/01/32	147,000 (5)	42,820	0	42,820
10/01/23	n/a (5)	36,540	0	36,540
10/01/23	n/a (5)	9,255	0	9,255
10/01/23	n/a (5)	23,555	0	23,555
10/01/32	n/a (5)	42,245	950	41,295
10/01/34	67,285 (6a)	67,035	324	66,711
10/01/34	67,285 (6b)	67,035	324	66,711
10/01/34	n/a (5)	39,585	0	39,585
10/01/19	29,010 (7)	18,535	0	18,535
10/01/16	23,730 (8)	2,275	0	2,275
	<u>\$ 1,191,070</u>	<u>\$ 1,090,831</u>	<u>\$ 319,281</u>	<u>\$ 771,550</u>
10/01/31	\$ 550,000 (9)	\$ 179,280	\$ 14,980	\$ 164,300
10/01/30	958,000 (10)	163,956	21,459	142,497
10/01/30	n/a (10)	158,416	18,788	139,628
10/01/30	n/a (10)	164,200	16,057	148,143
10/01/37	n/a (9)	100,675	2,640	98,035
10/01/32	n/a (9)	154,535	0	154,535
10/01/27	n/a (9)	121,740	4,170	117,570
10/01/30	n/a (10)	105,470	0	105,470
10/01/25	300,000 (11)	52,090	0	52,090
10/01/30	n/a (11)	55,925	0	55,925
	<u>\$ 1,808,000</u>	<u>\$ 1,256,287</u>	<u>\$ 78,094</u>	<u>\$ 1,178,193</u>
	<u>\$ 2,999,070</u>	<u>\$ 2,347,118</u>	<u>\$ 397,375</u>	<u>\$ 1,949,743</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)
SEPTEMBER 30, 2009

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
PAYABLE FROM ENTERPRISE FUNDS:			
* Excise Taxes Revenue Refunding Bonds, Series 1995A.....	5.000 - 5.125%	4/1; 10/1	01/04/96
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	4.700 - 5.500%	4/1; 10/1	02/28/96
* Sales Tax Revenue Bonds, Series 1996.....	5.125%	4/1; 10/1	01/07/97
Capital Improvement Revenue Bonds, Series 1997.....	4.900 - 5.250%	4/1; 10/1	03/11/97
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	4.400 - 5.000%	4/1; 10/1	08/26/98
* Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	4.000 - 5.000%	4/1; 10/1	03/09/99
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	4.875 - 5.750%	4/1; 10/1	09/23/99
* Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	4.200 - 5.500%	4/1; 10/1	06/05/01
Capital Improvement Revenue Bonds, Series 2002A.....	3.250 - 5.000%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	3.250 - 5.250%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	3.250 - 5.250%	4/1; 10/1	09/09/02
* Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	3.000 - 5.250%	4/1; 10/1	02/19/03
* Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	5.000%	4/1; 10/1	07/03/03
* Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	2.300 - 4.625%	4/1; 10/1	03/02/04
* Excise Taxes Revenue Bonds, Series 2005A.....	3.500 - 5.000%	4/1; 10/1	10/10/05
* Capital Project Revenue Bonds, Series 2008A.....	4.530% (a)	Monthly	07/01/08
* Capital Project Revenue Bonds, Series 2008B.....	4.530% (a)	Monthly	07/01/08
* Excise Taxes Revenue Refunding Bonds, Series 2009B.....	2.500 - 5.000%	4/1; 10/1	09/30/09
* Excise Taxes Revenue Refunding Bonds, Series 2009C (AMT).....	2.500 - 5.000%	4/1; 10/1	09/30/09
Total			
PAYABLE FROM GENERAL REVENUE:			
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	4.570 - 5.190%	2/1; 8/1	02/01/95
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	6.780 - 6.880%	2/1; 8/1	12/18/96
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	6.780 - 7.030%	2/1; 8/1	11/20/96
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	6.780 - 7.080%	2/1; 8/1	02/19/97
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	6.780%	2/1; 8/1	04/02/97
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	6.780 - 7.080%	2/1; 8/1	10/28/97
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	6.780 - 7.030%	2/1; 8/1	10/28/97
Total			
NOTES PAYABLE FROM OTHER SPECIFIC REVENUE			
SOURCES OTHER THAN AD VALOREM TAXES:			
State Infrastructure Bank Loan #1.....	2.000%	10/1	07/28/05
State Infrastructure Bank Loan #2.....	2.500%	10/1	03/13/07
Total			
NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES			
OTHER THAN AD VALOREM TAXES:			
Special Revenue Bonds, Series 2008.....	3.500 - 5.625%	4/1; 10/1	09/24/08
Special Revenue Bonds, Series 2009A.....	5.120% (a)	4/1; 10/1	09/15/09
Commercial Paper.....	4.310% (a)	Monthly	11/04/04
Total			
TOTAL BONDED INDEBTEDNESS.....			

* Indicates individual bond series that were issued in support of both Special Obligation Bond activities and Enterprise Fund activities. The par amount of bonds allocated to the Enterprise Fund activities was determined pro rata based on the project funding at the time of closing.

- (a) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes.
- | | |
|--|--|
| (1) Total authorization of \$19,850,000 | (7) Total authorization of \$23,730,000 |
| (2) Total authorization of \$65,640,000 | (8) Total authorization of \$750,000,000 |
| (3) Total authorization of \$75,890,000 | (9) Total authorization of \$1,500,000,000 |
| (4) Total authorization of \$70,000,000 | (10) Total authorization of \$300,000,000 |
| (5) Total authorization of \$147,000,000 | (11) Total authorization of \$130,000,000 |
| (6) Total authorization of \$29,010,000 | (12) Total authorization of \$275,785,811 |

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/09	n/a (1)	\$ 12,270	\$ 9,170	\$ 3,100
10/01/16	19,965	19,965	18,735	1,230
10/01/18	n/a (2)	17,958	16,946	1,012
10/01/25	8,285	8,285	2,035	6,250
10/01/25	37,310	37,310	2,335	34,975
10/01/19	n/a (3)	56	41	15
10/01/16	40,835	40,835	38,370	2,465
10/01/30	n/a (10)	54,474	7,151	47,323
10/01/30	130,000 (12)	54,135	1,660	52,475
10/01/19	n/a (12)	42,170	7,345	34,825
10/01/25	n/a (12)	26,920	2,465	24,455
10/01/30	n/a (10)	52,634	6,252	46,382
10/01/11	n/a (4)	9,530	5,785	3,745
10/01/30	n/a (10)	54,555	5,348	49,207
10/01/32	n/a (5)	2,000	0	2,000
10/01/34	n/a (6a)	250	1	249
10/01/34	n/a (6b)	250	1	249
10/01/19	n/a (7)	10,475	0	10,475
10/01/16	n/a (8)	21,455	0	21,455
	<u>\$ 236,395</u>	<u>\$ 465,527</u>	<u>\$ 123,640</u>	<u>\$ 341,887</u>
08/01/14	\$ 3,845	\$ 3,845	\$ 1,600	\$ 2,245
08/01/12	1,065	1,065	825	240
08/01/15	2,850	2,850	1,215	1,635
08/01/16	1,700	1,700	945	755
08/01/10	700	700	605	95
08/01/16	775	775	280	495
08/01/15	550	550	225	325
	<u>\$ 11,485</u>	<u>\$ 11,485</u>	<u>\$ 5,695</u>	<u>\$ 5,790</u>
10/01/14	\$ 40,000	\$ 29,942	\$ 8,681	\$ 21,260
10/01/21	<u>50,000</u>	<u>46,779</u>	<u>7,321</u>	<u>39,458</u>
	<u>\$ 90,000</u>	<u>\$ 76,721</u>	<u>\$ 16,002</u>	<u>\$ 60,719</u>
10/01/33	\$ 306,217 (13)	\$ 54,215	\$ 0	\$ 54,215
10/01/21	n/a (13)	28,613	0	28,613
12/31/34	<u>150,000</u>	<u>122,705</u>	<u>48,890</u>	<u>73,815</u>
	<u>\$ 456,217</u>	<u>\$ 205,533</u>	<u>\$ 48,890</u>	<u>\$ 156,643</u>
	<u>\$ 3,793,167</u>	<u>\$ 3,106,384</u>	<u>\$ 591,602</u>	<u>\$ 2,514,782</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS
COMPARED TO CASH IN SINKING FUND
LONG-TERM OBLIGATIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<u>PRINCIPAL OUTSTANDING</u>	<u>TOTAL INTEREST TO MATURITY</u>
Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Taxes:		
Excise Taxes Revenue Bonds, Series 1993.....	\$ 7,545,140	\$ 18,784,859
* Excise Taxes Revenue Refunding Bonds, Series 1995A.....	1,735,000	43,375
* Sales Taxes Revenue Bonds, Series 1996.....	2,687,717	1,110,340
* Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	1,395,008	444,790
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	81,195,000	21,351,907
Excise Taxes Revenue Bonds, Series 2001B.....	43,135,000	31,375,428
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	25,320,000	2,907,812
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	102,330,000	73,947,469
Excise Taxes Revenue Bonds, Series 2002B.....	57,770,000	28,617,866
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	47,775,000	15,054,041
Excise Taxes Revenue Bonds, Series 2003A.....	17,565,000	5,980,720
* Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	3,280,000	82,000
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	32,535,000	16,482,744
* Excise Taxes Revenue Bonds, Series 2005A.....	42,820,000	31,893,262
Excise Taxes Revenue Refunding Bonds, Series 2006A.....	36,540,000	27,103,597
Excise Taxes Revenue Refunding Bonds, Series 2006B (AMT).....	9,255,000	1,687,719
Excise Taxes Revenue Bonds, Taxable Series 2006C.....	23,555,000	8,251,015
Excise Taxes Revenue Bonds, Series 2007.....	41,295,000	27,794,625
* Capital Project Revenue Bonds, Series 2008A.....	66,711,208	45,905,322
* Capital Project Revenue Bonds, Series 2008B.....	66,711,208	45,905,322
Excise Taxes Revenue Bonds, Series 2009A.....	39,585,000	27,206,876
* Excise Taxes Revenue Refunding Bonds, Series 2009B.....	18,535,000	5,196,297
* Excise Taxes Revenue Refunding Bonds, Series 2009C (AMT).....	2,275,000	290,990
Total.....	<u>\$ 771,550,280</u>	<u>\$ 437,418,377</u>
Special Obligation Bonds Payable from Other Specific Revenue Source other than Ad Valorem Taxes:		
Transportation Revenue Bonds, Series 2001.....	\$ 164,300,000	\$ 150,942,813
* Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	142,497,058	102,587,964
* Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	139,628,373	93,734,852
* Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	148,142,598	84,567,960
Transportation Revenue Bonds, Series 2007.....	98,035,000	87,576,100
Transportation Revenue Bonds, Series 2008A.....	154,535,000	99,117,378
Transportation Revenue Bonds, Series 2008B.....	117,570,000	43,199,467
Better Jacksonville Sales Tax Revenue Bonds, Series 2008.....	105,470,000	66,987,563
Special Revenue Bonds, Series 2009B-1A.....	52,090,000	29,134,372
Special Revenue Bonds, Taxable Series 2009B-1B (Direct Pay Build America Bonds)...	55,925,000	43,410,718
Total.....	<u>\$ 1,178,193,029</u>	<u>\$ 801,259,186</u>

<u>TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY</u>	<u>CASH IN SINKING FUND</u>	<u>CASH IN DEBT SERVICE RESERVE FUND</u>	<u>NET DEBT</u>
		9,264,451.41	
\$ 26,329,999	\$ 530,417	\$ 155,813	\$ 25,643,769
1,778,375	763,280	35,829	979,266
3,798,057	50,667	374	3,747,016
1,839,798	1,878,328	28,808	(67,338)
102,546,907	10,130,685	0	92,416,222
74,510,428	2,230,062	890,771	71,389,596
28,227,812	6,953,672	522,877	20,751,263
176,277,469	4,972,353	0	171,305,116
86,387,866	3,666,365	1,192,995	81,528,507
62,829,041	3,941,669	0	58,887,372
23,545,720	1,268,727	362,731	21,914,262
3,362,000	2,270,100	67,735	1,024,165
49,017,744	1,162,207	671,873	47,183,664
74,713,262	1,959,881	884,266	71,869,115
63,643,597	854,768	754,579	62,034,250
10,942,719	181,708	191,123	10,569,888
31,806,015	842,025	486,429	30,477,562
69,089,625	1,986,029	852,773	66,250,823
112,616,530	1,725,888	0	110,890,642
112,616,530	1,725,888	0	110,890,642
66,791,876	310,576	817,460	65,663,840
23,731,297	147,414	382,762	23,201,122
2,565,990	14,330	46,980	2,504,680
<u>\$ 1,208,968,657</u>	<u>\$ 49,567,037</u>	<u>\$ 8,346,177</u>	<u>\$ 1,151,055,444</u>
\$ 315,242,813	\$ 3,797,897	\$ 14,187,866	\$ 297,257,049
245,085,021	7,319,568	10,855,741	226,909,711
233,363,225	7,100,020	10,637,199	215,626,006
232,710,558	7,053,879	11,285,831	214,370,847
185,611,100	3,537,739	8,465,657	173,607,704
253,652,378	2,820,777	0	250,831,601
160,769,467	4,109,466	0	156,660,001
172,457,563	5,324,082	8,034,938	159,098,542
81,224,372	191,363	5,182,515	75,850,495
99,335,718	179,415	5,564,065	93,592,239
<u>\$ 1,979,452,214</u>	<u>\$ 41,434,207</u>	<u>\$ 74,213,812</u>	<u>\$ 1,863,804,195</u>

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS
COMPARED TO CASH IN SINKING FUND
LONG-TERM OBLIGATIONS
FOR THE FISCAL YEAR ENDED**

	<u>PRINCIPAL OUTSTANDING</u>	<u>TOTAL INTEREST TO MATURITY</u>
Payable from Enterprise Funds:		
* Excise Taxes Revenue Refunding Bonds, Series 1995A.....	\$ 3,100,000	\$ 77,500
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	1,230,000	290,753
* Sales Taxes Revenue Bonds, Series 1996.....	1,012,283	418,191
Capital Improvement Revenue Bonds, Series 1997.....	6,250,000	3,179,896
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	34,975,000	22,213,034
* Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	14,992	4,780
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	2,465,000	657,440
* Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	47,322,942	32,605,888
Capital Improvement Revenue Bonds, Series 2002A.....	52,475,000	49,575,536
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	34,825,000	10,956,263
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	24,455,000	11,624,991
* Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	46,381,627	31,143,298
* Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	3,745,000	286,375
* Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	49,207,402	28,097,597
* Excise Taxes Revenue Bonds, Series 2005A.....	2,000,000	1,735,906
* Capital Project Revenue Bonds, Series 2008A.....	248,792	69,738
* Capital Project Revenue Bonds, Series 2008B.....	248,792	69,738
* Excise Taxes Revenue Refunding Bonds, Series 2009B.....	10,475,000	2,197,166
* Excise Taxes Revenue Refunding Bonds, Series 2009C (AMT).....	21,455,000	3,505,514
Total.....	<u>\$ 341,886,831</u>	<u>\$ 198,709,603</u>
Other Long - Term Obligations:		
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	\$ 2,245,000	\$ 352,992
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	240,000	32,864
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	1,635,000	418,501
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	755,000	231,059
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associaties).....	95,000	6,441
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	495,000	147,443
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	325,000	84,866
Total.....	<u>\$ 5,790,000</u>	<u>\$ 1,274,166</u>
Notes Payable from Other Specific Revenue Source other than Ad Valorem Taxes:		
State Infrastructure Bank Loan.....	\$ 21,260,447	\$ 2,332,420
State Infrastructure Bank Loan.....	39,458,379	6,520,392
Total.....	<u>\$ 60,718,827</u>	<u>\$ 8,852,812</u>
Bonds and Notes Payable from Internal Service Operations:		
Special Revenue Bonds, Series 2008.....	\$ 54,215,000	\$ 28,640,193
Special Revenue Bonds, Series 2009A.....	28,613,000	10,550,436
Commercial Paper.....	73,815,000	4,485,094
Total.....	<u>\$ 156,643,000</u>	<u>\$ 43,675,723</u>
Grand Total.....	<u>\$ 2,514,781,967</u>	<u>\$ 1,491,189,867</u>

* Indicates individual bond series that were issued in support of both Special Obligation Bond activities and Enterprise Fund activities.
The par amount of bonds allocated to the Enterprise Fund activities was determined proprata based on the project funding at the time of closing.

<u>TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY</u>	<u>CASH IN SINKING FUND</u>	<u>CASH IN DEBT SERVICE RESERVE FUND</u>	<u>NET DEBT</u>
\$ 3,177,500	\$ 1,363,785	\$ 64,017	\$ 1,749,697
1,520,753	1,536,234	25,400	(40,882)
1,430,474	19,083	141	1,411,250
9,429,896	3,970	0	9,425,926
57,188,034	9,691	0	57,178,343
19,772	1,878,328	310	(1,858,865)
3,122,440	3,154,188	50,904	(82,653)
79,928,830	2,386,868	3,605,167	73,936,796
102,050,536	21,575	5,667,960	96,361,001
45,781,263	27,529	0	45,753,733
36,079,991	14,507	0	36,065,484
77,524,925	2,323,118	3,533,455	71,668,351
4,031,375	913,155	77,337	3,040,883
77,304,999	2,305,874	3,748,729	71,250,396
3,735,906	75,257	41,302	3,619,348
318,530	8,452	0	310,079
318,530	8,452	0	310,079
12,672,166	0	216,317	12,455,850
24,960,514	0	443,062	24,517,452
<u>\$ 540,596,435</u>	<u>\$ 16,050,067</u>	<u>\$ 17,474,101</u>	<u>\$ 507,072,266</u>
\$ 2,597,992	\$ 83,126	\$ 0	\$ 2,514,866
272,864	16,172	0	256,692
2,053,501	55,037	0	1,998,464
986,059	20,543	0	965,516
101,441	17,019	0	84,422
642,443	14,991	0	627,452
409,866	45,448	0	364,418
<u>\$ 7,064,166</u>	<u>\$ 252,336</u>	<u>\$ 0</u>	<u>\$ 6,811,830</u>
\$ 23,592,867	\$ 2,469,186	\$ 0	\$ 21,123,681
45,978,772	4,040,725	0	41,938,046
<u>\$ 69,571,639</u>	<u>\$ 6,509,912</u>	<u>\$ 0</u>	<u>\$ 63,061,727</u>
\$ 82,855,193	\$ 1,766,316	\$ 4,386,392	\$ 76,702,486
39,163,436	0	0	39,163,436
78,300,094	19,526,453	0	58,773,641
<u>\$ 200,318,723</u>	<u>\$ 21,292,769</u>	<u>\$ 4,386,392</u>	<u>\$ 174,639,563</u>
<u>\$ 4,005,971,834</u>	<u>\$ 135,106,328</u>	<u>\$ 104,420,481</u>	<u>\$ 3,766,445,025</u>

**To Refund a Portion
of Excise Taxes Revenue
Refunding Bonds, Series 1998A
and Series 1991**

**To Refund a Portion
of Sales Tax Revenue Bonds,
Series 1995 and 1996**

**To Fund a Redevelopment
Agreement for the
Riverfront Development
of the Jacksonville Shipyards**

**To Refund Excise
Taxes Revenue Refunding
Bonds, Series 1992 and
Animal Care and Control Facility**

**Excise Taxes Revenue
Refunding and
Capital Improvement
Bonds, Series 1999A**

**Local Government Sales Tax
Refunding Revenue Bonds,
Series 2001**

**Excise Taxes Revenue
Bonds, Series 2001B**

**Excise Taxes Revenue
Refunding and Improvement
Bonds, Series 2002A**

<u>Principal</u>		<u>Interest</u>		<u>Principal</u>		<u>Interest</u>		<u>Principal</u>		<u>Interest</u>	
\$ 1,395,008	\$ 444,790	\$ 7,905,000	\$ 4,087,001	\$ 995,000	\$ 2,134,674	\$ 6,155,000	\$ 1,199,481				
		8,230,000	3,751,130	1,035,000	2,091,277	6,465,000	868,206				
		8,580,000	3,342,350	1,080,000	2,045,265	6,805,000	511,362				
		9,050,000	2,857,525	1,130,000	1,996,080	2,865,000	245,438				
		9,545,000	2,346,162	1,180,000	1,943,515	3,030,000	83,325				
		10,075,000	1,806,613	1,235,000	1,887,353						
		6,405,000	1,353,413	1,290,000	1,827,370						
		6,760,000	991,375	1,355,000	1,763,212						
		7,125,000	609,538	1,420,000	1,694,515						
		7,520,000	206,800	1,490,000	1,621,765						
				1,565,000	1,544,608						
				1,645,000	1,462,547						
				1,730,000	1,376,062						
				1,815,000	1,285,222						
				1,910,000	1,189,769						
				2,010,000	1,089,319						
				2,110,000	983,744						
				2,220,000	872,787						
				2,335,000	756,066						
				2,450,000	633,450						
				2,580,000	504,556						
				2,710,000	369,000						
				2,850,000	226,525						
				2,995,000	76,747						
<u>\$ 1,395,008</u>	<u>\$ 444,790</u>	<u>\$ 81,195,000</u>	<u>\$ 21,351,907</u>	<u>\$ 43,135,000</u>	<u>\$ 31,375,428</u>	<u>\$ 25,320,000</u>	<u>\$ 2,907,812</u>				

1395008

4.000% - 5.000%

4.125% - 5.500%

4.250% - 5.125%

5.250% - 5.500%

(continued)

To Fund City-Wide Capital Improvement Projects		To Partially Refund Excise Taxes Revenue Refunding Bonds, Series 1993A		To Refund Excise Taxes Revenue Bonds, Series 1993 (AMT)		To Fund City-Wide Capital Improvements and River City Marketplace Road and Utility Improvements	
Excise Taxes Revenue Bonds Series 2003A		Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B		Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT)		Excise Taxes Revenue Bonds Series 2005A	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 905,000	\$ 673,695	\$ 3,280,000	\$ 82,000	\$ 15,000	\$ 1,706,219	\$ 510,000	\$ 1,977,472
935,000	646,095			15,000	1,705,713	525,000	1,959,359
960,000	616,470			15,000	1,705,150	545,000	1,940,293
990,000	583,545			20,000	1,704,450	565,000	1,919,822
1,025,000	547,770			20,000	1,703,638	585,000	1,898,259
1,065,000	509,618			20,000	1,702,813	605,000	1,875,190
1,105,000	468,920			20,000	1,701,963	630,000	1,850,490
1,145,000	425,598			5,380,000	1,560,300	655,000	1,824,790
1,190,000	379,470			5,895,000	1,264,331	685,000	1,797,562
1,235,000	330,353			6,445,000	940,406	710,000	1,768,347
1,285,000	278,050			7,030,000	586,688	740,000	1,737,534
1,340,000	222,590			7,660,000	201,075	2,420,278	1,670,378
1,400,000	163,490					2,525,403	1,555,812
1,460,000	100,745					2,649,553	1,426,438
1,525,000	34,313					2,783,053	1,290,623
						2,921,553	1,157,108
						3,050,379	1,016,969
						3,203,229	860,629
						3,360,754	704,932
						2,398,279	574,364
						2,505,804	460,447
						2,622,680	341,851
						2,744,230	212,596
						2,879,805	71,995
<u>\$ 17,565,000</u>	<u>\$ 5,980,720</u>	<u>\$ 3,280,000</u>	<u>\$ 82,000</u>	<u>\$ 32,535,000</u>	<u>\$ 16,482,744</u>	<u>\$ 42,820,000</u>	<u>\$ 31,893,262</u>

3.000% - 4.500%

5.000%

3.250% - 5.250%

3.500% - 5.000%

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES
SEPTEMBER 30, 2009**

Fiscal Year	To Refund the Sunshine State Governmental Finance Commission Bonds, Series 1995A and various Capital Improvements		To Refund the Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT)		To Fund the Renovation of the Carling, Ed Ball and Laura Street Trio, and Dredging of Privately Owned Canals	
	Principal	Interest	Principal	Interest	Principal	Interest
2010		\$ 1,693,644		\$ 360,038		\$ 1,199,585
2011		1,693,644		360,038		1,199,585
2012	\$ 1,370,000	1,670,525	\$ 1,490,000	333,031	\$ 2,135,000	1,147,491
2013	1,420,000	1,622,556	1,830,000	271,713	2,240,000	1,039,733
2014	1,465,000	1,571,153	1,895,000	199,500	2,350,000	924,849
2015	1,520,000	1,516,100	1,975,000	122,100	2,470,000	803,138
2016	1,575,000	1,456,100	2,065,000	41,300	2,590,000	674,990
2017	0	1,424,600			2,725,000	539,574
2018	0	1,424,600			2,865,000	395,753
2019	0	1,424,600			3,010,000	243,584
2020	0	1,424,600			3,170,000	82,737
2021	1,660,000	1,383,100				
2022	1,740,000	1,298,100				
2023	1,830,000	1,208,850				
2024	1,920,000	1,115,100				
2025	2,015,000	1,016,725				
2026	2,115,000	913,475				
2027	2,225,000	810,538				
2028	2,325,000	708,163				
2029	2,430,000	601,175				
2030	2,535,000	483,125				
2031	2,665,000	353,125				
2032	2,795,000	216,625				
2033	2,935,000	73,375				
2034						
2035						
2036						
2037						
2038						
2039						
	<u>\$ 36,540,000</u>	<u>\$ 27,103,597</u>	<u>\$ 9,255,000</u>	<u>\$ 1,687,719</u>	<u>\$ 23,555,000</u>	<u>\$ 8,251,015</u>

Interest Rates: 3.375% - 5.000%

3.625% - 4.000%

4.880% - 5.220%
(Taxable)

**To Fund City-Wide
Capital Improvements**

**To Partially Refund the
Capital Projects Revenue Bonds,
Series 1997-1, 1997-2, 1997-3
and 2002-1**

**To Partially Refund the
Capital Projects Revenue Bonds,
Series 1997-1, 1997-2, 1997-3
and 2002-1**

**Excise Taxes
Revenue Bonds
Taxable Series 2007**

**Capital Projects
Revenue Refunding Bonds
Series 2008A**

**Capital Projects
Revenue Refunding Bonds
Series 2008B**

Principal		Interest		Principal		Interest		Principal		Interest	
\$ 1,015,000	\$ 1,880,563	\$ 1,323,643	\$ 2,970,865	\$ 1,323,643	\$ 2,970,865	\$ 1,323,643	\$ 2,970,865	\$ 1,323,643	\$ 2,970,865	\$ 2,970,865	\$ 2,970,865
1,060,000	1,836,525	1,399,780	2,907,630	1,399,780	2,907,630	1,399,780	2,907,630	1,399,780	2,907,630	2,907,630	2,907,630
1,105,000	1,793,225	1,713,609	2,838,815	1,713,609	2,838,815	1,713,609	2,838,815	1,713,609	2,838,815	2,838,815	2,838,815
1,145,000	1,751,088	1,300,151	2,770,546	1,300,151	2,770,546	1,300,151	2,770,546	1,300,151	2,770,546	2,770,546	2,770,546
1,190,000	1,707,250	1,613,981	2,698,498	1,613,981	2,698,498	1,613,981	2,698,498	1,613,981	2,698,498	2,698,498	2,698,498
1,235,000	1,658,750	1,688,702	2,622,171	1,688,702	2,622,171	1,688,702	2,622,171	1,688,702	2,622,171	2,622,171	2,622,171
1,285,000	1,608,350	1,773,386	2,548,997	1,773,386	2,548,997	1,773,386	2,548,997	1,773,386	2,548,997	2,548,997	2,548,997
1,335,000	1,555,950	2,067,290	2,449,355	2,067,290	2,449,355	2,067,290	2,449,355	2,067,290	2,449,355	2,449,355	2,449,355
1,390,000	1,501,450	1,952,718	2,360,347	1,952,718	2,360,347	1,952,718	2,360,347	1,952,718	2,360,347	2,360,347	2,360,347
1,445,000	1,444,750	1,843,126	2,276,329	1,843,126	2,276,329	1,843,126	2,276,329	1,843,126	2,276,329	2,276,329	2,276,329
1,505,000	1,385,750	2,142,012	2,186,234	2,142,012	2,186,234	2,142,012	2,186,234	2,142,012	2,186,234	2,186,234	2,186,234
1,560,000	1,316,650	2,241,640	2,078,956	2,241,640	2,078,956	2,241,640	2,078,956	2,241,640	2,078,956	2,078,956	2,078,956
1,640,000	1,236,650	2,356,213	1,972,497	2,356,213	1,972,497	2,356,213	1,972,497	2,356,213	1,972,497	1,972,497	1,972,497
1,720,000	1,152,650	2,630,191	1,854,203	2,630,191	1,854,203	2,630,191	1,854,203	2,630,191	1,854,203	1,854,203	1,854,203
1,810,000	1,064,400	2,585,358	1,741,495	2,585,358	1,741,495	2,585,358	1,741,495	2,585,358	1,741,495	1,741,495	1,741,495
1,900,000	971,650	2,565,432	1,620,305	2,565,432	1,620,305	2,565,432	1,620,305	2,565,432	1,620,305	1,620,305	1,620,305
1,995,000	874,275	2,844,392	1,492,313	2,844,392	1,492,313	2,844,392	1,492,313	2,844,392	1,492,313	1,492,313	1,492,313
2,095,000	772,025	2,978,891	1,357,681	2,978,891	1,357,681	2,978,891	1,357,681	2,978,891	1,357,681	1,357,681	1,357,681
2,200,000	664,650	3,123,352	1,219,839	3,123,352	1,219,839	3,123,352	1,219,839	3,123,352	1,219,839	1,219,839	1,219,839
2,310,000	557,675	3,367,441	1,064,684	3,367,441	1,064,684	3,367,441	1,064,684	3,367,441	1,064,684	1,064,684	1,064,684
2,410,000	451,475	3,347,516	912,756	3,347,516	912,756	3,347,516	912,756	3,347,516	912,756	912,756	912,756
2,520,000	334,250	3,601,568	750,323	3,601,568	750,323	3,601,568	750,323	3,601,568	750,323	750,323	750,323
2,645,000	205,125	3,775,918	581,235	3,775,918	581,235	3,775,918	581,235	3,775,918	581,235	581,235	581,235
2,780,000	69,500	3,960,231	400,721	3,960,231	400,721	3,960,231	400,721	3,960,231	400,721	400,721	400,721
		4,169,450	212,360	4,169,450	212,360	4,169,450	212,360	4,169,450	212,360	212,360	212,360
		4,345,216	16,169	4,345,216	16,169	4,345,216	16,169	4,345,216	16,169	16,169	16,169
\$ 41,295,000		\$ 27,794,625		\$ 66,711,208		\$ 45,905,322		\$ 66,711,208		\$ 45,905,322	

3.500% - 5.000%

Variable Rate
Assumed at 4.53%

Variable Rate
Assumed at 4.53%

(continued)

**Total
Principal
and Interest**

\$ 69,292,585
69,263,681
74,605,589
70,799,927
71,340,244
68,344,135
68,247,310
64,905,296
64,455,282
64,244,045
48,198,305
46,066,641
38,215,817
38,479,008
38,162,564
36,307,230
36,567,549
34,430,133
31,670,797
30,727,535
30,351,219
30,522,350
30,508,563
30,491,382
11,377,577
11,393,896

\$ 1,208,968,657

(continued)

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN
SEPTEMBER 30, 2009

Purpose:	Better Jacksonville Transportation Projects		Better Jacksonville Infrastructure Projects		Better Jacksonville Infrastructure Projects	
	Transportation Revenue Bonds Series 2001		Better Jacksonville Sales Tax Revenue Bonds Series 2001		Better Jacksonville Sales Tax Revenue Bonds Series 2003	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2010		\$ 8,337,740	\$ 3,394,102	\$ 7,189,275	\$ 3,617,930	\$ 6,648,002
2011		8,337,740	3,531,618	7,035,499	3,719,270	6,533,245
2012	\$ 9,080,000	8,120,129	3,681,740	6,867,525	3,839,368	6,405,618
2013		7,902,519	3,865,639	6,669,177	3,974,477	6,263,908
2014		7,902,519	4,079,563	6,450,684	4,120,846	6,111,090
2015		7,902,519	4,304,746	6,220,115	4,278,474	5,947,225
2016		7,902,519	4,541,188	5,976,852	4,451,114	5,744,813
2017		7,902,519	4,788,889	5,721,213	4,683,803	5,505,022
2018		7,902,519	5,051,602	5,451,538	4,927,751	5,252,718
2019		7,902,519	5,329,328	5,166,062	5,186,712	5,001,020
2020		7,902,519	5,622,065	4,873,332	5,434,413	4,736,022
2021		7,902,519	5,914,803	4,573,374	5,719,644	4,443,228
2022	3,415,000	7,815,009	6,222,553	4,264,025	6,016,135	4,135,164
2023	3,625,000	7,636,875	6,534,056	3,945,110	6,335,144	3,818,862
2024	10,980,000	7,271,750	6,860,571	3,610,244	6,650,400	3,495,997
2025	11,520,000	6,709,250	7,205,851	3,258,584	6,980,668	3,156,993
2026	12,090,000	6,119,000	7,566,144	2,889,284	7,329,702	2,799,537
2027	12,685,000	5,499,625	7,941,449	2,501,594	7,693,748	2,424,670
2028	13,315,000	4,832,981	8,339,272	2,094,576	8,076,558	2,031,177
2029	20,260,000	3,951,638	8,755,860	1,667,198	8,481,887	1,617,564
2030	21,325,000	2,860,031	9,194,967	1,218,427	8,905,982	1,182,867
2031	22,440,000	1,739,250	19,771,056	4,944,276	19,204,344	480,109
2032	23,565,000	589,125				
2033						
2034						
2035						
2036						
2037						
2038						
2039						
	<u>\$ 164,300,000</u>	<u>\$ 150,942,813</u>	<u>\$ 142,497,058</u>	<u>\$ 102,587,964</u>	<u>\$ 139,628,373</u>	<u>\$ 93,734,852</u>

Interest Rates: 4.100% - 5.500%

4.200% - 5.500%

3.000% - 5.250%

Better Jacksonville Infrastructure Projects		Better Jacksonville Transportation Projects		To Refund the Transportation Revenue Bonds, Series 2003A & Series 2003B (Auction Rate Securities)	
Better Jacksonville Sales Tax Revenue Bonds Series 2004		Transportation Revenue Bonds Series 2007		Transportation Revenue Bonds Series 2008A	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 4,262,014	\$ 5,937,203	\$ 3,020,000	\$ 4,746,600		\$ 6,192,612
4,349,782	5,833,784	3,170,000	4,607,700		6,192,612
4,462,374	5,718,054	3,300,000	4,461,800	\$ 2,700,000	6,109,979
4,582,471	5,587,959	3,465,000	4,310,000		6,084,416
4,721,334	5,442,501	3,600,000	4,150,700	1,350,000	6,034,765
4,875,209	5,283,510	3,780,000	3,966,200	11,250,000	5,616,555
5,036,590	5,113,100	3,970,000	3,772,450	11,875,000	5,156,735
5,216,736	4,930,407	4,170,000	3,568,950	11,450,000	4,682,522
5,408,142	4,727,691		3,464,700		4,644,810
5,622,065	4,507,086		3,464,700		4,644,810
5,847,248	4,277,700		3,464,700		4,657,535
6,079,937	4,039,156		3,464,700		4,644,810
6,327,638	3,787,050		3,464,700		4,644,810
6,582,845	3,516,657		3,464,700		4,644,810
6,864,324	3,230,905		3,464,700		4,657,535
7,153,309	2,924,088		3,464,700	10,460,000	4,260,102
7,476,071	2,590,255		3,464,700	11,005,000	3,820,899
7,825,104	2,236,415	4,375,000	3,355,325	11,560,000	3,359,488
8,189,150	1,866,086	4,595,000	3,131,075	12,155,000	2,882,131
8,564,455	1,484,011	4,825,000	2,895,575	12,770,000	2,364,665
8,947,265	1,089,998	5,065,000	2,648,325	13,430,000	1,828,664
19,748,536	444,342	5,320,000	2,395,350	14,110,000	1,265,480
		5,575,000	2,129,625	14,830,000	675,287
		5,850,000	1,844,000	15,590,000	51,348
		6,145,000	1,544,125		
		6,450,000	1,229,250		
		6,775,000	898,625		
		7,115,000	551,375		
		7,470,000	186,750		
<u>\$ 148,142,598</u>	<u>\$ 84,567,960</u>	<u>\$ 98,035,000</u>	<u>\$ 87,576,100</u>	<u>\$ 154,535,000</u>	<u>\$ 99,117,378</u>

2.300% - 4.625%

4.000% - 5.000%

Variable Rate
Assumed at 4.01%

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN
SEPTEMBER 30, 2009**

Fiscal Year	To Refund the Transportation Revenue Bonds, Series 2003 & Series 2004A (Auction Rate Securities)		Better Jacksonville Infrastructure Projects		Better Jacksonville Road and Infrastructure Projects	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 4,475,000	\$ 4,546,744	\$ 2,665,000	\$ 5,033,100		\$ 2,426,741
2011	4,535,000	4,365,213	2,985,000	4,920,100	\$ 1,000,000	2,420,019
2012	5,160,000	4,171,849	3,105,000	4,798,300	1,500,000	2,400,019
2013	4,680,000	3,971,377	3,230,000	4,671,600	1,875,000	2,355,019
2014	5,615,000	3,749,449	3,355,000	4,539,900	1,950,000	2,272,519
2015	5,695,000	3,521,499	3,490,000	4,385,550	2,050,000	2,175,019
2016	5,955,000	3,292,666	3,665,000	4,206,675	2,155,000	2,074,419
2017	8,915,000	2,936,226	3,850,000	4,018,800	2,240,000	1,988,219
2018	8,990,000	2,576,221	4,040,000	3,821,550	2,305,000	1,921,019
2019	9,285,000	2,205,118	4,245,000	3,614,425	2,420,000	1,805,769
2020	9,310,000	1,837,061	4,455,000	3,396,925	2,545,000	1,684,769
2021	9,730,000	1,443,603	4,680,000	3,168,550	2,640,000	1,582,969
2022	4,430,000	1,248,625	4,915,000	2,928,675	4,600,000	1,450,969
2023	4,695,000	1,061,357	5,160,000	2,676,800	7,005,000	1,220,969
2024	4,780,000	872,431	5,415,000	2,412,425	7,980,000	871,469
2025	4,965,000	671,740	5,685,000	2,134,925	9,825,000	484,469
2026	5,210,000	463,768	5,970,000	1,843,550		
2027	5,460,000	245,796	6,270,000	1,537,550		
2028	5,685,000	18,724	6,585,000	1,224,406		
2029			6,895,000	904,256		
2030			7,225,000	559,875		
2031			7,585,000	189,625		
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
	<u>\$ 117,570,000</u>	<u>\$ 43,199,467</u>	<u>\$ 105,470,000</u>	<u>\$ 66,987,563</u>	<u>\$ 52,090,000</u>	<u>\$ 29,134,372</u>

Interest Rates: Variable Rate Assumed at 4.01% 4.000% - 5.000% 2.000% - 5.000%

Hedges Fixed at 3.455% and 4.010%

**Better Jacksonville
Road and Infrastructure
Projects**

**Special Revenue Bonds
Series 2009B-1B
(Direct Pay Build America Bonds)**

<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
	\$ 2,275,225	\$ 74,767,289
	2,275,225	75,811,806
	2,275,225	88,156,979
	2,275,225	75,763,786
	2,275,225	77,721,093
	2,275,225	87,016,845
	2,275,225	87,164,346
	2,275,225	88,843,530
	2,275,225	72,760,484
	2,275,225	72,674,839
	2,275,225	72,319,514
	2,275,225	72,302,518
	2,275,225	71,940,578
	2,275,225	74,198,410
	2,275,225	81,692,975
	2,275,225	93,134,904
\$ 10,310,000	2,275,225	93,223,134
10,730,000	1,855,778	97,556,541
11,170,000	1,419,244	97,610,381
11,620,000	964,809	98,021,917
12,095,000	492,067	98,068,468
		119,637,368
		47,364,037
		23,335,348
		7,689,125
		7,679,250
		7,673,625
		7,666,375
		7,656,750
<u>\$ 55,925,000</u>	<u>\$ 43,410,718</u>	<u>\$ 1,979,452,214</u>

2.000% - 5.000%
(Taxable)

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
PAYABLE FROM ENTERPRISE FUNDS
SEPTEMBER 30, 2009**

Purpose	To Refund Parking and Excise Taxes Revenue Refunding Bonds, Series 1987		To Partially Refund Excise Taxes Revenue Bonds, Series 1991A		River City Renaissance Projects	
	Excise Taxes Revenue Refunding Bonds, Series 1995A		Excise Taxes Revenue Refunding Bonds, Series 1996A		Sales Tax Revenue Bonds, Series 1996	
	Principal	Interest	Principal	Interest	Principal	Interest
Fiscal Year						
2010	\$ 3,100,000	\$ 77,500	\$ 1,230,000	\$ 290,753		\$ 51,880
2011						51,880
2012						51,880
2013						51,880
2014						51,880
2015						51,880
2016					\$ 235,287	45,850
2017					246,231	33,511
2018					258,543	20,577
2019					272,222	6,976
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035	<u>\$ 3,100,000</u>	<u>\$ 77,500</u>	<u>\$ 1,230,000</u>	<u>\$ 290,753</u>	<u>\$ 1,012,283</u>	<u>\$ 418,191</u>

Interest Rates: 5.000% - 5.125%

4.800% - 5.000%

5.125%

Superstructure Renovation of the Jacksonville Municipal Stadium		To Refund a Portion of Capital Improvement Revenue Bonds, Series 1994		To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1998A and Series 1991		To Partially Refund Excise Taxes Revenue Bonds, Series 1991B and Construction of Trail Ridge Landfill	
Capital Improvement Revenue Bonds, Series 1997		Capital Improvement and Refunding Revenue Bonds, Series 1998		Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A		Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 240,000	\$ 319,962	\$ 195,000	\$ 1,658,793	\$ 14,992	\$ 4,780	\$ 2,465,000	\$ 657,440
250,000	307,833	205,000	1,649,890				
265,000	294,825	215,000	1,640,332				
275,000	280,986	225,000	1,630,100				
290,000	266,365	235,000	1,619,231				
305,000	250,819	245,000	1,607,525				
320,000	234,412	260,000	1,594,900				
340,000	217,087	270,000	1,581,650				
355,000	198,844	285,000	1,567,775				
375,000	179,681	300,000	1,553,150				
395,000	159,469	315,000	1,538,169				
415,000	138,206	5,035,000	1,411,106				
435,000	115,894	5,330,000	1,164,937				
460,000	92,400	5,640,000	904,400				
485,000	67,594	5,970,000	628,663				
510,000	41,475	5,640,000	352,925				
535,000	14,044	4,610,000	109,488				
<u>\$ 6,250,000</u>	<u>\$ 3,179,896</u>	<u>\$ 34,975,000</u>	<u>\$ 22,213,034</u>	<u>\$ 14,992</u>	<u>\$ 4,780</u>	<u>\$ 2,465,000</u>	<u>\$ 657,440</u>

4.400% - 5.000%

4.400% - 5.000%

5.000% - 5.750%

5.000% - 5.750%

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
PAYABLE FROM ENTERPRISE FUNDS
SEPTEMBER 30, 2009**

Purpose	Better Jacksonville Infrastructure Projects		Capital Improvements at Jacksonville Municipal Stadium		To Crossover Refund Capital Improvement Revenue Bonds, Series 1994	
	Better Jacksonville Sales Tax Revenue Bonds Series 2001		Capital Improvement Revenue Bonds, Series 2002A		Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,105,898	\$ 2,388,129	\$ 455,000	\$ 2,589,509	\$ 2,195,000	\$ 1,689,731
2011	1,173,382	2,337,549	395,000	2,575,203	2,310,000	1,596,313
2012	1,223,260	2,281,740	335,000	2,562,260	2,465,000	1,476,938
2013	1,284,361	2,215,838	290,000	2,550,865	2,630,000	1,349,563
2014	1,355,437	2,143,244	220,000	2,541,100	2,810,000	1,210,050
2015	1,430,254	2,066,637	155,000	2,533,600	3,005,000	1,057,406
2016	1,508,812	1,985,813	75,000	2,529,000	3,210,000	894,263
2017	1,591,111	1,900,877		2,527,500	3,685,000	717,875
2018	1,678,398	1,811,277		2,527,500	3,920,000	527,750
2019	1,770,672	1,716,428		2,527,500	4,165,000	325,625
2020	1,867,935	1,619,168		2,527,500	4,430,000	110,750
2021	1,965,197	1,519,506		2,527,500		
2022	2,067,447	1,416,725		2,527,500		
2023	2,170,944	1,310,765		2,527,500		
2024	2,279,429	1,199,506		2,527,500		
2025	2,394,149	1,082,666		2,527,500		
2026	2,513,856	959,966	945,000	2,503,875		
2027	2,638,551	831,156	8,975,000	2,255,875		
2028	2,770,728	695,924	9,425,000	1,795,875		
2029	2,909,140	553,927	9,900,000	1,312,750		
2030	3,055,033	404,823	10,395,000	805,375		
2031	6,568,944	164,224	10,910,000	272,750		
2032						
2033						
2034						
2035						
	<u>\$ 47,322,942</u>	<u>\$ 32,605,888</u>	<u>\$ 52,475,000</u>	<u>\$ 49,575,536</u>	<u>\$ 34,825,000</u>	<u>\$ 10,956,263</u>

Interest Rates: 3.250% - 5.000%

3.250% - 5.000%

3.250% - 5.250%

To Crossover Refund Capital Improvement Revenue Bonds, Series 1995		Better Jacksonville Infrastructure Projects		To Partially Refund Excise Taxes Revenue Refunding Bonds, Series 1993A		Better Jacksonville Infrastructure Projects	
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C		Better Jacksonville Sales Tax Revenue Bonds Series 2003		Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B		Better Jacksonville Sales Tax Revenue Bonds Series 2004	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 920,000	\$ 1,127,093	\$ 1,192,070	\$ 2,208,637	\$ 1,195,000	\$ 157,375	\$ 1,402,986	\$ 1,972,478
980,000	1,094,993	1,235,730	2,170,675	1,245,000	96,375	1,445,218	1,938,278
1,045,000	1,059,033	1,275,632	2,128,271	1,305,000	32,625	1,482,626	1,899,827
1,105,000	1,019,780	1,320,523	2,081,187			1,522,529	1,856,603
1,175,000	975,838	1,369,154	2,030,414			1,568,666	1,808,274
1,250,000	927,338	1,421,526	1,975,969			1,619,791	1,755,450
1,335,000	867,294	1,478,886	1,908,718			1,673,410	1,698,831
1,425,000	796,625	1,556,197	1,829,047			1,733,264	1,638,131
1,440,000	725,000	1,637,249	1,745,219			1,796,858	1,570,778
1,460,000	652,500	1,723,288	1,661,592			1,867,935	1,497,482
1,485,000	578,875	1,805,587	1,573,546			1,942,752	1,421,269
1,505,000	504,125	1,900,356	1,476,265			2,020,063	1,342,012
1,520,000	428,500	1,998,865	1,373,911			2,102,362	1,258,250
1,540,000	352,000	2,104,856	1,268,819			2,187,155	1,168,412
1,555,000	274,625	2,209,600	1,161,547			2,280,676	1,073,470
2,245,000	179,625	2,319,332	1,048,913			2,376,691	971,530
2,470,000	61,750	2,435,298	930,148			2,483,929	860,614
		2,556,253	805,598			2,599,896	743,050
		2,683,442	674,860			2,720,850	620,008
		2,818,113	537,437			2,845,545	493,064
		2,959,018	393,008			2,972,735	362,152
		6,380,656	159,516			6,561,464	147,633
<u>\$ 24,455,000</u>	<u>\$ 11,624,991</u>	<u>\$ 46,381,627</u>	<u>\$ 31,143,298</u>	<u>\$ 3,745,000</u>	<u>\$ 286,375</u>	<u>\$ 49,207,402</u>	<u>\$ 28,097,597</u>

3.250% - 5.250%

3.000% - 5.250%

5.000%

2.300% - 4.625%

(continued)

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
PAYABLE FROM ENTERPRISE FUNDS
SEPTEMBER 30, 2009

Purpose	To Fund City-Wide Capital Improvements and River City Marketplace Road and Utility Improvements		To Partially Refund the Capital Projects Revenue Bonds, Series 1997-1, 1997-2, 1997-3 and 2002-1		To Partially Refund the Capital Projects Revenue Bonds, Series 1997-1, 1997-2, 1997-3 and 2002-1	
	Excise Taxes Revenue Bonds Series 2005A		Capital Projects Revenue Refunding Bonds Series 2008A		Capital Projects Revenue Refunding Bonds Series 2008B	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2010		\$ 95,516	\$ 16,357	\$ 4,672	\$ 16,357	\$ 4,672
2011		95,516	5,220	4,546	5,220	4,546
2012		95,516	6,391	4,422	6,391	4,422
2013		95,516	4,849	4,320	4,849	4,320
2014		95,516	6,019	4,203	6,019	4,203
2015		95,516	6,298	4,078	6,298	4,078
2016		95,516	6,614	3,947	6,614	3,947
2017		95,516	7,710	3,796	7,710	3,796
2018		95,516	7,282	3,649	7,282	3,649
2019		95,516	6,874	3,511	6,874	3,511
2020		95,516	7,988	3,354	7,988	3,354
2021	\$ 114,722	93,078	8,360	3,189	8,360	3,189
2022	119,597	87,650	8,787	3,014	8,787	3,014
2023	125,447	81,524	9,809	2,821	9,809	2,821
2024	131,947	75,089	9,642	2,628	9,642	2,628
2025	138,447	68,792	9,568	2,436	9,568	2,436
2026	144,621	62,118	10,608	2,228	10,608	2,228
2027	151,771	54,708	11,109	2,007	11,109	2,007
2028	159,246	47,331	11,648	1,776	11,648	1,776
2029	166,721	39,383	12,559	1,528	12,559	1,528
2030	174,196	32,009	12,484	1,278	12,484	1,278
2031	182,320	23,764	13,432	1,013	13,432	1,013
2032	190,770	14,779	14,082	733	14,082	733
2033	200,195	5,005	14,769	440	14,769	440
2034			15,550	132	15,550	132
2035			4,784	16	4,784	16
	<u>\$ 2,000,000</u>	<u>\$ 1,735,906</u>	<u>\$ 248,792</u>	<u>\$ 69,738</u>	<u>\$ 248,792</u>	<u>\$ 69,738</u>

Interest Rates: 3.500% - 5.000%

Variable Rate
Assumed at 4.53%

Variable Rate
Assumed at 4.53%

**To Refund the Excise Taxes
Revenue Bonds, Series 1996A
and the Excise Taxes Revenue
Bonds, Series 1999A**

**To Refund the Excise Taxes
Revenue Bonds, Series 1999B**

Excise Taxes Revenue Refunding Bonds Series 2009B		Excise Taxes Revenue Refunding Bonds Series 2009C (AMT)		Total Principal and Interest
Principal	Interest	Principal	Interest	
	\$ 262,684		\$ 391,764	\$ 31,697,029
\$ 1,285,000	490,983	\$ 2,590,000	746,825	28,286,173
1,350,000	425,750	2,730,000	673,500	28,335,639
1,420,000	356,500	2,880,000	589,350	27,048,917
1,490,000	283,750	3,050,000	477,175	27,086,538
1,565,000	207,375	3,220,000	343,800	27,110,638
1,645,000	127,125	3,400,000	211,400	27,355,638
1,720,000	43,000	3,585,000	71,700	27,627,334
				22,183,147
				22,171,336
				21,888,221
				21,990,234
				21,970,241
				21,959,483
				21,944,186
				21,921,053
				21,665,379
				21,638,092
				21,620,113
				21,604,252
				21,580,874
				31,400,160
				235,179
				235,618
				31,362
				9,600
\$ 10,475,000	\$ 2,197,166	\$ 21,455,000	\$ 3,505,514	\$ 540,596,435

2.500% - 5.000%

2.500% - 5.000%

(continued)

**HUD Section 108
Program Loan for
LaVilla Project**

**HUD Section 108
Program Loan for
HTV Associates Project**

**HUD Section 108
Program Loan for
Armor Holdings**

**U.S. Government
Guaranteed Note
Payable, Series 1997**

**U.S. Government
Guaranteed Note
Payable, Series 1997**

**U.S. Government
Guaranteed Note
Payable, Series 1997**

<u>Principal</u>	<u>Interest</u>
\$ 70,000	\$ 52,464
90,000	47,718
100,000	41,571
110,000	34,691
125,000	27,068
130,000	18,343
130,000	9,204
<u>\$ 755,000</u>	<u>\$ 231,059</u>

<u>Principal</u>	<u>Interest</u>
\$ 95,000	\$ 6,441
<u>\$ 95,000</u>	<u>\$ 6,441</u>

<u>Principal</u>	<u>Interest</u>
\$ 55,000	\$ 34,368
60,000	30,640
65,000	26,541
75,000	22,070
80,000	16,872
80,000	11,288
80,000	5,664
<u>\$ 495,000</u>	<u>\$ 147,443</u>

6.780% - 7.080%
(Taxable)

6.780%
(Taxable)

6.780% - 7.080%
(Taxable)

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
PAYABLE FROM GENERAL REVENUE
SEPTEMBER 30, 2009**

Purpose: HUD Section 108
Program Loan for
Hampton Inns

Fiscal Year	U.S. Government Guaranteed Note Payable, Series 1997		Total Principal And Interest
	Principal	Interest	
2010	\$ 45,000	\$ 22,482	\$ 1,301,045
2011	45,000	19,432	1,245,484
2012	50,000	16,358	1,269,508
2013	55,000	12,918	1,217,724
2014	65,000	9,106	1,175,248
2015	65,000	4,570	630,291
2016			224,868
2017			
2018			
	<u>\$ 325,000</u>	<u>\$ 84,866</u>	<u>\$ 7,064,166</u>

Interest Rates: 6.780% - 7.030%
(Taxable)



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**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
BONDS AND NOTES PAYABLE FROM INTERNAL SERVICE OPERATIONS -
BANKING FUND PROGRAM
SEPTEMBER 30, 2009**

Purpose	To Fund the Banking Fund Program		To Fund the Acquisition and Construction of Various Capital Improvement Projects		To Refund a Portion of the Ash Settlement and Fund Improvements to the Ed Ball Building		Total Principal And Interest
	Commercial Paper		Special Revenue Bonds Series 2008		Special Revenue Bonds Taxable Series 2009A		
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	
2010	\$ 40,315,000	\$ 2,312,638	\$ 535,000	\$ 2,416,751		\$ 793,534	\$ 46,372,923
2011	14,515,000	1,131,052	2,595,000	2,357,964	959,000	1,440,435	22,998,451
2012	8,990,000	624,519	2,685,000	2,265,564	1,501,000	1,377,459	17,443,542
2013	6,240,000	296,313	2,775,000	2,170,014	2,206,000	1,282,560	14,969,886
2014	2,960,000	98,053	2,880,000	2,071,051	2,316,000	1,166,797	11,491,901
2015	670,000	19,826	2,975,000	1,964,870	2,430,000	1,045,299	9,104,995
2016	125,000	2,694	3,085,000	1,847,389	2,560,000	917,555	8,537,638
2017			3,210,000	1,721,489	2,680,000	783,411	8,394,900
2018			3,340,000	1,588,401	2,810,000	642,867	8,381,268
2019			3,480,000	1,432,514	2,950,000	495,411	8,357,925
2020			3,655,000	1,263,276	3,102,000	340,480	8,360,756
2021			3,815,000	1,095,201	2,480,000	197,581	7,587,782
2022			3,990,000	914,601	2,619,000	67,046	7,590,648
2023			940,000	796,339			1,736,339
2024			990,000	748,089			1,738,089
2025			1,040,000	696,819			1,736,819
2026			1,090,000	641,959			1,731,959
2027			1,145,000	583,563			1,728,563
2028			1,210,000	520,231			1,730,231
2029			1,275,000	451,894			1,726,894
2030			1,345,000	379,844			1,724,844
2031			1,420,000	303,806			1,723,806
2032			1,495,000	223,644			1,718,644
2033			1,580,000	138,094			1,718,094
2034			1,665,000	46,828			1,711,828
	<u>\$ 73,815,000</u>	<u>\$ 4,485,094</u>	<u>\$ 54,215,000</u>	<u>\$ 28,640,193</u>	<u>\$ 28,613,000</u>	<u>\$ 10,550,436</u>	<u>\$ 200,318,723</u>

Interest Rates: Variable Rate
Assumed at 4.31%

3.500% - 5.625%

Variable Rate
Assumed at 5.12%
(Taxable)



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CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION
SEPTEMBER 30, 2009

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 81,354,543	\$ 86,762,785	\$ 83,940,300
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	\$ 6,384,105	\$ 7,748,261	\$ 8,848,095
Peoples Gas	675,423	1,229,654	1,389,953
Communications Services Taxes (2)	36,844,325	38,229,496	38,019,202
JEA	46,851,288	48,130,818	47,738,296
Miscellaneous	2,093,148	1,945,751	1,837,374
Total Utilities Service Tax	<u>\$ 92,848,289</u>	<u>\$ 97,283,980</u>	<u>\$ 97,832,920</u>
Fuel Oil Tax	112,633	228,856	92,087
Occupational License Taxes	8,143,011	8,808,682	7,617,543
Total Excise Tax Pledged Revenues	<u>\$ 101,103,934</u>	<u>\$ 106,321,518</u>	<u>\$ 105,542,550</u>
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	\$ 1,247,168	\$ 1,679,743	\$ 1,308,659
Other Franchise Fees	28,803	29,784	26,596
Total Franchise Fees	<u>\$ 1,275,971</u>	<u>\$ 1,709,527</u>	<u>\$ 1,335,255</u>
Communications Services Taxes (3)	6,501,940	6,746,382	6,709,271
Sports Facility Sales Tax Rebate	2,000,004	2,000,004	2,000,004
Convention Development Tax (2%)	4,799,870	5,200,849	5,118,358
Sports Facility Tourist Development Tax (2%)	5,107,721	5,530,444	5,402,202
Total Sports Facility Capital Improvements Pledged Revenues	<u>\$ 19,685,506</u>	<u>\$ 21,187,206</u>	<u>\$ 20,565,090</u>
Infrastructure Improvements (Better Jacksonville Infrastructure):			
Infrastructure Sales Tax (4)	\$ 69,336,706	\$ 73,226,823	\$ 70,665,463
Transportation Improvements (Better Jacksonville Transportation):			
Transportation Sales Tax (1)	\$ 71,717,115	\$ 76,136,231	\$ 73,543,087
Gas Tax (Constitutional Fuel Tax) (1)	9,279,565	9,096,361	9,235,442
Total Transportation Improvements Pledged Revenues	<u>\$ 80,996,680</u>	<u>\$ 85,232,592</u>	<u>\$ 82,778,529</u>

(1) Recognition of revenue per GASB 33.

(2) Beginning October 1, 2001 85% of the Communications Services Tax replaced the Telecommunications Tax.

(3) Beginning October 1, 2001 15% of the Communications Services Tax replaced the franchise fees for Southern Bell.

(4) The Infrastructure Sales Tax was approved by voters and is effective for a thirty-year period commencing January 1, 2001.

(5) Unaudited

<u>2008</u>	<u>2009</u>		<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 77,528,733	\$ 70,510,011		\$ 17,399,950	4.46 x	1.35 x
\$ 9,081,524	\$ 9,170,920				
640,072	623,386				
38,477,809	38,114,603				
56,386,853	61,556,310				
2,944,255	2,169,021				
<u>\$ 107,530,513</u>	<u>\$ 111,634,240</u>				
70,790	89,870				
7,931,793	7,927,576				
<u>\$ 115,533,096</u>	<u>\$ 119,651,685</u>		\$ 48,222,676	2.40 x	1.40 x
\$ 1,107,702	\$ 1,326,261				
24,708	23,239				
<u>\$ 1,132,410</u>	<u>\$ 1,349,500</u>				
6,790,202	6,726,106				
2,000,004	2,000,004				
5,197,457	4,366,222				
5,498,422	4,675,449				
<u>\$ 20,618,495</u>	<u>\$ 19,117,281</u>		\$ 11,705,488	1.76 x	1.35 x
\$ 70,261,928	\$ 63,330,499	Senior Lien Only	\$ 49,528,188	1.42 x	1.35 x
		with Junior	\$ 55,974,488	1.26 x	1.10 x
\$ 72,338,853	\$ 65,132,255				
8,855,852	8,692,986				
<u>\$ 81,194,705</u>	<u>\$ 73,825,240</u>		\$ 49,159,788	1.65 x	1.35 x

CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION (continued)
SEPTEMBER 30, 2009

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Guaranteed Entitlement Revenues:			
County Revenue Sharing:			
Cigarette Tax	\$ 639,046	\$ 634,648	\$ 616,030
Sales Tax	19,453,717	20,647,084	20,018,444
County Total	<u>\$ 20,092,763</u>	<u>\$ 21,281,732</u>	<u>\$ 20,634,474</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>10.05 x</u>	<u>10.65 x</u>	<u>10.32 x</u>
City Revenue Sharing:			
Sales and Use Tax (1)	<u>\$ 19,234,478</u>	<u>\$ 18,930,690</u>	<u>\$ 19,008,047</u>
City Total	<u>\$ 19,234,478</u>	<u>\$ 18,930,690</u>	<u>\$ 19,008,047</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>3.30 x</u>	<u>3.25 x</u>	<u>3.26 x</u>
Aggregate City / County Guaranteed	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>
Statewide Revenue Sharing - Counties:			
Cigarette Tax	\$ 11,707,985	\$ 11,401,876	\$ 11,193,756
Sales Tax	354,704,849	385,989,832	386,935,800
Total Receipts	<u>\$ 366,412,834</u>	<u>\$ 397,391,708</u>	<u>\$ 398,129,556</u>
Guaranteed Entitlement for all Florida Counties	<u>\$ 95,086,330</u>	<u>\$ 95,086,330</u>	<u>\$ 95,086,330</u>
Average Coverage - All Florida Counties	<u>3.85 x</u>	<u>4.18 x</u>	<u>4.19 x</u>
State Revenue Sharing - Municipalities:			
8th Cent Motor Fuel Tax	\$ 92,375,629	\$ 94,054,299	\$ 93,497,331
Special Tax and Alternative Fuel User Decal Fee	1,240,339	1,155,667	965,633
Sales and Use Tax (1)	234,068,559	253,216,128	253,836,699
Total Receipts	<u>\$ 327,684,527</u>	<u>\$ 348,426,094</u>	<u>\$ 348,299,663</u>
Guaranteed Entitlement for all Florida Counties	<u>\$ 117,644,655</u>	<u>\$ 121,827,094</u>	<u>\$ 124,699,266</u>
Average Coverage - All Florida Municipalities	<u>2.79 x</u>	<u>2.86 x</u>	<u>2.79 x</u>
JEA Charter Revenue:			
JEA Charter Revenue - Electric Services	\$ 68,676,624	\$ 71,030,760	\$ 73,100,460
JEA Charter Revenue - Water and Sewer	17,260,920	17,656,788	18,337,080
Total JEA Charter Revenue	<u>\$ 85,937,544</u>	<u>\$ 88,687,548</u>	<u>\$ 91,437,540</u>

(1) Effective July 1, 2000 the New Guaranteed Entitlement Laws eliminated the cigarette tax and replaced it with 1.0175% of the available proceeds of the sales and use tax.

(2) Unaudited

<u>2008</u>	<u>2009</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 573,449	\$ 503,483			
18,701,945	16,833,634			
<u>\$ 19,275,394</u>	<u>\$ 17,337,116</u>			
\$ 1,999,042	\$ 1,999,042			
<u>9.64 x</u>	<u>8.67 x</u>			
\$ 17,066,682	\$ 14,834,457			
\$ 17,066,682	\$ 14,834,457			
<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>			
<u>2.93 x</u>	<u>2.55 x</u>			
<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	\$ 7,452,100	1.05 x	1.05 x
\$ 10,949,509	\$ 11,133,876			
366,556,753	328,562,857			
<u>\$ 377,506,262</u>	<u>\$ 339,696,733</u>			
\$ 95,086,330	\$ 95,086,330			
<u>3.97 x</u>	<u>3.57 x</u>			
\$ 90,580,061	\$ 86,592,431			
808,795	798,834			
240,467,686	215,543,021			
<u>\$ 331,856,542</u>	<u>\$ 302,934,286</u>			
\$ 124,697,122	\$ 124,697,122			
<u>2.66 x</u>	<u>2.43 x</u>			
\$ 73,846,764	\$ 76,094,124			
20,340,780	20,593,422			
<u>\$ 94,187,544</u>	<u>\$ 96,687,546</u>	\$ 9,026,027	10.44 x	8.26 x

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF SELF-INSURANCE FUND
TEN YEAR CLAIMS DEVELOPMENT INFORMATION (in thousands)
WORKERS COMPENSATION

	For the Year Ended September 30				
	2000	2001	2002	2003	2004
Revenue	\$ 16,900	\$ 15,486	\$ 16,225	\$ 15,543	\$ 17,658
Interest Revenue	3,491	2,725	2,854	1,349	1,437
Total Revenue	<u>\$ 20,391</u>	<u>\$ 18,211</u>	<u>\$ 19,079</u>	<u>\$ 16,892</u>	<u>\$ 19,095</u>
Unallocated Expenses	<u>\$ 1,106</u>	<u>\$ 1,387</u>	<u>\$ 1,705</u>	<u>\$ 1,712</u>	<u>\$ 1,934</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 9,574</u>	<u>\$ 10,882</u>	<u>\$ 11,180</u>	<u>\$ 11,725</u>	<u>\$ 10,766</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 1,795	\$ 2,122	\$ 2,756	\$ 2,938	\$ 2,335
One Year Later	3,199	4,455	5,568	5,644	3,945
Two Years Later	4,074	5,649	7,028	7,122	4,405
Three Years Later	4,515	6,697	8,039	7,675	4,790
Four Years Later	4,988	7,666	8,421	8,085	5,271
Five Years Later	5,246	8,099	8,811	8,566	5,623
Six Years Later	5,469	8,391	9,230	9,608	
Seven Years Later	5,801	8,647	9,609		
Eight Years Later	6,039	8,965			
Nine Years Later	6,257				
Re-estimated incurred Claims and Expense:					
End of Policy Year	\$ 9,574	\$ 10,882	\$ 11,180	\$ 11,725	\$ 10,766
One Year Later	9,153	10,685	11,668	13,459	9,701
Two Years Later	8,123	11,075	12,356	13,162	8,482
Three Years Later	7,743	11,707	11,988	12,543	8,423
Four Years Later	7,673	11,824	12,560	13,906	8,734
Five Years Later	7,358	11,651	12,656	13,858	9,804
Six Years Later	8,473	12,376	12,946	14,286	
Seven Years Later	8,972	12,516	12,750		
Eight Years Later	8,993	12,761			
Nine Years Later	8,588				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (986)</u>	<u>\$ 1,879</u>	<u>\$ 1,570</u>	<u>\$ 2,561</u>	<u>\$ (962)</u>
Available Funding	\$ 20,391	\$ 18,211	\$ 19,079	\$ 16,892	\$ 19,095
Current Re-estimated Incurred Claims and Expense	<u>(8,588)</u>	<u>(12,761)</u>	<u>(12,750)</u>	<u>(14,286)</u>	<u>(9,804)</u>
Excess (Deficit) Funding	<u>\$ 11,803</u>	<u>\$ 5,450</u>	<u>\$ 6,329</u>	<u>\$ 2,606</u>	<u>\$ 9,291</u>

For the Year Ended September 30

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 23,797	\$ 21,723	\$ 25,140	\$ 22,124	\$ 17,692
1,782	2,095	2,807	1,404	5,753
<u>\$ 25,579</u>	<u>\$ 23,818</u>	<u>\$ 27,947</u>	<u>\$ 23,528</u>	<u>\$ 23,445</u>
<u>\$ 1,962</u>	<u>\$ 1,898</u>	<u>\$ 1,896</u>	<u>\$ 2,113</u>	<u>\$ 2,267</u>
<u>\$ 12,824</u>	<u>\$ 11,799</u>	<u>\$ 10,451</u>	<u>\$ 13,091</u>	<u>\$ 13,418</u>
\$ 3,186	\$ 2,339	\$ 1,916	\$ 2,742	\$ 2,923
5,098	4,219	4,003	5,163	
5,893	4,756	4,576		
6,490	5,059			
6,808				
\$ 12,824	\$ 11,799	\$ 10,451	\$ 13,091	\$ 13,418
11,609	10,626	10,523	12,684	
11,537	9,941	9,531		
11,397	9,088			
11,693				
<u>\$ (1,131)</u>	<u>\$ (2,711)</u>	<u>\$ (920)</u>	<u>\$ (407)</u>	<u>\$ 0</u>
\$ 25,579	\$ 23,818	\$ 27,947	\$ 23,528	\$ 23,445
(11,693)	(9,088)	(9,531)	(12,684)	(13,418)
<u>\$ 13,886</u>	<u>\$ 14,730</u>	<u>\$ 18,416</u>	<u>\$ 10,844</u>	<u>\$ 10,027</u>

**Total Excess (Deficit) Funding of Reestimated
Incurred Claims - 10 Years Shown.**

\$ 103,382

continued

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF SELF-INSURANCE FUND
TEN YEAR CLAIMS DEVELOPMENT INFORMATION (in thousands)
GENERAL LIABILITY

	For the Year Ended September 30				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenue	\$ 4,587	\$ 5,217	\$ 5,473	\$ 5,541	\$ 6,748
Interest Revenue	1,122	933	1,025	547	592
Total Revenue	<u>\$ 5,709</u>	<u>\$ 6,150</u>	<u>\$ 6,498</u>	<u>\$ 6,088</u>	<u>\$ 7,340</u>
Unallocated Expenses	<u>\$ 1,169</u>	<u>\$ 1,567</u>	<u>\$ 1,549</u>	<u>\$ 1,461</u>	<u>\$ 1,422</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 3,079</u>	<u>\$ 4,096</u>	<u>\$ 3,619</u>	<u>\$ 2,989</u>	<u>3,587</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 683	\$ 968	\$ 984	\$ 720	\$ 737
One Year Later	928	1,359	1,249	956	1,318
Two Years Later	1,613	1,943	1,672	1,808	2,349
Three Years Later	2,152	2,394	2,306	2,176	2,741
Four Years Later	2,561	3,145	2,572	2,410	2,929
Five Years Later	2,808	2,957	2,829	2,795	2,970
Six Years Later	2,929	3,023	2,859	2,889	
Seven Years Later	3,735	3,042	2,862		
Eight Years Later	3,742	3,043			
Nine Years Later	3,758				
Re-estimated incurred Claims and Expense:					
End of Policy Year	\$ 3,079	\$ 4,096	\$ 3,619	\$ 2,989	\$ 3,587
One Year Later	2,690	3,337	3,055	2,826	3,568
Two Years Later	2,768	3,414	2,912	3,128	3,533
Three Years Later	3,146	3,466	3,100	2,834	3,430
Four Years Later	3,263	3,388	3,011	2,777	3,198
Five Years Later	3,058	3,112	2,913	3,011	3,009
Six Years Later	3,773	3,060	2,865	2,956	
Seven Years Later	3,742	3,045	2,869		
Eight Years Later	3,770	3,047			
Nine Years Later	3,758				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ 679</u>	<u>\$ (1,049)</u>	<u>\$ (750)</u>	<u>\$ (33)</u>	<u>(578)</u>
Available Funding	\$ 5,709	\$ 6,150	\$ 6,498	\$ 6,088	\$ 7,340
Current Re-estimated Incurred Claims and Expense	<u>(3,758)</u>	<u>(3,047)</u>	<u>(2,869)</u>	<u>(2,956)</u>	<u>(3,009)</u>
Excess (Deficit) Funding	<u>\$ 1,951</u>	<u>\$ 3,103</u>	<u>\$ 3,629</u>	<u>\$ 3,132</u>	<u>\$ 4,331</u>

For the Year Ended September 30

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 7,880	\$ 6,496	\$ 6,980	\$ 8,283	\$ 7,310
601	666	855	510	2,404
<u>\$ 8,481</u>	<u>\$ 7,162</u>	<u>\$ 7,835</u>	<u>\$ 8,793</u>	<u>\$ 9,714</u>
<u>\$ 1,562</u>	<u>\$ 1,648</u>	<u>\$ 1,708</u>	<u>\$ 1,911</u>	<u>\$ 2,044</u>
<u>\$ 5,186</u>	<u>\$ 4,651</u>	<u>\$ 4,365</u>	<u>\$ 5,994</u>	<u>\$ 4,794</u>
\$ 1,166	\$ 1,063	\$ 857	\$ 1,495	\$ 1,192
2,024	1,709	1,371	2,372	
3,344	2,294	1,822		
3,821	2,693			
4,093				
\$ 5,186	\$ 4,651	\$ 4,365	\$ 5,994	\$ 4,794
5,487	3,913	3,779	5,617	
5,261	3,627	2,857		
5,005	3,212			
4,893				
<u>\$ (293)</u>	<u>\$ (1,439)</u>	<u>\$ (1,508)</u>	<u>\$ (377)</u>	<u>\$ 0</u>
\$ 8,481	\$ 7,162	\$ 7,835	\$ 8,793	\$ 9,714
(4,893)	(3,212)	(2,857)	(5,617)	(4,794)
<u>\$ 3,588</u>	<u>\$ 3,950</u>	<u>\$ 4,978</u>	<u>\$ 3,176</u>	<u>\$ 4,920</u>

**Total Excess (Deficit) Funding of Reestimated
Incurred Claims - 10 Years Shown.**

\$ 36,758

continued



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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Jacksonville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Page(s)

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Assets by Components	272-273
Changes in Net Assets	274-277
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Changes in Fund Balances, Governmental Funds	280-281

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Assessed Value and Estimated Actual Value of Taxable Property	284-285
Direct and Overlapping Property Tax Rates	286
Principal Property Taxpayers.....	288-289
Property Tax Levies and Collections.....	290-291

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Ratios of General Bonded Debt Outstanding to Actual Taxable Value of Property and Per Capita.....	298
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics	308
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Operating Information

These schedules contain services and infrastructure data to help the reader understand how the information in the City's financial report compares to the services the City provides and the activities it performs.

Full-time Equivalent City Government Employees by Function/Program.....	311
Operating Indicators by Function/Program	312-315
Capital Asset Statistics by Function/Program.....	316-317

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB statement 34 in 2002; schedules presenting government-wide information includes information beginning in that year.



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STATISTICAL SECTION – FINANCIAL TRENDS

CITY OF JACKSONVILLE, FLORIDA
NET ASSETS BY COMPONENTS (in thousands)
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities:					
Invested in capital assets, net of related debt.....	\$ 1,007,636	\$ 1,000,539	(3) \$ 1,063,627	\$ 900,373	\$ 786,614
Restricted	99,372	81,048	41,702	103,733	120,823
Unrestricted.....	<u>(393,192)</u>	<u>(390,777)</u>	(4) <u>(259,189)</u>	<u>(127,555)</u>	<u>(163,353)</u>
Total governmental Activities net assets	<u>\$ 713,816</u>	<u>\$ 690,810</u>	<u>\$ 846,140</u>	<u>\$ 876,551</u>	<u>\$ 744,084</u>
Business type Activities					
Invested in capital assets, net of related debt.....	\$ 126,221	\$ 114,078	(3) \$ 16,341	\$ 13,375	\$ 13,742
Restricted	99,372	81,048	8,274	13,045	15,497
Unrestricted.....	<u>19,035</u>	<u>24,060</u>	(4) <u>(105,181)</u>	<u>(118,120)</u>	<u>(104,700)</u>
Total business type activities net assets	<u>\$ 145,256</u>	<u>\$ 138,138</u>	<u>\$ (80,566)</u>	<u>\$ (91,700)</u>	<u>\$ (75,461)</u>
Primary Government					
Invested in capital assets, net of related debt.....	\$ 1,133,857	\$ 1,114,617	\$ 1,079,968	\$ 913,748	\$ 800,356
Restricted	99,372	81,048	49,976	116,778	136,320
Unrestricted.....	<u>(374,157)</u>	<u>(366,717)</u>	<u>(364,370)</u>	<u>(245,675)</u>	<u>(268,053)</u>
Total primary government net assets	<u>\$ 859,072</u>	<u>\$ 828,948</u>	<u>\$ 765,574</u>	<u>\$ 784,851</u>	<u>\$ 668,623</u>

Notes:

Net assets were reallocated in 2002 and 2005 to adjust for the consideration of outstanding non-asset backed bonds

- (1) Retroactive infrastructure assets of \$541,960 were not included in 2002 Governmental Activities and Total Primary Government Net Assets, but were recorded beginning 2003.
- (2) Transferred capital assets for Jacksonville Municipal Stadium from an Enterprise Fund (Business Type activity) to General Government (Governmental Activities).
- (3) The City transferred \$404,898 of capital assets associated with the sports venues from Governmental Activities to Business Type Activities.
- (4) The Pollution Remediation Liability of \$162,710, previously considered a liability of Business Type Activities, was reclassified to a liability of Governmental Type Activities.

<u>2004</u>	<u>2003</u>	<u>2002</u>	
\$ 725,464	\$ 529,265	(2) \$ (320,321)	(1)
118,224	154,165	43,894	
<u>(110,337)</u>	<u>22,856</u>	<u>287,606</u>	
<u>\$ 733,351</u>	<u>\$ 706,286</u>	<u>\$ 11,179</u>	
\$ 12,289	\$ 14,258	(2) \$ 234,802	
13,591	12,714	11,929	
<u>539</u>	<u>17,701</u>	<u>24,346</u>	
<u>\$ 26,419</u>	<u>\$ 44,673</u>	<u>\$ 271,077</u>	
\$ 737,753	\$ 543,523	\$ (85,519)	(1)
131,815	166,879	55,823	
<u>(109,798)</u>	<u>40,557</u>	<u>311,952</u>	
<u><u>\$ 759,770</u></u>	<u><u>\$ 750,959</u></u>	<u><u>\$ 282,256</u></u>	

CITY OF JACKSONVILLE, FLORIDA
CHANGES IN NET ASSETS (in thousands)
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses					
Government Activities					
General government.....	\$ 180,054	\$ 174,777	\$ 201,186	\$ 194,406	\$ 160,341
Human services.....	107,991	102,076	108,738	106,755	107,588
Public safety.....	527,227	511,009	472,531	429,207	414,490
Culture and recreation.....	71,091	67,054	93,197	84,527	88,875
Transportation.....	217,296	178,949	316,261	216,674	236,998
Economic environment.....	72,571	77,460	77,440	74,030	83,832
Physical environment.....	97,114	125,984	69,211	55,605	52,097
Payments to component units.....	-	-	-	-	-
Interest on long term debt.....	94,289	102,835	94,114	92,682	90,738
Total governmental activities expenses.....	<u>\$ 1,367,633</u>	<u>\$ 1,340,144</u>	<u>\$ 1,432,678</u>	<u>\$ 1,253,886</u>	<u>\$ 1,234,959</u>
Business-type activities:					
Parking system.....	\$ 3,417	\$ 3,921	\$ 6,340	\$ 4,975	\$ 5,116
Sports complex.....	-	-	-	25,964	25,088
Motor vehicle inspections.....	433	462	482	439	555
Storm Water Services.....	14,612	55	-	-	-
Solid Waste.....	86,674	69,230	71,240	92,935	83,506
Mayport Ferry.....	-	-	1,937	2,346	1,943
Jacksonville Municipal Stadium.....	20,361	11,850	11,732	-	-
Veterans Memorial Arena	12,355	8,055	7,750	-	-
Baseball Stadium	1,993	1,297	1,135	-	-
Performing Arts	4,006	3,264	3,959	-	-
Convention Center	4,342	3,681	3,443	-	-
Equestrian Center	1,890	1,449	1,309	-	-
Total business type activities expenses.....	<u>\$ 150,083</u>	<u>\$ 103,264</u>	<u>\$ 109,327</u>	<u>\$ 126,659</u>	<u>\$ 116,208</u>
Total primary government expenses.....	<u>\$ 1,517,716</u>	<u>\$ 1,443,408</u>	<u>\$ 1,542,005</u>	<u>\$ 1,380,545</u>	<u>\$ 1,351,167</u>
Program Revenues					
Government Activities					
Charges for services:					
General government.....	\$ 64,978	\$ 102,011	\$ 79,232	\$ 95,672	\$ 87,297
Public safety.....	92,096	47,233	45,825	45,670	40,517
Other activities	6,865	12,523	18,304	11,491	7,357
Operating grants and contributions	180,029	178,438	180,149	158,673	175,722
Capital grants and contributions	52,464	56,230	52,112	76,072	50,241
Total governmental activities programs revenues	<u>\$ 396,432</u>	<u>\$ 396,435</u>	<u>\$ 375,622</u>	<u>\$ 387,578</u>	<u>\$ 361,134</u>
Business type activities:					
Charges for services:					
Sports complex.....	\$ -	\$ -	\$ -	\$ 16,004	\$ 16,605
Solid Waste.....	42,752	39,892	39,123	44,093	41,120
Other Activities.....	44,738	25,737	20,317	5,570	4,441
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business type activities revenue	<u>\$ 87,490</u>	<u>\$ 65,629</u>	<u>\$ 59,440</u>	<u>\$ 65,667</u>	<u>\$ 62,166</u>
Total primary government program revenues.....	<u>\$ 483,922</u>	<u>\$ 462,064</u>	<u>\$ 435,062</u>	<u>\$ 453,245</u>	<u>\$ 423,300</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 191,705	\$ 168,844	\$ 112,505
100,120	101,974	95,609
367,308	334,977	332,829
60,955	73,523	47,832
129,734	299,785	91,594
74,889	77,375	81,615
44,732	9,460	13,400
-	-	58,585
<u>92,477</u>	<u>68,656</u>	<u>55,745</u>
\$ 1,061,920	\$ 1,134,594	\$ 889,714
\$ 4,298	\$ 3,621	\$ 3,497
21,995	15,528	20,471
451	577	706
-	-	-
77,588	69,098	65,323
2,063	2,040	1,871
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>106,395</u>	<u>90,864</u>	<u>91,868</u>
\$ 1,168,315	\$ 1,225,458	\$ 981,582
\$ 55,329	\$ 54,715	\$ 54,848
42,398	39,087	8,592
10,313	10,313	-
83,649	85,013	86,833
<u>67,970</u>	<u>31,210</u>	<u>26,453</u>
\$ 259,659	\$ 220,338	\$ 176,726
\$ 13,515	\$ 8,183	\$ 9,578
39,903	37,421	35,987
4,335	4,335	-
220	49	229
-	-	1,371
<u>57,973</u>	<u>49,988</u>	<u>47,165</u>
\$ 317,632	\$ 270,326	\$ 223,891

CITY OF JACKSONVILLE, FLORIDA
CHANGES IN NET ASSETS (in thousands)
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net (expense)revenue					
Government activities	\$ (971,201)	\$ (943,709)	\$ (1,057,056)	\$ (866,308)	\$ (873,825)
Business type activities	<u>(62,593)</u>	<u>(37,635)</u>	<u>(49,887)</u>	<u>(60,992)</u>	<u>(54,042)</u>
Total primary government net expense	<u>\$ (1,033,794)</u>	<u>\$ (981,344)</u>	<u>\$ (1,106,943)</u>	<u>\$ (927,300)</u>	<u>\$ (927,867)</u>
General revenues and other changes in net assets					
Government Activities:					
Property taxes.....	\$ 474,381	\$ 477,368	\$ 465,918	\$ 408,942	\$ 365,456
Utility service taxes.....	118,453	114,392	104,634	104,259	99,463
Sales and tourist taxes.....	162,295	179,645	181,621	196,257	184,172
Intergovernmental - unrestricted.....	166,923	185,041	206,371	228,237	202,510
Payments from component units.....	-	-	-	-	-
Payment in lieu of taxes.....	-	-	-	-	-
Unrestricted earnings on investments.....	73,326	15,263	34,033	44,380	23,759
Miscellaneous.....	29,028	48,976	63,772	52,912	43,610
Special item - refunded state bonds.....	-	-	-	-	-
Transfers.....	<u>(30,199)</u>	<u>(232,306)</u>	<u>(29,704)</u>	<u>(36,212)</u>	<u>(35,301)</u>
Total general revenues, special items, and transfers...	<u>\$ 994,207</u>	<u>\$ 788,379</u>	<u>\$ 1,026,645</u>	<u>\$ 998,775</u>	<u>\$ 883,669</u>
Business type activities					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted earnings on investments.....	8,237	2,516	6,165	4,765	3,368
Sales and tourist taxes.....	10,875	12,695	12,520	-	-
Miscellaneous.....	20,400	8,822	12,632	3,776	1,488
Special item - pollution remediation & settlement.....	-	-	-	-	(87,995)
Transfers.....	<u>30,199</u>	<u>232,306</u>	<u>29,704</u>	<u>36,212</u>	<u>35,301</u>
Total business type activities.....	<u>\$ 69,711</u>	<u>\$ 256,339</u>	<u>\$ 61,021</u>	<u>\$ 44,753</u>	<u>\$ (47,838)</u>
Total primary government	<u>\$ 1,063,918</u>	<u>\$ 1,044,718</u>	<u>\$ 1,087,666</u>	<u>\$ 1,043,528</u>	<u>\$ 835,831</u>
Changes in net assets:					
Governmental activities	\$ 23,006	\$ (155,330)	\$ (30,411)	\$ 132,467	\$ 9,844
Business type activities	<u>7,118</u>	<u>218,704</u>	<u>11,134</u>	<u>(16,239)</u>	<u>(101,880)</u>
Total primary government	<u>\$ 30,124</u>	<u>\$ 63,374</u>	<u>\$ (19,277)</u>	<u>\$ 116,228</u>	<u>\$ (92,036)</u>

(continued)

<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ (802,261)	\$ (914,256)	\$ (712,988)
<u>(48,422)</u>	<u>(40,876)</u>	<u>(44,703)</u>
\$ (850,683)	\$ (955,132)	\$ (757,691)
\$ 343,870	\$ 327,388	\$ 312,551
95,629	95,976	93,978
163,107	157,925	151,561
190,917	163,551	122,145
-	-	111,054
83,188	81,376	2,984
33,741	22,894	26,743
26,771	28,109	20,275
(79,218)	-	-
<u>(25,723)</u>	<u>190,184</u>	<u>(27,215)</u>
\$ 832,282	\$ 1,067,403	\$ 814,076
\$ -	\$ -	\$ 117
2,594	2,729	2,787
-	-	-
2,132	1,927	2,542
-	-	-
<u>25,723</u>	<u>(190,184)</u>	<u>27,215</u>
\$ 30,449	\$ (185,528)	\$ 32,661
\$ 862,731	\$ 84,798	\$ 256,552
\$ 30,021	\$ 153,147	\$ 101,088
<u>(17,973)</u>	<u>(226,404)</u>	<u>(12,042)</u>
\$ 12,048	\$ (73,257)	\$ 89,046

CITY OF JACKSONVILLE, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)
LAST TWO FISCAL YEARS
(modified accrual basis of accounting)

		Pre-GASB 54						
		<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund								
Reserved	\$	57,317	57,507	53,935	14,728	18,736	11,640	14,745
Unreserved		40,841	26,476	23,974	48,267	70,373	46,104	46,835
Total General Fund	\$	98,158	83,983	77,909	62,995	89,109	57,744	61,580
All other Governmental funds								
Reserved	\$	312,341	393,177	388,723	448,536	696,431	542,300	490,181
Unreserved, reported in:								
Special revenue funds		181,662	185,307	176,468	148,054	113,134	95,859	73,762
Capital Projects funds		(24,510)	(38,688)	17,731	48,064	1,127	106,756	140,785
Permanent fund		195	194	188	178	176	174	170
Total all other governmental funds	\$	469,688	539,990	583,110	644,832	810,868	745,089	704,898

		Post-GASB 54	
		<u>2009</u>	<u>2008</u>
General Fund			
Non Spendable:			
Non Spendable.....	\$	6,259	4,300
Spendable:			
Restricted.....		-	-
Committed.....		62,846	54,889
Assigned.....		3,114	3,050
Unassigned.....		37,962	35,919
Total General Fund	\$	110,181	98,158
All other Governmental funds			
Non Spendable:			
Non Spendable.....	\$	123	123
Spendable:			
Restricted.....		197,709	155,333
Committed.....		248,364	291,554
Assigned.....		8,764	23,777
Unassigned.....		(34,264)	(1,099)
Total all other governmental funds	\$	420,696	469,688

Note: Seven years of data available for GASB 34 compliance.

Two years of data available for GASB 54 compliance which was adopted in 2009.

2008 data was restated for GASB 54 comparable presentation.



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CITY OF JACKSONVILLE, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)
LAST EIGHT FISCAL YEARS
(modified accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenue					
Property taxes.....	\$ 474,381	\$ 477,368	\$ 465,918	\$ 408,942	\$ 365,456
Utility Service taxes.....	118,453	114,392	104,634	104,259	99,463
Sales and tourist taxes.....	162,295	179,645	181,621	196,257	184,172
Licenses and permits.....	46,774	27,356	8,867	10,509	9,045
Intergovernmental.....	263,316	286,492	299,696	314,959	302,213
Charges for services.....	112,013	128,570	128,391	134,977	121,036
Fines and forfeitures.....	5,152	5,841	6,103	7,347	6,192
JEA contribution.....	96,688	94,188	91,438	88,688	85,938
Payment in lieu of taxes.....	-	-	3,713	-	-
Interest.....	62,593	15,346	31,101	41,384	21,676
Other.....	29,031	47,443	63,772	52,912	43,609
Total Revenue.....	\$ 1,370,696	\$ 1,376,641	\$ 1,385,254	\$ 1,360,234	\$ 1,238,800
Expenditures					
General government.....	\$ 167,245	\$ 162,202	\$ 152,894	\$ 136,815	\$ 139,092
Human services.....	107,309	100,858	107,651	105,979	107,104
Public safety.....	527,027	502,305	474,120	427,478	412,054
Culture and recreation.....	64,076	59,096	72,993	72,924	78,066
Transportation.....	144,298	164,918	163,433	148,107	141,195
Economic environment.....	66,713	72,433	76,991	72,270	78,323
Physical environment.....	24,945	20,539	21,874	19,307	21,215
Capital outlay.....	273,518	216,770	351,581	302,583	259,078
Debt service:					
Principal.....	79,554	74,365	66,294	64,774	53,320
Interest and fiscal charges.....	89,339	102,423	96,907	95,365	93,074
Other - cost of issuance.....	2,846	1,607	1,759	1,085	1,773
Total Expenditures.....	\$ 1,546,870	\$ 1,477,516	\$ 1,586,497	\$ 1,446,687	\$ 1,384,294
Excess of Revenue Over					
(Under) Expenditures.....	\$ (176,174)	\$ (100,875)	\$ (201,243)	\$ (86,453)	\$ (145,494)
Other Financing Sources (Uses):					
Long term debt issued.....	\$ 166,858	\$ 584,893	\$ 190,455	\$ 114,170	\$ 18,319
Refunding bond issued.....	18,200	-	-	-	-
Premium on special obligation bonds payable.....	7,904	3,587	4,097	1,693	-
Discount on special obligation bonds payable.....	-	-	-	-	-
Payment to escrow agent - refunded bonds.....	(18,622)	(410,460)	-	(41,457)	(40,668)
Transfers in.....	196,914	219,862	192,537	214,270	208,115
Transfers out.....	(232,049)	(245,238)	(222,892)	(249,031)	(232,209)
Total Other Financing Sources(Uses):	\$ 139,205	\$ 152,644	\$ 164,197	\$ 39,645	\$ (46,443)
Special Item:					
Payment to escrow agent - refunded state bonds.....	-	-	-	-	-
Net Changes in Fund Balances	\$ (36,969)	\$ 51,769	\$ (37,046)	\$ (46,808)	\$ (191,937)
Debt Service as Percentage of NonCapital					
Expenditures	12.96%	14.06%	11.66%	12.81%	12.25%

<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 343,870	\$ 327,388	\$ 312,551
95,629	95,976	93,978
163,107	157,925	151,561
8,524	8,473	10,238
297,639	264,146	327,358
85,789	84,424	74,309
10,771	11,218	10,946
83,188	78,496	76,606
-	2,880	2,984
34,489	20,404	23,118
26,771	28,109	20,275
<u>\$ 1,149,777</u>	<u>\$ 1,079,439</u>	<u>\$ 1,027,318</u>
\$ 117,428	\$ 109,494	\$ 102,169
100,212	99,206	94,375
358,964	341,473	327,634
78,392	59,538	49,592
130,473	118,073	128,928
68,675	74,242	78,241
19,271	18,435	25,608
337,896	557,727	259,486
47,415	31,210	35,960
79,183	59,445	52,675
4,033	7,935	4,415
<u>\$ 1,341,942</u>	<u>\$ 1,476,778</u>	<u>\$ 1,159,083</u>
<u>\$ (192,165)</u>	<u>\$ (397,339)</u>	<u>\$ (131,765)</u>
\$ 371,775	\$ 620,496	\$ 341,910
-	-	-
-	12,136	5,833
(2,778)	-	(1,409)
-	(172,346)	(123,854)
232,249	185,557	168,233
<u>(232,721)</u>	<u>(211,895)</u>	<u>(190,906)</u>
<u>\$ 368,525</u>	<u>\$ 433,948</u>	<u>\$ 199,807</u>
<u>(79,218)</u>	<u>-</u>	<u>-</u>
<u>\$ 97,142</u>	<u>\$ 36,609</u>	<u>\$ 68,042</u>
12.80%	9.05%	10.21%



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STATISTICAL SECTION – REVENUE CAPACITY

CITY OF JACKSONVILLE, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST THREE FISCAL YEARS (in thousands)

<u>Year</u>	<u>Real Property</u>				<u>Personal Property</u>	<u>Centrally Assessed Property (1)</u>
	<u>Residential Real Property</u>	<u>Commercial Real Property</u>	<u>Industrial Real Property</u>	<u>Other Real Property</u>		
2007	31,686,651	13,394,365	3,199,698	5,338,289	7,899,162	167,104
2008	36,941,849	15,093,348	3,777,631	6,643,841	8,305,449	177,308
2009	39,265,137	16,929,605	4,317,968	7,025,130	11,570,293	200,236

(1) Centrally assessed property is primarily railroad property and private car line property, which must be separately assessed.

(2) Estimated actual values are the total "just" values or property subject to taxation, as defined by Section 193.011 of the Florida Statutes.

Note: * The information in the schedule is presented to conform with the requirements to GASB statement 44. Prior to the change in format, real assessed values were presented in aggregate. Additionally, all assessed value columns were presented net of tax exempt property. The City is not able to present data in the current format prior to 2007. Additionally information presented for 2007 and 2008 differ from the original final tax roll due to subsequent Value Board Adjustment modifications.

Source: Property Appraiser's Office

Unaudited - see accompanying independent auditors' report.

Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Values (2)	Assessed as a Percentage of Actual Values
14,055,282	47,629,987	9.6400	70,926,829	67.15%
15,713,214	55,226,212	8.4841	83,838,185	65.87%
23,804,210	55,504,160	8.4841	91,002,440	60.99%

(continued)

CITY OF JACKSONVILLE, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (Per \$1,000 of Assessed Value)

Year	City of Jacksonville				Overlapping Rates			
	District (Note 1)	Operating Millage	Debt Service Millage	Total City Millage	Other Taxing Authorities			Combined Millage Total
					Total School Millage	Water Management District Millage	FIND Millage (Note 2)	
2000	GSD	10.7618	0.0243	10.7861	9.3660	0.4820	0.0440	20.6781
2001	GSD	10.5498	0.0225	10.5723	9.2580	0.4720	0.0410	20.3433
2002	GSD	10.3465	0.0210	10.3675	8.8720	0.4620	0.0385	19.7400
2003	GSD	10.1650	0.0192	10.1842	8.9200	0.4620	0.0385	19.6047
2004	GSD	9.8398	0.0000	9.8398	9.0510	0.4620	0.0385	19.3913
2005	GSD	9.6879	0.0000	9.6879	8.5650	0.4620	0.0385	18.7534
2006	GSD	9.6500	0.0000	9.6500	8.4250	0.4620	0.0385	18.5755
2007	GSD	9.6400	0.0000	9.6400	8.0420	0.4620	0.0385	18.1825
2008	GSD	8.4841	0.0000	8.4841	7.7550	0.4158	0.0345	16.6894
2009	GSD	8.4841	0.0000	8.4841	7.5610	0.4158	0.0345	16.4954

(1) GSD - General Services District

(2) FIND - Florida Inland Navigational District

Source: Property Appraiser's Office

Unaudited - see accompanying independent auditors' report.



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**CITY OF JACKSONVILLE, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT AND NINE YEARS AGO**

Taxpayer	Type of Business	2009		
		Valuation	Rank	Percentage
AT&T/Bell South/Communications	Communications	\$ 393,189,795	1	0.67%
Anheuser-Busch/Metal Container Corp	Manufacturing	311,666,543	2	0.53%
FDG Properties/Flagler Development Company	Real Estate Mgmt/Development	286,501,028	3	0.49%
Wal-Mart Properties/Stores	Retail	253,749,134	4	0.43%
Vistakon/Johnson & Johnson Vision	Manufacturing	229,751,890	5	0.39%
Blue Cross & Blue Shield	Insurance	219,472,203	6	0.38%
Stone Mountain Industrial Inc.....	Distribution Center	212,346,045	7	0.36%
Beemer & Associates.....	Real Estate Mgmt/Development	206,484,550	8	0.35%
Liberty Property Limited Partnership	Real Estate Mgmt/Development	170,172,370	9	0.29%
Winn-Dixie Stores/ZSF WD Jacksonville.....	Retail	169,047,935	10	0.29%
AT&T/American TransTech	Telemarketing			
Cedar Bay Generating Co.	Utilities			
MediaOne/Continental Cablevision.....	Communications			
Bank of America.....	Banking			
Gran Central Corp.....	Real Estate Mgmt/Development			
Florida Power & Light Company	Utilities			
Total Taxable Assessed Value of 10 Largest Taxpayers ...		\$ 2,452,381,493		4.20%
Total Taxable Assessed Value of Other Taxpayers		55,930,098,702		95.80%
Total Taxable Assessed Value of All Taxpayers		\$58,382,480,195		100.00%

Note: Back in 2000 BellSouth and AT&T were separate companies. Since then AT&T bought out BellSouth to become one company.
 Source: Tax Collector's Office

2000		
<u>Valuation</u>	<u>Rank</u>	<u>Percentage</u>
\$ 465,803,971	1	1.54%
306,475,884	2	1.01%
163,689,609	9	0.54%
190,778,788	6	0.63%
217,596,956	3	0.72%
211,572,453	4	0.70%
206,694,686	5	0.68%
186,768,565	7	0.62%
170,831,903	8	0.57%
161,887,861	10	0.54%
\$ 2,282,100,676		7.55%
27,932,597,703		92.45%
\$30,214,698,379		100.00%

(continued)

**CITY OF JACKSONVILLE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended Sept. 30		Taxes Levied for the Fiscal year (1)	Collected within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
1999	General Fund - General Services District	\$ 275,432,033	\$ 272,396,641	98.9%
2000	General Fund - General Services District	\$ 287,849,421	\$ 283,056,247	98.3%
2001	General Fund - General Services District	\$ 303,152,394	\$ 300,591,772	99.2%
2002	General Fund - General Services District	\$ 317,428,233	\$ 313,861,386	98.9%
2003	General Fund - General Services District	\$ 336,340,414	\$ 328,521,941	97.7%
2004	General Fund - General Services District	\$ 348,345,910	\$ 344,796,332	99.0%
2005	General Fund - General Services District	\$ 367,688,578	\$ 365,687,691	99.5%
2006	General Fund - General Services District	\$ 425,627,429	\$ 408,738,240	96.0%
2007	General Fund - General Services District	\$ 488,288,058	\$ 469,695,411	96.2%
2008	General Fund - General Services District	\$ 496,920,528	\$ 479,028,328	96.4%
2009	General Fund - General Services District	\$ 495,325,916	\$ 477,353,588	96.4%

(1) Tax levies are final certified amounts net of discounts allowed. The discount schedule is as follows:
 For taxes paid in: November - 4%
 December - 3%
 January - 2%
 February - 1%

Source: Tax Collector's Office

Collections in Subsequent Years	Total Collections to-date	
	Amount	Percentage of Levy
\$ 35,657	\$ 272,432,298	98.9%
\$ 57,234	\$ 283,113,481	98.4%
\$ 247,881	\$ 300,839,653	99.2%
\$ 180,573	\$ 314,041,959	98.9%
\$ 312,801	\$ 328,834,743	97.8%
\$ 524,414	\$ 345,320,746	99.1%
\$ 775,934	\$ 366,463,625	99.7%
\$ 1,297,988	\$ 410,036,228	96.3%
\$ 858,075	\$ 470,553,486	96.4%
\$ 1,469,650	\$ 480,497,978	96.7%
\$ -	\$ 477,353,588	96.4%

Unaudited - see accompanying independent auditors' report.



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STATISTICAL SECTION – DEBT CAPACITY

**CITY OF JACKSONVILLE, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
TO PERSONAL INCOME AND PER CAPITA
LAST TEN YEARS**

(dollars in thousands, except per capita)

Fiscal Year	Government Activities			
	General Obligation Bonds	Special Obligation Bonds	Special Obligation Bonds - BJP	Notes Payable
	2000	1,755	718,300	-
2001	1,195	689,010	397,710	13,025
2002	605	881,440	395,395	11,165
2003	-	998,466	804,425	9,375
2004	-	1,035,101	1,093,855	8,980
2005	-	955,206	1,081,805	8,520
2006	-	985,840	1,064,210	7,995
2007	-	985,015	1,147,120	7,360
2008	-	779,533	1,090,568	6,630
2009	-	771,550	1,178,193	5,790

Government Activities (continued)

<u>Notes Payable - BJP</u>	<u>Commercial Notes Payable</u>	<u>Internal Service Fund's Bond and Notes Payable</u>	<u>Capitalized Lease Obligations</u>	<u>Due to Component Units</u>
-	60,000	-	239	800
-	60,000	-	-	400
-	60,000	-	18,444	-
-	-	-	19,455	-
-	-	-	18,882	-
18,319	-	58,565	991	-
15,920	-	72,205	144	-
57,426	-	72,205	952	-
66,414	-	153,730	609	-
60,719	-	156,643	313	-

CITY OF JACKSONVILLE, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
TO PERSONAL INCOME AND PER CAPITA
LAST TEN YEARS (continued)
(dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Revenue Bonds	Accrued Compensating Absences	Liability for Landfill (Post)closure	Capitalized Lease Obligations			
2000	82,985	3,016	-	777	884,437	3.92%	1,117.41
2001	79,670	3,234	-	1,332	1,245,576	5.46%	1,568.94
2002	79,670	708	22,556	-	1,469,983	6.22%	1,821.51
2003	76,234	723	24,724	-	1,933,402	7.80%	2,337.99
2004	72,109	751	31,104	-	2,260,782	8.57%	2,700.93
2005	67,990	767	44,003	-	2,236,166	8.08%	2,602.13
2006	63,465	705	43,050	-	2,253,534	7.75%	2,528.67
2007	57,560	714	46,600	-	2,374,952	7.78%	2,644.79
2008	357,124	693	46,943	-	2,502,244	8.11%	2,765.00
2009	341,887	1,341	63,668	-	2,580,104	7.92%	2,865.13



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**CITY OF JACKSONVILLE, FLORIDA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
TO ACTUAL TAXABLE VALUE OF PROPERTY AND PER CAPITA
LAST TEN YEARS**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Redevelopment Bonds	Total		
2000	2,285,000	-	2,285,000	n/a	2.89
2001	1,755,000	-	1,755,000	n/a	2.21
2002	1,195,000	-	1,195,000	n/a	1.48
2003	605,000	-	605,000	n/a	0.73
2004	-	-	-	n/a	-
2005	-	-	-	n/a	-
2006	-	-	-	n/a	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-

CITY OF JACKSONVILLE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of September 30, 2009

As of September 30, 2009 the City of Jacksonville has no direct and overlapping debt as net general obligation bonds reported in preceding years were paid off.

CITY OF JACKSONVILLE, FLORIDA
LEGAL DEBT MARGIN INFORMATION
as of September 30, 2009

Neither the City of Jacksonville charter or code nor the Florida State Statues limits the amount of debt the City of Jacksonville can issue.

CITY OF JACKSONVILLE, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN YEARS
(dollars in thousands)

Excise Tax Revenue Bonds

Fiscal Year	Utility Service Taxes	Fuel Oil Taxes	Occupational License Taxes	Gross Available Revenues	Debt Service		Coverage
					Principal	Interest	
2000	73,341	245	6,721	80,307	16,320	16,476	2.45 x
2001	78,486	287	6,910	85,683	17,860	16,248	2.51 x
2002	87,710	164	7,089	94,964	19,155	14,586	2.81 x
2003	89,604	163	7,493	97,260	16,845	16,185	2.94 x
2004	89,364	107	7,320	96,791	23,080	17,072	2.41 x
2005	92,848	113	8,143	101,104	26,120	17,320	2.33 x
2006	97,284	229	8,809	106,322	28,570	17,388	2.31 x
2007	97,833	92	7,618	105,543	31,205	21,578	2.00 x
2008	107,531	71	7,932	115,533	32,930	21,100	2.14 x
2009	111,634	90	7,928	119,652	26,435	19,846	2.59 x

Capital Improvement Revenue Bonds

Franchise Fees	Communication Services Taxes	Sports Facility Sales Tax Rebate	Convention Development Tax (2%)	Sports Facility		Gross Available Revenues	Debt Service		Coverage
				Tourist Development Tax (2%)			Principal	Interest	
7,199	-	2,000	3,134	3,365	15,698	630	6,103	2.33 x	
7,846	-	1,833	3,475	3,738	16,892	725	6,073	2.48 x	
2,763	6,104	2,000	3,524	3,780	18,171	1,360	6,024	2.46 x	
926	6,209	2,000	3,611	3,895	16,641	1,475	9,189	1.56 x	
1,152	6,158	2,000	3,847	4,155	17,311	1,610	11,642	1.31 x	
1,276	6,502	2,000	4,800	5,108	19,686	1,750	10,441	1.61 x	
1,710	6,746	2,000	5,201	5,530	21,187	2,215	8,530	1.97 x	
1,335	6,709	2,000	5,118	5,402	20,565	3,675	7,733	1.80 x	
1,132	6,790	2,000	5,197	5,498	20,618	3,775	7,631	1.81 x	
1,349	6,726	2,000	4,366	4,675	19,117	4,005	7,453	1.67 x	

(continued)

CITY OF JACKSONVILLE, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN YEARS (continued)
(dollars in thousands)

Fiscal Year	Capital Project Revenue Bonds						Coverage
	JEA Contribution - Electric Services	JEA Contribution - Water and Sewer	Gross Available Revenues	Debt Service			
				Principal	Interest		
2000	60,898	10,536	71,434	630	6,103	10.61 x	
2001	62,590	11,049	73,638	725	6,073	10.83 x	
2002	65,490	11,117	76,606	1,955	1,062	25.39 x	
2003	67,039	11,457	78,496	2,000	783	28.21 x	
2004	70,039	13,148	83,188	2,055	903	28.12 x	
2005	68,677	17,261	85,938	2,205	2,875	16.92 x	
2006	71,031	17,657	88,688	2,265	4,478	13.15 x	
2007	73,100	18,337	91,438	2,430	5,103	12.14 x	
2008	73,847	20,341	94,188	2,495	4,262	13.94 x	
2009	76,094	20,593	96,688	2,680	1,581	22.69 x	

Guaranteed Entitlement Bonds

County Revenue Sharing	City Revenue Sharing	Gross Available Revenues	Debt Service		Coverage
			Principal	Interest	
1,999	5,826	7,825	3,650	3,883	1.04 x
1,999	5,826	7,825	3,810	3,716	1.04 x
1,999	5,826	7,825	3,990	3,538	1.04 x
1,999	5,826	7,825	-	4,058	1.93 x
1,999	5,826	7,825	2,000	5,421	1.05 x
1,999	5,826	7,825	2,060	5,360	1.05 x
1,999	5,826	7,825	2,120	5,298	1.05 x
1,999	5,826	7,825	2,185	5,233	1.05 x
1,999	5,826	7,825	2,250	5,165	1.06 x
1,999	5,826	7,825	2,400	5,049	1.05 x

(continued)

CITY OF JACKSONVILLE, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN YEARS (continued)
(dollars in thousands)

Fiscal Year	Local Government Sales Tax Revenue Bonds				Better Jacksonville Infrastructure Sales Tax Bonds			
	Local Government 1/2 Cent Sales Tax	Debt Service		Coverage	Infrastructure Sales Tax	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2000	67,373	4,740	10,683	4.37 x				
2001	67,487	4,985	10,609	4.33 x	\$ 38,496			
2002	71,689	5,325	8,374	5.23 x	55,324	\$ 2,315	\$ 9,994	4.49 x
2003	73,677	5,680	7,985	5.18 x	57,971	3,310	10,822	4.10 x
2004	76,155	8,675	8,923	4.33 x	60,132	6,020	21,269	2.20 x
2005	81,355	8,675	8,517	4.73 x	69,337	7,865	29,042	1.88 x
2006	86,763	9,085	8,114	5.04 x	73,227	13,310	28,071	1.77 x
2007	83,940	9,480	7,748	4.87 x	70,665	15,799	28,011	1.61 x
2008	77,529	9,815	7,351	4.52 x	70,262	19,844	27,948	1.47 x
2009	70,510	10,660	6,735	4.05 x	63,330	22,474	33,515	1.13 x

Transportation Revenue Bonds (Better Jax)

Transportation Sales Tax	Gas Tax (Constitutional Fuel Tax)	Gross Available Revenues	Debt Service		Coverage
			Principal	Interest	
56,746	8,558	65,304			
57,496	8,475	65,972			
57,471	8,174	65,646	\$ -	\$ 8,153	8.05 x
60,379	8,447	68,826	110	8,971	7.58 x
61,650	8,861	70,511	3,580	12,492	4.39 x
71,717	9,280	80,997	4,185	18,148	3.63 x
76,136	9,280	85,416	6,684	22,039	2.97 x
73,543	9,235	82,779	4,495	23,283	2.98 x
72,339	8,856	81,195	2,595	24,408	3.01 x
65,132	8,693	73,825	7,495	21,054	2.59 x

(continued)



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STATISTICAL SECTION – DEMOGRAPHIC AND ECONOMIC INFORMATION

**CITY OF JACKSONVILLE, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Total Personal Income (thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	Education level in Years of Schooling (2)	School Enrollment (3)	Unemployment rate (4)
1999	778,341	\$ 20,616,898	\$ 26,666	N/A	N/A	126,354	3.2%
2000	791,507	\$ 22,548,896	\$ 28,920	34.1	12.97	125,832	3.3%
2001	793,898	\$ 22,828,124	\$ 28,879	34.1	N/A	126,919	4.2%
2002	807,012	\$ 23,651,670	\$ 29,498	34.2	13.01	128,118	5.7%
2003	826,951	\$ 24,788,824	\$ 30,546	34.6	13.16	129,553	5.5%
2004	837,037	\$ 26,371,290	\$ 32,175	35.0	13.22	127,469	5.2%
2005	859,361	\$ 27,689,855	\$ 32,221	35.4	13.26	126,535	4.2%
2006	891,192	\$ 29,074,347	\$ 32,624	35.5	13.35	125,171	3.0%
2007	897,974	\$ 30,528,064	\$ 33,997	36.1	13.16	125,063	3.9%
2008	904,971	\$ 30,844,161	\$ 34,022	35.3	13.25	125,403	6.4%
2009	900,518	\$ 32,575,928	\$ 36,175	35.5	13.32	123,716	10.5%

Source:

- (1) Office of Economic and Demographic Research
- (2) U.S. Census Bureau
- (3) Duval County Public Schools, Budget Department
- (4) U.S. Department of Labor - Bureau of Labor Statistics

Notes:

N/A = Statistical information is not available
 2005 - 2009 population, total personal income, per capita personal income, and education level are estimates.
 2009 educational attainment source is 2009 Decision Data 2009, Discover Jacksonville

**CITY OF JACKSONVILLE, FLORIDA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR**

EMPLOYER	2009		
	Employees	Rank	% of total City Employment
Naval Air Station Jacksonville	19,500	1	2.83%
Naval Air Station Mayport	15,293	2	2.22%
Duval County Public Schools	14,489	3	2.10%
Blue Cross & Blue Shield	9,000	4	1.31%
City of Jacksonville	8,828	5	1.28%
Publix Distribution Center	6,615	6	0.96%
Winn-Dixie	6,200	7	0.90%
Baptist Health	5,600	8	0.81%
Mayo Clinic	5,000	9	0.73%
CitiBank(Citi-Cards)	5,000	10	0.73%
Total	95,525		13.85%

Notes:

- (1) Information current as of December 2009
- (2) Prior year information from nine years ago is not available.

Source: Jacksonville Cornerstone Regional Development Partnership

STATISTICAL SECTION – OPERATING INFORMATION

**CITY OF JACKSONVILLE, FLORIDA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
 BY FUNCTION/PROGRAM
 LAST 10 YEARS**

Function/Program	Full-time Equivalent Employees as of September 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government	1,752	1,681	1,493	1,545	1,451	1,608	1,575	1,596	1,554	1,507
Human Services	173	207	376	421	275	283	256	207	201	202
Public Safety	4,564	4,467	4,493	4,522	4,505	4,093	4,069	3,953	3,897	3,832
Culture and Recreation	444	562	769	809	706	693	556	482	452	432
Transportation	518	518	421	445	478	471	470	472	466	467
Economic Environment	191	32	77	97	104	96	94	94	91	86
Physical Environment	157	231	156	161	137	133	124	122	151	144
Parking System	51	51	44	47	31	32	76	29	29	28
Motor Vehicle Inspection	14	12	9	9	10	9	11	12	11	12
Solid Waste	150	153	170	203	160	163	163	162	175	174
Total	8,014	7,914	8,008	8,259	7,857	7,581	7,394	7,129	7,027	6,884

Source: City of Jacksonville Annual Financial Plan

Note: Number of positions based on approved budget

**CITY OF JACKSONVILLE, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR					
	2009	2008	2007	2006	2005	2004
Police						
Average Daily Police Calls for service	4,289	5,045	4,738	4,605	4,660	4,450
Traffic citations issued	154,806	216,644	220,569	208,825	208,292	212,726
Total sworn officers	1,751	1,704	1,665	1,591	1,609	1,622
Total civilians	1,552	1,348	1,335	1,236	1,125	1,175
Average daily population by institution:						
John E Goode Pretrial Detention Facility	2,692	2,578	2,536	2,322	2,247	2,206
James I. Montgomery Correctional Center	659	677	718	747	744	698
Community Corrections Division	295	297	314	312	337	306
Fire/Rescue						
Fire incidents	19,251	21,667	20,835	19,604	19,336	22,538
Rescue incidents	90,851	92,150	92,875	89,260	88,041	83,841
Rescue transports	53,700	51,013	49,340	45,110	44,533	42,280
Fire /Rescue Communication (9-1-1)						
No. of calls for emergency assistance	110,102	113,817	113,710	108,864	107,377	106,379
Fire prevention						
No. of inspection	5,717	8,406	8,411	10,351	14,106	12,457
No. of public education participants	75,655	70,388	46,195	48,722	35,278	26,421
Solid Waste						
Refuse collections (tons per day)	2,360	2,591	2,731	3,173	3,252	3,046
Recyclables collected (tons per day)	452	505	490	493	586	568
Motor Vehicle						
Number of vehicles inspected	10,607	10,929	10,895	11,196	11,229	10,430
Animal Care and Control						
Complaints received	24,849	16,138	16,491	34,398	32,520	30,987
Animals impounded	25,377	25,368	26,642	25,870	20,497	17,586
License tags dispensed	86,236	65,318	65,369	64,648	89,646	72,354
Housing						
Community Development Block Grant (CDBG)						
Limited Repair Program	30	44	55	53	37	44
Utility top-in Program	37	88	78	81	96	N/A
Façade program	3	3	6	20	10	8
Home Ownership Made Easy (HOME)						
Head Start Homeownership	160	105	111	46	78	174
Home-American Dream	2	27	6	33	36	N/A
Elderly Relocation/New Construction	0	1	4	4	4	1
State Housing Initiative Partnership (SHIP)						
Home Owner Rehabilitation	62	28	6	26	156	310

Source: City of Jax. Annual Financial plan
Various City Departments

Notes: N/A=Statistical Information is not available

FISCAL YEAR			
2003	2002	2001	2000
4,208	4,277	3,964	3,964
234,591	240,364	248,001	233,071
1,622	1,584	1,579	1,579
1,118	1,107	1,095	1,095
2,139	1,986	1,955	1,955
602	548	570	570
333	313	294	294
18,221	19,607	20,198	19,333
78,649	75,332	72,648	70,144
38,635	36,834	35,484	34,097
96,870	94,939	92,844	89,477
7,459	N/A	N/A	N/A
15,221	N/A	N/A	N/A
2,849	2,015	2,693	2,489
490	348	476	438
13,872	17,703	17,970	18,498
36,523	26,011	19,892	19,892
18,518	17,422	20,000	20,000
97,258	87,614	74,100	74,100
55	66	77	70
N/A	N/A	88	74
13	18	19	N/A
165	144	183	191
N/A	N/A	N/A	N/A
N/A	1	N/A	N/A
17	27	35	73

**CITY OF JACKSONVILLE, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (continued)**

Function/Program	FISCAL YEAR					
	2009	2008	2007	2006	2005	2004
Parks and Recreations						
Pool Attendance	653,606	411,354	428,403	466,321	462,817	592,622
Camp Attendance	2,323	2,082	5,094	4,956	5,013	6,487
Swimming lesson (children)	5,588	4,444	5,529	4,458	4,447	4,687
Permits issued (Athletic, special use, picnic)	3,028	1,696	1,912	3,322	1,694	189
Cecil Attendance	331,691	269,046	264,833	211,320	173,144	164,603
Athletic volunteers	776,570	1,081,745	912,550	1,082,695	668,260	469,872
Jacksonville Children's Commission						
Early Learning Coalition-Child Care Service	12,507	12,844	13,018	13,547	13,394	13,881
Team UP Programs	6,701	4,722	4,129	3,987	5,267	5,002
Community Based After school programs	2,440	2,507	2,409	2,365	2,596	2,142
Summer Camperships	5,979	3,524	4,083	4,972	6,861	6,216
Summer Lunch Program						
Lunches served daily	308,900	340,838	340,213	323,571	289,627	447,238
Snacks served daily	264,935	299,416	275,421	272,656	233,040	381,061
Number of Sites	185	201	157	175	157	231
Number of days served	49	49	57	47	43	46
Early Literacy						
Mayor Peyton Book Club	9,766	9,604	8,818	8,399	8,365	4,000
Others	5,856	5,531	6,800	7,851	5,329	1,000
Workforce Dev Training Institute	4,388	3,713	1,500	1,142	2,718	3,699
Library						
Programs	12,628	11,194	11,417	9,243	6,874	4,827
Gate count	5,257,939	4,829,892	4,703,234	4,365,463	3,768,611	3,461,025
Circulation	9,156,597	8,824,972	8,378,103	7,948,860	6,145,880	5,460,107

Source: City of Jax. Annual Financial plan
Various City Departments

Notes: N/A=Statistical Information is not available
*Healthy Kid and kidcare stat as of June 30,2006

FISCAL YEAR			
2003	2002	2001	2000
615,392	500,229	493,131	523,837
5,998	5,716	N/A	N/A
4,129	4,054	4,558	5,491
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
15,649	13,113	9,350	9,447
4,300	5,128	2,418	4,825
2,649	7,201	21,744	25,480
5,430	7,832	4,916	5,116
468,019	481,259	482,570	476,094
407,918	422,129	438,851	426,252
236	239	232	200
44	40	44	39
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
2,600	N/A	N/A	N/A
4,824	3,024	3,024	2,919
3,102,184	2,885,356	2,542,511	2,324,911
5,212,422	4,773,855	4,315,518	4,021,675

**CITY OF JACKSONVILLE, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year					
	2009	2008	2007	2006	2005	2004
Police						
Vehicular Patrol units						
Patrol Cars	1,133	1,468	1,468	1,418	1,418	1,208
Motorcycles	22	20	16	16	16	16
Other Vehicles	411	164	160	160	222	241
Unmarked	412	285	255	255	255	345
Horse Patrol	6	6	6	6	6	6
Fire Protection						
Stations	53	52	50	52	50	50
Marine Based stations	2	2	2	2	2	2
Rescue Units	32	31	31	30	30	24
Parks and Recreation						
Boat ramps	22	22	32	32	29	21
Community Center	65	65	53	53	53	30
Softball and Baseball Diamonds	214	210	280	287	277	267
Swimming pools	35	35	36	36	35	33
Tennis Courts	161	156	158	156	158	149
Soccer Fields	68	68	84	78	76	57
Street						
Miles of the streets	3,620	3,603	3,570	3,534	3,489	3,449
Street - paved (miles)	3,616	3,599	3,566	3,530	3,485	3,445
Street - unpaved (miles)	4	4	4	4	4	4
Street Maintained Primary (miles)	372	372	372	372	371	371
Interstate (miles)	95	95	95	95	95	95
Parking						
Downtown parking garages capacity	2,636	2,576	2,576	2,280	2,280	2,240
Downtown parking lots capacity	1,205	1,262	1,262	1,530	1,530	1,554
On Street meters	1,448	1,450	1,500	1,600	1,600	1,546
Solid Waste						
No. of city landfills in operation	1	1	1	1	1	1
No. of city yard waste recycling	1	1	1	2	2	2
Community Services						
Senior Citizen Centers	18	18	18	18	18	19
Passenger busses	26	26	26	26	26	24
Library						
Facilities	21	21	21	21	20	18
Square footage	785,046	785,046	785,046	785,046	785,046	417,061
No. of items held (books, DVD's, CD's, etc)	3,147,971	3,113,359	3,071,780	2,856,089	2,682,984	3,057,024

Source: City of Jacksonville Annual Financial plan
Various City Departments

Notes: N/A=Statistical Information is not available

Fiscal Year			
2003	2002	2001	2000
1,164	1,144	1,122	1,115
16	17	17	15
184	178	150	150
381	352	357	341
6	7	7	5
47	47	47	50
2	2	2	2
24	17	21	21
21	23	23	21
30	30	30	55
267	209	209	223
33	33	33	31
149	127	127	144
57	27	27	28
3,403	3,403	3,351	3,351
3,396	3,396	3,347	3,347
7	7	4	4
373	373	363	363
95	95	95	95
2,240	2,330	2,330	2,318
1,554	1,830	1,830	1,742
1,506	1,750	1,750	1,652
1	1	1	1
2	2	2	2
21	21	21	21
24	23	24	23
14	14	14	14
362,061	356,721	356,721	356,721
2,407,711	2,386,165	2,325,780	2,308,039



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**COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
CITY OF JACKSONVILLE, FLORIDA**