

# CITY OF JACKSONVILLE, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003



PREPARED BY THE DEPARTMENT OF ADMINISTRATION AND FINANCE  
ACCOUNTING DIVISION



**City of Jacksonville, Florida**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2003**

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**LETTERS OF TRANSMITTAL**



**OFFICE OF THE MAYOR**

**JOHN PEYTON**  
MAYOR

ST. JAMES BUILDING  
117 WEST DUVAL STREET  
SUITE 400  
JACKSONVILLE, FLORIDA 32202

Dear Members of the City Council and Citizens of Jacksonville:

It is a pleasure to present you with the City of Jacksonville's Comprehensive Annual Financial Report for Fiscal Year 2002/2003.

This document provides a full disclosure of 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 make Jacksonville the best place in America to live, work and raise a family.

Sincerely,

John Peyton  
Mayor



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## OFFICE OF THE MAYOR

**JOHN PEYTON**  
MAYOR

ST. JAMES BUILDING  
117 WEST DUVAL STREET  
SUITE 400  
JACKSONVILLE, FLORIDA 32202

**March 19, 2004**

**The Honorable Mayor  
Members of the City Council  
and Citizens of the City of Jacksonville**

### **Introduction**

The Comprehensive Annual Financial Report (Report) of the City of Jacksonville, Florida (the City), for the fiscal year ended September 30, 2003 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the City. 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.

We believe that the Report, prepared by the City's Department of Administration and Finance - Accounting Division, based on accounting principles generally accepted (GAAP) in the United States, presents fairly and consistently the City's financial position and changes in financial position and conforms to the standards of governmental accounting and financial reporting principles as promulgated by the Governmental Accounting Standards Board (GASB). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the changes in financial position of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The City Charter, Section 5.11, and Chapter 166.241 Florida Statutes, require the City's basic financial statements to be audited by an independent firm of certified public accountants selected by the City Council. This requirement has been complied with, and the report of the independent certified public accountants, rendered by Ernst & Young LLP, is included in the financial section of this report. The audit was conducted in accordance with auditing standards generally accepted in the United States and Government Auditing Standards set forth by the Comptroller General of the United States. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Jacksonville's basic financial statements for the fiscal year ended September 30, 2003, are fairly presented in conformity with GAAP. 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.

As a recipient of federal and state financial assistance, the City is also required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1984 (as amended); U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-profit Organizations*; and the Florida Single Audit Act. As a part of the City's Single Audit, tests are made to determine the adequacy of internal control, including that portion related to federal and state financial assistance programs. The information related to the Single Audit, including the schedule of expenditures of federal awards and state financial assistance, reports of the independent certified public accountants on internal control and compliance with applicable laws and regulations, and findings and questioned costs, is in a report to be issued separately at a later date.

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 auditors.

*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 unaudited 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.

*Financial 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 were those outlined by the GASB under Statement No. 14, *The Financial Reporting Entity*. The criteria considered in establishing financial accountability, set forth in GASB Statement No. 14, include appointing a voting majority of the organization's governing body and either (1) the ability to impose its will on the organization or (2) the potential for the organization to provide specific benefits to or to impose financial burdens on the City. Also included are component units where the nature and significance of their relationship with the City are such that their exclusion would cause the basic financial statements 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 of the City, as it is not a legally separate organization. Therefore, its activity is included as part of the primary government.

Blended component units, although legally separate entities, are reported as part of the City because they are so intertwined with the City that they are, in substance, the same as the City. The Police and Fire Pension Fund and the Metropolitan Planning Organization are component units of the City blended into the appropriate fund types. The JEA, the Jacksonville Airport Authority, the Jacksonville Seaport Authority, the Jacksonville Transportation Authority, the Jacksonville Economic Development Company, Inc., the Jacksonville Economic Development Commission, the Downtown Vision Inc., the Duval County Housing Finance Authority, and the Jacksonville Health Facilities Authority are reported as discretely presented component units. The Jacksonville Housing Authority is considered a related organization. The Duval County School Board did not meet the above criteria and is not a component unit of the City.

The City's Constitutional Officers (Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of the Circuit Court) are reported as part of the City's primary government activities because they do not possess the corporate powers necessary to meet the GASB Statement No. 14 definition of separate legal standing.

The reader is directed to Note 1.B. in the Notes to the Financial Statements for a more complete description of the factors used to define the reporting entity.

*Form of Government.* The City provides a full range of services including police and fire protection, parks, recreation facilities, courts, planning and zoning, street maintenance, elections and voter registration, emergency transport system, community health, housing and human services, planning and economic development programs, agricultural extension, and general administrative services. The City also owns and operates five enterprise activities, the significant ones consisting of a solid waste disposal, collection, and recycling system; a parking system; and a sports complex, convention center and performing arts center.

The City is a home-rule municipal corporation operating under the laws of the State of Florida, first organized and incorporated as a city February 11, 1832. The City's current charter, its municipal constitution, has been amended many times since its original adoption by the electorate on October 1, 1968, when the City of Jacksonville and Duval County governments were combined into the single, consolidated government of the City of Jacksonville. The laws of the State of Florida prevail when conflicts exist between the charter and the state constitution and in matters where the charter is silent. The City's charter can only be amended by the Florida Legislature and/or by a majority of the City's voters.

The Charter provides for a strong mayor-council form of government. Legislative authority is vested with a 19-member council; 14 members are elected by district and 5 members are elected at-large to serve for four-year terms. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations and borrowings, licensing and regulating of businesses and trades, and other municipal purposes. The City's Chief Executive Officer is the Mayor, elected to a four-year term. The Mayor has the power to veto any legislation passed by Council with certain limited exceptions. The present term of the elected Mayor and members of the City Council expires on June 30, 2007. To conform to the traditional organization of county governments within the State of Florida, the City retained the elected constitutional offices of Sheriff, Property Appraiser, Tax Collector, Supervisor of Elections, and the Clerk of the Circuit Court.

### **Mayor John Peyton's Initiatives** **Six Guiding Principles**

In an effort to be the best possible steward of your tax dollars, we have developed six guiding principles for your city government. We are committed to following these principles to make Jacksonville an even better place to live, work and raise a family.

#### **1. We will increase economic opportunity and jobs, including full support for our military and minority business ownership.**

Growing the economy and increasing jobs is one of my top priorities as mayor. To this end, we are actively working with the Jacksonville Regional Chamber of Commerce and Jacksonville Economic Development Commission to continually attract better jobs to Jacksonville. An example of success in this arena is the impending arrival of Embraer, a Brazilian aerospace engineering company that will soon inhabit the redeveloped Cecil Commerce Center.

Equally important to adding new business to our local economy is retaining an existing \$8 billion business-- the extensive military presence on the First Coast. We are diligently working to help put our local facilities in the

strongest possible position as the next round of base closures draws near. For the first time, the mayor's office has a staff member solely devoted to military issues, and we are meeting regularly with our local Congressional delegation, the governor and local military leaders in order to do as much as we can to support their efforts.

Increasing minority business ownership is also key to our city's economic health. I have recently appointed a committee to review and make recommendations for the small disadvantaged business enterprise process. Facilitating a more level playing field through our designation as an Empowerment Zone will also contribute to greater minority business ownership.

## **2. We will increase public safety, including homeland security and emergency preparedness.**

We hope to make Jacksonville the safest city in America. To that end, this year's budget provided for 30 new police officers, one new fire station and the modernization of 11 others. All outdated fire apparatus and equipment has been upgraded and standardized.

In our continuing work to upgrade Jacksonville's safety, we have also become a prototype city for unique homeland defense software developed by a team at the Massachusetts Institute of Technology. "Protect Hometown America" gives local authorities better access to information that could prevent terrorist activity.

## **3. We will increase early literacy.**

One of our biggest barriers to greatness as a community is illiteracy, and one of the most important things we can do as a community is to ensure that our children are able to read. My goal for Jacksonville is for each child to enter the first grade ready to learn and for each child to be able to read at grade level by third grade, if not sooner. In support of this effort, my administration provided an additional \$1 million to the Jacksonville Children's Commission budget for literacy programs. For the first time ever, the Mayor's Office has a staff member devoted solely to literacy initiatives. And we are working with groups all over Duval County to identify best practices and generate support for a community-wide emphasis on reading. We will do everything possible to engage our entire city in this vital effort.

## **4. We will enhance quality of life, including transportation, planning and parks.**

This administration hopes to further enhance the quality of life we enjoy as residents of Northeast Florida. This includes moving our park system from the biggest in the nation to the best, continuing the good work of the Better Jacksonville Plan, and raising the bar educationally and economically for all our citizens.

## **5. We will increase infill housing.**

I have charged our revamped Jacksonville Housing Commission with putting together a plan to eliminate substandard housing in Jacksonville over the next 15-20 years. The group is reviewing the current status of housing and making recommendations for change.

## **6. We will streamline government to facilitate business growth.**

We're working to institute best practices and a businesslike approach to city government, modernizing our purchasing code process, update our permitting process and reorganizing city departments for even greater government efficiency.



## Economic Condition and Outlook

Situated in the corner of Northeast Florida, Jacksonville is considered to be the metropolitan market for over ten Florida and South Georgia Counties. The city is the hub of an array of services that include a deep-water port, an international airport, tourism, sporting events, shopping and cultural amenities. With a Metropolitan Statistical Area (MSA) population of well over a million, Jacksonville is on the verge of being classified as a first-tier city. The Jacksonville MSA consists of Baker, Clay, Duval, Nassau, Putnam, and St. Johns Counties.

### Summary of local economy:

*Population Growth:* The Jacksonville MSA population increased from 1,229,030 in 2002 to an estimated 1,294,082 in 2003, a 5.3% increase.

*Employment:* The Jacksonville MSA continues to possess a strong labor force. The service industry employment leads the way with 32% of the total employment, with retail and total government at 21% and 11%, respectively.

INDUSTRY TITLE	Employment by Industry		PROJECTED	
	EMPLOYMENT 2003	EMPLOYMENT 2011	ANNUAL CHANGE TOTAL	PERCENT
<b>Total All Industries</b>	673,052	772,186	12,392	1.84
<b>Agriculture, Forestry, and Fishing, Total</b>	10,739	12,143	176	1.63
<b>Mining, Total</b>	544	523	(3)	(0.48)
<b>Construction, Total</b>	34,290	38,662	547	1.59
<b>Manufacturing, Total</b>	41,582	42,648	133	0.32
<b>Transportation, Communications, and Public Utilities, Total</b>	42,280	45,467	398	0.94
<b>Wholesale and Retail Trade, Total</b>	143,085	158,112	1,878	1.31
<b>Finance, Insurance, and Real Estate, Total</b>	62,947	74,244	1,412	2.24
<b>Services, Total</b>	215,659	269,175	6,690	3.10
<b>Government, Total</b>	74,812	81,251	805	1.08
<b>Self-Employed and Unpaid Family Workers</b>	47,114	49,961	356	0.76

Source: Florida Agency for Workforce Innovation, Labor Market Statistics

### **2003 Economic Activity**

The Cornerstone Division of the Jacksonville Chamber of Commerce announced 24 business projects in 2003, which retained a total of 256 jobs and brought 3,422 new jobs to the area. Private capital investment associated with these projects totaled \$237 million.

## Major Economic Development Program Announcements 01/01/03-12/31/03

Company Name	Type of Business	Projected New Jobs	Capital Investment
Countrywide Home Loans, Inc.	Wholesale Prime Central Processing Center	250(new)	\$1,000,000
Citibank Jacksonville	High-wage ops/technology/call center	400(new)	\$90,000,000
Nelnet Inc.	Student loan company	100(new)	No New Cap. Inve.
Fidelity National Financial	Financial Services headquarters	750(new)	\$53,000,000
BellSouth Long Distance, Inc.	F100 Customer service/technical operations	200(new)	\$5,500,000
Aegis Funding Corp.	Financial Services	150(new)	No New Cap. Inve.
Ceramica Alberdi USA, Inc.	Manufacturing	170(new)	\$19,750,000
Embraer Aircraft Holding, Inc.	Large int'l commercial aircraft manufacturer	200(new)	\$12,600,000
Cingular Wireless	Mobile voice/data communications customer	400(new)	No New Cap. Inve.
PSS World Medical, Inc.	Corporate HQ-Medical supplies provider	119(new)	No New Cap. Inve.
Flightstar Aircraft Services, Inc.	Aircraft Maintenance & Repair	200(new)/ 225(retained)	\$18,000,000

The Jacksonville International Airport serviced over 4.8 million passengers in 2003. This total reflects a 31.2% increase since 1996 and reflects the City's position as an emerging business center.

### Future Economic Activity

The strength of Jacksonville's economy lies in its diversified structure, not heavily dependent on any one major employer or employment sector. The community enjoys a natural location for distribution and warehousing activities. Quality lifestyle, labor force, and cultural/educational/medical facilities are key resources in the market's ability to sustain continued high growth in 2003 and beyond. The following listing from various sources highlights the community:

- Jacksonville is consistently rated as one of the top **"Hottest Cities in America"** for business expansions and relocations by site consultants in an annual poll for *Expansion Management* magazine. Ranked #3 in 2004, Jacksonville has been in the **top ten for five straight years** and is the **only city to be ranked #1 three times**.
- For the second year in a row, *Expansion Management* magazine ranked Jacksonville **2<sup>nd</sup> in the "Top 15 Southeastern Cities for Logistics"** in June 2003.
- Jacksonville has earned the nation's first **Well City USA** award from The Wellness Councils of America (Summer 2002).
- According to the results of a survey generated by Get There, a Sabre online meeting planning tool, Jacksonville ranked #1 for the second straight year as the **as the most cost-effective location for corporate meetings** (October 2002 and 2003)
- Jacksonville was ranked **eighth** in the **"Top 10 Southern Major Markets"** by Southern Business & Development magazine in its Summer 2002 issue.
- Florida Community College at Jacksonville was ranked by *Yahoo Internet Life* online magazine as the **second most "wired" community college** in the nation for 2002.
- The University of North Florida was listed among **America's 100 Best College Buys for 2002-2003** by Institutional Research & Evaluation Inc. from among 1,485 colleges and universities.

- JEA, the electric, water and sewer authority for Jacksonville received POWER magazine's 2002 Powerplant Award for its innovative work at its Northside Generating Station in its September 2002 edition.
- In the April 2003 *Business Facilities* Location Guide, Jacksonville ranked **#12 on a list of the Top 15 Cities for Corporate Headquarters**.
- According to a 2003 study by *Money Magazine* and data provider OnBoard, the City of Jacksonville was ranked as the **14<sup>th</sup> of "America's Safest Cities"** for all cities with over half a million in population.

## Other Financial Information

Pension Trust Funds. The City sponsors two public employee retirement systems administered by two separate and distinct pension Boards of Trustees that provide retirement, death, and disability benefits to 8,285 active City employees, 482 DROP participants for the Police and Fire Pension Plan and 5,712 retirees and beneficiaries at September 30, 2003. The General Employees Pension Plan (a multi-employer contributory defined benefit plan) covers substantially all full-time employees of the City and the JEA, a discretely presented component unit of the City, except for police officers and firefighters. The Police and Fire Pension Plan (a single-employer contributory defined benefit plan) covers eligible employees of the Office of the Sheriff and the Department of Fire and Rescue. In addition, certain City employees (less than 1% of total payroll) participate in the State of Florida Retirement System.

During fiscal year 2003, the net plan assets of the General Employees Pension Plan (\$1.4 billion at September 30, 2003) increased a net of \$141.7 million, with the plan being 89.7% funded. The net plan assets of the Police and Fire Pension Plan (\$704.1 million at September 30, 2003) increased a net of \$64.4 million during fiscal year 2003, with the plan being 64.3% funded.

The City made all of its required contributions in 2003 to the respective pension funds in accordance with actuarially determined contribution requirements. The City's pension plans are further explained in Note 9 in the Notes to Financial Statements.

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. Among the factors most commonly cited by these services include the following: (1) a well-diversified employment and tax base that provides a solid foundation to absorb future spending requirements; (2) moderate debt burden and well-managed finances; (3) sound financial condition; and (4) a consolidated city/county government structure. The City of Jacksonville maintains "AA-" to "A" ratings from Standard & Poor's, "AA" to "AA-" ratings from Fitch Ratings, and "Aa2" to "A2" ratings from Moody's Investors Service on its various revenue bond issues. The City continues to follow prudent fiscal policies and practices to maintain these strong credit ratings.

Cash Management. The City has a detailed written statement of investment policy that it follows. The investment goal of the City is to invest public funds in a manner that will earn a competitive yield on its portfolio, consistent with its primary function of safeguarding public assets by minimizing credit and market risks. Safety of principal is regarded as the foremost objective of the investment program. Maintaining sufficient liquidity is also an important investment objective. In keeping with this policy, at September 30, 2003, of the \$3.2 billion of cash and investments, \$3.1 billion are categorized under GASB Statement No. 3, Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements, as "Category 1," or the most secured custodial relationship. The remaining \$19.6 million, representing U.S. Government and Agency Securities and Repurchase Agreements held by a counterparty or its trust department not in the City's name, are categorized as "Category 3." These investments are stated at fair value. The City's investment policies are periodically reviewed for classification under the lowest risk category. The City's investment portfolio contains no derivative securities, floating rate securities, collateralized

mortgage obligations or reverse repurchase agreements. Cash, investments, and the City's collateralizing process are further explained in Note 3 of the Notes to Financial Statements.

All of the City's deposits and the deposits of certain of the City's component units are held in qualified public depositories, pursuant to State of Florida Statutes, Chapter 280, Florida Security for Public Deposits Act ("the Act"), and are covered by federal depository insurance, and, for the amount in excess of such federal depository insurance, by the Act. Cash is pooled, except for that held by revenue bond trustees, fiscal and escrow agents, and certain debt service and trust and agency funds, for maximum investing efficiency. Cash temporarily idle during the year is aggregated and invested in certificates of deposit, money market instruments, obligations of the U.S. Government, and repurchase agreements collateralized by U.S. Government securities for all funds except the City's pension trust funds, which are administered separately outside the City's pooled cash operations. Assets of the City's pension plans are maintained in separate investment pools, and investment management responsibility rests with the two pension Boards of Trustees.

Earnings on investments, other than those held by the City's pension funds, totaled \$25.4 million during the fiscal year ended September 30, 2003. From this total, \$16.1 million was derived from a City-administered, commingled investment pool which generated a total weighted average yield of 2.009% on an average daily invested balance of \$800.6 million. The remaining \$9.3 million in earnings was derived from a variety of segregated investments and investment programs primarily linked to the investment of bond proceeds. The City has a short-term investment horizon to minimize the level of market risk. At September 30, 2003, the general investment portfolio of government securities carried a weighted-average number of days to maturity of 449 days.

*Risk Management.* The City administers a comprehensive risk management and loss-control program, the primary objectives of which are to (1) identify potential exposures to loss, (2) evaluate the frequency and severity of losses, (3) reduce or eliminate risks or losses through established procedures and practices, and (4) determine the most efficient use of financial resources to satisfy losses.

The City's risk management policy is to rely primarily on the concept of self-insurance, supplemented by excess insurance coverage, when dealing with its various loss exposures, including workers' compensation, automobile liability, and general liability. Participants in the risk management pool include the City and independent agencies electing to be included. The City funds its risk retention losses dollar-for-dollar on an actuarially computed basis.

Unlike commercial insurance, establishment of a self-insurance fund, accounted for by the participant, does not result in the pure transfer of risk. The program's self-insured liability remains among and between the participants in varying degrees of risk sharing. State sovereign immunity statutes limit the liability to the participants for certain general liability risk exposures to \$100,000 per individual and \$200,000 per occurrence. There is a \$1 million retention for workers' compensation and no excess insurance for automobile liability and general liability. Various cost containment measures, such as managed care, are utilized by the workers' compensation self-insurance program in order to appropriately minimize medical claim costs.

Commercial insurance has been purchased for other risk exposures, including aviation, marine, property, fidelity bonding and employee benefits (medical, disability, dental, vision, prescription drug, and life).

## **General Information**

*Discussion of Controls.* Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of basic financial statements, in conformity with generally accepted governmental accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance

recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgements by management.

Accounting System. 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.

Budget System. Detailed provisions regulating the City's budget, tax levies, and appropriations are set in the Laws of Florida, in the City Charter, and in the City's Ordinance Code. The Mayor is required to submit his appropriations budget, called "The Mayor's 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 which coincides with and is limited to the City's fiscal year. As a financial plan, 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. At the beginning of each new fiscal year the Council adopts a balanced annual budget in the form of an ordinance 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 Achievements. 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, 2002. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for 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 for a period of one year only. The City of Jacksonville has received this Certificate for twenty-three consecutive years (fiscal years 1980 through 2002). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Use of the Report and Acknowledgments. The Report represents the thirty-fifth (1969 - 2003) Comprehensive Annual Financial Report of the City audited by a nationally recognized firm of certified public accountants, since the City of Jacksonville and Duval County Governments were consolidated on October 1, 1968. Approximately 350 copies of this report will be distributed. In addition to citizens of the community, the recipients will include city, state, and federal officials; university students; schools; libraries; newspapers; investment banking firms; banks and rating agencies.

The Report will be made available to any person or organization requesting it. The extensive effort of preparation and distribution of this report fulfills the Department of Administration and 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 judgements about the government's financial position and changes in financial position.

The 2003 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 Administration and Finance - Accounting Division and Treasury Division, who devoted many hours in 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 Lad Daniels, and Councilperson Warren Alvarez, Finance Committee Chair, and other 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,



Walter P. Bussells  
Chief Financial Officer



Calvin C. Ray  
Director, Department of  
Administration and Finance



Kevin G. Stork, CPA, CGFM  
City Comptroller  
Chief, Accounting Division



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# 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, 2002

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.

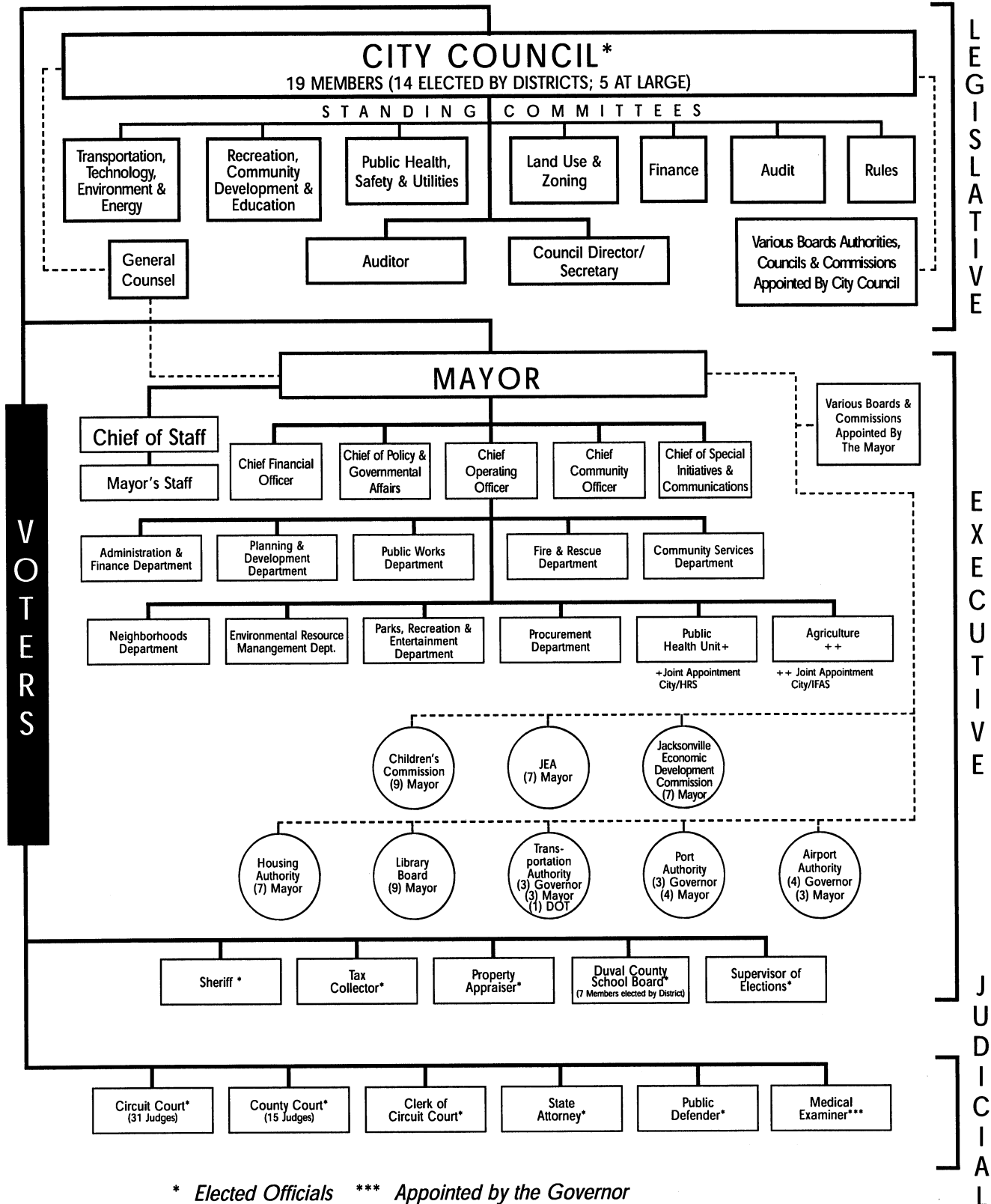


President

Executive Director



# organizational chart city of jacksonville, florida



\* Elected Officials \*\*\* Appointed by the Governor

# City of Jacksonville, Florida

## City Officers and Constitutional Officeholders

---

**John Peyton, Mayor**

### City Officers

Scott Teagle .....	Chief of Staff
Walt Bussells .....	Chief Financial Officer
Daniel Kleman .....	Chief Operating Officer
Steve Diebenow .....	Chief of Policy and Government Affairs
Pete Jackson.....	Chief Community Officer
Susie Wiles .....	Chief of Special Initiatives and Communications
Rick Mullaney, Esq. ....	General Counsel
Calvin C. Ray.....	Director, Department of Administration and Finance
Devin Reed, Esq .....	Director, Department of Procurement and Supply
Dr. Delphia Williams.....	Director, Department of Community Services
Rick Barrett.....	Director, Department of Fire and Rescue
Roslyn Phillips.....	Director, Department of Neighborhoods
Bob Baughman .....	Director, Department of Parks, Recreation, and Entertainment
Jeannie Fewell .....	Director, Planning and Development Department
Dr. Jeffrey Goldhagen .....	Public Health Administrator
Lynn Westbrook .....	Director, Department of Public Works
Janice E. Davis.....	Director, Environmental Resource Management
Kevin G. Stork, CPA, CGFM.....	Comptroller; Chief, Accounting Division
Mary Arditti, CPA, .....	Treasurer; Chief, Treasury Division
Frank Castriota .....	Budget Officer; Chief, Budget Division

### Constitutional Officeholders

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

# City of Jacksonville, Florida

## City Council Officials and Staff

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### City Council

President of Council ..... Lad Daniels  
Vice President of Council.....Elaine Brown

District 1 — Lake Ray	District 8 — Gwen Yates
District 2 — Lynette Self	District 9 — Reggie Fullwood
District 3 — Jerry Holland	District 10 — Mia Jones
District 4 — Suzanne Jenkins	District 11 — Warren Alvarez
District 5 — Art Shad	District 12 — Daniel Davis
District 6 — Sharon Copeland	District 13 — Arthur Graham
District 7 — Pat Lockett-Felder	District 14 — Michael Corrigan

Group 1 At-Large — Faye Rustin  
Group 2 At-Large — Elaine Brown  
Group 3 At-Large — Lad Daniels  
Group 4 At-Large — Kevin Hyde  
Group 5 At-Large — Glorious Johnson

### Council Staff

Richard Wallace, CPA..... Council Auditor  
Cheryl Brown..... Director/Council Secretary  
Kristi Sikes .....Chief of Administrative Services  
Dana Farris..... Chief of Legislative Services  
Cindy Warner..... Chief of Public Information  
Jeff Clements ..... Chief of Research



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## Report of Independent Certified Public Accountants

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely component units, each major fund, and the aggregate remaining fund information of the of the City of Jacksonville, Florida (the City), as of and for the year ended September 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. 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 Electric Authority, Jacksonville Port Authority, Jacksonville Transportation Authority, and Downtown Vision, Inc., which collectively represent 94 percent, 87 percent, and 96 percent, 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 Trust Fund, which represent 36 percent and 33 percent, 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 it relates to the amounts included for the aforementioned component units and the pension trust funds aggregate remaining fund information, are based on the reports of the other auditors.

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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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 fund, and the aggregate remaining fund information of the City as of September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the basic financial statements, effective October 1, 2002, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* relating to the retroactive reporting of certain infrastructure capital assets.



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In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general and major special revenue funds, and the schedules of employer contributions and funding progress listed under required supplemental information in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Government 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 and individual fund financial 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, based on our audit and the reports of other auditors, is 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 by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Ernst & Young LLP*

January 30, 2004





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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 analysis of the City's financial activities, focus on significant financial issues, 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. Please read and evaluate all sections of this report, including the Transmittal Letter at the front of this report and the City's Basic Financial Statements, which follow this section.

### HIGHLIGHTS

#### Financial Highlights

- The City of Jacksonville's total net assets at the close of the 2003 fiscal year decreased by \$73 million from the prior fiscal year due to the increase in bond issues, partially offset by the increase in capital asset additions.
- Capital assets were \$ 1,787 million at September 30, 2003, after the Infrastructure restatement, resulting in a \$362 million, 25% increase over last fiscal year.
- The City took advantage of historically low interest rates during the year, refunding several old bond issues and also borrowing new money to fund capital improvements in the amount of \$508 million.
- The City reported infrastructure assets acquired from October 1, 2001 through September 30, 2002 for fiscal year 2002 and October 1, 2002 through September 30, 2003 for fiscal year 2003 on the city-wide Statement of Net Assets. The City elected to defer reporting of assets acquired prior to September 30, 2001 in the fiscal year ended September 30, 2002. The City elected to begin reporting net of infrastructure assets of \$542 million acquired 20 years retroactive prior to October 1, 2001 in the current fiscal year.
- General Fund's General Services District expenditures performed more favorably than budgeted, posting a \$7.7 million favorable variance against a \$742.6 million budget net of reserves and cash carry-over.

#### City Highlights

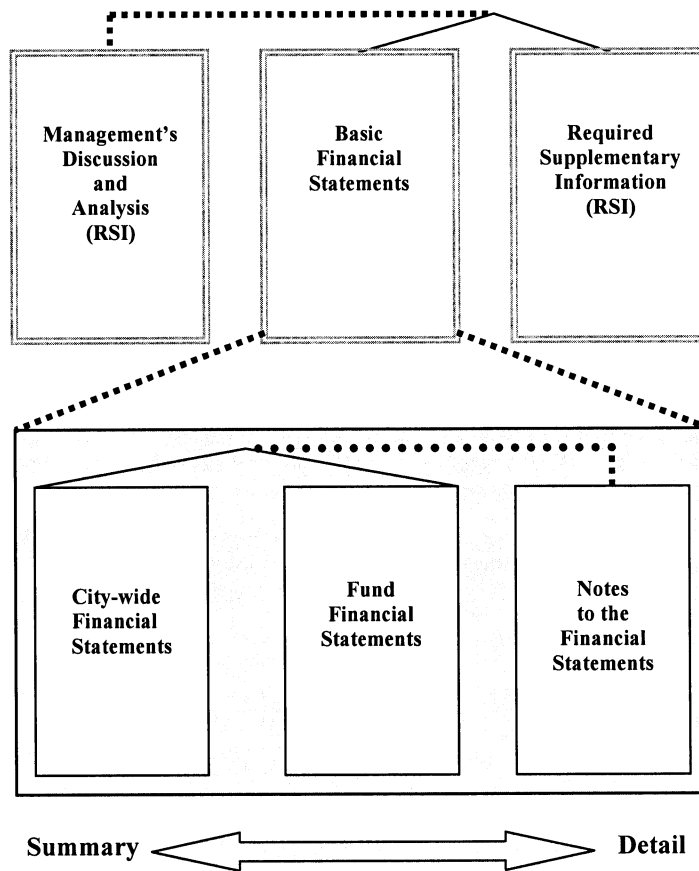
- The City continues to invest, not only in infrastructure, but also in services that enhance the quality of life of our citizens. Once more an additional \$1 million was added to the annual contribution to the Jacksonville Children's Commission, bringing the contribution to nearly \$14.9 million. This million is targeted to the Early Literacy Initiative.
- The Library System received 60 new positions. Staff has been added to facilitate new and expanded facilities, including a new Main Library, under the Better Jacksonville Plan, as well as additional customer service personnel.
- Parks have also been a high priority during fiscal year 2003. Improvements include aesthetics such as fencing, signage, and landscaping to equipment, restrooms, drinking fountains and parking. Park enhancements and infrastructure improvements will continue to be phased in during the upcoming years. We have continued to aggressively expand our public greenspace through The Preservation Project. This is a critical component of managing growth as well as an investment in a countywide passive park preserve. The City of Jacksonville now has the largest city park system in the United States.

## 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 comprise three components: 1) city-wide 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



## **City-Wide 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, 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 city-wide statements. The City of Jacksonville's component units are as follows: JEA, Jacksonville Transportation Authority, Jacksonville Airport Authority, Jacksonville Port Authority, Duval County Housing Finance Authority, Downtown Vision, Inc. and Jacksonville Economic Development Commission. The JEA, the Jacksonville Transportation Authority, the Jacksonville Airport Authority, the Jacksonville Port Authority and the Downtown Vision, Inc. all publish separately issued financial statements. For more information, see footnote 1.B. The Jacksonville Metropolitan Planning Organization functions as a blended component unit. 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, as reported in the previous financial models. 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 city-wide basic financial statements. However, unlike the city-wide 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 city-wide basic financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the city-wide 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, Transportation Fund, Special Bonded Debt Obligations Fund, General 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 city-wide 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 city-wide basic financial statements. The City uses enterprise funds to report separate information on operations such as solid waste, ferry operations, and sports complex activities.

*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 city-wide 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 city-wide 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 city-wide 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 and the progress of the City's employee's pension obligations.

The combining 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.

## CITY-WIDE FINANCIAL ANALYSIS

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

As of September 30, 2003, the City of Jacksonville is able to report positive balances in net assets, both for governmental and business-type activities. (See Table A-1)

**Table A-1**  
**Summary Statement of Net Assets**  
**(In Thousands)**  
**as of September 30, 2002 and September 30, 2003**

	Governmental Activities		Business Type Activities		Total Primary Government		Total Percentage of Change	
	As Restated				As Restated			
	2003	2002	2003	2002	2003	2002	2001/2002	2002/2003
Cash and Investments	\$ 879,111	890,778	\$ 59,607	\$ 61,444	\$ 938,718	\$ 952,222	6.25%	-1.42%
Other Current Assets	173,218	123,991	38,071	39,822	211,289	163,813	21.37%	28.98%
Capital Assets	1,730,612	1,144,749	56,451	280,239	1,787,063	1,424,988	63.54%	25.41%
Total assets	<u>2,782,941</u>	<u>2,159,518</u>	<u>154,129</u>	<u>\$ 381,505</u>	<u>2,937,070</u>	<u>2,541,023</u>	33.56%	15.59%
Current Liabilities	126,739	123,548	10,646	10,391	137,385	133,939	13.35%	2.57%
Long-term debt outstanding	1,949,916	1,482,831	98,810	100,037	2,048,726	1,582,868	15.70%	29.43%
Total liabilities	<u>2,076,655</u>	<u>1,606,379</u>	<u>109,456</u>	<u>110,428</u>	<u>2,186,111</u>	<u>1,716,807</u>	15.51%	27.34%
Net assets								
Invested in capital assets, net of related debt	259,956	(93,273)	(18,516)	201,456	241,440	108,183	-148.32%	123.18%
Restricted	230,392	448,836	12,714	11,884	243,106	460,720	17.24%	-47.23%
Unrestricted	215,938	197,576	50,475	57,737	266,413	255,313	-61.06%	4.35%
Total net assets	<u>\$ 706,286</u>	<u>553,139</u>	<u>\$ 44,673</u>	<u>\$ 271,077</u>	<u>\$ 750,959</u>	<u>\$ 824,216</u>	-0.07%	-8.89%

The largest portion of the City's net assets reflects its capital projects, investments and capital assets. The City maintains a cash and investment pool that is available for use by all funds except for monies which are legally restricted to separate administration (i.e. pension plan custodians and deferred compensation plan administrators). The "Equity in cash and investments" consist of cash and investments owned by each fund and defined as resources that can be liquidated without delay or penalty. In addition, cash and investments separately held and individually accounted for by several of the City's funds where contractual arrangements and bond covenants provide for and require such arrangements are classified as "restricted assets."



Net Assets- The net asset category Invested in Capital Assets, net of related debt, for fiscal year 2002 is negative because, prior to fiscal year 2002, infrastructure assets such as roads and bridges were not required under governmental accounting rules to be reported on the City' Statement of Net Assets. Historically, much of those improvements have been financed by bonds, which are reported on the Statement of Net Assets. New accounting rules regarding infrastructure reporting (see Notes to the Financial Statements, Note 1) require these assets to be reported prospectively beginning in fiscal year 2002, and retroactively reported within four years.

In accordance with GASB Statement 34, a deferral period until September 30, 2006 was available before the City was required to record and depreciate infrastructure assets acquired prior to October 1, 2001. Infrastructure assets include roads, bridges, drainage improvements, traffic signals, etc. The City reported infrastructure assets acquired from October 1, 2001 through September 30, 2002 for fiscal year 2002 and October 1, 2002 through September 30, 2003 for fiscal year 2003 on the city-wide Statement of Net Assets. The City elected to defer reporting of assets acquired prior to September 30, 2001 in the fiscal year ended September 30, 2002. The City elected to begin reporting of infrastructure assets acquired prior to October 1, 2001 in the current fiscal year.

Investment earnings are allocated to the individual funds as provided by statute; earnings for all other participants are credited to the General Fund.

The City's general governmental revenues increased to \$1.1 billion (see Table A-2). More than half of the City's revenue comes from taxes. Almost a quarter comes from intergovernmental and the major portion of the remainder is charges for services.

Governmental activities increased the City of Jacksonville's net assets by \$153 million, accounting for 100% of the total growth in net assets.

The new baseball park and the new arena opened in March 2003 and October, 2003 respectively. The increase in transfers from the General Fund and other subfunds is largely due to the start-up and marketing costs of these new facilities.

Solid Waste's Landfill reclassification from Work In Progress resulted in the major portion of the decrease in net assets in Business Type Activities.

The increase in revenues, Payments in Lieu of Taxes is due to the reclassification from Payments from Component Units of Jacksonville Electric Authority's \$78 million payment to the City.

All Payments To and From Component Units were reclassified in FY 2003. Remaining Payments from Component Units was reclassified to Intergovernmental Revenue. The Payments to Component Units was reclassified to Transportation, Economic and Physical Environments. These reclassifications are shown on the Entity-wide Statements in the Basic Financial Statements section of this report.

The following Table A-2 provides a summary comparison of the City's operations for the 2002/2003 fiscal year ends.

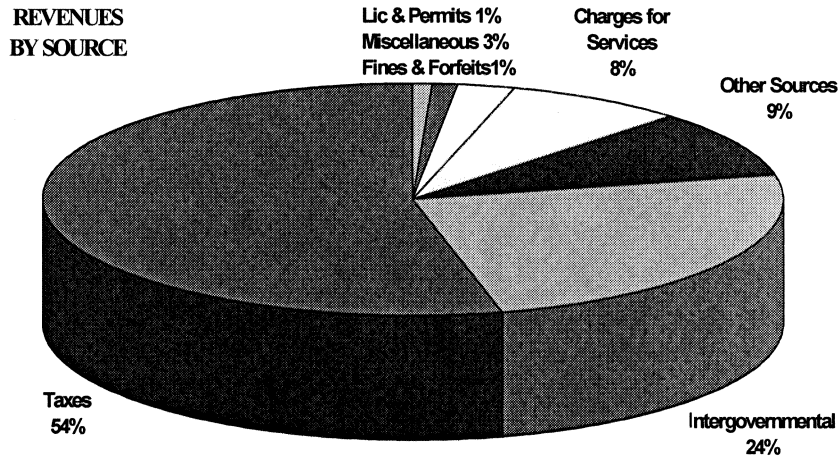
**Table A-2**  
**Statement of Activities**  
(In Thousands)  
as of September 30, 2002 and September 30, 2003

	Governmental Activities		Business Type Activities		Total Primary Government	
	2003	As restated 2002	2003	2002	2003	As restated 2002
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Fines & Charges for services	\$ 104,115	\$ 95,493	\$ 49,939	\$ 50,013	\$ 154,054	\$ 145,506
Operating grants/contributions	85,013	86,833	49	229	85,062	87,062
Capital grants/contributions	31,210	26,453	-	1,371	31,210	27,824
<b>General revenues:</b>						
Property/utility service/sales taxes	581,289	558,090	-	-	581,289	558,090
Intergovernmental	163,551	122,145	-	117	163,551	122,262
Payments from component units	-	111,054	-	-	-	111,054
Payment in lieu of taxes	81,376	2,984	-	-	81,376	2,984
Unrestricted earnings on investmtns	22,894	26,743	2,729	2,787	25,623	29,530
Miscellaneous	28,109	20,275	1,927	2,542	30,036	22,817
<b>Total Revenues</b>	<b>1,097,557</b>	<b>1,050,070</b>	<b>54,644</b>	<b>57,059</b>	<b>1,152,201</b>	<b>1,107,129</b>
<b>Expenses</b>						
General government	168,844	112,505	-	-	168,844	112,505
Human Services	101,974	95,609	-	-	101,974	95,609
Public safety	334,977	332,829	-	-	334,977	332,829
Cultural and recreational	73,523	47,832	-	-	73,523	47,832
Transportation	299,785	107,871	-	-	299,785	107,871
Economic & physical environment	86,835	95,015	-	-	86,835	95,015
Payments to component units	-	58,585	-	-	-	58,585
Interest on long term debt	68,656	55,745	-	-	68,656	55,745
Parking system	-	-	3,621	3,497	3,621	3,497
Sports complex	-	-	15,528	20,471	15,528	20,471
Motor vehicle inspections	-	-	577	706	577	706
Solid Waste	-	-	69,098	65,323	69,098	65,323
Ferry	-	-	2,040	1,871	2,040	1,871
<b>Total Expenses</b>	<b>1,134,594</b>	<b>905,991</b>	<b>90,864</b>	<b>91,868</b>	<b>1,225,458</b>	<b>997,859</b>
Increases (decreases) in net assets before transfers	(37,037)	144,079	(36,220)	(34,809)	(73,257)	109,270
Transfers	190,184	(27,215)	(190,184)	27,215	-	-
<b>Change in net assets</b>	<b>\$ 153,147</b>	<b>\$ 116,864</b>	<b>\$ (226,404)</b>	<b>\$ (7,594)</b>	<b>\$ (73,257)</b>	<b>\$ 109,270</b>
<b>Net assets, beg of yr, as restated</b>	<b>553,139</b>	<b>436,275</b>	<b>271,077</b>	<b>278,671</b>	<b>824,216</b>	<b>714,946</b>
<b>Net assets, end of year</b>	<b>\$ 706,286</b>	<b>\$ 553,139</b>	<b>\$ 44,673</b>	<b>\$ 271,077</b>	<b>\$ 750,959</b>	<b>\$ 824,216</b>

## FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2003.

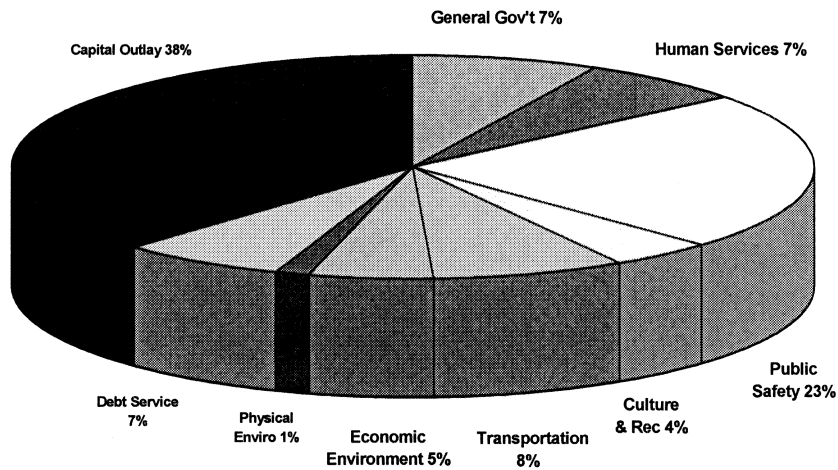
### GENERAL GOVERNMENTAL REVENUES



The total cost of programs and services was virtually unchanged. The City's expenditures cover a range of services, with over half related to public safety and capital outlay.

### GENERAL GOVERNMENTAL EXPENDITURES

**EXPENDITURES BY CATEGORY**



The City of Jacksonville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

At the end of the current fiscal year, the City of Jacksonville's governmental funds reported combined ending fund balances of \$803 million. Approximately 31% of this total amount constitutes unreserved funds balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for encumbrances, to provide for prepaid items, to pay for debt service and to provide for advances to other funds.

All nonmajor 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 and Major Special Revenue Fund Budget and Actual Schedules are included as RSI following the Notes to the Financial Statements.

#### **Governmental Funds:**

- The City's general governmental revenues increased by \$45 million, expenditures increased by \$244 million. Capital outlay expenditures were the major portion of the increase.
- At the close of the 2003 fiscal year, the City of Jacksonville's governmental funds reported combined ending fund balances of \$803 million due to major project completions such as the Ballpark and Arena.
- The unreserved fund balance for the general fund was \$46 million or 80% of the total general fund balance. Management has designated 90% of these reserved funds toward capital projects and next year budget appropriations. Taxes, the largest source of City revenue, reported a 4% increase in 2003, \$23 million over last year.
- Transportation decreased \$10.9 million, a decrease of 8.4% compared to 2002 due to projects being completed and major roadwork such as resurfacing currently being done under the Better Jacksonville Plan.

#### **General Fund**

- Ad Valorem millage rate reduced for the eighth consecutive year of millage cuts, resulting in a 10% decrease over the eight years. This represents tax savings to taxpayers of approximately \$36 million in the fiscal year 2003 and cumulative savings of \$115.7 million over the eight-year period.
- For the eighth consecutive year, the City continues its effort to build up reserves. General Fund cash carryover has been increased by \$1 million to a total of \$25.5 million.
- The contribution to Shands Hospital/Jacksonville in support of indigent care has been maintained at \$23.8 million. An additional transfer of \$3.2 million has been provided for debt relief.
- Funding to the Jacksonville Children's Commission has again been increased by \$1 million. The Commission provides all local governmental services to children. Fully 90% of the new money will translate into additional direct services to children.
- Funding was provided for replacement of firefighter equipment totaling \$3 million, which includes pumpers, tankers, ladder trucks, rescue units, cars, and a utility trailer.
- The Office of the Sheriff has added nine police officers for security at the Jacksonville Port Authority (Blount Island), while six recreational positions have been authorized for the Police Athletic League (PAL) at the new Arlington facility.

## Special Revenue Fund

- The Concurrency Management Trust fund provides funding for maintenance and update of the Concurrency Management System that is the basis for ensuring compliance with the 2010 Comprehensive Plan. This sub fund is funded by revenue generated by the Concurrency Management System.
- The Alltel Stadium Revenue fund reflects estimated revenues and bond interest associated with the Gator Bowl Financing Package. The fund encompasses two separate one-cent levies and State Sales Tax Rebate associated with the Gator Bowl Capital Project. The increase in tax revenue of \$4,068,655 was based on the last twelve months period ending July 2003.

## Enterprise Fund

- The new Cecil Equestrian and Recreation Complex is a component of the Better Jacksonville Plan. The 832-acre recreational development will include an Equestrian Center that will host regional and national level competitions. The operating expenses increase is for the maintenance of the Center. This cost also includes a management fee of \$125,000 for Spectacor Management Group.

The City Council Finance Committee performs detailed reviews of each area of the Annual Budget. The Council Finance Committee began its work shortly after the Mayor delivered his proposed budget on July 14<sup>th</sup>, and completed its review and made final recommendations on September 14<sup>th</sup>. During the review period, the Finance Committee held hearings with the individual departments, heard from a variety of community organizations and concerned citizens, and discussed matters of particular interest with the Council Auditor's staff and the Administration. All meetings were open to the public. The Budget was ultimately adopted on September 23<sup>rd</sup> and was signed into law by the Mayor on October 1.

The Mayor recommended a gross Annual Budget of \$1,296,117,398. The budget was amended by City Council to a new gross total of \$1,361,325,014 an increase of \$65,207,616 or 5%.

The following are some of the changes made by City Council:

- Realignment of reserve funds from one sub fund to another for a total of \$39.8 million.
- Recognized all participants and employer pension contributions as well as contract payments for an additional \$19.8 million.
- Provided \$250,000 of funding for a Parks & Recreation Master Study Plan.
- Increased Tax Collector staff by 2 positions and funding by \$150,000.
- Increased Tax Collector part time peak hour staffing by 1 at each branch location and increased funding by \$128,700.
- Provided the Tax Collector with funding totaling \$68,400 for 140 validators for a new cashiering system.
- Decreased revenues for Sidewalk and Curb repairs by \$150,000 and Rental City Facilities by \$162,567.
- Increased revenues from Gain on Sale of City vehicles auctioned by \$330,771.
- Reduced the cost of group health premiums allocated by \$500,000
- Set up a reserve for Fire Rescue to fund Rescue Units, positions to accommodate the DROP plan, training of new recruits, software and equipment for a total of \$2.9 million.

## 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, 2003, amounts to \$1,787 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, current year infrastructure, and construction in progress (see Table A-3). Additional information on the City of Jacksonville's capital assets can be found in Notes to the Financial Statement, Footnote 6 of this report.

**Table A-3**  
**Capital Assets**  
**Net of Accumulated Depreciation**  
**(In Thousands)**  
**as of September 30, 2002 and September 30, 2003**

	Governmental Activities		Business Type Activities		Total	
	As restated		2003	2002	2003	As restated 2002
	2003	2002				
Land	\$ 256,722	\$ 163,162	\$ 7,074	\$ 31,553	\$ 263,796	\$ 194,715
Buildings and improvements	565,810	305,201	73,621	312,258	639,431	617,459
Furniture & Equipment	55,119	49,433	9,575	15,514	64,694	64,947
Construction in progress	240,752	63,490	533	14,658	241,285	78,148
Infrastructure	908,622	660,767	-	-	908,622	660,767
Capital assets reported in Internal Service Funds, net	-	-	-	-	-	-
	63,335	63,831	-	-	63,335	63,831
Less accumulated depreciation	(359,748)	(161,135)	(34,352)	(93,744)	(394,100)	(254,879)
Total	<u>\$ 1,730,612</u>	<u>\$ 1,144,749</u>	<u>\$ 56,451</u>	<u>\$ 280,239</u>	<u>\$ 1,787,063</u>	<u>\$ 1,424,988</u>

Major capital asset events during the current fiscal year included the following:

- Capital outlay increased \$298 million, 115% over fiscal year 2002.
- The Better Jacksonville Plan completed major projects such as a new arena and a new baseball park in 2003. The Better Jacksonville Plan began new major projects such as a new main library along with six branch libraries and a new courthouse in 2003. The main library is scheduled to open in 2005.
- Additionally a variety of street construction projects in new residential developments and widening and expansion projects for existing streets and bridges began.

The City of Jacksonville's Capital Improvement Program schedule includes total projects budgeted at \$1,380.7 million. This amount is composed of \$9.2 million in new appropriations for the new year and \$1,371.5 million appropriated in prior years but not yet expended.

The majority of the newly appropriated funding comes from the financing of the joint City and Jacksonville Transportation Authority road, bridge and drainage capital improvement projects used to finance transportation infrastructure projects.

**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 General Bonded Debt Obligations Fund** accounts for the accumulation of resources for, and the payment of, principal and interest on the General Obligation Bonds of the City. There are no bonds remaining in this fund.

**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 Jax 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 \$1.9 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 Statement, Footnote 8 of this report.

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

	Governmental Activities		Business Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Gen LT Obligations	\$ 0	605	-	-	\$ 0	605
Special Ob Bonds	1,802,891	1,276,835	-	-	1,802,891	1,276,835
Rev Bonds Payable	-	-	\$ 76,234	\$ 79,670	76,234	79,670
Notes Payable	9,375	71,165	-	-	9,375	71,165
Deferred Amounts	9,354	(896)	(2,944)	(2,897)	6,410	(3,793)
<b>Total</b>	<b>\$ 1,821,620</b>	<b>\$ 1,347,709</b>	<b>\$ 73,290</b>	<b>\$ 76,773</b>	<b>\$ 1,894,910</b>	<b>\$ 1,424,482</b>

The City of Jacksonville's Debt Service increased by \$5.5 million as compared to fiscal year 2002. This increase was due to the Better Jacksonville Plan bond. The City anticipates future debt activity to continue funding the Better Jacksonville Plan, refinancing various bonds and additional needs for drainage and park improvements.

The City does not borrow for operating needs. All of its outstanding long-term indebtedness is for capital needs only. At September 30, 2003, the City of Jacksonville had \$998.5 million in special obligation bonds payable from specific revenue sources other than ad valorem taxes, \$804.4 million in special obligation bonds payable from other specific revenue sources (Better Jacksonville Plan), \$76.2 million in bonds payable from Enterprise Funds, and \$9.4 million in U.S. Government Guaranteed Notes.

All required principal and interest payments on outstanding debt were remitted timely and in full. The reserve requirements and sinking fund remittances mandated by the bond covenants remain funded at the prescribed levels at September 30, 2003.

New indebtedness of the City of Jacksonville consists of;

<b>Closing Date</b>	<b>Par Amount</b>	<b>Lien</b>	<b>Primary Use</b>
November 26, 2002	\$68,475,000	Excise Taxes Revenue	Fund grant to Shands
December 16, 2002	\$63,060,000	Local Govt Sales Tax Revenue	Refund Commercial Paper
February 19, 2003	\$211,050,000	Better Jax Sales Tax Revenue	Better Jax Plan Improvements
July 1, 2003	\$47,775,000	Transportation Revenue	Refund State of FL, JTA bonds
July 3, 2003	\$27,065,000	Excise Taxes Revenue	Refund ETRR Bonds, 1993A
July 3, 2003	\$34,540,000	Excise Taxes Revenue	Refund ETRR Bonds, 1993
September 25, 2003	\$24,000,000	Capital Project Revenue	Drainage and other projects
September 25, 2003	\$76,825,000	Transportation Revenue	Better Jax Plan Improvements
September 25, 2003	\$76,800,000	Transportation Revenue	Better Jax Plan Improvements

### **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 less than 5%. This compares favorably to the state’s average unemployment rate and the national average unemployment rate.
- Inflationary trends in the region compare favorably to national indices.
- The majority of the City’s job growth comes from Jacksonville based businesses.
- Jacksonville has the largest Empowerment Zone in the nation.
- The home for the Super Bowl will be in Jacksonville in the year 2005.

**Budget Highlights:**

- Ad Valorem millage rate reduced for the ninth consecutive year of millage cuts, resulting in a 1.48 mills decrease over the nine years. This represents tax savings to taxpayers of approximately \$50.9 million in the current year and cumulative savings of \$166.6 million over the nine-year period.
- Four capital projects were budgeted through the General Capital Projects Fund. These include \$3 million for downtown enhancements, \$3 million for water/sewer expansion, \$1 million for the Zoo and \$300,000 for sidewalk maintenance.
- The Public Library received 135 new positions; staff has been added in anticipation of new and expanded facilities, including a new Main Library, under the Better Jax Plan, as well as additional customer service personnel.
- A contribution of \$325,000 represents the final installment of an \$850,000 contribution from the City to the Super Bowl Committee in anticipation of the City’s hosting of the 2005 Super Bowl.
- Building Inspection converted five temporary National Pollution Control Discharge Elimination Inspectors to permanent Civil Service Construction Inspectors. These inspectors will ensure that best practices are in use to stop erosion from getting into the storm water system.
- Implemented “Matched Book” debt and investment policy that will produce an additional \$15 million in interest income or interest expense reduction in FY2004.

### **CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Administration and Finance, Accounting Division, 117 West Duval Street, Suite 375, Jacksonville, Florida 32202, or call (904) 630-1250.





**CITY-WIDE FINANCIAL  
STATEMENTS**

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS -**  
**WITH COMPARATIVE TOTALS FOR 2002 (in thousands)**  
**SEPTEMBER 30, 2003**

<u>ASSETS</u>	<u>PRIMARY GOVERNMENT</u>		<u>TOTALS</u>		<u>COMPONENT UNITS</u>
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>AS RESTATED</u>		
			<u>2003</u>	<u>2002</u>	
<b>CURRENT ASSETS:</b>					
Equity in cash and investments.....	\$ 829,787	\$ 59,607	\$ 889,394	\$ 917,616	\$ 1,150,690
Cash in escrow and with fiscal agents.....	49,324	-	49,324	34,606	-
Receivables, net.....	42,864	3,427	46,291	24,860	209,127
Due from primary government.....	-	-	-	-	3,600
Due from independent agencies and other governments.....	113,180	283	113,463	92,295	30,369
Inventories.....	2,683	4	2,687	2,930	109,324
Prepaid expenses and other assets.....	11,564	240	11,804	6,521	468,572
Deferred charge - landfill related costs.....	-	33,616	33,616	35,303	-
Other deferred charges.....	2,927	501	3,428	1,904	-
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	497,532	7,607	505,139	272,921	1,283,697
Other capital assets, net of depreciation.....	1,233,080	48,844	1,281,924	1,152,067	5,121,049
<b>TOTAL ASSETS.....</b>	<b>2,782,941</b>	<b>154,129</b>	<b>2,937,070</b>	<b>2,541,023</b>	<b>8,376,428</b>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	69,380	6,152	75,532	90,117	180,147
Contracts payable.....	3,740	1,260	5,000	3,286	-
Due to component units.....	3,600	-	3,600	3,900	-
Due to independent agencies and other governments.....	4,916	6	4,922	212	25
Deposits.....	846	1,302	2,148	576	17,589
Deposits held for construction and events.....	-	-	-	252	-
Accrued interest payable.....	36,492	1,677	38,169	30,268	87,758
Deferred revenue.....	7,765	249	8,014	5,328	18,755
Liabilities payable from restricted assets.....	-	-	-	-	15,082
Other current liabilities.....	-	-	-	-	90,369
<b>NONCURRENT LIABILITIES:</b>					
Due within one year.....	65,060	4,341	69,401	118,367	152,662
Due in more than one year.....	1,884,856	94,469	1,979,325	1,464,501	5,057,149
<b>TOTAL LIABILITIES.....</b>	<b>2,076,655</b>	<b>109,456</b>	<b>2,186,111</b>	<b>1,716,807</b>	<b>5,619,536</b>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	259,956	(18,516)	241,440	108,183	1,821,104
Restricted for:					
Debt service.....	144,690	-	144,690	104,263	15,437
Capital projects.....	85,702	11,930	97,632	356,457	170,693
Other purposes.....	-	784	784	-	382,924
Unrestricted.....	215,938	50,475	266,413	255,313	366,734
<b>TOTAL NET ASSETS.....</b>	<b>\$ 706,286</b>	<b>\$ 44,673</b>	<b>\$ 750,959</b>	<b>\$ 824,216</b>	<b>\$ 2,756,892</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF ACTIVITIES -**  
**WITH COMPARATIVE TOTALS FOR 2002 (in thousands)**  
**SEPTEMBER 30, 2003**

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		
							2003		AS RESTATED 2002
<b>PRIMARY GOVERNMENT:</b>									
Governmental activities:									
General government.....	\$ 168,844	\$ 54,715	\$ 2,680	\$ -	(\$ 111,449)		(\$ 111,449)	(\$ 54,386)	
Human services.....	101,974	484	14,116	-	(87,374)		(87,374)	(75,290)	
Public safety.....	334,977	39,087	8,701	-	(287,189)		(287,189)	(289,458)	
Culture and recreation.....	73,523	4,419	3,710	4,202	(61,192)		(61,192)	(41,025)	
Transportation.....	299,785	4,664	-	19,390	(275,731)		(275,731)	(121,357)	
Economic environment.....	77,375	-	52,722	7,067	(17,586)		(17,586)	(43,230)	
Physical environment.....	9,460	746	3,084	551	(5,079)		(5,079)	(16,721)	
Interest on long term debt.....	68,656	-	-	-	(68,656)		(68,656)	(55,745)	
Total governmental activities....	<u>1,134,594</u>	<u>104,115</u>	<u>85,013</u>	<u>31,210</u>	<u>(914,256)</u>		<u>(914,256)</u>	<u>(697,212)</u>	
Business-type activities:									
Parking system.....	3,621	2,801	-	-	-	(\$ 820)	(820)	(639)	
Sports complex.....	15,528	8,183	-	-	-	(7,345)	(7,345)	(9,527)	
Motor vehicle inspections.....	577	416	-	-	-	(161)	(161)	(158)	
Solid Waste.....	69,098	37,421	49	-	-	(31,628)	(31,628)	(29,107)	
Ferry.....	2,040	1,118	-	-	-	(922)	(922)	(824)	
Total business-type activities....	<u>90,864</u>	<u>49,939</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>(40,876)</u>	<u>(40,876)</u>	<u>(40,255)</u>	
<b>Total primary government.....</b>	<b><u>\$ 1,225,458</u></b>	<b><u>\$ 154,054</u></b>	<b><u>\$ 85,062</u></b>	<b><u>\$ 31,210</u></b>	<b><u>(914,256)</u></b>	<b><u>(40,876)</u></b>	<b><u>(955,132)</u></b>	<b><u>(737,467)</u></b>	
<b>COMPONENT UNITS:</b>									
Governmental activities.....	\$ 74,603	\$ 1,345	\$ 3,933	\$ 95,103				\$ 25,778	
Business-type activities.....	1,289,843	1,122,565	49,786	14,231				(103,261)	
Total component units.....	<u>\$ 1,364,446</u>	<u>\$ 1,123,910</u>	<u>\$ 53,719</u>	<u>\$ 109,334</u>				<u>(77,483)</u>	
General revenues:									
Property taxes.....					327,388	-	327,388	312,551	-
Utility service taxes.....					95,976	-	95,976	93,978	-
Sales and tourist taxes.....					157,925	-	157,925	151,561	60,318
Intergovernmental.....					163,551	-	163,551	233,316	-
Payment in lieu of taxes.....					81,376	-	81,376	2,984	-
Unrestricted earnings on investments.....					22,894	2,729	25,623	29,530	40,326
Loss - defeasance.....					-	-	-	-	(1,966)
Gain on disposition of fixed assets.....					-	-	-	-	5,188
Miscellaneous.....					28,109	1,927	30,036	22,817	57,737
Extraordinary item - government sale.....					-	-	-	-	16,042
Transfers.....					190,184	(190,184)	-	-	-
Total general revenues, extraordinary items, and transfers.....					<u>1,067,403</u>	<u>(185,528)</u>	<u>881,875</u>	<u>846,737</u>	<u>177,645</u>
Change in net assets.....					<u>153,147</u>	<u>(226,404)</u>	<u>(73,257)</u>	<u>109,270</u>	<u>100,162</u>
Net assets, beginning of year, as restated.....					<u>553,139</u>	<u>271,077</u>	<u>824,216</u>	<u>714,946</u>	<u>2,656,730</u>
Net assets, end of year.....					<u>\$ 706,286</u>	<u>\$ 44,673</u>	<u>\$ 750,959</u>	<u>\$ 824,216</u>	<u>\$ 2,756,892</u>

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.

### **SPECIAL REVENUE FUND**

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.

### **DEBT SERVICE FUND**

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.

### **CAPITAL PROJECTS FUNDS**

The **Bond Projects Fund** receives proceeds from the sale of bonded debt issued by the City to fund major capital improvement projects.

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 **Better Jacksonville 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 (in thousands)**  
**SEPTEMBER 30, 2003**

	<u>GENERAL FUND</u>	<u>TRANSPORTATION FUND</u>	<u>SPECIAL BONDED DEBT OBLIGATIONS</u>	<u>BOND PROJECTS</u>
<b>ASSETS:</b>				
Equity in cash and investments.....	\$ 17,383	\$ 12,263	\$ 137,327	\$ 124,410
Cash in escrow and with fiscal agents.....	-	-	-	276
Receivables (net, where applicable, of allowances for uncollectibles):				
Taxes.....	28	-	-	-
Accounts and interest.....	6,657	-	-	-
Mortgages.....	46	-	-	-
Other.....	2,664	-	-	-
Due from independent agencies and other governments.....	53,354	23,574	-	-
Inventories.....	1,268	-	-	-
Prepaid items.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 81,400</u></b>	<b><u>\$ 35,837</u></b>	<b><u>\$ 137,327</u></b>	<b><u>\$ 124,686</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 14,788	\$ 1,228	-	\$ 4,859
Contracts payable.....	-	-	-	722
Due to other funds.....	37	-	-	-
Due to component units.....	3,600	-	-	-
Due to independent agencies and other governments.....	217	3,640	-	-
Due to individuals.....	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-
Deposits.....	-	-	-	-
Deferred revenue.....	5,014	-	-	-
Advances from other funds.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>23,656</u></b>	<b><u>4,868</u></b>	<b><u>-</u></b>	<b><u>5,581</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	9,997	2,341	-	40,611
Imprest cash and cash in escrow.....	329	-	-	276
Mortgages receivable.....	46	-	-	-
Inventories.....	1,268	-	-	-
Debt service.....	-	-	137,096	-
Unreserved:				
Designated for capital projects.....	4,236	-	-	77,804
Reported in nonmajor special revenue funds.....	-	-	-	-
Reported in nonmajor capital projects funds.....	-	-	-	-
Designated for subsequent years' budget				
Reported in nonmajor special revenue funds.....	-	-	-	-
Designated for budget stabilization.....	4,724	-	-	-
Designated for changes in fair value of investments.....	47	41	231	414
Reported in nonmajor special revenue funds.....	-	-	-	-
Reported in nonmajor debt service funds.....	-	-	-	-
Reported in nonmajor capital projects funds.....	-	-	-	-
Designated for next year's budget appropriation.....	37,029	-	-	-
Undesignated.....	68	28,587	-	-
Unreserved, reported in nonmajor:				
Special revenue funds.....	-	-	-	-
Capital projects funds.....	-	-	-	-
Permanent fund.....	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b><u>57,744</u></b>	<b><u>30,969</u></b>	<b><u>137,327</u></b>	<b><u>119,105</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 81,400</u></b>	<b><u>\$ 35,837</u></b>	<b><u>\$ 137,327</u></b>	<b><u>\$ 124,686</u></b>

See accompanying notes.

GENERAL PROJECTS	BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	OTHER GOVERNMENTAL FUNDS	TOTALS	
			2003	2002
\$ 53,585	\$ 248,343	\$ 121,658	\$ 714,969	\$ 721,335
-	-	49,048	49,324	34,606
-	-	-	28	28
-	-	223	6,880	3,633
-	-	13,649	13,695	14,813
-	-	-	2,664	2,638
459	-	30,372	107,759	88,831
-	-	-	1,268	1,521
-	1,384	-	1,384	1,364
<u>\$ 54,044</u>	<u>\$ 249,727</u>	<u>\$ 214,950</u>	<u>\$ 897,971</u>	<u>\$ 868,769</u>
\$ 2,418	\$ 27,310	\$ 10,372	\$ 60,975	\$ 74,910
856	1,420	742	3,740	2,006
-	1,321	2,296	3,654	2,918
-	-	-	3,600	3,900
-	-	-	3,857	162
-	-	315	315	305
-	-	-	-	39
-	-	844	844	453
-	63	994	6,071	5,005
12,082	-	-	12,082	12,593
<u>15,356</u>	<u>30,114</u>	<u>15,563</u>	<u>95,138</u>	<u>102,291</u>
13,988	218,786	39,314	325,037	311,258
-	-	49,009	49,614	34,896
-	-	13,649	13,695	14,813
-	-	-	1,268	1,521
-	-	27,230	164,326	142,438
24,523	-	-	106,563	140,726
-	-	1,975	1,975	912
-	-	3,924	3,924	4,360
-	-	993	993	379
-	-	-	4,724	5,473
177	827	-	1,737	1,825
-	-	255	255	262
-	-	4,248	4,248	4,540
-	-	31	31	24
-	-	-	37,029	37,228
-	-	-	28,655	8,051
-	-	64,008	64,008	60,459
-	-	(5,423)	(5,423)	(2,857)
-	-	174	174	170
<u>38,688</u>	<u>219,613</u>	<u>199,387</u>	<u>802,833</u>	<u>766,478</u>
<u>\$ 54,044</u>	<u>\$ 249,727</u>	<u>\$ 214,950</u>	<u>\$ 897,971</u>	<u>\$ 868,769</u>



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**City of Jacksonville, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**September 30, 2003**  
**(in thousands)**

Total fund balances- governmental funds	\$	802,833
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities (including internal service funds) are not financial resources and therefore are not reported in the funds		1,730,612
Long term liabilities liabilities are not due and payable in the current period and are not reported in the funds:		
Bonds and notes payable	\$ (1,812,266)	
Unamortized bond discounts	1,315	
Unamortized bond premium	(16,598)	
Unamortized loss on advance refunding of debt	5,929	
Total bonds and notes payable		(1,821,620)
Certain assets and liabilities reported in governmental activities are not financial resources and therefore are not reported in the funds:		
Compensated absences (other than internal service funds)		(52,783)
Interest payable		(36,492)
Unamortized bond issuance costs		11,564
Interest receivable		331
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. Capital assets used in these funds are reported above with other governmental capital assets. This amount represents unrestricted net assets of the internal service funds.		71,841
Net assets of governmental activities	\$	706,286

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>GENERAL FUND</u>	<u>TRANSPORTATION FUND</u>	<u>SPECIAL BONDED DEBT OBLIGATIONS</u>	<u>BOND PROJECTS</u>
<b>REVENUE:</b>				
Property taxes.....	\$ 322,927	\$ -	\$ -	\$ -
Utility Service taxes.....	95,976	-	-	-
Sales and tourist taxes.....	-	88,553	-	-
Licenses and permits.....	8,473	-	-	-
Intergovernmental.....	122,621	6,754	-	-
Charges for services.....	58,277	-	-	-
Fines and forfeitures.....	8,176	-	-	-
Payment in lieu of taxes.....	81,376	-	-	-
Interest.....	4,793	318	2,049	3,076
Other.....	8,934	-	-	-
Total Revenue.....	<u>711,553</u>	<u>95,625</u>	<u>2,049</u>	<u>3,076</u>
<b>EXPENDITURES:</b>				
Current:				
General government.....	101,107	-	-	-
Human services.....	66,217	-	-	-
Public safety.....	320,058	-	-	-
Culture and recreation.....	50,869	-	-	-
Transportation.....	39,631	76,839	-	-
Economic environment.....	12,018	-	-	-
Physical environment.....	12,356	-	-	-
Capital outlay.....	-	-	-	138,035
Debt service:				
Principal.....	-	-	26,000	-
Interest on fiscal charges.....	-	-	37,907	-
Other - cost of issuance.....	-	-	-	2,726
Total Expenditures.....	<u>602,256</u>	<u>76,839</u>	<u>63,907</u>	<u>140,761</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>109,297</u>	<u>18,786</u>	<u>(61,858)</u>	<u>(137,685)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term debt issued.....	-	-	60,002	148,044
Premium on special obligation bonds payable.....	-	-	-	7,522
Discount on special obligation bonds payable.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	(76,833)	(51,647)
Transfers in.....	4,989	-	88,941	-
Transfers out.....	(117,868)	(2,399)	-	-
Total Other Financing Sources (Uses).....	<u>(112,879)</u>	<u>(2,399)</u>	<u>72,110</u>	<u>103,919</u>
<b>NET CHANGES IN FUND BALANCES.....</b>	<b>(3,582)</b>	<b>16,387</b>	<b>10,252</b>	<b>(33,766)</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>				
	61,580	14,582	127,075	152,871
Change in reserve for inventory of supplies.....	(254)	-	-	-
<b>FUND BALANCES, END OF YEAR.....</b>	<u><u>\$ 57,744</u></u>	<u><u>\$ 30,969</u></u>	<u><u>\$ 137,327</u></u>	<u><u>\$ 119,105</u></u>

See accompanying notes.

GENERAL PROJECTS	BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	OTHER GOVERNMENTAL FUNDS	TOTALS	
			2003	2002
\$ -	\$ -	\$ 4,461	\$ 327,388	\$ 312,551
-	-	-	95,976	93,978
-	-	69,372	157,925	151,561
-	-	-	8,473	10,238
839	20,231	113,701	264,146	327,358
250	-	25,897	84,424	74,309
-	-	3,042	11,218	10,946
-	-	-	81,376	2,984
1,383	3,989	4,796	20,404	23,118
8,616	-	10,559	28,109	20,275
<u>11,088</u>	<u>24,220</u>	<u>231,828</u>	<u>1,079,439</u>	<u>1,027,318</u>
-	-	8,387	109,494	102,169
-	-	32,989	99,206	94,375
-	-	21,415	341,473	327,634
-	-	8,669	59,538	49,592
-	-	1,603	118,073	128,928
-	-	62,224	74,242	78,241
-	-	6,079	18,435	25,608
25,075	378,709	15,908	557,727	259,486
-	-	5,210	31,210	35,960
-	-	21,538	59,445	52,675
-	5,209	-	7,935	4,415
<u>25,075</u>	<u>383,918</u>	<u>184,022</u>	<u>1,476,778</u>	<u>1,159,083</u>
<u>(13,987)</u>	<u>(359,698)</u>	<u>47,806</u>	<u>(397,339)</u>	<u>(131,765)</u>
-	399,321	13,129	620,496	341,910
-	4,614	-	12,136	5,833
-	-	-	-	(1,409)
-	(43,866)	-	(172,346)	(123,854)
3,557	37,538	50,532	185,557	168,233
(16,032)	-	(75,596)	(211,895)	(190,906)
<u>(12,475)</u>	<u>397,607</u>	<u>(11,935)</u>	<u>433,948</u>	<u>199,807</u>
(26,462)	37,909	35,871	36,609	68,042
65,150	181,704	163,516	766,478	698,240
-	-	-	(254)	196
<u>\$ 38,688</u>	<u>\$ 219,613</u>	<u>\$ 199,387</u>	<u>\$ 802,833</u>	<u>\$ 766,478</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, 2003**  
(in thousands)

Net change in fund balances- total governmental funds: \$ 36,609

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	387,103	
Capital assets contributed by developers	15,575	
Capital assets transferred from proprietary funds of the City	220,382	
Current year depreciation	(36,157)	
Loss on disposition of assets	(544)	
		586,359

Revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements:

Accrued interest earned		216
-------------------------	--	-----

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	7,935	
Amortization of issuance costs	(609)	
Amortization of bond discounts	(47)	
Premium on bonds sold	(12,136)	
Additional current year interest expense, bond premiums	1,243	
Amortization - loss on refunding	(690)	
		(4,304)

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. This is the amount by which debt issued (\$620,496) exceeded principal repayment (\$158,215).

(462,281)

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

Accrued interest expense		(8,273)
Decreases in compensated absences payable		7,359
Changes in reserves for inventory		(254)

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

(2,284)

Change in Net Assets - Governmental Activities

\$ 153,147

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 Public Parking System Fund** accounts for the City's on-street, off-street, and parking garage facility operations, including revenue collection and enforcement.

**The Solid Waste Disposal Fund** accounts for 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.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS (in thousands)**  
**SEPTEMBER 30, 2003**

<u>ASSETS</u>	<u>ENTERPRISE FUNDS</u>					
	<u>PUBLIC PARKING SYSTEM</u>	<u>SOLID WASTE DISPOSAL</u>	<u>OTHER ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
				<u>2003</u>	<u>2002</u>	
<b>CURRENT ASSETS:</b>						
Equity in cash and investments.....	\$ 1,962	\$ 41,000	\$ 2,673	\$ 45,635	\$ 48,302	\$ 114,818
Receivables (net, where applicable, of allowances for uncollectibles):						
Accounts.....	-	2,188	860	3,048	3,342	183
Other.....	-	-	-	-	-	2,618
Due from other funds.....	-	-	-	-	-	3,812
Due from independent agencies and other governments...	-	261	22	283	363	5,421
Advances to other funds.....	-	-	-	-	-	12,082
Inventories.....	-	-	4	4	3	1,415
Prepaid expenses and other assets.....	-	-	240	240	224	1,543
<b>Total Current Assets.....</b>	<b>1,962</b>	<b>43,449</b>	<b>3,799</b>	<b>49,210</b>	<b>52,234</b>	<b>141,892</b>
<b>NONCURRENT ASSETS:</b>						
Sinking fund cash and investments.....	-	-	784	784	205	-
Construction fund cash and investments.....	-	13,188	-	13,188	12,937	-
Accounts and interest receivable.....	-	-	379	379	47	-
Other receivables.....	-	-	-	-	-	16,465
<b>CAPITAL ASSETS:</b>						
Land and work in progress.....	5,106	1,859	642	7,607	46,211	58
Other capital assets, net of depreciation.....	8,665	35,896	4,283	48,844	234,028	63,277
Deferred charge - Landfill related costs.....	-	33,616	-	33,616	35,303	-
Other deferred charges.....	-	501	-	501	540	-
<b>Total Noncurrent Assets.....</b>	<b>13,771</b>	<b>85,060</b>	<b>6,088</b>	<b>104,919</b>	<b>329,271</b>	<b>79,800</b>
<b>TOTAL ASSETS.....</b>	<b>\$ 15,733</b>	<b>\$ 128,509</b>	<b>\$ 9,887</b>	<b>\$ 154,129</b>	<b>\$ 381,505</b>	<b>\$ 221,692</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS (in thousands)**  
**SEPTEMBER 30, 2003**

**ENTERPRISE FUNDS**

	<b>PUBLIC PARKING SYSTEM</b>	<b>SOLID WASTE DISPOSAL</b>	<b>OTHER ENTERPRISE</b>	<b>TOTALS</b>		<b>INTERNAL SERVICE FUNDS</b>
				<b>2003</b>	<b>2002</b>	
<b><u>LIABILITIES</u></b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable and accrued liabilities.....	\$ 307	\$ 3,096	\$ 2,749	\$ 6,152	\$ 6,638	\$ 8,090
Contracts payable.....	2	1,258	-	1,260	1,280	-
Due to other funds.....	-	-	-	-	-	158
Due to independent agencies and other governments.....	6	-	-	6	34	1,059
Capitalized lease obligations, current portion.....	-	-	-	-	-	3,566
Deposits.....	81	59	1,162	1,302	123	2
Deposits held for construction and events.....	-	-	-	-	252	-
Accrued interest payable.....	288	1,389	-	1,677	2,010	-
Current portion of bonds payable.....	1,310	2,815	-	4,125	3,745	-
Deferred revenue.....	-	-	249	249	54	1,694
Accrued compensated absences, current portion.....	39	165	12	216	519	919
<b>Total Current Liabilities.....</b>	<b>2,033</b>	<b>8,782</b>	<b>4,172</b>	<b>14,987</b>	<b>14,655</b>	<b>15,488</b>
<b>NONCURRENT LIABILITIES:</b>						
Estimated liability for self-insured losses.....	-	-	-	-	-	52,998
Liability for landfill closure and postclosure care.....	-	24,724	-	24,724	22,556	-
Accrued compensated absences.....	92	386	29	507	189	2,141
Capitalized lease obligations.....	-	-	-	-	-	15,889
Notes payable.....	-	-	73	73	-	-
Revenue bonds.....	19,003	50,162	-	69,165	73,028	-
<b>Total Noncurrent Liabilities.....</b>	<b>19,095</b>	<b>75,272</b>	<b>102</b>	<b>94,469</b>	<b>95,773</b>	<b>71,028</b>
<b>TOTAL LIABILITIES.....</b>	<b>21,128</b>	<b>84,054</b>	<b>4,274</b>	<b>109,456</b>	<b>110,428</b>	<b>86,516</b>
<b>NET ASSETS:</b>						
Invested in capital assets, net of related debt.....	(6,830)	(16,611)	4,925	(18,516)	201,456	63,335
Restricted for:						
Capital.....	-	11,930	-	11,930	11,679	-
Restricted - others.....	-	-	784	784	205	-
Unrestricted.....	1,435	49,136	(96)	50,475	57,737	71,841
<b>TOTAL NET ASSETS.....</b>	<b>\$ (5,395)</b>	<b>\$ 44,455</b>	<b>\$ 5,613</b>	<b>\$ 44,673</b>	<b>\$ 271,077</b>	<b>\$ 135,176</b>

See accompanying notes.



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**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<b>ENTERPRISE FUNDS</b>					
	<b>PUBLIC PARKING SYSTEM</b>	<b>SOLID WASTE DISPOSAL</b>	<b>OTHER ENTERPRISE</b>	<b>TOTALS</b>		<b>INTERNAL SERVICE FUNDS</b>
				<b>2003</b>	<b>2002</b>	
<b>OPERATING REVENUE:</b>						
Charges for services.....	\$ 2,801	\$ 37,421	\$ 9,717	\$ 49,939	\$ 50,013	\$ 141,879
Charges for services for independent authorities....	-	-	-	-	-	17,160
Other.....	-	-	-	-	-	670
Total Operating Revenue.....	<u>2,801</u>	<u>37,421</u>	<u>9,717</u>	<u>49,939</u>	<u>50,013</u>	<u>159,709</u>
<b>OPERATING EXPENSES:</b>						
Personal services.....	1,381	6,032	8,957	16,370	16,374	23,500
Supplies and materials.....	85	249	2,268	2,602	2,590	13,009
Central services.....	298	2,754	15	3,067	3,525	4,043
Interdepartmental charges.....	496	21	776	1,293	1,000	-
Other services and charges.....	831	53,578	5,776	60,185	56,551	26,607
Depreciation and amortization.....	530	3,686	353	4,569	8,945	20,897
Court reporter services.....	-	-	-	-	-	25
Claims and losses.....	-	-	-	-	-	14,112
Insurance premiums and participant dividends.....	-	-	-	-	-	56,743
Total Operating Expenses.....	<u>3,621</u>	<u>66,320</u>	<u>18,145</u>	<u>88,086</u>	<u>88,985</u>	<u>158,936</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>(820)</u>	<u>(28,899)</u>	<u>(8,428)</u>	<u>(38,147)</u>	<u>(38,972)</u>	<u>773</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>						
Interest revenue.....	1,563	1,144	22	2,729	2,787	2,274
Interest expense.....	-	(2,778)	-	(2,778)	(2,883)	-
Operating grants.....	-	49	-	49	229	-
Other.....	12	1,939	(24)	1,927	2,542	(1,524)
Total Non-Operating Revenue (Expenses).....	<u>1,575</u>	<u>354</u>	<u>(2)</u>	<u>1,927</u>	<u>2,675</u>	<u>750</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS.....</b>	<u>755</u>	<u>(28,545)</u>	<u>(8,430)</u>	<u>(36,220)</u>	<u>(36,297)</u>	<u>1,523</u>
Capital contributions.....	-	-	-	-	1,371	-
Transfers in.....	1,261	23,612	8,268	33,141	32,554	5,458
Transfers out.....	<u>(1,011)</u>	<u>(422)</u>	<u>(221,892)</u>	<u>(223,325)</u>	<u>(5,222)</u>	<u>(9,265)</u>
<b>CHANGES IN NET ASSETS.....</b>	<u>1,005</u>	<u>(5,355)</u>	<u>(222,054)</u>	<u>(226,404)</u>	<u>(7,594)</u>	<u>(2,284)</u>
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<u>(6,400)</u>	<u>49,810</u>	<u>227,667</u>	<u>271,077</u>	<u>278,671</u>	<u>137,460</u>
<b>NET ASSETS, END OF YEAR.....</b>	<u><u>(\$ 5,395)</u></u>	<u><u>\$ 44,455</u></u>	<u><u>\$ 5,613</u></u>	<u><u>\$ 44,673</u></u>	<u><u>\$ 271,077</u></u>	<u><u>\$ 135,176</u></u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (in thousands)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**ENTERPRISE FUNDS**

**PUBLIC  
PARKING  
SYSTEM**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers.....	\$ 2,801
Payments to suppliers.....	(1,273)
Payments to employees .....	(1,457)
Internal activity- payments to other funds.....	-
Other receipts (expenses).....	12
Other operating cash payments.....	<u>(456)</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	 <u>(373)</u>
 <b>NONCAPITAL FINANCING ACTIVITIES:</b>	
Operating grants received.....	-
Cash received through operating transfers from other funds.....	1,261
Cash received from capital contributions.....	-
Cash payments through operating transfers to other funds.....	<u>(1,011)</u>
 NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	 <u>250</u>
 <b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Additions to property, plant and equipment.....	(530)
Proceeds from sale of property, plant and equipment.....	(165)
Increase in construction fund cash and investments.....	-
Principal paid on long-term obligations.....	(1,169)
Increase in capitalized lease obligations.....	92
Proceeds from notes payable.....	-
Interest and payments to refunded bond escrow agent.....	<u>-</u>
 NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	 <u>(1,772)</u>
 <b>INVESTING ACTIVITIES:</b>	
Interest and dividends on investments.....	<u>1,563</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES.....	 <u>1,563</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	 <u>(332)</u>
 Cash and cash equivalents at October 1.....	 <u>2,294</u>
 Cash and cash equivalents at September 30.....	 <u><u>\$ 1,962</u></u>

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**ENTERPRISE FUNDS**

---

<u>SOLID WASTE DISPOSAL</u>	<u>OTHER ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
		<u>2003</u>	<u>2002</u>	
\$ 36,444	\$ 11,247	\$ 50,492	\$ 50,263	\$ 139,394
(57,009)	(8,412)	(66,694)	(61,761)	(115,309)
(6,034)	(8,956)	(16,447)	(16,301)	(23,389)
-	-	-	-	(2,286)
1,939	(24)	1,927	2,547	(1,524)
2,476	(776)	1,244	805	4,018
<u>(22,184)</u>	<u>(6,921)</u>	<u>(29,478)</u>	<u>(24,447)</u>	<u>904</u>
49	-	49	229	-
23,612	8,268	33,141	32,554	5,458
-	-	-	1,366	(9,265)
<u>(422)</u>	<u>(221,892)</u>	<u>(223,325)</u>	<u>(5,222)</u>	<u>-</u>
<u>23,239</u>	<u>(213,624)</u>	<u>(190,135)</u>	<u>28,927</u>	<u>(3,807)</u>
(3,686)	(353)	(4,569)	(8,945)	(20,401)
5,335	220,343	225,513	8,249	-
(251)	-	(251)	(610)	-
(2,694)	-	(3,863)	(3,483)	697
-	-	92	-	314
-	73	73	-	-
<u>(2,778)</u>	<u>-</u>	<u>(2,778)</u>	<u>(2,883)</u>	<u>-</u>
<u>(4,074)</u>	<u>220,063</u>	<u>214,217</u>	<u>(7,672)</u>	<u>(19,390)</u>
<u>1,144</u>	<u>22</u>	<u>2,729</u>	<u>2,787</u>	<u>2,274</u>
<u>1,144</u>	<u>22</u>	<u>2,729</u>	<u>2,787</u>	<u>2,274</u>
(1,875)	(460)	(2,667)	(405)	(20,019)
<u>42,875</u>	<u>3,133</u>	<u>48,302</u>	<u>48,707</u>	<u>134,837</u>
<u>\$ 41,000</u>	<u>\$ 2,673</u>	<u>\$ 45,635</u>	<u>\$ 48,302</u>	<u>\$ 114,818</u>

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (in thousands; continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**ENTERPRISE FUNDS**

**PUBLIC  
PARKING  
SYSTEM**

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH  
PROVIDED BY (USED IN) OPERATING ACTIVITIES:

OPERATING INCOME (LOSS).....	(\$ 820)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization.....	530
Other non-operating revenue/(expenses).....	12
Change in assets and liabilities:	
Decrease (increase) in receivables and other current assets, net.....	-
Decrease in due from other funds.....	-
Decrease (increase) in due from independent agencies and other governments...	-
Decrease in due from other governments.....	-
(Increase) in inventories.....	-
(Increase) in receivables-non-current.....	-
Decrease (increase) in prepaid expenses.....	-
Increase (decrease) in accounts payable and accrued expenses.....	234
(Decrease) in due to other funds.....	-
Increase (decrease) in contracts payable.....	(13)
Increase (decrease) in due to independent agencies and other governments.....	(28)
Increase in deposits.....	3
(Decrease) in interest payable.....	(280)
Increase in current portion of bond payables.....	65
Increase (decrease) in deferred revenue.....	-
Increase in liability for landfill closure and postclosure care.....	-
(Decrease) in liability for self-insured losses.....	-
Increase (decrease) in accrued compensated absences.....	(76)
TOTAL ADJUSTMENTS.....	<u>447</u>

NET CASH PROVIDED BY (USED IN)  
OPERATING ACTIVITIES..... (\$ 373)

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:  
Change in the fair value of investments..... (\$ 2)

TOTAL NONCASH INVESTING, CAPITAL AND FINANCING  
ACTIVITIES..... (\$ 2)



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**ENTERPRISE FUNDS**

---

<u>SOLID WASTE DISPOSAL</u>	<u>OTHER ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
		<u>2003</u>	<u>2002</u>	
<u>(\$ 28,899)</u>	<u>(\$ 8,428)</u>	<u>(\$ 38,147)</u>	<u>(\$ 38,972)</u>	<u>\$ 773</u>
3,686	353	4,569	8,945	20,897
1,939	(24)	1,927	2,547	(1,524)
(876)	1,170	294	295	(2,557)
-	-	-	-	2,061
(101)	-	(101)	198	(2,320)
-	181	181	(203)	-
-	(1)	(1)	-	(9)
-	-	-	-	(16,465)
-	(16)	(16)	(14)	516
(375)	(345)	(486)	944	(174)
-	-	-	-	(1,747)
-	(7)	(20)	31	-
-	-	(28)	31	504
14	-	17	6	2
(53)	-	(333)	(70)	-
315	-	380	430	-
-	195	195	(26)	1,425
2,168	-	2,168	1,338	-
-	-	-	-	(589)
(2)	1	(77)	73	111
<u>6,715</u>	<u>1,507</u>	<u>8,669</u>	<u>14,525</u>	<u>131</u>
<u>(\$ 22,184)</u>	<u>(\$ 6,921)</u>	<u>(\$ 29,478)</u>	<u>(\$ 24,447)</u>	<u>\$ 904</u>
<u>(\$ 21)</u>	<u>\$ -</u>	<u>(\$ 23)</u>	<u>\$ 55</u>	<u>(\$ 155)</u>
<u>(\$ 21)</u>	<u>\$ -</u>	<u>(\$ 23)</u>	<u>\$ 55</u>	<u>(\$ 155)</u>

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See accompanying notes.



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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 utilizing 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 (in thousands)**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2003**

	<b>PENSION TRUST FUNDS</b>		<b>PRIVATE PURPOSE TRUST FUND</b>		<b>AGENCY FUNDS</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
<b><u>ASSETS</u></b>						
<b>CURRENT ASSETS:</b>						
Equity in cash and investments.....	\$ 41,821	\$ 115,833	\$ 206	\$ 154	\$ 29,523	\$ 28,959
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends.....	9,471	10,518	-	-	-	-
Accounts.....	24	45	-	-	3,593	3,377
Total receivables.....	<u>9,495</u>	<u>10,563</u>	<u>-</u>	<u>-</u>	<u>3,593</u>	<u>3,377</u>
Investments, at fair value:						
U.S. Government obligations.....	500,554	471,441	-	-	-	-
Municipal Bonds.....	4,982	1,114	-	-	-	-
Domestic corporate bonds.....	349,265	357,542	-	-	-	-
Commercial paper.....	-	5,996	-	-	-	-
Domestic stocks.....	1,190,919	886,122	-	-	-	-
International stocks.....	141,813	159,218	-	-	-	-
Real Estate.....	7,810	7,250	-	-	-	-
Total investments.....	<u>2,195,343</u>	<u>1,888,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS.....</b>	<b><u>2,246,659</u></b>	<b><u>2,015,079</u></b>	<b><u>206</u></b>	<b><u>154</u></b>	<b><u>33,116</u></b>	<b><u>32,336</u></b>
<b>CAPITAL ASSETS</b>						
Other capital assets, net of depreciation.....	209	318	-	-	-	-
<b>TOTAL CAPITAL ASSETS, Net.....</b>	<b><u>209</u></b>	<b><u>318</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL ASSETS.....</b>	<b><u>2,246,868</u></b>	<b><u>2,015,397</u></b>	<b><u>206</u></b>	<b><u>154</u></b>	<b><u>\$ 33,116</u></b>	<b><u>\$ 32,336</u></b>
<b><u>LIABILITIES</u></b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable and accrued liabilities.....	2,727	3,308	2	-	\$ 509	\$ 175
Due to independent agencies and other governments..	-	-	-	-	10,382	8,543
Due to individuals.....	-	-	-	-	2,369	2,111
Current portion of long-term liabilities.....	-	31	-	-	-	-
Deposits held in escrow.....	-	-	-	-	19,856	21,507
Total Current Liabilities.....	<u>2,727</u>	<u>3,339</u>	<u>2</u>	<u>-</u>	<u>33,116</u>	<u>32,336</u>
<b>NONCURRENT LIABILITIES:</b>						
Accrued compensated absences.....	46	42	-	-	-	-
Due to Drop participants.....	103,462	77,538	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>106,235</u></b>	<b><u>80,919</u></b>	<b><u>2</u></b>	<b><u>-</u></b>	<b><u>\$ 33,116</u></b>	<b><u>\$ 32,336</u></b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....</b>	<b><u>\$ 2,140,633</u></b>	<b><u>\$ 1,934,478</u></b>	<b><u>\$ 204</u></b>	<b><u>\$ 154</u></b>		

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (in thousands)**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<b>PENSION TRUST FUNDS</b>		<b>PRIVATE PURPOSE TRUST</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
<b><u>ADDITIONS</u></b>				
Contributions:				
Employer.....	\$ 9,741	\$ 9,619	\$ -	\$ -
Plan Member.....	25,974	24,524	-	-
Total contributions.....	<u>35,715</u>	<u>34,143</u>	<u>-</u>	<u>-</u>
Other additions:				
State insurance contributions.....	5,855	5,222	-	-
Court fines & penalties.....	3,041	3,117	-	-
Parking revenues.....	132	155	-	-
Miscellaneous.....	38	89	-	-
Operating transfer in.....	-	-	53	6
Gain/Loss on Sale of Fixed Assets.....	(4)	104	-	-
Total other additions.....	<u>9,062</u>	<u>8,687</u>	<u>53</u>	<u>6</u>
Investment income:				
Net depreciation				
in fair value of investments.....	258,388	(182,096)	-	-
Interest.....	46,779	55,780	4	4
Dividends.....	15,475	15,281	-	-
Rebate of Commissions.....	699	726	-	-
Rental income.....	574	493	-	-
Earnings other miscellaneous.....	979	1,037	-	-
Total investment income.....	<u>322,894</u>	<u>(108,779)</u>	<u>4</u>	<u>4</u>
Less investment expense.....	(7,614)	(7,359)	-	-
Less rental expense.....	(110)	(135)	-	-
Net investment income.....	<u>315,170</u>	<u>(116,273)</u>	<u>4</u>	<u>4</u>
<b>TOTAL ADDITIONS.....</b>	<b><u>359,947</u></b>	<b><u>(73,443)</u></b>	<b><u>57</u></b>	<b><u>10</u></b>
<b><u>DEDUCTIONS</u></b>				
Benefits payments.....	148,937	140,661	-	-
Refunds of contributions.....	2,772	2,356	-	-
Operating transfers out.....	106	123	-	-
Administrative expenses.....	1,977	3,482	-	-
Operating expenses.....	-	-	7	8
<b>TOTAL DEDUCTIONS.....</b>	<b><u>153,792</u></b>	<b><u>146,622</u></b>	<b><u>7</u></b>	<b><u>8</u></b>
CHANGE IN NET ASSETS.....	206,155	(220,065)	50	2
NET ASSETS, BEGINNING OF YEAR.....	<u>1,934,478</u>	<u>2,154,543</u>	<u>154</u>	<u>152</u>
NET ASSETS, END OF YEAR.....	<u>\$ 2,140,633</u>	<u>\$ 1,934,478</u>	<u>\$ 204</u>	<u>\$ 154</u>

See accompanying notes.



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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

---

**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 1.C. through 17 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 18.

**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 Operating and the appointed Chief Financial Officer, services to approximately 827,000 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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**  
**B. Financial Reporting Entity: (continued)**

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 accordance with GASB Statement No. 14, The Financial Reporting Entity, the GASB has set forth criteria to be considered in determining financial accountability. 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.

The Jacksonville Economic Development Company, Inc. (JEDCO), was established as a not-for-profit corporation under the Laws of Florida in 1981 to provide a centralization of economic development programs. City Ordinance 2001-1271-E authorized the "privatization" of JEDCO. The Mayor and the Jacksonville Economic Development Commission also approved a Memorandum of Understanding (MOU) with JEDCO to continue to provide certain services pursuant to the terms of the agreement. JEDCO and the City determined that it was in their mutual best interest for JEDCO to become independent of the City. Therefore, JEDCO is no longer a component unit of the City.

**Blended Component Units.** There are two component units, which are legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City. They are reported as part of the City and blended into the appropriate funds.

The **Jacksonville Metropolitan Planning Organization (MPO)** was established under Chapter 339.175, Laws of Florida, to encourage and promote the development of transportation systems for the Jacksonville urbanized area. The members of MPO

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Financial Reporting Entity: (continued)**

are also members of the City Council. MPO provides services exclusively to the City in the form of transportation planning and capital improvement program development.

The MPO is blended in the Special Revenue Funds. There are no separately issued financial statements for the MPO.

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 3200 Emerson Street, Jacksonville, Florida 32207. 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 the financial data of these entities. Each component unit listed below has a September 30 fiscal year end.

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 issues separate financial statements, 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, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**  
**B. Financial Reporting Entity: (continued)**

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 issues separate financial statements, which may be obtained from its administrative office at 2831 Tallyrand Avenue, Jacksonville, Florida 32206.

The **Jacksonville Airport 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, however, fiscally dependent upon the City because the City Council can modify the budget and also has to approve it, which ensures strong accountability to the local constituent citizenry. The JAA issues separate financial statements, which may be obtained from its 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. 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 issues separate financial statements, 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, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Financial Reporting Entity: (continued)**

Non-major Component Units

The **Duval County Housing Finance Authority (DCHFA)**, created under Chapter 65.105 of the City Ordinance Code pursuant to Chapter 78-89 of the Laws of Florida, 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 City appoints DCHFA board members and has the ability to impose its will. There are no separately issued financial statements for the DCHFA, whose financial activity is accounted for by the City as a special revenue fund during the year. However, for financial reporting purposes, fund financial statements for DCHFA are presented in the Combining Individual Fund Statements and Schedules section of this 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 a chairman, who are confirmed by the City Council, and the City has the ability to impose its will. There are no separately issued financial statements for the JEDC, whose financial activity is accounted for by the City as a special revenue fund during the year. However, for financial reporting purposes, fund financial statements for JEDC are presented in the Combining Individual Fund Statements and Schedules section of this report.

The **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. The DVI is governed by a 15-member Board of Directors, of which two are City representatives. The City has the ability to impose its will on the DVI through annual budget approval. 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 issues separate financial statements, which may be obtained from its main office at 220 East Bay Street, 14<sup>th</sup> Floor, Jacksonville, Florida 32202.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Financial Reporting Entity: (continued)**

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 8.H. 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.

**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's Board at will. JHA's 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's 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.



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basic Financial Statements:**

The basic financial statements include both city-wide and fund level statements. The City, as the primary government, is reported separately from its component units. The city-wide statements report on all of the activities of the City and its component units except those that are fiduciary in nature. Statements for fiduciary activities, such as employee pension plans, are presented in a separate section of this report. Both the city-wide 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 city-wide 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 city-wide 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 city-wide governmental column presentations.

As a general rule, the effect of inter-fund activity has been eliminated from the city-wide 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, fund

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Fund Structure: (continued)**

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:

**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.

**Special Revenue Fund:**

**Transportation Fund -** The Transportation Fund accounts for revenue from the City's six cent local option gas tax, state shared fifth and sixth 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.

**Debt Service Fund:**

**Special Bonded Debt Obligations Fund –** 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.

**Capital Project Funds:**

**Bond Projects Fund -** The Bond Projects Fund receives money from the sale of bonded debt issued by the City to fund major capital improvement projects.

**General Projects Fund -** The General Projects Fund receives monies appropriated from the General Fund and other sources including proceeds from non-bonded debt for general capital improvements.

**Better Jacksonville Plan Construction Projects Fund -** 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 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 Individual Fund Statements and Schedules Section.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Fund Structure: (continued)**

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

**Public Parking System Fund** - This fund accounts for the City's on-street, and parking garage facility operations, including revenue collection and enforcement.

**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.

**Other 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.

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 the City's departments, internal service fund statements are consolidated into the governmental activities column in the city-wide presentations. These activities are fleet management, copy center, data processing, legal, and various risk management activities. 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 general employees and the police and fire pension funds, which accumulates resources for pension benefit payments for qualified employees.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Fund Structure: (continued)**

**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 funds account for monies held as an agent for other governmental units or individuals.

**E. Basis of Accounting:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The city-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary 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. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made.

Revenues collected on an advance basis, including certain federal grant revenue, to which the City does not yet have legal entitlement, are not recognized as revenue until the related commitment arises. Generally, the City considers a 60-day availability period for revenue recognition.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Basis of Accounting: (continued)**

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 on the 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.

**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. Increases and decreases in the fair value of investments are reported as investment income.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 receivable which are reported as a reservation of fund balance because they are not considered a current financial resource available for expenditure. 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. In governmental fund types, inventories are recorded as expenditures when purchased. Reported inventories in governmental funds are equally offset by a reservation of fund balance since they are unavailable for appropriation. In proprietary fund types, inventories are expended when consumed.

**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 more than \$750 or 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 city-wide financial statements, and in the Proprietary Fund Level Statements.

In accordance with GASB Statement No. 34, a deferral period until September 30, 2006 was available before the City was required to record and depreciate infrastructure assets acquired prior to October 1, 2001. Infrastructure assets include roads, bridges, drainage improvements, etc. The City reported infrastructure assets acquired from October 1, 2001 through September 30, 2002 on the city-wide Statements of Net Assets. The City elected to defer reporting of assets acquired prior to September 30, 2001 in the fiscal year ended September 30, 2002. The City elected to begin reporting of infrastructure assets acquired prior to October 1, 2001 in the current fiscal year.

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

Infrastructure	12 - 50 years
Bridges	100 years
Buildings and improvements	12 - 45 years
Furniture and equipment	3 - 10 years

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

Nonreciprocal interfund activity 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 city-wide 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.

**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 city-wide financial statements, and the proprietary and fiduciary fund level financial statements. No expenditure is reported in the governmental funds for these amounts until payment is made. No liability is recorded for nonvesting, accumulated sick pay benefits. Compensated absences liability is determined based on current rates of pay.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**N. Risk Financing:**

The City is self-insured for general and automobile liability and up to \$1 million per occurrence of workers' compensation. (See Note 12.) 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, 2003, for incurred but not yet reported claims and claims development. 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.

**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 estimated total cost of municipal solid waste landfill (MSWLF) closure and postclosure care is recognized as a deferred charge and a corresponding liability 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 engineers' 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.)



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. Long-Term Obligations:**

In the city-wide 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.

General obligation bonds are supported by ad valorem taxes and constitute a debt of the City and a lien upon any property situated within the City. 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.

**R. Reservations and Designations of Fund Equity:**

In the fund level statements, reservations of fund balance are established to identify the existence of assets that have been legally segregated for specific purposes. Assets of legally restricted budgetary funds are an example of this type of reservation. Reservations are also established for assets that are not current in nature, such as long-term advances, mortgages receivable, appreciation in market value of investments, and inventories. Designations of fund equity reflect management's plans for financial resource allocation in a future period. Such plans or intentions are subject to change and may never result in expenditures.

Explanations of significant designations include:

- (1) Fund Balance Designated for Capital Projects - Tentative plans for utilization of fund balances in future periods for capital projects designated in the City's Annual Budget for the coming fiscal year.
- (2) Fund Balance Designated for Subsequent Years' Budget - Tentative plans for utilization of fund balances for expenditures designated in the City's Annual Budget for upcoming fiscal years, primarily associated with multi-year grants.
- (3) Fund Balance Designated for Budget Stabilization - The General Fund's fund balance not otherwise appropriated as a source of funding in future periods to be designated as a financial resource to prevent budgetary deficits.
- (4) Fund Balance Designated for Next Year's Budget Appropriation - Tentative plans for utilization of fund balances for other expenditures designated in the City's Annual Budget for the coming fiscal year.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 city-wide 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.

**T. Deferred Loss on Debt Refundings:**

Losses resulting from advance refundings of debt in the city-wide 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. Reclassification:**

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

**W. New Accounting Standards:**

The City implemented GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, for the fiscal year ending September 30, 2002. In accordance with this statement, there was a deferral period available before the City was required to record and depreciate infrastructure assets acquired prior to October 1, 2001 and the City elected to defer for fiscal year 2002.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**W. New Accounting Standards: (continued)**

The City elected to begin reporting of these infrastructure assets in the current fiscal year. As a result, city-wide net assets reported as of September 30, 2002 have been restated to include the previously deferred infrastructure assets described above as follows (in thousands):

City-wide governmental activities	
Net asset balances at September 30, 2002	\$ 11,179
Infrastructure assets acquired prior to September 30, 2001 at cost	654,268
Less: Accumulated depreciation as of September 30, 2002	<u>(112,308)</u>
City-wide governmental activities	
Net assets balances at September 30, 2002, As restated	<u>\$ 553,139</u>

Presentation of comparative amounts for the fiscal year ended 2002, requires restatements of beginning net assets as follows:

Primary Government	
Total net assets at September 30, 2001	\$ 156,709
Infrastructure assets acquired prior to September 30, 2001 at cost	654,268
Accumulated depreciation at September 30, 2001	<u>(96,031)</u>
Primary Government	
Total net assets at September 30, 2001, as restated	<u>\$ 714,946</u>

In the 2002 comparative totals column on the Statement of Activities, transportation expense was increased to reflect depreciation expense for the year ended September 30, 2002 on infrastructure assets acquired prior to September 30, 2001.

**2. 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 to be in effect on October 1.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**2. BUDGETARY DATA (continued)**

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. 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 this report. 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, Housing Rehabilitation and Home Investment and Opportunity Grants, Job Training Partnership Act Grant, Maintenance, Parks and Recreation, Metropolitan Planning Organization, Other Federal, State and Local Grants, State Housing Initiative Partnership, Better Jacksonville Trust Fund and Non-Budgeted General Government.
- D.** Level of Budgetary Control - Expenditures may not exceed appropriations and are 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.
- 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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**2. BUDGETARY DATA (continued)**

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 2003 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 2.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.

**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 which are legally restricted to separate administration (i.e. pension plan custodians and deferred compensation plan administrators). This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earnings potential. The "Equity in cash and investments" consist of cash and investments owned by each fund and defined as resources that can be liquidated without delay or penalty. In addition, cash and investments separately held and individually accounted for by several of the City's funds where contractual arrangements and bond covenants provide for and require such arrangements are classified as "restricted assets."

Investment earnings are allocated to the individual funds as provided by statute; earnings for all other participants are credited to the General Fund.

**B. Cash on Deposit:**

At September 30, 2003, the City's cash on deposit in its bank accounts was \$118.6 million including interest bearing accounts, all of which was insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes. The related book balance was \$567.6 million. Monies which are placed 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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)**

**B. Cash on Deposit: (continued)**

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 and, for the amount in excess of such federal depository insurance, by the Act. Under the Act, 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, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

All cash deposits of the City are placed with qualified financial institutions and are classified as Category 1 credit risk, which means they are insured or collateralized. Credit risk is the exposure to the default of another party to the transaction (the counterparty).

**C. Investments and Investment Practices:**

The City is authorized to invest in certificates of deposit, money market certificates, obligations of the U. S. Treasury, its agencies and instrumentalities, repurchase agreements collateralized by U. S. securities, and the Florida Counties Investment Trust. The pension trust funds are also authorized to invest in obligations of the City of Jacksonville, of the State of Florida, commercial paper rated A-1 or P-1 by a nationally recognized rating service, bankers' acceptances, corporate bonds, including collateralized mortgage obligations, preferred stocks, common stocks, and real estate limited trusts. No derivative or similar investment transactions, as defined by GASB Technical Bulletin 94-1, were used, held, or written by the City during fiscal 2003.

Investments at September 30, 2003, are categorized in accordance with GASB Statement No. 3 in the following table (in thousands) to indicate the level of risk assumed by the City: Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name; Category 2 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name; Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name. Due to significantly higher cash flows at certain times during the year, the City's investment in overnight repurchase agreements, for which the underlying securities were held by the dealer, fluctuated throughout the period. As a result, the amounts that were in Category 3 at those times were marginally higher than at year-end.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)**  
**C. Investments and Investment Practices: (continued)**  
(in thousands)

Classified as to <u>Credit Risk</u>	<u>Credit Risk Category</u>			Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>	
<u>All Fund Types</u>				
<u>Except For Pension</u>				
Repurchase Agreements	\$ -	\$ -	\$ 19,075	\$ 19,075
U.S. Government and Agency Securities	437,462	-	486	437,948
Total	<u>\$ 437,462</u>	<u>\$ -</u>	<u>\$ 19,561</u>	<u>457,023</u>
<u>Pension Trust Funds</u>				
U.S. Government and Agency Securities	\$ 500,554	\$ -	\$ -	500,554
Corporate Bonds	349,266	-	-	349,266
Common Stock	1,332,731	-	-	1,332,731
Real Estate	7,810	-	-	7,810
Municipal Bonds	4,982	-	-	4,982
Total	<u>\$2,195,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,195,343</u>
Total Risk-Classified Investments				2,652,366
<u>Unclassified as to Credit Risk:</u>				
Accrued Interest Receivable				12,663
Cash Bank Deposits				567,607
Less: Equity in cash and investments of certain Component units discretely presented and Related organizations				<u>(17,554)</u>
Total Cash and Investments at September 30, 2003				<u>\$ 3,215,082</u>
<u>Summary of Cash and Investment Accounts:</u>				
Equity in Cash and Investments				\$ 3,151,786
Cash in Escrow and with Fiscal Agents				49,324
Restricted Cash and Investments				<u>13,972</u>
Total Cash and Investments at September 30, 2003				<u>\$ 3,215,082</u>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)**

**D. Securities Lending:**

As of September 30, 2003, the City of Jacksonville General Employees Pension Plan (GEPP) participates in securities lending transactions through a custodial relationship with The Northern Trust Company. Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults.

All securities loans can be terminated on demand by either the lender or the borrower, although the average term of GEPP's overall loans as of September 30, 2003 was approximately 59 days. Cash open collateral is invested in a short term investment pool, which had an average weighted maturity of 29 days as of this statement date. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower.

There were no violations of legal or contractual provisions, no borrower or lending agent default losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

For the fiscal year ended September 30, 2003, the plan received net income of \$.4 million from securities lending activities for its pension portfolio.

**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, 2003.

Fund	Accounts Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
General Fund	\$ 34,750	(\$ 28,093)	\$ 6,657
Non-Major Special Revenue Funds:			
Sports, Convention & Tourism Development	179	(2)	177
Budgeted General Government	32	(16)	16
Major Enterprise Fund:			
Solid Waste Disposal	2,204	(16)	2,188
Fund	Mortgages Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
Non-Major Special Revenue Funds:			
Community Development Block Grant	2,198	(1,194)	1,004
Housing Rehabilitation and Home Investment and Opportunity Grants	15,332	(6,400)	8,932
State Housing Initiative Partnership	5,450	(1,737)	3,713



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**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 10.1650 for the fiscal year ended September 30, 2003.

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.

**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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**6. CAPITAL ASSET ACTIVITY**

Capital asset activity for the year ended September 30, 2003, was as follows (in thousands):

**Primary Government**

	Beginning Balance September 30, 2002	Adjustments	Restated Balance September 30, 2002	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2003
<b>Governmental activities:</b>						
Capital assets not being depreciated:						
Land	\$ 163,162	\$ -	\$ 163,162	\$ 94,104	\$ 544	\$ 256,722
Construction in progress	63,490	-	63,490	186,715	9,453	240,752
Land reported in Internal Service Funds	58	-	58	-	-	58
CIP reported in Internal Service Funds	-	-	-	-	-	-
Total capital assets not being depreciated	<u>\$ 226,710</u>	<u>-</u>	<u>\$ 226,710</u>	<u>\$ 280,819</u>	<u>\$ 9,997</u>	<u>\$ 497,532</u>
Capital assets being depreciated:						
Buildings	283,466	-	283,466	212,523	5,488	490,501
Furniture and equipment	49,433	-	49,433	10,065	4,379	55,119
Improvements	21,735	-	21,735	56,930	3,356	75,309
Infrastructure	118,807	654,268	773,075	135,547	-	908,622
Capital assets reported in Internal Service Funds, net						
	63,773	-	63,773	387	883	63,277
Total assets being depreciated	<u>537,214</u>	<u>654,268</u>	<u>1,191,482</u>	<u>415,452</u>	<u>14,106</u>	<u>1,592,828</u>
Less accumulated depreciation for:						
Buildings	126,027	-	126,027	46,570	5,488	167,109
Furniture and equipment	35,108	-	35,108	10,779	4,380	41,507
Improvements	-	-	-	21,548	3,356	18,192
Infrastructure	-	112,308	112,308	20,632	-	132,940
Total accumulated depreciation	<u>161,135</u>	<u>112,308</u>	<u>273,443</u>	<u>99,529</u>	<u>13,224</u>	<u>359,748</u>
Total capital assets being depreciated, net	<u>376,079</u>	<u>541,960</u>	<u>918,039</u>	<u>315,923</u>	<u>882</u>	<u>1,233,080</u>
Governmental activities capital assets, net	<u>\$ 602,789</u>	<u>\$ 541,960</u>	<u>\$ 1,144,749</u>	<u>\$ 596,742</u>	<u>\$ 10,879</u>	<u>\$ 1,730,612</u>

**Primary Government**

	Beginning Balance September 30, 2002	Increases	Decreases	Ending Balance September 30, 2003
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 31,553	\$ -	\$ 24,479	\$ 7,074
Construction in progress	14,658	533	14,658	533
Total capital assets not being depreciated	<u>46,211</u>	<u>533</u>	<u>39,137</u>	<u>7,607</u>
Capital assets being depreciated:				
Buildings and improvements	312,258	14,618	253,255	73,621
Furniture and equipment	15,514	254	6,193	9,575
Total assets being depreciated	<u>327,772</u>	<u>14,872</u>	<u>259,448</u>	<u>83,196</u>
Less accumulated depreciation for:				
Buildings and improvements	81,640	3,985	57,921	27,704
Furniture and equipment	12,104	584	6,040	6,648
Total accumulated depreciation	<u>93,744</u>	<u>4,569</u>	<u>63,961</u>	<u>34,352</u>
Total capital assets being depreciated, net	<u>234,028</u>	<u>10,303</u>	<u>195,487</u>	<u>48,844</u>
Business-type activities capital assets, net	<u>\$ 280,239</u>	<u>\$ 10,836</u>	<u>\$ 234,624</u>	<u>\$ 56,451</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**6. CAPITAL ASSET ACTIVITY (continued)**

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

<b>Governmental activities:</b>	
General government	\$ 2,052
Human services	697
Public Safety	5,617
Culture and recreation	6,718
Transportation	98
Economic environment	94
Physical environment	20,881
Total depreciation expense - governmental activities	<u><u>\$ 36,157</u></u>

Total current year additions to accumulated depreciation for governmental activities of \$99,529 reported above includes accumulated depreciation of \$63,372 transferred along with the related capital assets from the Sports Complex enterprise fund during the current fiscal year. As a result, total additions to accumulated depreciation for the year differs from additions to accumulated depreciation resulting from current period depreciation expense charged to governmental activities of the primary government of \$36,157 by the transferred accumulated depreciation amount.

During the fiscal year ended 2003, the City transferred assets in the amount of \$220,382 for the ALLTEL Stadium from the Sports Complex, Convention Center and Auditorium, which is an enterprise fund, to the Sports, Convention and Tourism Development fund, which is a special revenue fund. Since assets are not reported in the governmental funds themselves, transfers in and out are out of balance at the fund level, as indicated in Footnote 7 on page 76. The debt for ALLTEL Stadium is held as governmental debt and the transfer aligns the assets and debt and are reported on the city-wide statements. The Sports Complex, Convention Center and Auditorium was reported as a major enterprise fund in fiscal year 2002. With the removal of the assets, it is now reported as a nonmajor enterprise fund and is used to track operations of SMG and the Equestrian Center.

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

<b>Business-type activities:</b>	
Parking system	\$ 530
Motor vehicle inspections	38
Solid waste	3,686
Ferry	315
Total depreciation expense - business-type activities	<u><u>\$ 4,569</u></u>

**CITY OF JACKSONVILLE , FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

A summary of interfund transactions follows (in thousands):

<u><b>DUE TO OTHER FUNDS</b></u>	<u><b>AMOUNT</b></u>	<u><b>DUE FROM OTHER FUNDS</b></u>
<b>MAJOR FUNDS:</b>		
<b>General Fund</b>		
General Fund	\$ 2	Fleet Management
General Fund	11	Information Technologies
General Fund	18	Legal
General Fund	6	Self Insurance
Total	37	
<b>Capital Projects</b>		
Better Jacksonville Plan Construction		
Project	1,321	Insured Programs
Total	1,321	
<b>NONMAJOR FUNDS:</b>		
<b>Special Revenue</b>		
Community Development Block Grant	1,544	Self Insurance
Metropolitan Planning Organization	752	Self Insurance
	2,296	
<b>Internal Service Funds</b>		
Insured Programs	158	Self Insurance
	158	
<b>TOTAL</b>	<b>\$ 3,812</b>	
<u><b>ADVANCES FROM OTHER FUNDS</b></u>	<u><b>AMOUNT</b></u>	<u><b>ADVANCES TO OTHER FUNDS</b></u>
<b>MAJOR FUNDS:</b>		
<b>Capital Projects</b>		
General Projects	\$ 12,082	Self Insurance
<b>TOTAL</b>	<b>\$ 12,082</b>	

**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>	<u>PURPOSE</u>
<b>MAJOR FUNDS:</b>			
<b>General Fund</b>			
General Fund	\$ 110	Concurrency Management	Budgeted transfer
General Fund	228	Air Pollution Control and Monitoring	To fund monitoring study
General Fund	216	General Government - Budgeted	Operating subsidy
General Fund	50	General Government - Non-Budgeted	Operating subsidy
General Fund	253	Information Technologies	Budgeted transfer
General Fund	263	Legal	Budgeted transfer
General Fund	3,763	Self Insurance	Budgeted transfer
General Fund	106	Police and Fire Pension	Operating subsidy
Total	<u>4,989</u>		
<b>Debt Service</b>			
Special Bonded Debt Obligations	59,263	General Fund	Debt service
		Sports, Convention and Tourism	
Special Bonded Debt Obligations	10,715	Development	Debt service
Special Bonded Debt Obligations	1,954	Tax Increment Districts	Debt service
Special Bonded Debt Obligations	15,998	General Projects	To partially defease 1996 bonds
Special Bonded Debt Obligations	1,011	Public Parking System	Debt service
Total	<u>88,941</u>		
<b>Capital Projects</b>			
General Projects	1,699	General Fund	Debt service
		Sports, Convention and Tourism	
General Projects	1,000	Development	For stadium improvements
General Projects	358	Solid Waste	For Better Jax Plan projects
General Projects	500	Self Insurance	Budgeted transfer
Better Jacksonville Plan Construction Projects	2,399	Transportation	To fund capital projects
Better Jacksonville Plan Construction Projects	35,139	Better Jacksonville Plan Trust Fund	To fund capital projects
Total	<u>41,095</u>		
<b>Enterprise Funds</b>			
Public Parking System	1,261	General Fund	Operating subsidy
Solid Waste Disposal	23,612	General Fund	Operating subsidy
	<u>24,873</u>		

In the fund financial statements, total transfers out are greater than total transfers in by \$220,382. This is due to the treatment of transfers of capital assets from the Sports Complex, Convention Center and Auditorium to the general government. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources.

**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>	<u>PURPOSE</u>
<b>NON-MAJOR FUNDS:</b>			
<b>Special Revenue</b>			
Air Pollution Control and Monitoring	\$ 400	General Fund	Operating subsidy
Sports, Convention and Tourism Development	1,146	Sports Complex, Convention Center and Auditorium	Transfer of equity per ordinance
Sports, Convention and Tourism Development	133	Copy Center	Budgeted transfer
Sports, Convention and Tourism Development	623	Legal	Budgeted transfer
General Government - Budgeted	973	General Fund	Operating subsidy
Jacksonville Children's Commission	14,839	General Fund	Operating subsidy
Community Development Block Grant	75	Tax Increment Districts	Budgeted transfer
Maintenance, Parks and Recreation	63	General Fund	Operating subsidy
Maintenance, Parks and Recreation	364	Sports Complex, Convention Center and Auditorium	Operating subsidy
Maintenance, Parks and Recreation	100	Information Technologies	Budgeted transfer
Metropolitan Planning Organization	30	General Fund	Operating subsidy
Other Federal, State and Local Grants	4,485	General Fund	Operating subsidy
Other Federal, State and Local Grants	68	Jacksonville Children's Commission	Operating subsidy
General Government - Non-Budgeted	196	General Fund	Operating subsidy
General Government - Non-Budgeted	34	General Projects	Operating subsidy
Total	23,529		
<b>Debt Service</b>			
Special Bonded Debt - Better Jacksonville Plan Obligations	23,180	Better Jacksonville Plan Trust Fund	Debt service
Other Non-Bonded Debt Obligations	1,802	General Fund	Debt service
Other Non-Bonded Debt Obligations	985	Tax Increment Districts	Debt service
Total	25,967		
<b>Capital Projects</b>			
Grant Capital Improvement Projects	1,036	General Fund	Operating subsidy
Total	1,036		

**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>	<u>PURPOSE</u>
<b>NON-MAJOR FUNDS: (continued)</b>			
<b>Enterprise Funds</b>			
Sports Complex, Convention Center and Auditorium	5,301	General Fund	Operating subsidy
Sports Complex, Convention Center and Auditorium	1,669	Sports, Convention and Tourism Development	Operating subsidy
Sports Complex, Convention Center and Auditorium	140	Maintenance, Parks and Recreation	Operating subsidy
Sports Complex, Convention Center and Auditorium	105	Copy Center	Budgeted transfer
Sports Complex, Convention Center and Auditorium	305	Information Technologies	Budgeted transfer
Mayport Ferry	748	General Fund	Operating subsidy
Total	8,268		
<b>Internal Service Funds</b>			
Fleet Management	\$ 363	General Fund	Operating subsidy
Fleet Management	64	Air Pollution Control and Monitoring	To fund monitoring study
Fleet Management	64	Solid Waste	To purchase landfill tankers
Fleet Management	3,000	Self Insurance	To replace fire/rescue vehicles
Legal	75	General Fund	Operating subsidy
Self Insurance	1,072	General Fund	Loan repayment
Group Health	600	General Fund	Operating subsidy
Insured Programs	220	Self Insurance	Operating subsidy
Total	5,458		
<b>Fiduciary Funds</b>			
Private Purpose Trust	50	General Fund	Operating subsidy
Private Purpose Trust	3	General Government - Non-Budgeted	Operating subsidy
Total	53		
<b>TOTAL</b>	<b>\$ 224,209</b>		

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**7. INTERFUND RECEIVABLES, PAYABLES 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 space. The total capital investment for the project is \$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 4.45%. The balance of this advance was \$12,082,196 at September 30, 2003.

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 with associated retail space. The ordinance designates the two buildings as City historic landmarks.

In fiscal year 2003, the City used internal self-insurance funds, in an amount of \$17,818,000, to provide permanent financing for the 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 will be a 30-year amortization, with a 20-year term at a fixed interest rate of six percent (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, 2003 was \$17,759,662.

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 will be 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 \$10,291,719. The balance of the loan at September 30, 2003 was \$17,762,040.

During fiscal year 2003, the City had financial transactions with its discretely presented component units classified as follows for financial reporting purposes:

**JEA:**

**Commercial Paper Program** - In fiscal year 1994, JEA and the City worked together to develop a mutually beneficial structure for the City's Commercial Paper Program to provide financing for the River City Renaissance (RCR) Program. Currently, JEA makes an annual contribution to the City's General Fund based upon gross kilowatt-hours sold by JEA during the 12-month period ending on May 31 of each fiscal year. As part of the RCR Program, the City and JEA have entered into an agreement, which requires JEA to pay a supplemental contribution after October 1, 1997, to offset any increase in financing costs for the RCR Program incurred by the City as a result of the initial financing of the RCR Program with commercial paper. To the extent that funding costs for the RCR Program would result in debt service being greater than \$17,403,000 the supplemental



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**  
**JEA: (continued)**

contribution would be equal to the amount in excess of \$17,403,000. For fiscal year 2003 no additional supplemental contribution was required.

Ordinance 2002-1144-E was enacted November 26, 2002 terminating the financial agreement between the City and JEA. The City issued Local Government Sales Tax Refunding and Improvement Bonds, Series 2002 to currently refund the Commercial Paper Notes of the City issued for the RCR Program.

**Enhanced Joint Agency Financing Program** - On November 5, 1996, JEA and the City executed a Financial Agreement in relation to the use of an “enhanced joint agency financing program” (the “EJ Program”) in conjunction with the issuance of \$57,150,000 Excise Taxes Revenue Bonds, Series 1996B for the benefit of various marine facilities for the Jacksonville Port Authority (JPA). The City and JEA have agreed that JEA’s annual contribution to the City under Article 21 of the City Charter and Section 106.202(c) of the City Ordinance Code will be supplemented to offset any shortfall in certain cash flows in the City revenues dedicated for the benefit of the JPA (See discussion below concerning the allocation of three sources of revenue by the City to the JPA). As of September 30, 2003, revenues dedicated for the support of debt service requirements of the 1993 Bonds and the 1996B Bonds have been sufficient so as to avoid the need to call upon supplemental contributions from JEA in support of the EJ Program.

**Payment in Lieu of Taxes** – The JEA is required by the City’s charter to contribute annually to the general fund of the City an amount not to exceed 7.5 mills per kilowatt per hour sold. October 1, 1968, the City turned its electrical department over to the newly created Jacksonville Electric Authority (JEA). The JEA makes contributions to the City’s general fund in accordance with the City’s charter. For the fiscal year ended September 30, 2003 the JEA contributed \$67,039,000.

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 water and sewer system is also required by the City’s charter to contribute annually to the City’s general fund. For the fiscal year ended September 30, 2003 the JEA contributed \$11,457,000.

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 and sewer distribution and collection system. These contributions are based on calculations contained within Section 21.07 of the City’s charter.

JEA reports a contribution to the City’s general fund of \$74,253,000. The JEA reduced the contribution on their financial statements by \$4,243,000 due to realized savings from the “River City Renaissance Program”.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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

**Jacksonville Port Authority:**

**Interlocal Agreement** - In connection with a major port and marine facilities capital improvement project (the Project), the City and the Jacksonville Port Authority (JPA) entered into an Interlocal Agreement upon the issuance of \$43,605,140 Excise Taxes Revenue Bonds, Series 1993. 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. Under the Amended and Restated Interlocal Agreement, the City agreed to issue the 1993 Bonds and the 1996B Bonds to finance the port and marine facilities capital improvement project, and the JPA, in consideration therefore, agreed to reimburse the City for debt service payments on the 1993 Bonds and the 1996B 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 changes in the Amended and Restated Interlocal Agreement does not affect in any manner any obligation of the City pursuant to the terms of the 1993 Bonds or the 1996B Bonds. The Amended and Restated Interlocal Agreement is not for the benefit of the holders of the 1993 Bonds or the 1996B 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 and supplemental contributions to the City from the JEA in conjunction with the EJ Program are not pledged as security for the 1993 Bonds and the 1996B 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 ("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 revenue relates to the \$800,000 annual contribution remitted 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 1993 Bonds and the 1996B Bonds for such fiscal year prior to being paid to the JPA. To the extent that the debt service on the 1993 Bonds and the 1996B Bonds in any fiscal year exceeds the allocation of revenues to the JPA for such fiscal year, then the amount of such deficiency shall be paid by the JEA to the City. The 1996B bonds were refunded by the Excise Taxes Refunding Bonds, Series 2001A.

The 1993 Bonds were refunded by the Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B. For the fiscal year ended September 30, 2003, the allocation of revenues from the City to the JPA exceeded the debt service requirements of the 1993 Bonds, 1996B Bonds, 2001A Bonds and the 2003B Bonds by the amount of

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)  
Jacksonville Port Authority: (continued)**

\$3.6 million. In FY 02/03, \$3.9 million was distributed to the JPA. \$3.7 million will remain in reserves to be applied to any future debt service shortfalls of the 1993 Bonds, 1996B Bonds, 2001A Bonds and the 2003B Bonds and the remaining amount will be expended on capital projects. At September 30, 2003, the cumulative balance after the distribution to JPA is \$3.7 million.

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.

**Jacksonville Transportation Authority:**

**Local Option One-Half Cent Sales Tax** - On August 11, 1989, Jacksonville citizens voted 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 \$60.4 million in fiscal 2003. 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 an equal amount. The JTA reports the \$60.4 million transfer from the City as sales tax revenue.

In fiscal year 2000, the City of Jacksonville and the Jacksonville Transportation Authority entered into an interlocal agreement for the purposes of jointly exercising the separate powers of each to the maximum extent allowable by 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 continues 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 to 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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS**

**A. Long-term Obligations at September 30, 2003,** are comprised of the following (in thousands):

<b>SPECIAL OBLIGATION BONDS PAYABLE  FROM SPECIFIC REVENUE SOURCES  OTHER THAN AD VALOREM TAXES:</b>	<b>INTEREST  RATES</b>	<b>PRINCIPAL</b>
Excise Taxes Revenue Bonds, Series 1993 payable in semi-annual installments to 2021	5.00 - 6.30%	\$ 7,770
Excise Taxes Revenue Refunding Bonds, Series 1993A payable in semi-annual installments to 2010	4.70 - 5.375%	2,430
Capital Improvement Revenue Bonds, Series 1994 payable in semi-annual installments to 2020	5.05 - 5.875%	42,065
Sunshine State Governmental Financing Commission, Series 1994 payable in monthly installments to 2006	Variable Rate Assumed at 9.20%	2,900
Capital Improvement Revenue Bonds, Series 1995 payable in semi-annual installments to 2026	5.00 - 5.875%	25,975
Sales Tax Revenue Bonds, Series 1995 payable in semi-annual installments to 2006	5.00 - 6.00%	11,050
Excise Tax Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.875 - 5.125%	7,580
Sunshine State Governmental Financing Commission, Series 1995A payable in semi annual installments to 2012	4.75 - 5.65%	9,050
Sunshine State Governmental Financing Commission, Series 1995B (AMT) payable in semi-annual installments to 2016	4.60 - 5.75%	10,470
Sales Tax Revenue Bonds, Series 1996 payable in semi-annual installments to 2019	4.35 - 5.50%	11,075
Excise Taxes Revenue Bonds, Series 1996C payable in semi-annual installments to 2007	4.35 - 4.85%	1,975
Capital Improvement Revenue Bonds, Series 1997 payable in semi-annual installments to 2026	4.20 - 5.25%	7,475
Capital Project Revenue Bonds, Series 1997-1 payable in monthly installments to 2018	Variable Rate Assumed at 7.81%	26,535
Capital Project Revenue Bonds, Series 1997-2 payable in monthly installments to 2023	Variable Rate Assumed at 8.89%	42,700

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS** (continued)  
**A. Long-term Obligations at September 30, 2003:** (continued)

<b>SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b> (continued)	<b><u>INTEREST RATES</u></b>	<b><u>PRINCIPAL</u></b>
Capital Improvement and Refunding Revenue Bonds, Series 1998 payable in semi-annual installments to 2026	3.90 - 5.00%	\$ 36,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A payable in semi-annual installments to 2020	3.30 - 5.00%	57,485
Local Government Sales Tax Refunding Revenue Bonds, Series 2001 payable in semi-annual installments to 2019	3.00 - 5.00%	103,490
Excise Taxes Refunding Bonds, Series 2001A payable in semi-annual installments to 2010	5.00%	42,485
Excise Taxes Revenue Bonds, Series 2001B payable in semi-annual installments to 2033	4.000% - 5.125%	46,735
Excise Taxes Revenue Refunding & Improvement Bonds, Series 2002A payable in semi-annual installments to 2014	4.250% - 5.500%	56,685
Guaranteed Entitlement Revenue Refunding & Improvement Bonds, Series 2002 payable in semi-annual installments to 2033	3.000% - 5.375%	115,265
Capital Improvement Revenue Bonds, Series 2002A payable in semi-annual installments to 2031	2.375% - 5.000%	54,135
Capital Improvement & Refunding Revenue Bonds, Crossover Series 2002B payable in semi-annual installments to 2020	2.000% - 5.250%	42,170
Capital Improvement & Refunding Revenue Bonds, Crossover Series 2002C payable in semi-annual installments to 2026	2.375% - 5.250%	26,920
Excise Taxes Revenue Bonds, Series 2002B payable in semi-annual installments to 2027	2.500% - 5.375%	68,475
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002 payable in semi-annual installments to 2019	3.000% - 5.375%	63,060
Excise Taxes Revenue Refunding & Improvement Bonds, Series 2003B payable in semi-annual installments to 2012	3.000% - 5.000%	17,971

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS (continued)**  
**A. Long-term Obligations at September 30, 2003: (continued)**

<b>SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES: (continued)</b>	<b><u>INTEREST RATES</u></b>	<b><u>PRINCIPAL</u></b>
Excise Taxes Revenue Refunding Bonds, Series 2003C payable in semi-annual installments to 2021	2.000% - 5.250%	34,540
Capital Project Revenue Bonds, Series 1997-3 payable in monthly installments to 2026	Variable Rate Maximum Assumed at 7.90%	\$ 24,000
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes		<u>\$ 998,466</u>
Add: Deferred amounts on Special Obligation Bonds		<u>9,354</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes, less deferred amounts		<u>\$ 1,007,820</u>
 <b>SPECIAL OBLIGATIONS BONDS PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b>		
Transportation Revenue Bonds, Series 2001 payable in semi-annual installments to 2032	3.00 - 5.25%	\$ 179,170
Better Jacksonville Sales Tax Revenue Bonds, Series 2001 payable in semi-annual installments to 2031	3.00 - 5.50%	212,805
Better Jacksonville Sales Tax Revenue Bonds, Series 2003 payable in semi-annual installments to 2031	2.00 - 5.25%	211,050
Transportation Revenue Bonds, Series 2003 interest is reset and payable every 35 days to 2021	Auction Rate Securities Assumed at 4.01%	47,775
Transportation Revenue Bonds, Series 2003A interest is reset and payable every 35 days to 2033	Auction Rate Securities Assumed at 4.81%	76,825
Transportation Revenue Bonds, Series 2003B interest is reset and payable every 35 days to 2033	Auction Rate Securities Assumed at 4.81%	<u>76,800</u>
Total Special Obligation Bonds Payable From Other Specific Revenue Sources Other Than Ad Valorem Taxes		<u>\$ 804,425</u>
 <b>TOTAL GENERAL AND SPECIAL OBLIGATIONS BONDS</b>		 <u>\$ 1,812,245</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**8. LONG-TERM OBLIGATIONS (continued)**  
**A. Long-term Obligations at September 30, 2003: (continued)**

<b>BONDS PAYABLE FROM ENTERPRISE FUNDS:</b>	<b><u>INTEREST RATES</u></b>	<b><u>PRINCIPAL</u></b>
Excise Taxes Revenue Refunding Bonds, Series 1993A payable in semi-annual installments to 2012	4.70 - 5.375%	\$ 870
Excise Taxes Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.25 - 5.125%	11,720
Excise Taxes Revenue Refunding Bonds, Series 1996A payable in semi-annual installments to 2017	4.00 - 5.50%	17,975
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B payable in semi-annual installments to 2017	4.20 - 5.75%	36,575
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B payable in semi-annual installments to 2012	3.00 - 5.00%	<u>9,094</u>
<b>TOTAL BONDS PAYABLE FROM ENTERPRISE FUNDS</b>		<b><u>\$ 76,234</u></b>
<b>TOTAL BONDS PAYABLE</b>		<b><u>\$ 1,888,479</u></b>
<b>NOTES PAYABLE FROM GENERAL REVENUE:</b>		
U.S. Government Guaranteed Note Payable, Series 1995 (Coach) payable in semi-annual installments to 2014	8.24 - 9.03% (Taxable)	\$ 3,535
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty) payable in semi-annual installments to 2012	6.23 - 6.88% (Taxable)	670
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton Hotel) payable in semi-annual installments to 2015	6.23 - 7.03% (Taxable)	2,500
U.S. Government Guaranteed Note Payable, Series 1997 (Lavilla) payable in semi-annual installments to 2016	6.23 - 7.08% (Taxable)	1,050
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates) payable in semi-annual installments to 2010	6.23 - 6.78% (Taxable)	435
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings) payable in semi-annual installments to 2016	6.23 - 7.08% (Taxable)	700
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns) payable in semi-annual installments to 2015	6.23 - 7.03% (Taxable)	<u>485</u>
<b>TOTAL NOTES PAYABLE FROM GENERAL REVENUE</b>		<b><u>\$ 9,375</u></b>
<b>TOTAL BONDED INDEBTEDNESS</b>		<b><u>\$ 1,897,854</u></b>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS (continued)**  
**A. Long-term Obligations at September 30, 2003: (continued)**

**CAPITALIZED LEASE OBLIGATIONS:**

**Internal Service Fund:**

Installment lease purchase of office and communications equipment with lease maturity dates through 2009 with effective interest rates ranging from 4.13 to 6.40%	<u>\$ 19,455</u>
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Total Capitalized Lease Obligations	<u>\$ 19,455</u>
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**ACCRUED COMPENSATED ABSENCES:**

Represents the vested portion of accrued vacation and sick leave. See Note 1.M. for a summary of the City's policy regarding compensated absences.

Governmental and Internal Service Funds	\$ 55,843
Business-type Funds	<u>723</u>
(Fiduciary - Pension Funds have compensated absences of \$ 46 which are not presented on the City-wide Statements)	

Total Accrued Compensated Absences	<u>\$ 56,566</u>
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**OTHER LONG-TERM DEBT:**

Estimated Liability for Self-Insured Losses	\$ 52,998
Liability for Landfill Closure and Postclosure Care	<u>24,724</u>

Total Other Long-Term Debt	<u>\$ 77,722</u>
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<b>TOTAL LONG-TERM OBLIGATIONS</b>	<u><b>\$ 2,051,597</b></u>
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Less Unamortized Discount/Premium and Deferred Loss on Advance Refunding	<u>(2,944)</u>
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<b>Total, less Unamortized Discount/Premium and Deferred Loss on Advance Refunding</b>	<u><b>\$ 2,048,653</b></u>
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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**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, 2003, 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					
2004	\$ 36,110	\$ 49,918	\$ 8,235	\$ 35,379	\$ 4,125	\$ 3,585	\$ 395	\$ 707	\$ 138,454
2005	39,107	48,884	11,595	37,979	4,643	3,498	460	679	146,845
2006	43,513	46,927	11,955	37,578	4,832	3,287	525	647	149,264
2007	46,346	44,855	12,410	37,156	6,054	3,022	635	609	151,087
2008	47,065	42,748	12,800	36,702	7,575	2,705	730	563	150,888
2009 - 2013	215,080	189,840	68,940	175,810	29,330	8,544	4,790	1,851	694,185
2014 - 2018	210,880	141,074	95,815	157,694	19,675	2,167	1,840	209	629,354
2019 - 2023	164,505	73,246	130,870	129,378	-	-	-	-	497,999
2024 - 2028	118,905	33,323	203,685	88,273	-	-	-	-	444,186
2029 - 2033	76,955	8,466	248,120	26,521	-	-	-	-	360,062
Total Principal and Interest	998,466	679,281	804,425	762,470	76,234	26,808	9,375	5,265	3,362,324
Less: Interest to be paid	-	(679,281)	-	(762,470)	-	(26,808)	-	(5,265)	(1,473,824)
Total Principal	998,466	-	804,425	-	76,234	-	9,375	-	1,888,500
Deferred amounts	9,354	-	-	-	-	-	-	-	9,354
Unamortized Discount/Premium and Deferred Loss on Advance Refunding (1)	-	-	-	-	(2,944)	-	-	-	(2,944)
Totals	<u>\$ 1,007,820</u>	<u>\$ -</u>	<u>\$ 804,425</u>	<u>\$ -</u>	<u>\$ 73,290</u>	<u>\$ -</u>	<u>\$ 9,375</u>	<u>\$ -</u>	<u>\$ 1,894,910</u>
Long-Term Obligations Not Included Above:									
Accrued Compensated Absences									56,566
Capitalized Lease Obligations									19,455
Estimated Liability for Self-Insured Losses									52,998
Liability for Landfill Closure and Postclosure Care									24,724
<b>TOTAL LONG-TERM OBLIGATIONS</b>									<u><u>\$ 2,048,653</u></u>

(1) Public Parking System \$1,371 and Solid Waste Disposal \$1,573

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**8. LONG-TERM OBLIGATIONS (continued)**

**C. Changes in Long-Term Liabilities:**

Changes in long-term liabilities for the fiscal year ended September 30, 2003, are summarized as follows (in thousands):

	Balance October 1, 2002	Additions	Reductions	Balance September 30, 2003	Due within one year
<b>Governmental activities:</b>					
General long-term obligations:					
Commercial Paper Notes	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ -
General Obligation Bonds	605	-	605	-	-
Special Obligation Bonds	881,440	208,046	91,020	998,466	36,110
Special Obligation -BJP	395,395	412,450	3,420	804,425	8,235
Notes Payable	11,165	-	1,790	9,375	395
Deferred amounts:					
Loss on Advance Refunding	(5,239)	(2,215)	(1,525)	(5,929)	-
Issuance premiums	5,705	12,136	1,243	16,598	-
Issuance discounts	(1,362)	-	(47)	(1,315)	-
Total bonds and notes payable	<u>1,347,709</u>	<u>630,417</u>	<u>156,506</u>	<u>1,821,620</u>	<u>44,740</u>
Accrued Compensated Absences	63,091	341	7,589	55,843	15,835
Capitalized Lease Obligations	18,444	4,587	3,576	19,455	3,566
Estimated Liability for Self-Insured Losses	<u>53,587</u>	<u>14,112</u>	<u>14,701</u>	<u>52,998</u>	<u>15,464</u>
Governmental activity long-term obligations	<u>1,482,831</u>	<u>649,457</u>	<u>182,372</u>	<u>1,949,916</u>	<u>79,605</u>
<b>Business-type activities:</b>					
Revenue Bonds	79,670	9,094	12,530	76,234	4,125
Less: Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	<u>(2,897)</u>	<u>(309)</u>	<u>(262)</u>	<u>(2,944)</u>	<u>-</u>
Total Revenue Bonds, less Unamortized Discount/Premium and, Deferred					
Loss on Advance Refunding	76,773	8,785	12,268	73,290	-
Accrued Compensated Absences	708	311	296	723	217
Liability for Landfill Closure and Postclosure Care	<u>22,556</u>	<u>2,168</u>	<u>-</u>	<u>24,724</u>	<u>-</u>
Business-type activity long-term liabilities	<u>100,037</u>	<u>11,264</u>	<u>12,564</u>	<u>98,737</u>	<u>4,342</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u><u>\$ 1,582,868</u></u>	<u><u>\$ 660,721</u></u>	<u><u>\$ 194,936</u></u>	<u><u>\$ 2,048,653</u></u>	<u><u>\$ 83,947</u></u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of \$3,060 for compensated absences payable and \$15,889 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**  
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**8. LONG-TERM OBLIGATIONS (continued)**

**D. New Indebtedness and Refundings Issued by the City:**

On November 26, 2002, the City closed on the sale of \$68,475,000 Excise Taxes Revenue Bonds, Series 2002B with a true interest cost of 4.58%. The 2002B bonds carry coupon rates ranging from 2.5% to 5.375% with maturity dates ranging from October 1, 2003 through October 1, 2026. The proceeds were used to fund a \$70,000,000 grant to Shands Jacksonville Medical Center, Inc., which operates a hospital facility that provides care to indigent residents of the City. The issuance provided net proceeds of \$69,755,688 (after payment of \$891,852 for underwriter's discounts, insurance and costs of issuance) to fund the grant.

On December 16, 2002, the City closed on the sale of \$63,060,000 Local Government Sales Taxes Refunding and Improvement Bonds, Series 2002 with a true interest cost of 4.41%. The 2002 bonds carry coupon rates ranging from 3% to 5.375% with maturity dates ranging from October 1, 2003 through October 1, 2018. The proceeds were used to refund certain Commercial Paper Notes; finance certain municipal improvements including library computer systems and park improvements. The issuance provided net proceeds of \$64,589,334 (after payment of \$787,544 for underwriter's discounts, insurance and costs of issuance) to fund the costs of various improvements and refund the prior commercial paper notes in the amount of \$60,000,000 for the City's River City Renaissance Program.

On February 19, 2003, the City closed on the sale of \$211,050,000 Better Jacksonville Sales Tax Revenue Bonds, Series 2003 with a true interest cost of 4.71%. The 2003 bonds carry coupon rates ranging from 2% to 5.25% with maturity dates ranging from October 1, 2003 through October 1, 2030. The proceeds were used to fund road improvements, infrastructure improvements, park and environmental improvements, economic development and public facilities approved by the City. The issuance provided net proceeds of \$200,000,000 (after payment of \$15,663,630 for a debt service reserve fund, underwriter's discounts, insurance and costs of issuance) to fund the improvements.

On August 14, 2003, the City entered into an interest swap transaction with Bear Stearns Financial, which consisted of a 10-year \$50,000,000 fixed-to-floating swap rate of 4.02%. This represents the second tranche of the City's \$150 million variable-rate debt program that began on August 15, 2002 (a rate 3.595% was set on the first \$50 million tranche).

The City entered into a Hedge Agreement (floating-to-fixed rate swap) on January 29, 2003 with Wachovia Bank that served as a hedge of the City's future issuance of Transportation Refunding Revenue Bonds. On July 1, 2003, the City closed on the sale of \$47,775,000 Transportation Revenue Bonds, Series 2003 (Auction Rate Securities) with a true interest cost of 4.01% (based on the Hedge Agreement). The 2003 (Auction Rate Securities) bonds carry a targeted average coupon rate of 4.01% with a mandatory

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**8. LONG-TERM OBLIGATIONS (continued)**

**D. New Indebtedness and Refundings Issued by the City: (continued)**

sinking schedule starting in 2004 and a maturity date of October 1, 2020. The proceeds were used to refund the State of Florida, Full Faith and Credit, Jacksonville Transportation Authority, Senior Lien Refunding Bonds, Series 1992A; provide an additional \$3.9M for roadway improvements. The issuance provided net proceeds of \$48,827,388 (after payment of \$698,620 for underwriter's discounts, insurance and costs of issuance) to reimburse the City for expenses previously incurred, the additional new money and refund \$44,985,000 of the Senior Lien Refunding Bonds, Series 1992A. As a result of the refunding, an economic gain was realized (difference between the present values of the old and new debt service payments) of \$2,830,211.82 or 6.29% as a percentage of bonds refunded.

On July 3, 2003, the City closed on the sale of \$27,065,000 Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B (Non-AMT) with a true interest cost of 2.91%. The 2003B (Non-AMT) bonds carry coupon rates ranging from 3% to 5% with maturity dates ranging from October 1, 2004 through October 1, 2011. The proceeds were used to refund a portion of Excise Taxes Revenue Refunding Bonds, Series 1993A and pay part of the costs of an animal control shelter or other capital improvements. The issuance provided net proceeds of \$28,745,272 (after payment of \$296,556 for underwriter's discounts, insurance and costs of issuance) to fund capital improvements and refund \$26,150,000 of the Excise Taxes Revenue Refunding Bonds, Series 1993A. As a result of the refunding, an economic gain was realized (difference between the present values of the old and new debt service payments) of \$1,808,226.42 or 6.91% as a percentage of bonds refunded.

On July 3, 2003, the City closed on the sale of \$34,540,000 Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT) with a true interest cost of 4.91%. The 2003C (AMT) bonds carry coupon rates ranging from 2% to 5.25% with maturity dates ranging from October 1, 2004 through October 1, 2020. The proceeds were used to refund a portion of Excise Taxes Revenue Bonds, Series 1993 (AMT). The issuance provided net proceeds of \$35,947,551 (after payment of \$482,698 for underwriter's discounts, insurance and costs of issuance) to refund \$34,365,000 of the Excise Taxes Revenue Bonds, Series 1993 (AMT). As a result of the refunding, an economic gain was realized (difference between the present values of the old and new debt service payments) of \$1,806,722.36 or 5.26% as a percentage of bonds refunded.

On September 25, 2003, the City closed on the sale of \$24,000,000 Capital Project Revenue Bonds, Series 1997-3 with a true interest cost of 3.51%. The 1997-3 bonds carry an assumed weekly variable rate of 3.25% with a mandatory sinking schedule beginning October 1, 2010 and a maturity date of October 1, 2025. The proceeds were used to finance stormwater drainage and other general capital projects. The issuance provided net proceeds of \$23,613,632 (after payment of \$386,368 for underwriter's

**CITY OF JACKSONVILLE, FLORIDA**  
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**8. LONG-TERM OBLIGATIONS (continued)**

**D. New Indebtedness and Refundings Issued by the City: (continued)**

discounts, insurance and costs of issuance) to fund certain stormwater drainage and capital projects. The 1997-3 Bonds are the third sub series of the City of Jacksonville, Florida Capital Project Revenue Bonds, Series 1997, authorized to be issued in an aggregate principal amount of not to exceed \$99,000,000.

Also on September 25, 2003, the City closed on the sale of \$76,825,000 Transportation Revenue Bonds, Series 2003A (Auction Rate Securities) with a true interest cost of 4.9%.

The 2003A (Auction Rate Securities) bonds carry a targeted average coupon rate of 4.81% with a mandatory sinking schedule beginning October 1, 2014 and a maturity date of October 1, 2032. The proceeds were used to fund, or reimburse the City for expenses previously incurred in connection with, the acquisition and construction of certain road, bridge, drainage and other transportation capital projects forming a portion of The Better Jacksonville Plan. The issuance provided net proceeds of \$75,761,405 (after payment of \$1,063,595 for underwriter's discounts, accrued interest, insurance and costs of issuance) to fund roadway improvements.

Finally, on September 25, 2003, the City closed on the sale of \$76,800,000 Transportation Revenue Bonds, Series 2003B (Auction Rate Securities) with a true interest cost of 4.9%. The 2003B (Auction Rate Securities) bonds carry a targeted average coupon rate of 4.81% with a mandatory sinking schedule beginning October 1, 2014 and a maturity date of October 1, 2032. The proceeds were used to fund, or reimburse the City for expenses previously incurred in connection with, the acquisition and construction of certain road, bridge, drainage and other transportation capital projects forming a portion of The Better Jacksonville Plan. The issuance provided net proceeds of \$75,736,799 (after payment of \$1,063,201 for underwriter's discounts, accrued interest, insurance and costs of issuance) to fund roadway improvements.

The City anticipates future debt activity to continue funding the Better Jacksonville Plan, refinancing various bonds and additional needs for drainage and park improvements.

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS (continued)**

**E. 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.

The City presently has outstanding the following serial bonds, which are legally defeased (in thousands):

<u>ISSUE (a)</u>	<u>REFUNDED BY</u>	<u>PRINCIPAL BALANCE AT SEPTEMBER 30, 2003</u>	<u>INVESTMENT BALANCE WITH ESCROW AGENT AT SEPTEMBER 30, 2003 (b)</u>
Excise Taxes Revenue Refunding Bonds, Series 1977	1984 C Excise Tax Revenue Refunding Bonds	\$ 14,400	\$ 9,200
Capital Improvement Revenue Bonds, Series 1994	1998 Capital Improvement and Revenue Refunding Bonds	31,030	31,923
Sales Tax Revenue Bonds, Series 1995 & Series 1996	2001 Local Government Sales Tax Revenue Refunding Bonds	103,063	107,246
Excise Taxes Revenue Refunding Bonds, Series 1993A	Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B	26,150	27,094
Excise Taxes Revenue Bonds, Series 1993	Excise Taxes Revenue Refunding Bonds, Series 2003C	34,365	36,039

(a) Special Obligation Bonds payable from Specific Revenue Sources Other Than Ad Valorem Taxes

(b) Source: Escrow Agent's Records

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS (continued)**

**F. Lease Obligations:**

At September 30, 2003, the City has several capital lease agreements in place. The leases meet 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 agreements contain options that allow the City to cancel the leases if sufficient funds are not appropriated. Since cancellation of the leases is not foreseen, the leases have been capitalized. Further, upon satisfaction of the lease obligations, asset title will pass to the City.

The City has a voice mail system, software, storage area network, two telephone switches and wiring systems and motorola radios which were acquired through capital leases (recorded in the Information Technologies Internal Service Fund). Depreciation of the items acquired through these capital leases was \$3.5 million in fiscal year 2003 and was included in depreciation expense of capital assets.

The assets acquired through capital leases are as follows:

	<u>Internal Service Fund - Information Technologies</u>
Asset:	
Furniture and Equipment	\$ 24,844
Less: Accumulated Depreciation	<u>(5,389)</u>
Total	<u>\$ 19,455</u>

The future minimum lease obligations as of September 30, 2003, were as follows (in thousands):

<u>Fiscal Year Ending September 30,</u>	<u>Information Technologies Internal Service Fund</u>
2004	\$ 4,484
2005	4,135
2006	3,819
2007	3,550
2008	3,226
2009	<u>3,226</u>
Total minimum lease payments	22,440
Less: Amount representing interest	<u>( 2,985)</u>
Present value of minimum lease Payments	<u>\$ 19,455</u>
Classified as:	
Current	\$ 3,566
Non-current	<u>15,889</u>
Total	<u>\$ 19,455</u>

The City does not have any material operating leases.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS (continued)**

**G. Arbitrage Liability:**

Based on a calculation submitted on May 5, 2003 by PFM Asset Management, LLC, there is Arbitrage Rebate Liability in the amount of \$1,602,926 due for the \$45,000,000 City of Jacksonville Capital Project Revenue Bonds, Series 1997-2 Bonds for the Interim Computation Period of November 4, 1999 through September 1, 2002. Ninety percent (90%) of the Cumulative Rebate Liability (reduced by any applicable computation date credits) is required to be rebated to the United States no later than 60 days after November 4, 2004 (the end of the fifth Bond Year). The fund and account established with Gross Proceeds of the Bonds or relating to the bonds was the Construction Fund. The Bonds qualify as "construction bonds" under Section 148(f)(4)(c) of the Internal Revenue Code. However, the City did not meet the requirements of the Two-Year Expenditure Exception to the arbitrage rebate requirement.

**H. 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.

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 served by 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, the State, nor any political subdivision thereof is 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, 2003, the City had authorized \$1,461,023,120 in IDB's and PAB's, of which \$1,156,126,902 have been issued. From time to time, certain of such conduit debt may be in technical 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, 2003, the City has authorized a total of \$1,414,630,970 Duval County Housing Finance Authority (DCHFA) Single Family and Multi-Family Bonds of which \$1,074,510,293 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$844,000,000 and \$789,030,331, respectively. The amount of Multi-Family Housing Bonds authorized and issued is \$311,663,970 and \$288,039,961, respectively. There were no Single Family Housing Revenue Bonds authorized or issued during the fiscal year ended 2003. The amount of Multi-Family Housing Bonds authorized and issued during the fiscal year ended 2003 is \$9,400,000 and \$9,200,000, respectively. Refundings of previous issues make up \$228,811,526 of the total amount authorized and issued.



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS (continued)**

**H. Conduit Debt:** (ocntinued)

As of September 30, 2003, the City has authorized \$681,765,000 of Jacksonville Health Facilities Authority (JHFA) Bonds, of which \$555,446,184 have been issued. There were no bonds authorized or issued during the fiscal year ended 2003. Of the total amount of JHFA Bonds, refundings of previous issues make up \$403,365,834 of the authorizations and \$328,074,166 of the issuances.

**I. Special Assessment Debt:** - The City has no special assessment debt.

**J. Demand Bonds:** - The City has no demand bonds.

**K. Interest Rate Swaps with Better Jacksonville Plan:**

**Objective of the Interest Rate Swaps** - The City utilizes interest rate swaps to manage the interest rate risk associated with the debt outstanding associated with the Better Jacksonville Plan. This debt shall be managed with an overall philosophy of taking a long-term approach in borrowing funds at the lowest possible interest cost while adhering to Florida law. To achieve this goal, the City will continuously work 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, counter-party credit profiles, and competition. The use of interest rate swaps is one instrument used in achieving an optimal capital structure.

**Terms** - Effective August 19, 2002, the City of Jacksonville entered into a 10 year fixed receiver swap with Morgan Stanley Capital Services rated AA. The notional amount of the transaction is \$50,000,000. The City receives a fixed rate of 3.595% and pays the BMA Index. The City receives payments semi-annually and makes payments monthly. For purposes of credit, the swap is secured by the City's infrastructure sales tax with a lien on parity to the Better Jacksonville Sales Tax Revenue Bonds. The counterparty does not have the right to terminate this transaction unless a termination event has occurred. The threshold for posting collateral is when the market value of the swap exceeds \$25 million; above \$25 million the counterparty shall post \$1 million of collateral. Collateral is in the form of cash. A lower credit rating will also increase the amount of collateral required. The City retains the right to terminate this swap agreement at the market value prior to maturity.

Effective August 18, 2003, the City of Jacksonville entered into a 10 year fixed receiver swap with Bear Sterns Financial Products rated AAA. The notional amount of the transaction is \$50,000,000. The City receives a fixed rate of 4.02% and pays the BMA Index. The City receives payments semi-annually and makes payments monthly. For purposes of credit, the swap is secured by the City's infrastructure sales tax with a lien on parity to the Better Jacksonville Sales Tax Revenue Bonds. The counterparty does not have the right to terminate this transaction unless a termination event has occurred. The threshold for posting collateral is when the market value of the swap exceeds \$25 million; above \$25 million the counterparty shall post \$1 million of collateral. Collateral is in the form of cash. A lower credit rating will also increase the amount of collateral

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**8. LONG-TERM OBLIGATIONS (continued)**

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

required. The City retains the right to terminate this swap agreement at the market value prior to maturity.

Effective 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 transaction is \$47,775,000. The City receives a floating rate of the BMA Index and pays a fixed rate of 4.01%. 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). 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 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 has occurred. The threshold for posting collateral is when the market value of the swap exceeds \$20 million; above \$20 million the counterparty shall post \$1 million of collateral. Collateral is in the form of cash. A lower credit rating will also increase the amount of collateral required. The City retains the right to terminate this swap agreement at the market value prior to maturity.

**Fair Value** - As of September 30, 2003, the underlying swaps had a combined positive fair value of \$2,391,384. This fair value was obtained by the counter-parties' mark to market reports submitted to the City.

**L. Interest Expense:**

Total interest expense for the fiscal year ended September 30, 2003 was \$68.7 million for governmental activities and \$2.8 million for business-type activities.

**M. JEA - Long-Term Debt:**

The Electric System, SJRPP System, and Water and Sewer System Revenue Bonds (JEA Revenue Bonds) are payable from and secured by a pledge of the Net Revenues of each of the respective JEA Systems. JEA is required to deposit monthly, into separate debt service sinking funds for each System, approximately one-twelfth of the aggregate amount of principal and interest becoming payable on the outstanding JEA Revenue Bonds within the bond year. Interest on the fixed rate portion of the JEA Revenue Bonds (excluding SJRPP capital appreciation bonds) is payable semi-annually on April 1 and October 1, with the principal amount payable on October 1. FPL is responsible for certain debt service payments on SJRPP Revenue Bonds. These payments are made in accordance with the requirements of the SJRPP Bond Resolution and Joint Ownership Agreement between JEA and FPL. The Electric System and Water and Sewer System are subject to separate senior and subordinated bond resolutions. SJRPP is also subject to a bond resolution. The resolutions provide for certain restrictions, the most significant of which are: (1) In general that JEA covenants to establish rates sufficient to pay all costs of operation and maintenance, a specified multiple of debt service and any additional amount required to be made under the respective bond resolutions for the

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

current fiscal year and (2) Certain conditions outlined in each bond resolution must be met in order to issue additional Electric System or Water and Sewer System parity debt.

Long-term debt	Interest rates	Due dates	Amount (in thousands)
Electric System Senior Revenue Bonds:			
Series Two, 1987A	7.500%	2003-2004	\$ 330
Series Three, 1998A	4.500-5.250%	2003-2033	123,705
Series Three, 2000A	5.000-6.100%	2006-2034	-
Series Three, 2000C	5.500-5.625%	2024-2035	34,865
Series Three, 2001A	5.125-5.250%	2020-2035	75,000
Series Three, 2001B	3.500-4.400%	2003-2011	83,025
Series Three, 2001C	5.000%	2021-2031	53,830
Series Three, 2002A	4.875-5.500%	2016-2041	75,000
Series Three, 2002B	3.250-4.700%	2008-2018	105,395
Series Three, 2003A	2.500-4.625%	2004-2039	103,645
Series Three, 2003B	Variable	2005-2033	174,000
Total Electric System Senior Revenue Bonds			828,795
Electric System Subordinated Revenue Bonds:			
Series B Commercial Paper Notes	Variable	N/A	13,112
Series C Commercial Paper Notes	Variable	N/A	118,246
2000 Series A and B	Variable	2003-2010	200,000
2000 Series F	Variable	2017-2030	125,000
2001 Series B and C	Variable	2017-2030	132,000
2001 Series D	Variable	2010-2031	175,100
2000 Series E	4.400-5.125%	2005-2014	31,105
2001 Series A	3.800-5.000%	2007-2016	50,840
2001 Series E	3.000-4.200%	2004-2013	30,370
2002 Series A	2.500-4.750%	2004-2015	15,000
2002 Series B	3.000-5.000%	2005-2008	33,485
2002 Series C	3.250-3.875%	2008-2011	72,710
2002 Series D	4.000-4.875%	2014-2037	153,305
2003 Series A	4.500-4.625%	2023-2033	30,755
Total Electric System Subordinated Revenue Bonds			1,181,028
SJRPP System Revenue Bonds:			
Issue Two, Series Six			-
Issue Two, Series Seven	6.20%	2010-2011	14,994
Issue Two, Series Eight and Nine	5.25%	2019-2021	58,420
Issue Two, Series Ten	5.500-6.500%	2003-2013	30,065
Issue Two, Series Eleven	5.000-5.375%	2006-2020	154,480
Issue Two, Series Twelve	5.000-5.375%	2006-2018	141,755
Issue Two, Series Thirteen, Fourteen and Fifteen	4.400-6.000%	2003-2016	204,660
Issue Two, Series Sixteen	4.200-5.375%	2003-2015	50,340
Issue Two, Series Seventeen	2.125-5.250%	2003-2019	501,300
Issue Two, Series Eighteen	2.000-5.000%	2003-2018	232,035
Issue Two, Series Nineteen	1.620-4.600%	2004-2017	61,930
Total SJRPP System Revenue Bonds			1,449,979

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

Long-term debt	Interest rates	Due dates	Amount (in thousands)
Water and Sewer System Senior Revenue Bonds:			
1997 Series A and B	4.750-5.625%	2003-2037	67,465
1999 Series A	4.500-5.400%	2009-2039	110,000
2000 Series A (1)	6.000-6.125%	2018-2039	78,890
2000 Series B	Variable	2030-2034	50,250
2001 Series A	4.200-5.375%	2003-2035	128,700
2001 Series C	2.200-5.250%	2003-2037	152,635
2001 Series D, E	Variable	2003-2036	-
2002 Series A	5.375-5.500%	2024-2041	125,000
2002 Series B	3.000-5.250%	2003-2017	79,840
2002 Series C	4.625-5.000%	2018-2041	160,000
2003 Series A	2.000-4.750%	2005-2043	53,780
2003 Series B	4.375-4.750%	2021-2037	56,640
Total Water and Sewer System Senior Revenue Bonds			1,063,200
Water and Sewer System Subordinated Revenue Bonds:			
First Crossover Series (1)	3.800-5.300%	2006-2039	81,990
Subordinated 2003 Series A-1	Variable	2003-2036	66,150
Subordinated 2003 Series A-2	Variable	2003-2036	65,725
Subordinated 2003 Series B	Variable	2003-2036	99,140
Subordinated 2003 Series C	2.000-4.750%	2005-2043	55,350
Total Water and Sewer System Subordinated Revenue Bonds			368,355
Total Debt Principal Outstanding			4,891,357
Plus Accretion of SJRPP Issue Two, Series Seven Capital Appreciation Bonds			14,596
Less debt due within one year			(115,495)
Total long-term debt			\$ 4,790,458

(1) On March 20, 2001, JEA issued its Water and Sewer System Subordinated Revenue Bonds First Crossover Series. Upon the April 1, 2005 crossover date, unless certain conditions are not satisfied, \$78,890,000 of Series 2000 A Bonds will be redeemed and the First Crossover Series will be exchangeable for \$81,990,000 of Series 2001 B Bonds. The first Crossover Series and the refunded Series 2000 A bonds will both remain on JEA's balance sheet until April 1, 2005. A corresponding escrow has been recorded which will pay the debt service on the First Crossover Series until April 1, 2005.

**CITY OF JACKSONVILLE, FLORIDA**  
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**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

Long-term debt activity for the year ended September 30, 2003 was as follows (in thousands):

	Bonds and commercial paper payable September 30, 2002	Par Amount of Bonds Issued	Par Amount of Bonds Refunded	Principal Payments	Accretion of SJRPP Issue 2 Series 7 Capital Appreciation Bonds	Bonds and commercial paper payable September 30, 2003	Current portion September 30, 2003
Electric System Revenue Bonds and Commercial Paper	\$ 1,869,987	\$ 308,400	(\$ 162,370)	(\$ 6,194)	\$ -	\$ 2,009,823	\$ 20,180
SJRPP System Revenue Bonds	1,564,793	293,965	(299,320)	(96,615)	1,752	1,464,575	83,700
Water and Sewer System Revenue Bonds	1,168,145	636,625	(364,555)	(8,660)	-	1,431,555	11,615
Total	<u>\$ 4,602,925</u>	<u>\$ 1,238,990</u>	<u>(\$ 826,245)</u>	<u>(\$ 111,469)</u>	<u>\$ 1,752</u>	<u>\$ 4,905,953</u>	<u>\$ 115,495</u>

The debt service to maturity on the outstanding JEA Revenue Bonds (excluding commercial paper notes and long-term variable rate obligations) as of September 30, 2003, is summarized in the following table (in thousands):

Bond Yrs Ending October 1	Electric System		SJRPP		Water & Sewer		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2003	\$ 2,380	\$ 23,435	\$ 83,700	\$ 35,018	\$ 7,665	\$ 24,024	\$ 176,222
2004	8,130	48,957	78,610	67,773	8,960	52,979	265,409
2005	26,780	48,690	79,440	64,331	15,555	52,567	287,363
2006	19,245	47,667	83,560	60,201	18,355	51,918	280,946
2007	22,545	46,874	87,260	56,150	19,265	51,204	283,298
2008-2012	282,980	207,557	503,339	243,957	105,035	243,607	1,586,475
2013-2017	164,250	157,606	383,660	86,048	110,145	219,291	1,121,000
2018-2021	106,600	126,472	150,410	17,424	137,395	189,856	728,157
2022-2027	87,915	102,607	-	-	148,025	153,797	492,344
2028-2032	137,485	76,615	-	-	158,140	112,956	485,196
2033-2037	160,040	38,988	-	-	158,775	74,945	432,748
2038-2043	54,015	6,139	-	-	180,985	25,992	267,131
Total	<u>\$1,072,36</u>	<u>\$ 931,607</u>	<u>\$1,449,979</u>	<u>\$630,902</u>	<u>\$1,068,300</u>	<u>\$1,253,136</u>	<u>\$6,406,289</u>

The estimated fair values of JEA's outstanding, fixed rate long-term debt (excluding commercial paper notes and long-term variable rate obligations) at September 30,

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**8. LONG-TERM OBLIGATIONS (continued)  
M. JEA - Long-Term Debt: (continued)**

2003 was \$3,930,460 thousand. The estimated fair value at September 30, 2003 for the fixed rate portion of the JEA Revenue Bonds was determined through a nationally recognized third-party financial information service.

The debt service to maturity of the commercial paper notes and long-term variable rate obligations as of September 30, 2003, is summarized in the following table (in thousands):

Bond Years Ending October 1,	Electric System Commercial Paper (1)	Interest (2)	Electric System Variable Rate Obligations	Interest (2)	Water & Sewer System Variable Rate Obligations	Interest (2)	Total Debt Service Commercial Paper and Variable Rate Obligations
2003	\$ -	\$ 162	\$ 17,800	\$ 447	\$ 3,950	\$ 3,196	\$ 25,555
2004	9,550	1,193	18,600	9,649	2,925	3,151	45,068
2005	8,331	1,095	14,600	9,416	3,150	3,117	39,709
2006	5,155	1,011	30,000	9,234	3,275	3,081	51,756
2007	2,326	963	30,400	8,862	3,375	3,043	48,969
2008-2012	16,600	4,384	137,300	38,128	25,945	14,454	236,811
2013-2017	22,167	3,714	60,280	32,572	31,450	12,857	163,040
2018-2022	35,188	2,281	125,520	27,535	40,515	10,861	241,900
2023-2027	32,041	933	175,400	18,512	33,995	8,680	269,561
2028-2032	-	-	182,400	6,311	70,970	6,254	265,935
2033-2036	-	-	13,800	162	61,715	1,539	77,216
Total	<u>\$ 131,358</u>	<u>\$ 15,736</u>	<u>\$ 806,100</u>	<u>\$ 160,828</u>	<u>\$ 281,265</u>	<u>\$ 70,233</u>	<u>\$ 1,465,520</u>

- (1) Amortization based upon JEA's current commercial paper payment plan and excludes payments made during fiscal year 2003.  
(2) Interest rates on the variable rate debt for purposes of this table were assumed to remain the same as those in effect at September 30, 2003 through the maturity date on the respective commercial paper and variable rate obligations. The table excludes payments made during fiscal year 2003.

The estimated fair values at September 30, 2003 for the \$937,458 thousand of JEA Electric System variable rate debt and \$281,265 thousand of JEA variable rate Water and Sewer System debt were determined to be the par amount outstanding at September 30, 2003.

JEA, at its option, may redeem specific outstanding JEA Revenue Bonds prior to maturity, as discussed in the Official Statements covering their issue. A summary of the redemption provisions is as follows:

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**8. LONG-TERM OBLIGATIONS (continued)  
M. JEA - Long-Term Debt: (continued)**

	<u>Electric System</u>	<u>SJRPP</u>	<u>Water and Sewer</u>
Earliest year for redemption	2004	2004	2004
Redemption price ranges	101% - 100%	101% - 100%	101% - 100%

**Electric System**

During fiscal year 2003, JEA issued Electric System debt as summarized in the following table (in thousands):

<u>Debt Issued</u>	<u>Purpose</u>	<u>Priority Of Lien</u>	<u>Month of Issue</u>	<u>Par Amount Issued</u>	<u>Par Amount Refunded</u>
Series Three 2003 A	New Money	Senior	June	\$ 103,645	\$ -
2003 Series A	New Money	Subordinated	June	30,755	-
Series Three 2003 B	Refunding	Senior	September	174,000	162,370

JEA has five series of multi-modal subordinated variable rate demand obligations (VRDO) outstanding. Each series are subject to mandatory and optional redemption prior to its scheduled maturity date as set forth in the Official Statement relating to their issuance. The VRDO were initially issued and currently are in the daily mode. They bear interest at a daily rate which is determined on each business day. Interest is payable on the first business day of each month. Liquidity support in connection with tenders for purchase is provided by separate liquidity providers with respect to each separate series of VRDO pursuant to a standby bond purchase agreement (the liquidity facility). With respect to each separate liquidity facility, JEA can and expects to request extensions of the termination dates. The purchase price of the VRDO tendered or deemed tendered for purchase is payable solely from the proceeds of the remarketing thereof and moneys drawn under the applicable liquidity facility and are not payable from any funds of JEA.

The following table summarizes JEA's outstanding subordinated VRDO:

<u>Series</u>	<u>Principal Amount Outstanding</u>	<u>Liquidity Facility Termination Date</u>	<u>Average Interest Rate FY 2003</u>
2000 Series A	\$ 100,000	December 9, 2003	1.110%
2000 Series B	100,000	January 9, 2004	1.110%
2000 Series F	125,000	December 1, 2003	1.110%
2001 Series B	66,000	May 22, 2004	1.110%
2001 Series C	66,000	May 22, 2006	1.110%
	<u>\$ 457,000</u>		

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**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

JEA has outstanding \$175,100 thousand of multi-modal Variable Rate Electric System Subordinated Revenue Bonds, 2001 Series D Short-Term Adjustable Rate Securities (the 2001 Series D). The 2001 Series D are subject to the auction procedures as set forth in the Electric System Seventeenth Supplemental Subordinated Resolution. The 2001 Series D were initially issued and currently are in the auction mode. Interest for each auction period will be an amount equal to the sum of the rate per annum determined on the basis of orders placed in an auction conducted on the business day preceding the commencement of such auction period and the service charge rate. Interest on the 2001 Series D is currently payable every thirty-five days. The interest rate on the 2001 Series D for any subsequent auction period may not exceed the lesser of 15% per annum and the maximum interest rate permitted by law. The average interest rate during fiscal year 2003 was 1.14%, excluding the service charge rate.

During fiscal year 2003, JEA issued an additional \$174,000 thousand of multi-modal Variable Rate Electric System Revenue Bonds, Series Three 2003B-1 and Series Three 2003B-2 Short-Term Adjustable Rate Securities (the Series Three 2003B) to refund all or parts of two series of fixed rate bonds to achieve debt service savings. The Series Three 2003B are subject to the auction procedures as set forth in the supplemental resolution for the Series Three 2003B. The Series Three 2003B were initially issued and currently are in the auction mode. Interest for each auction period will be an amount equal to the sum of the rate per annum determined on the basis of orders placed in an auction conducted on the business day preceding the commencement of such auction period and the service charge rate. Interest on the Series Three 2003B is currently payable every thirty-five days. The interest rate on the Series Three 2003B for any subsequent auction period may not exceed the lesser of 15% per annum and the maximum interest rate permitted by law. The average interest rate during fiscal year 2003 was 0.92%, excluding the service charge rate. In connection with the issuance of the Series Three 2003B, JEA executed a fixed-payer interest rate swap to effectively fix its net payments relative to the Series Three 2003B. The terms of the interest rate swap are approximately equal to that of the Series Three 2003B. As a result of entering into the fix-payer swap agreement, JEA has estimated its economic gain from the refunding to be \$30,582 thousand. The estimated economic gain from the issuance of the Series Three 2003B was calculated as the difference between the present value of the debt service payments of the refunded bonds and the net payments of the Series Three 2003B, after adjusting for the effect of the swap. The refunding resulted in an accounting loss of \$13,148 thousand.

On October 9, 2003, the Electric System issued \$50,000 thousand Variable Rate Electric System Revenue Bonds, Series Three 2003 C-1, and \$50,000 thousand Variable Rate Electric System Revenue Bonds, Series Three 2003 C-2. These bonds were issued to fund various additions and improvements to the Electric System.



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**8. LONG-TERM OBLIGATIONS (continued)  
 M. JEA - Long-Term Debt: (continued)**

**SJRPP**

On February 27, 2003, JEA issued \$232,035 thousand of SJRPP System Issue Two, Series Eighteen Refunding Revenue Bonds (the Series Eighteen). The Series Eighteen were issued to current refund \$239,570 thousand of SJRPP System bonds. The refunding resulted in an accounting loss of \$10,708 thousand. An estimated economic gain of \$19,737 thousand was realized as a result of the refunding. The estimated economic gain from the issuance of the Series Eighteen was calculated as the difference between the present value of the debt service payments of the refunded bonds and the debt service payments of the Series Eighteen.

On August 27, 2003, JEA issued \$61,930 thousand of SJRPP System Issue Two, Series Nineteen Refunding Revenue Bonds (the Series Nineteen). The Series Nineteen were issued to current refund \$59,750 thousand of SJRPP System bonds. The refunding resulted in an accounting loss of \$2,081 thousand. An estimated economic gain of \$3,258 thousand was realized as a result of the refunding. The estimated economic gain from the issuance of the Series Nineteen was calculated as the difference between the present value of the debt service payments of the refunded bonds and the debt service payments of the Series Nineteen.

**Water and Sewer System**

During fiscal year 2003, JEA issued Water and Sewer System debt as summarized in the following table (in thousands):

<u>Debt Issued</u>	<u>Purpose</u>	<u>Priority Of Lien</u>	<u>Month of Issue</u>	<u>Par Amount Issued</u>	<u>Par Amount Refunded</u>
2002 Series B	Refunding	Senior	October	\$ 79,840	\$ 81,765
2002 Series C	New Money	Senior	October	160,000	-
2003 Series A-1 and A-2	Refunding	Subordinated	June	131,875	130,000
2003 Series A	New Money	Subordinated	July	53,870	-
2003 Series B	Refunding	Senior	July	99,140	98,000
2003 Series C	New Money	Subordinated	July	55,350	-
2003 Series B	Refunding	Senior	August	56,640	54,790

The Water and Sewer System Revenue Bonds, 2002 Series B (the 2002 Series B) were issued October 1, 2002 to refund a prior series of bonds. The refunding resulted in an accounting loss of \$3,007 thousand. An estimated economic gain of \$5,967 thousand was realized as a result of the refunding. The estimated economic gain from the issuance of the Series 2002 Series B was calculated as the difference between the present value of

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**8. LONG-TERM OBLIGATIONS (continued)  
M. JEA - Long-Term Debt: (continued)**

the debt service payments of the refunded bonds and the debt service payments of the 2002 Series B.

The Variable Rate Water and Sewer System Subordinated Revenue Bonds, 2003 Series A-1 and A-2 Auction Rate Securities issued on June 26, 2003 and the Variable Rate Water and Sewer System Subordinated Revenue Bonds, 2003 Series B issued on July 31, 2003 (collectively the Refunding 2003 Bonds) were issued to refund two prior series of variable rate bonds. The refunding resulted in a combined accounting loss of \$1,180 thousand. As the refunding was not done to realize any debt service savings, there was no economic gain from the issuance of the Refunding 2003 Bonds.

The Water and Sewer System Refunding Revenue Bonds, 2003 Series B (the 2003 Series B) were issued August 21, 2003, to refund a prior series of bonds. The refunding resulted in an accounting loss of \$2,085 thousand. An estimated economic gain of \$6,124 thousand was realized as a result of the refunding. The estimated economic gain from the issuance of the Series 2003 Series B was calculated as the difference between the present value of the debt service payments of the refunded bonds and the debt service payments of the 2003 Series B.

JEA has two series of multi-modal Water and Sewer System VRDO outstanding. The 2000 Series B and the Variable Rate Water and Sewer System Subordinated Revenue Bonds 2003 Series B (the 2003 Series B) issued on July 31, 2003. Both series of bonds are in the weekly mode and bear interest at the weekly rates, which is determined on Tuesday of each week with interest payable on the first Wednesday of each month. The bonds are subject to mandatory and optional redemption prior to maturity and to optional and mandatory tenders for purchase. Liquidity support in connection with tenders for purchase of the bonds is provided pursuant to the respective standby bond purchase agreements (the liquidity facilities). With respect to each liquidity facility, JEA can and expects to request an extension of the termination date. The purchase price of the bonds tendered or deemed tendered for purchase is payable solely from the proceeds of the remarketing thereof and moneys drawn under the liquidity facility and not payable from any funds of JEA.

The following table summarizes the outstanding JEA Water and Sewer System VRDO (in thousands):

Series	Principal Amount Outstanding	Liquidity Facility Termination Date	Average Interest Rate for Fiscal Year 2003
2000 Series B	\$ 50,250	April 5, 2004	1.120%
2003 Series B	99,140	July 28, 2004	0.865%
	<u>\$ 149,390</u>		

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**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

Also, the previously mentioned multi-modal Variable Rate Water and Sewer System Subordinated Revenue Bonds, 2003 Series A-1 and A-2 Auction Rate Securities (ARS) issued on June 26, 2003 were issued in and are currently in the auction mode. The bonds are in a seven-day ARS interest rate period with interest on the Series A-1 payable on each Thursday and interest on the Series A-2 payable on each Friday. While in the auction mode, the bonds will bear interest for each auction period at a rate equal to the applicable ARS rate as determined by the auction agent on the auction date for such auction period. Such determination shall be made in accordance with the auction procedures described in the First Supplemental Water and Sewer System Subordinated Revenue Bond Resolution. The average interest rate during fiscal year 2003 for the Series A-1 was 0.79% and for the A-2 was 0.83%.

On March 20, 2001, JEA issued \$81,990 thousand of Water and Sewer System Subordinated Revenue Bonds, First Crossover Series. The proceeds from the First Crossover Series are to be held in a special escrow fund until the crossover date of April 1, 2005. The First Crossover Series are secured by a pledge upon the moneys and eligible investments on deposit in the special escrow fund and by amounts on deposit in the Subordinated Indebtedness Fund, the debt service account for the subordinated debt. A portion of the invested proceeds (and income thereon) will be used to pay interest on the First Crossover Series until the crossover date. On the crossover date, unless certain conditions are not satisfied, the balance of the funds on deposit in the special escrow fund will be used to redeem the \$78,890 thousand of Water and Sewer System Revenue Bonds 2000 Series A. On the crossover date, the First Crossover Series will be exchanged for Water and Sewer System Revenue Bonds 2001 Series B (the 2001 Series B). Upon the exchange, the 2001 Series B bonds will bear the same interest rates, have the same maturity dates and be subject to optional and mandatory redemptions at the same times, in the same amounts and at the same redemption prices as the First Crossover Series bonds. In addition, upon the exchange the 2001 Series B bonds will be secured by a pledge of the Revenues of the Water and Sewer System on a rank equal to that of any other bonds outstanding under the Water and Sewer System Bond Resolution. The First Crossover Series bonds bear interest rates ranging from 3.80% to 5.30% and mature in the years beginning on October 1, 2006 through October 1, 2039.

As a result of the issuance of the First Crossover Series bonds and as a result of the events to occur on the crossover date, the scheduled debt service will be adjusted for the period ending September 30, 2005 to the maturity for the 2001 Series B bonds and the total debt service on all Water and Sewer System fixed rate bonds will be as follows (in thousands):

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**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

Bond Years Ending October 1,	2001 Series B	Total Debt Service
2003	\$ -	\$ 31,689
2004	-	61,939
2005	2,147	67,876
2006	4,419	69,904
2007	4,419	70,101
2008-2012	22,096	346,802
2013-2017	22,095	327,595
2018-2021	37,291	325,406
2022-2027	29,270	299,984
2028-2032	17,058	269,257
2033-2037	34,146	231,879
2038-2043	19,737	206,241
	<u>\$ 192,678</u>	<u>\$ 2,308,673</u>

On November 21, 2003, the Water and Sewer System issued \$75,000 thousand Variable Rate Water and Sewer System Revenue Bonds, 2003 Series C to fund various additions and improvements to the Water and Sewer System.

**Commercial Paper**

During fiscal year 2003, JEA retired \$4,739 thousand of Series B and C Commercial Paper Notes. The following table summarizes the outstanding Electric System Commercial Paper Notes as of September 30, 2003 (in thousands):

Notes Issued	Principal Amount Outstanding	Final Maturity Date Not to Exceed	Interest Rate Not to Exceed	Average Interest Rate For Fiscal Year 2003
Series B (Taxable)	\$ 13,112	June 7, 2033	20%	1.323%
Series C (Tax exempt)	118,246	June 7, 2033	15%	1.107%
	<u>\$ 131,358</u>			

The Commercial Paper Notes, shown in the previous table, have been classified as long-term debt obligations and are junior and subordinate in all respects to the senior lien Electric System Revenue Bonds. Valued at par, the estimated fair value of the Commercial Paper Notes at September 30, 2003 was \$131,358 thousand.

In order to manage more effectively its finances and to reduce the net cost of its debt, JEA from time to time enters into interest rate cap agreements to limit the interest rate risk associated with the Commercial Paper Notes. As of September 30, 2003, JEA has BMA Index interest rate caps with a total notional amount of \$60,000 thousand associated with the Commercial Paper Notes. JEA is exposed to a potential nonpayment

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**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

in the event of nonperformance by the counter-party to its interest rate cap agreements. JEA believes that the risk of nonpayment in the event of nonperformance by the counter-party under these agreements is not significant and furthermore, JEA does not anticipate nonperformance by the counter-party.

In order to provide liquidity support for each series of Commercial Paper Notes, JEA has two separate revolving credit agreements with a single commercial bank. If moneys are not available to pay the principal of any maturing Commercial Paper Notes during the term of the credit agreements, JEA is entitled to make a borrowing under the applicable credit agreements, provided that certain conditions are satisfied, in an amount equal to the principal amount of the maturing Commercial Paper Notes. As of September 30, 2003, the expiration dates for the credit agreements are as follows:

Series B Commercial Paper Notes	September 22, 2004
Series C Commercial Paper Notes	May 11, 2004

JEA has and will continue to request extensions of the credit agreements expiration dates as provided for in the agreements, so that a current credit agreement is in place for each of the outstanding Commercial Paper Notes. If JEA is unable to fund any Commercial Paper Note maturities, JEA can utilize the credit agreements prior to their expiration dates to the extent alternate sources of financing are not available. Upon the expiration of the term of any of the credit agreements, if any of the Commercial Paper Notes secured thereby are outstanding, JEA is required to make a borrowing under the credit agreements to repay the principal of all outstanding Commercial Paper Notes secured thereby. Any loans outstanding under the credit agreements on the expiration date thereof may be converted to a term loan that is repayable, in general, in twelve equal semi-annual installments. JEA has not made any borrowings under the credit agreements and does not expect to do so in the future.

In fiscal year 2003, JEA obtained an unsecured line of credit of \$50,000 thousand. The line of credit can be used with respect to either the Electric System or the Water and Sewer System and for operating expenditures or for capital expenditures. As of September 30, 2003, there was no outstanding balance and no draws were made during the year.

On October 10, 2003, JEA issued \$100,000 thousand of its Variable Rate Electric System Revenue Bonds, Series Three 2003C-1 and C-2.

**Debt Management Strategy**

JEA has entered into various interest rate swap agreements, caps and related hedging instruments in connection with its debt management strategy that expire over the next

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**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

five years (unless earlier terminated) which are based on either the BMA Municipal Index or the LIBOR Index. In addition, JEA has entered into an interest rate swap agreement for a term of 30 years (unless earlier terminated) which is based on the BMA Municipal Index until October 1, 2004 and based on the LIBOR Index thereafter. JEA utilizes a combination of fixed to floating interest rate swaps and floating to fixed interest rates swaps as part of its debt management strategy. For purposes of this footnote, the term fixed to floating interest rate swaps refer to swaps in which JEA receives a fixed rate and pays a variable rate. Floating to fixed interest rate swaps refer to swaps in which JEA receives a floating rate and pays a fixed rate.

The fixed to floating interest rate swap agreements (BMA Index) have total notional amounts outstanding of \$25,000 thousand for the Electric System and \$95,000 thousand for the Water and Sewer System at September 30, 2003. The fair value of the interest rate swap agreements, caps and related hedging instruments are included as an addition or reduction to long-term debt on the balance sheets; however, the notional amounts of the interest rate swaps are not reflected in the financial statements. The aggregate fair values of the interest rate swap agreements as of September 30, 2003 are a liability of \$1,172 thousand for the Electric System and an asset of \$1,867 thousand for the Water and Sewer System. These amounts were calculated using market rates as of September 30, 2003 and standard cash flow present valuing techniques. In accordance with the debt management strategy policy for the fixed to floating interest rate swap agreements, board designated investment funds of \$750 thousand have been established on the Electric System and \$2,850 thousand on the Water and Sewer System as of September 30, 2003.

During fiscal year 2003, JEA terminated certain BMA fixed to floating interest rate swaps that were previously entered into with respect to the debt management strategy program. JEA terminated \$195,000 thousand notional amount of such interest rate swaps with respect to the Electric System.

For the fiscal year ending September 30, 2003, the weighted average rates of interest for the fixed to floating interest rate swap agreements were as follows:

Variable	1.14%
Fixed	3.26%

The floating to fixed interest rate swap agreements have total notional amounts outstanding of \$525,000 thousand for the Electric System and \$175,000 thousand for the Water and Sewer System at September 30, 2003. The fair values of the interest rate swap agreements are included as an addition or reduction to long-term debt on the balance sheets; however, the notional amounts of the interest rate swaps are not reflected in the financial statements. The aggregate fair values of the interest rate swap agreements as of

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**8. LONG-TERM OBLIGATIONS (continued)**  
**M. JEA - Long-Term Debt: (continued)**

September 30, 2003 are a liability of \$228 thousand for the Electric System and an asset of \$473 thousand for the Water and Sewer System. These amounts were calculated using market rates as of September 30, 2003 and standard cash flow present valuing techniques.

During fiscal year 2003, JEA terminated certain BMA and LIBOR floating to fixed interest rate swap agreements that were previously entered into with respect to the debt management strategy program. JEA terminated \$300,000 thousand notional amount of such interest rate swap agreements with respect to the Electric System.

For fiscal year ending September 30, 2003, the weighted average rates of interest for the floating to fixed interest rate swap agreements were as follows:

BMA Index:	
Variable	0.86%
Fixed	1.84%
LIBOR Index:	
Variable	1.09%
Fixed	2.12%

The earnings from the debt management strategy interest rate swap, cap and related hedging instruments and the related adjustments to fair value are shown as additions or reductions to interest on debt in the statements or revenue, expenses and changes in net assets. As a result of the interest rate swap, cap and related hedging instruments earnings, losses, realized gains and losses and fair value adjustments for all instruments other than the integrated swap mentioned below, JEA decreased interest on debt for the Electric System by \$5,558 thousand and increased interest on debt for the Water and Sewer System by \$1,166 thousand in fiscal year 2003.

JEA has also entered into an integrated (September 18, 2033 expiration – unless earlier terminated) floating to fixed interest rate swap agreement with a notional amount of \$174,000 thousand along with the issuance of \$174,000 thousand par amount of Electric System Variable Rate Revenue Bonds issued on September 18, 2003.

As a result of the integrated interest rate swap earnings and fair value adjustments, JEA increased interest on debt for the Electric System by \$7,749 thousand in fiscal year 2003.

The aggregate fair value of the interest rate swap as of September 30, 2003 is a liability of \$7,580 thousand for the Electric System which is included as an addition to the long-term debt on the balance sheet. These amounts were calculated using market rates as of September 30, 2003 and standard cash flow present valuing techniques.

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**8. LONG-TERM OBLIGATIONS (continued)  
M. JEA - Long-Term Debt: (continued)**

For fiscal year ending September 30, 2003, the weighted average rates of interest for the floating to fixed interest rate swap agreement were as follows:

Variable	1.04%
Fixed	3.72%

JEA has also entered into interest rate cap instruments to manage the interest rate risk related to its Series B and Series C Commercial Paper notes. As of September 30, 2003, the fair value of the interest rate cap instrument was an asset of \$0.

The Electric System and the Water and Sewer System are exposed to a potential nonpayment in the event of nonperformance by the counterparty to its interest rate swap agreements. JEA believes that the risk of nonpayment in the event of nonperformance by the counterparty under the agreements is not significant and furthermore, JEA does not anticipate nonperformance by any counterparty.

**N. JTA – Long-Term Debt:**

On November 27, 2000, JTA entered into a \$21,000,000 State Infrastructure Bank Loan Agreement with the Florida Department of Transportation, received in disbursements of \$12,000,000 in fiscal 2001 and \$9,000,000 in fiscal 2002, the proceeds of which must be used for construction related to the Wonderwood Project. The loan, which is interest-free, is to be repaid in a single payment of principal on or before December 31, 2003, but may be repaid in whole or in part in \$100,000 increments. The amount of \$21,000,000 was outstanding at September 30, 2003.

Accrued compensated absences at September 30, 2003 consisted of the following (in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
SIB Loan	\$ 21,000	\$ -	\$ -	\$ 21,000	\$ 21,000
Total loans payable	21,000	-	-	21,000	21,000
Compensated absences	163	49	56	156	10
Governmental activity long-term liabilities	<u>\$ 21,163</u>	<u>\$ 49</u>	<u>\$ 56</u>	<u>\$ 21,156</u>	<u>\$ 21,010</u>
<b>Business-type Activities:</b>					
Compensated absences	\$ 482	\$ 1,083	\$ 997	\$ 568	\$ 37



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**8. LONG-TERM OBLIGATIONS (continued)**

**O. JAA - Long-Term Indebtedness:**

A summary of the long-term indebtedness changes follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Revenue bonds	\$ 46,800	\$ -	\$ 685	\$ 46,115	\$ 720
Revenue refunding bonds	85,645	75,065	85,645	75,065	-
Revenue notes	443	6,573	118	6,898	243
Notes payable	4,001	-	776	3,225	1,350
Capital leases	2,862	-	2,862	-	-
Line of credit	-	50	-	50	-
Total	139,751	81,688	90,086	131,353	\$ 2,313
Unamortized deferred loss on bond refunding	(2,973)	(7,311)	3,099	(7,185)	
Unamortized bond discount	(1,435)	-	1,182	(253)	
Unamortized bond premium	-	6,075	(104)	5,971	
Total bonds, notes and capital leases payable	\$ 135,343	\$ 80,452	\$ 85,909	\$ 129,886	

**JAA Debt Issues**

***2003 Airport Revenue Refunding Bonds, Series A-1 & A-2***

In 2003, JAA issued \$75,065,000 of Airport Revenue Refunding Bonds, with interest rates ranging from 2.0% to 5.25%, with principal maturing in varying amounts through October 1, 2017. The proceeds of the Series 2003A-1 Bonds were used to refund the Jacksonville Port Authority Airport Revenue Refunding Bonds, Series 1993, fund the reserve requirement for the bonds and pay the cost of issuance of the bonds. The proceeds of the Series 2003A-2 Bonds were used to refund the Jacksonville Port Authority Airport Revenue Refunding Bonds, Series 1998, fund the reserve requirement for the bonds and pay the cost of issuance of the bonds. The 2003A-1 and A-2 Bonds are insured by Financial Guaranty Insurance Company. The 2003A-1 and A-2 Bonds were assigned an underlying rating “A3” by Moody’s and “A” by Fitch.

JAA, through the defeasance of the 1993 and 1998 Revenue Refunding Bonds, reduced its aggregate debt service payments by \$8,195,000 over the next 15 years and will obtain an economic gain (difference between the present value of debt service of the refunded bonds and cash escrow) of \$5,786,000.

Maturities of the long-term outstanding revenue refunding bond issue will require the following principal and interest payments based on the amounts outstanding at September 30, 2003 (in thousands):

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**8. LONG-TERM OBLIGATIONS (continued)  
O. JAA - Long-Term Indebtedness: (continued)**

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ -	\$ 2,342	\$ 2,342
2005	4,265	3,103	7,368
2006	4,355	2,999	7,354
2007	4,470	2,865	7,335
2008	4,620	2,702	7,322
2009-2013	25,910	10,589	36,499
2014-maturity	31,445	3,990	35,435
Total	<u>\$ 75,065</u>	<u>\$ 28,590</u>	<u>\$ 103,655</u>

***2000 Airport Revenue Bonds, Series A & B***

In 2000, JAA issued \$47,460,000 of Jacksonville Port Authority, Airport Revenue Bonds, with interest rates ranging from 4.5% to 6.125%, with principal maturing in varying amounts through October 1, 2024. The proceeds of these Bonds were used for the acquisition, construction and installation of capital improvements at Jacksonville International Airport. The 2000A and B Bonds are insured by Financial Guaranty Insurance Company.

Maturities of the long-term outstanding revenue bond issue will require the following principal and interest payments based on the amounts outstanding at September 30, 2003 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 720	\$ 2,735	\$ 3,455
2005	755	2,700	3,455
2006	790	2,661	3,451
2007	830	2,620	3,450
2008	875	2,575	3,450
2009-2013	5,130	12,104	17,234
2014-2018	6,710	10,445	17,155
2019-2023	20,310	6,424	26,734
2024-maturity	9,995	634	10,629
Total	<u>\$ 46,115</u>	<u>\$ 42,898</u>	<u>\$ 89,013</u>

***2002 Revenue Note***

In 2002, JAA entered into an \$8,000,000 Revenue Note for the acquisition, construction and installation of a three-story administrative building to be located at Jacksonville International Airport. The Revenue Note consists of two series, a 2002A Subordinated Tax-Exempt Revenue Note which will not exceed \$5,666,667 and a 2002B Subordinated

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**8. LONG-TERM OBLIGATIONS (continued)**  
**O. JAA - Long-Term Indebtedness: (continued)**

Taxable Revenue Note which will not exceed \$2,333,333, with variable interest rates calculated by taking the one month LIBOR plus 18 basis points for the tax-exempt portion of the Revenue Note and plus 125 basis points for the taxable portion of the Revenue Note. The term for the 2002A Revenue Note is October 1, 2021 and the 2002B Revenue Note is October 1, 2011. The Revenue Note is subordinate to the 2000 Revenue Bonds and 2003A Revenue Refunding Bonds.

As of September 30, 2003, JAA had \$6,898,000 outstanding principal balance on the Revenue Note.

Maturities of the long-term outstanding Revenue Note will require the following principal and interest payments based on the amounts outstanding at September 30, 2003 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 243	\$ 111	\$ 354
2005	259	101	360
2006	276	95	371
2007	293	89	382
2008	310	83	393
2009-2013	1,338	328	1,666
2014-2018	2,471	203	2,674
2019-maturity	1,708	38	1,746
<b>Total</b>	<b>\$ 6,898</b>	<b>\$ 1,048</b>	<b>\$ 7,946</b>

***2002 Subordinated Revenue Notes (Revolving Line of Credit), Series 2002C & 2002D***

In October 2002, JAA entered into a \$25,000,000 revolving line of credit to provide interim financing for the acquisition, construction and installation of certain capital improvements to the airport system. The revolving line of credit consists of two series; a 2002C Subordinated Taxable Revenue Note and a 2002D Subordinated Tax Exempt Revenue Note which when both series are combined will not exceed \$25,000,000, with variable interest rates calculated by taking the one month LIBOR plus 115 basis points for the taxable Revenue Note and plus 70 basis points for the tax exempt portion of the Revenue Note, with principal maturing in varying amounts commencing October 1, 2005 through October 1, 2017. The Revolving Credit Period extends to and includes the third anniversary of the Revenue Note, which is October 31, 2005. As of September 30, 2003, JAA had an outstanding principal balance of \$50,000. The Revenue Note is subordinate to the 2000 Revenue Bonds and 2003A Revenue Refunding Bonds.

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**8. LONG-TERM OBLIGATIONS (continued)**  
**O. JAA - Long-Term Indebtedness: (continued)**

Maturities of the long-term outstanding Revolving Line of Credit will require the following principal and interest payments based on the amounts outstanding at September 30, 2003 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ -	\$ 1	\$ 1
2005	-	1	1
2006	5	1	6
2007	3	1	4
2008	4	1	5
2009-2013	19	2	21
2014-maturity	19	1	23
<b>Total</b>	<b>\$ 50</b>	<b>\$ 8</b>	<b>\$ 58</b>

***2002 Master Equipment Lease-Purchase Agreement***

In 2002, JAA entered into a Master Equipment Lease-Purchase Agreement for the lease-purchase of baggage handling, screening and other security purposes. During the year, JAA prepaid the outstanding principal balance of \$2,862,000. As of September 30, 2003, JAA does not have an outstanding balance on its Master Equipment Lease-Purchase Agreement. The period which funding may occur under the Master Equipment Lease-Purchase Agreement is for three years from the execution date of June 26, 2002.

***Notes Payable***

In 2002, JAA entered into a Real Estate Purchase Agreement for the purchase of approximately 317.25 acres in the amount of \$2,926,000, with an interest rate of 6.5%, with principal maturing in varying amounts through 2004. As of September 30, 2003, JAA had an outstanding principal balance of \$2,250,000.

In 2002, JAA entered into an Interlocal Agreement with the City of Jacksonville (City). The City transferred and assigned all of its right, title and interest to a Lease, and to the assets funded by the City in connection with the rehabilitation of facilities located on JAA property at Cecil Field to JAA. In return, JAA agreed to pay the City \$1,000,000 for the transfer of the improvements, with respect to the Lease, with no interest cost, with principal maturing in varying amounts through 2006. As of September 30, 2003, JAA had an outstanding principal balance of \$800,000.

In 2002, JAA entered into a Sublease Termination Agreement with a Tenant. The Tenant conveyed, released, and quitclaimed to JAA the Tenant's improvements. In return, JAA agreed to pay the Tenant \$400,000 with no interest cost, with principal maturing in varying amounts through 2004. As of September 30, 2003, JAA had an outstanding principal balance of \$175,000.

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**8. LONG-TERM OBLIGATIONS (continued)  
O. JAA - Long-Term Indebtedness: (continued)**

Maturities of the long-term outstanding Notes Payable will require the following principal and interest payments based on the amount outstanding at September 30, 2003 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,350	\$ 83	\$ 1,433
2005	1,275	87	1,362
2006	600	-	600
Total	<u>\$ 3,225</u>	<u>\$ 170</u>	<u>\$ 3,395</u>

Annual requirements to amortize all outstanding long-term debt as of September 30, 2003 are as follows (in thousands):

<u>Year Ending September 30,</u>	<u>Revenue Bond Issue</u>	<u>Revenue Refunding Bond Issue</u>	<u>Revenue Notes</u>	<u>Notes Payable</u>	<u>Line of Credit</u>	<u>Total Principal</u>	<u>Total Interest</u>
2004	\$ 720	\$ -	\$ 243	\$ 1,350	\$ -	\$ 2,313	\$ 5,272
2005	755	4,265	259	1,275	-	6,554	5,992
2006	790	4,355	276	600	5	6,026	5,756
2007	830	4,470	293	-	3	5,596	5,575
2008	875	4,620	310	-	4	5,809	5,361
2009-2013	5,130	25,910	1,338	-	19	32,397	23,023
2014-2018	6,710	31,445	2,471	-	19	40,645	14,639
2019-2023	20,310	-	1,708	-	-	22,018	6,462
2024-maturity	9,995	-	-	-	-	9,995	634
Total	<u>\$ 46,115</u>	<u>\$ 75,065</u>	<u>\$ 6,898</u>	<u>\$ 3,225</u>	<u>\$ 50</u>	<u>\$ 131,353</u>	<u>\$ 72,714</u>

***Conduit Debt***

***Special Purpose Facility Revenue Bond***

JAA has issued one series of Special Purpose Facility Revenue Bonds to provide for the construction of an air cargo shipping, storage and handling facility at the airport. These bonds are special limited obligations of JAA, payable solely from and secured by a pledge of rentals to be received from a lease agreement between JAA and an air cargo company. The bonds do not constitute a debt or pledge of the faith and credit of JAA, the County, or the State, and accordingly have not been reported in the accompanying financial statements.

At September 30, 2003, Special Purpose Facility Revenue Bonds outstanding aggregated approximately \$3.05 million with a final maturity of June 1, 2023.

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**8. LONG-TERM OBLIGATIONS (continued)**

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

Noncurrent liability activity for the year ended September 30, 2003 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within one year
Bonds payable, notes payable and capital leases:					
General obligation debt	\$ 7	\$ -	(\$ 7)	\$ -	\$ -
Revenue bonds	39,625	-	(16,640)	22,985	680
Revenue refunding bonds	60,990	-	(1,150)	59,840	1,225
Capital leases	11,423	53	(783)	10,693	882
	<u>112,045</u>	<u>53</u>	<u>(18,580)</u>	<u>93,518</u>	<u>2,787</u>
Less original issue discounts and deferred loss on refunding	<u>(4,871)</u>	<u>-</u>	<u>284</u>	<u>(4,587)</u>	<u>-</u>
	<u>107,174</u>	<u>53</u>	<u>(18,296)</u>	<u>88,931</u>	<u>2,787</u>
Other liabilities:					
Deferred capital contributions	<u>7,000</u>	<u>-</u>	<u>(7,000)</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>\$ 114,174</u>	<u>\$ 53</u>	<u>(\$ 25,296)</u>	<u>\$ 88,931</u>	<u>\$ 2,787</u>

Long-term debt and capital leases at September 30, 2003 consisted of the following (in thousands):

**Revenue Bonds:**

Revenue bonds, Series 2000, including serial bonds due in varying amounts through 2030. Interest rates range from 4.5% to 5.7%. \$ 22,985

Revenue Refunding Bonds, Series 1996, including serial bonds due in varying amounts through 2019, subject to annual sinking fund redemption. Interest rates range from 5.5% to 5.75%. 59,840

**Equipment Capital Lease Obligation:**

Subordinated Equipment Lease-Purchase Agreement, Series 1999-A, with semi-annual principal and interest payments through 2014 with interest at an annual rate of 4.27%. 10,693

Less current portion (2,787)  
Total \$ 90,731

In November 2000, JPA issued \$39,625,000 principal amount of Revenue Bonds, Series 2000. The proceeds of the bonds are being used for the acquisition, construction and installation of capital improvements to JPA's Facilities. JPA had unspent proceeds of \$806,000 as of September 30, 2003.

The Series 2000 and 1996 Bonds are collateralized by a lien upon and pledge of net revenues of JPA's Facilities and certain monies held in trust funds. JPA has agreed in its

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**8. LONG-TERM OBLIGATIONS (continued)**

**P. JPA - Long-Term Debt, Capital Leases and Other Noncurrent Liabilities:  
(continued)**

various bond related documents to establish and maintain rates charged to customers that will be sufficient to generate certain levels of operating revenues and operating income in excess of its annual debt service on the various outstanding Bonds. The Series 2000 and 1996 Bonds also place restrictions on JPA's issuance of debt on a parity with Bonds currently outstanding.

JPA made a \$16,020,000 partial defeasance of its Revenue Bonds, Series 2000 in January 2003. JPA incurred a loss on defeasance (difference between (i) the principal defeased and (ii) the cost of the defeasance escrow and related costs) of \$1,966,279. JPA, through the defeasance, reduced its aggregate debt service payments by \$32,304,000 over the next 27 years and will obtain an economic gain (difference between the present value of (i) the debt service of the defeased bonds at the escrow yield of 3.652 percent and (ii) the cost of the defeasance escrow) of \$2,062,097.

**Debt Maturities** - Required debt service for the outstanding revenue bonds for the next five years and thereafter to maturity is as follows (amounts in thousands):

	<u>Interest</u>	<u>Principal</u>
Years ending September 30:		
2004	\$ 4,564	\$ 1,905
2005	4,459	2,190
2006	4,340	2,425
2007	4,212	2,555
2008	4,074	2,700
Thereafter	35,718	71,050
Total	<u>\$ 57,367</u>	<u>\$ 82,825</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of September 30, 2003 (in thousands):

Years ending September 30:	
2004	\$ 1,216
2005	1,216
2006	1,216
2007	1,215
2008	1,215
Thereafter	<u>7,294</u>
Total minimum lease payments	13,372
Less: Amount representing interest	<u>(2,679)</u>
Present value of minimum lease payments	<u>\$ 10,693</u>

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**8. LONG-TERM OBLIGATIONS (continued)**

**P. JPA - Long-Term Debt, Capital Leases and Other Noncurrent Liabilities:  
(continued)**

**Advance Refunding of Revenue Bonds** - JPA has defeased a revenue bond issue by placing funds in an irrevocable trust restricted for payment of all principal and interest upon maturity of the revenue bond. This transaction has been treated as an in-substance defeasement and, accordingly, has been accounted for as though the debt has been extinguished. The debt that has been defeased and the related balances at September 30, 2003 are as follows (in thousands):

	<u>Principal Balance</u>	<u>Investment Balance with Escrow Agent</u>
Revenue Bonds, Series 1993	\$ 9,220	\$ 9,611

**Partial Defeasance of Revenue Bonds** – JPA has partially defeased a revenue bond issue by placing funds in an irrevocable trust restricted for payment of all principal and interest related to the portion of revenue bonds defeased. This transaction has been treated as an in-substance defeasement and, accordingly, has been accounted for as though the debt has been extinguished. The debt that has been defeased and the related balances at September 30, 2003 are as follows (in thousands):

	<u>Principal Balance</u>	<u>Investment Balance with Escrow Agent</u>
Revenue Bonds, Series 2000	\$ 16,020	\$ 17,698

**Q. JPA - Swaption:**

**Objective of the Swaption** – JPA entered into a swaption contract that provides JPA with semi-annual payments of \$145,000 beginning in November 2003 and ending in November 2018. As a synthetic refunding of its Revenue Bonds, Series 1996, these payments represent the risk-adjusted, present value savings of a refunding as of November 1, 2006, without issuing refunding bonds in 2003. The swaption gives the counterparty the option to make JPA enter into a pay-fixed, receive-variable interest rate swap. If the option is exercised, JPA would then expect to issue variable-rate refunding bonds.

**Terms** – The swaption was entered into in June 2003. The semi-annual payments are based on an initial notional amount of \$54,905,000, amortizing thereafter. The counterparty has the option to exercise the agreement on November 1, 2006 – the first call date of JPA’s Revenue Bond, Series 1996. If the swap is exercised, the swap will also commence on November 1, 2006. The fixed swap rate (5.215 percent) is a rate



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**8. LONG-TERM OBLIGATIONS (continued)**

**Q. JPA - Swaption: (continued)**

that, when added to an assumption for remarketing and liquidity costs, will approximate the coupons of the “refunded” bonds. The swap’s variable payment would be 67 percent of the London Interbank Offered Rate (LIBOR).

**Fair Value** – As of September 30, 2003 the underlying swap had a negative fair value of \$1,007,000, estimated using the zero-coupon method. This method calculated the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

**Market-Access Risk** – If the option is exercised and refunding bonds are not issued, the 1996 bonds would not be refunded and JPA would make net swap payments as required by the terms of the contract – that is, making a fixed payment to the counterparty for the term of the swap at 5.215 percent and receiving a variable payment of 67 percent of LIBOR. If the option is exercised and the variable-rate bonds issued, the actual savings ultimately recognized by the transaction will be affected by the relationship between the interest rate terms of the to-be-issued variable-rate bonds versus the variable payment on the swap (67 percent of LIBOR).

**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 General Employees' Pension Plan 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.

Under both the General Employees' 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 General Employees’ Pension Plan 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.

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**9. PENSION PLANS (continued)**

27, Accounting for Pensions by State and Local Governmental Employers, which requires 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. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

**B. General Employees Pension Plan:**

- (1) **Plan Description** - The General Employees' Pension Plan 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 Plan upon employment. There are no separately issued financial statements for the General Employees Pension Plan. The Plan 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 plan was \$237.4 million during the 2003 fiscal year, consisting of \$139.2 million City of Jacksonville payroll, \$94.2 million JEA payroll and \$4.0 million JHA payroll. The total 2003 payroll was \$318.5 million for the City, \$111.1 million for the JEA, \$7.8 million for JHA, \$6.6 million for JPA and \$11.8 million for JAA, for a total of \$456 million.

The Plan 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 65 with 5 years or more of credited service. The requirements for early retirement are: (1) when an employee reaches age 50

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**9. PENSION PLANS (continued)**

**B. General Employees Pension Plan: (continued)**

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 10 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 up to 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 \$3 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 ten years of credited service shall be paid a refund of 100% of their contributions to the Plan. All members of the General Employees' Pension Plan 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.

At September 30, 2003, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>4,200</u>
Current employees:	
Vested	2,919
Nonvested	<u>2,702</u>
Total Current Employees	<u>5,621</u>
Total Membership	<u>9,821</u>

- (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 10 years. The amortization period is closed.

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**9. PENSION PLANS (continued)**

**B. General Employees Pension Plan: (continued)**

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 from all sources during fiscal year 2003 totaled \$39.0 million. The City contributed \$19.0 million from the Past Excess Contributions account. Employees paid \$20.0 million (\$17.4 million or 7% of covered payroll in payroll deductions and \$2.6 million from the Past Excess Contribution account). Contributions during fiscal 2002 and 2001 were \$33.6 million and \$30.4 million, respectively. These contributions were made in accordance with contribution requirements determined through an actuarial valuation performed October 1, 2001. The actuarial methods used for this purpose are the same as those used in determining funding progress.

- (3) Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Six-year historical trend information is being developed on a year by year basis and is included in the accompanying required supplemental information.
- (4) The Statement of Fiduciary Net Assets – General Employees Pension Plan is as follows (in thousands) at September 30, 2003:

<b><u>ASSETS</u></b>	
Equity in cash and investments	\$ 12,049
Receivables (net, where applicable, of allowances for uncollectible):	
Interest and dividends	5,603
Total receivables	<u>5,603</u>
Investments, at fair value:	
U.S. Government obligations	316,021
Municipal Bonds	892
Domestic corporate bonds	228,021
Domestic stocks	777,879
International stocks	98,012
Total investments	<u>1,420,825</u>
Capital assets:	
Other capital assets, net of depreciation	35
Net capital assets	<u>35</u>
<b>TOTAL ASSETS</b>	<b><u>1,438,512</u></b>
 <b><u>LIABILITIES</u></b>	
Accounts payable and accrued liabilities	1,944
Accrued Compensated Absences	4
<b>TOTAL LIABILITIES</b>	<b><u>1,948</u></b>
 <b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	 <b><u>\$ 1,436,564</u></b>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**9. PENSION PLANS (continued)**

**B. General Employees Pension Plan: (continued)**

(5) The Statement of Changes in Fiduciary Net Assets – General Employees Pension Plan is as follows (in thousands) at September 30, 2003:

**ADDITIONS**

Contributions:

Employer	\$ 7
Plan Member	17,377
Total contributions	<u>17,384</u>

Other additions:

Miscellaneous	7
Gain/Loss on Sale of Fixed Assets	(4)
Total other additions	<u>3</u>

Investment income:

Net appreciation in fair value of investments	170,804
Interest	31,130
Dividends	8,463
Rebate of Commissions	218
Earnings other Miscellaneous	575
Total investment income	<u>211,190</u>
Less: investment expense	<u>(4,348)</u>
Net investment income	<u>206,842</u>

**TOTAL ADDITIONS** 224,229

**DEDUCTIONS**

Benefits payments	79,297
Refunds of contributions	2,539
Administrative expenses	<u>681</u>

**TOTAL DEDUCTIONS** 82,517

Net change in net assets 141,712

**NET ASSETS, BEGINNING OF YEAR** 1,294,852

**NET ASSETS, END OF YEAR** \$ 1,436,564

**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. The City’s payroll for members covered by the Plan was \$109.6 million

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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**9. PENSION PLANS (continued)  
 C. Police and Fire Pension Plan: (continued)**

during the fiscal year, excluding DROP participants. The Plan, as amended effective April 1, 2001, provides, in general, retirement benefits after twenty years of credited membership, regardless of age, with a minimum benefit of 60% of the average salary received for the fifty-two pay periods immediately preceding retirement. An additional 2% for each completed year over twenty up to a maximum of 80% may be earned. There is no mandatory retirement age. Effective April 1, 2000, the Plan provides for a cost of living increase to pensioners and their beneficiaries of 3% per annum. The plan uses a level percent open amortization method with 26.5 years remaining in its' amortization period.

Pension benefits may be vested after a minimum of five years of membership. Benefits are computed based on average salary for the fifty-two 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.

At September 30, 2003, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>1,512</u>
DROP Participants	482
Active plan members	<u>2,182</u>
Total current employees	<u>2,664</u>
 Total membership	 <u>4,176</u>

- (2) The City is currently contributing 8.75% of Plan members' salaries. The Plan members contribute 7.00% of salaries, and DROP participants contribute 2.00%. Additional contributions are comprised of court fines and forfeitures, State premium tax refunds (insurance contributions) and transfers from the Combined Reserve Account. Investment costs of the Plan are financed through investment earnings. Other administrative costs are included in the annual required contribution amount.

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, 2001. The City Council has the authority to amend its contribution to the Plan to not less than the minimum state requirement.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**9. PENSION PLANS (continued)**

**C. Police and Fire Pension Plan: (continued)**

- (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, 2003 (in thousands):

Combined Reserve Account <sup>(1)</sup>	\$ 4,423
Base benefits fund	699,646
Total net assets available for benefits	<u>\$ 704,069</u>

<sup>(1)</sup> 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, 2003, 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 the progress made in accumulating sufficient assets to pay benefits when due. Six-year historical trend information, on a year by year basis, is included in the accompanying required supplemental information. See Note 1.B. concerning financial statement availability.

**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 \$3.0 million during the fiscal year; the City's total payroll for all employees was \$318.5 million.

The System provides vesting of benefits after six (6) years of creditable service. Members are eligible for normal retirement after they have met one of the following; (1) after thirty years of service regardless of age; (2) six years of service and age 62; or (3) twenty-five 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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**9. PENSION PLANS (continued)**

**D. Florida Retirement System: (continued)**

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 - During the years ended September 30, 2003, 2002, and 2001, the City contributed \$362 thousand, \$471 thousand, and \$274 thousand, respectively, to the System for covered employees. For the fiscal year ended September 30, 2003, this contribution represented less than 1% of the total contributions required by all participating employers. Contributions in both fiscal 2002 and 2001 were less than 1% of the total contributions required by all participating employers which amounted to \$1.8 and \$2.1 billion, respectively. The funding methods and the determination of benefits payable are provided in various Acts of the State Legislature. These Acts provide that employers make required contributions actuarially determined at the rates in effect at September 30, 2003, of 7.39% of the compensation for regular members, 18.53% for special risk members, and 15.23% for elected county officials.
- (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, 2002 annual financial report. The report may be obtained from the State of Florida, Department of Management Services, Division of Retirement at 2639-C North Monroe Street, Tallahassee, Florida 32399-1560.

**10. DEFERRED COMPENSATION PROGRAM**

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 no longer display deferred compensation balances in an Agency Fund.

**11. POST RETIREMENT BENEFITS**

The City does not provide any post-retirement benefits for retired employees, such as health care or life insurance, other than those disclosed in Note 9.



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**12. RISK FINANCING**

The Risk Management Division (Division) of the City administers general liability, workers' compensation (up to \$1.2 million) and public liability insurance programs covering activities of City general government, JEA, Jacksonville Housing Authority, Jacksonville Port Authority and Jacksonville Airport Authority under a comprehensive self-insurance program wherein the City assumes substantially all risks of losses. The City funds assets on a dollar-for-dollar basis for actuarially determined estimated losses in the City's Self-Insurance Fund, an internal service fund. The Self-Insurance Fund, established under Jacksonville City Ordinance, Chapter 128, services claims for tort liability claims brought against the City, its officers, employees, or agents; workers' compensation; and direct physical damage or injury due to operation of City vehicles. The City is not involved in any risk pools with other governmental entities. The City purchases conventional, commercial insurance coverage from various independent carriers on all other types of insurable risks including group health and life, property and casualty, and blanket excess policies. There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The City's liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation and changes in legal doctrines and damage awards, the process used to compute claim liabilities does not necessarily result in an exact amount. Claim liabilities are reevaluated periodically with consideration of recently settled claims, the frequency of claims, and other economic and social factors. The estimated liability for self-insured losses is not discounted. Independent actuaries use all years of City claims data and the projected number of employees, payroll, vehicles, and other property to estimate claims that have been incurred, but not reported and to forecast ultimate losses by line of coverage.

The estimated liability for self-insured losses at September 30 (in thousands) consisted of:

	<u>2003</u>	<u>2002</u>
Reported and known claims	\$ 29,423	\$ 30,078
Incurred but not reported and claims development	<u>23,575</u>	<u>23,509</u>
Total estimated liability for self insured losses	<u>\$ 52,998</u>	<u>\$ 53,587</u>

Changes in the estimated liability for self-insured losses were as follows (in thousands):

	<u>2003</u>	<u>2002</u>
Balance, October 1	\$ 53,587	\$ 56,790
Current-Year Claims and Changes in Estimates	14,112	12,078
Claim Payments	<u>(14,701)</u>	<u>(15,281)</u>
Balance, September 30	<u>\$ 52,998</u>	<u>\$ 53,587</u>

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES**

**A. Compliance With Finance Related Legal and Contractual Provisions:**

The City has no violations of finance related legal and contractual provisions.

**B. Fund Deficits and Excess of Expenditures Over Appropriations:**

The following individual funds had a fund deficit at September 30, 2003, (in thousands):

	<u>Fund Balance/ Net Asset (Deficit)</u>
Major Enterprise Fund:	
Public Parking	(\$ 5,395)
Non-major Governmental Funds:	
Community Development Block Grant	(3,587)
Housing Rehabilitation and Home Investment and Opportunity Grants	(1,071)
State Housing Initiative Partnership	(2,253)
Grant Projects	(5,423)

It is anticipated future revenues will eliminate these fund deficits.

The City had no funds with an excess of expenditures over appropriations for the year ended September 30, 2003.

**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 thirty 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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES**  
(continued)

**C. Landfill Closure and Postclosure Care Costs: (continued)**

The estimated liability for MSWLF closure and postclosure care costs at September 30, 2003, is (in thousands):

	Balance, October 1, 2002	Accrual of Costs	Payment of Costs	Balance, September 30, 2003
Closed Landfills -				
Postclosure care costs	\$ 11,435	\$ 1,413	(\$ 351)	\$ 12,497
Operating Landfill -				
Postclosure care costs	<u>9,922</u>	<u>1,195</u>	<u>-</u>	<u>11,117</u>
Total Landfill Postclosure Care Costs	21,357	2,608	(351)	23,614
Waste Dump Site -				
Long Term Care Costs	<u>1,199</u>	<u>(89)</u>	<u>-</u>	<u>1,110</u>
Total Liability for Landfill Closure, Postclosure, Decontamination and Long Term Care Costs	<u>\$ 22,556</u>	<u>\$ 2,519</u>	<u>(\$ 351)</u>	<u>\$ 24,724</u>

At September 30, 2003, the closure and postclosure care costs for the closed landfills (North and East sites) had been fully recognized as these two landfills both stopped accepting solid waste in April 1992. Of the total MSWLF closure and postclosure care cost liability, \$45.1 million had been paid for the cost of closure and \$2.5 million had been paid for postclosure care costs through September 30, 2003.

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 has been capitalized and recorded as a deferred charge in the Solid Waste Disposal Enterprise Fund. Through fiscal 2002, \$35.1 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2003, \$1.7 million of this deferred charge was expensed to solid waste operations, resulting in a balance at September 30, 2003, of \$33.6 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 expense as such revenue is earned.

The total closure and postclosure liability for the operating landfill (Trailridge) is \$11.1 million. This total is based on the estimated capacity used of 49% or 8,596,117 tons used with a total estimated capacity of 17,542,735 tons. The City will recognize the remaining

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES  
(continued)**

**C. Landfill Closure and Postclosure Care Costs: (continued)**

estimated cost of closure and postclosure costs of \$24.5 million as the remaining capacity is filled. These amounts are based upon what it would cost to perform all closure and postclosure care in 2003. The City expected to close the landfill in approximately nine years (2012); however, it is presently extending the life of the landfill by increasing the capacity (Phase III) and the life to 4 more years (2016). As mentioned, actual costs may be higher due to inflation, changes in technology, or changes in environmental regulations.

The liability for the Waste Dump Site at September 30, 2003, of \$1.1 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.

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, 2003, this proof of financial responsibility has been met by the City under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$23.2 million in deposits made to a restricted cash escrow account of the Solid Waste Disposal Enterprise Fund.

The amount to be deposited into the escrow account is based on estimates made annually by a registered Professional Engineer. The escrow account was comprised of the following estimated components at September 30, 2003 (in thousands):

	Trail Ridge	North	East	Total
Current cost of closure	\$ 7,689	\$ -	\$ -	\$ 7,689
Annual cost of postclosure care	-	568	331	899
Total estimated closure and postclosure care costs	<u>\$ 7,689</u>	<u>\$ 568</u>	<u>\$ 331</u>	<u>\$ 8,588</u>
Balance in escrow account	<u>\$ 22,260</u>	<u>\$ 568</u>	<u>\$ 331</u>	<u>\$ 23,159</u>

**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 ALLTEL Stadium and adjacent practice facilities to the Jacksonville Jaguars, Inc. (Jaguars) for a period of thirty years from the first NFL regular season play in 1995; amendment 5, executed September 6, 2002, extends the lease an additional five years.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**14. LESSOR OPERATING LEASE**

**A. Jacksonville Jaguars, Inc. (continued)**

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 fifteen years \$1.25 million, including the lease extension. Rents from years eleven 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 \$48.1 million requested by the Jaguars over a thirty-year period with interest computed on a tax-exempt basis.

The lease generally permits the City to retain all revenues from all activities at the Stadium not connected with pre-season, regular season or post-season Jaguar games, excluding the revenues generated by the improvements in lease amendment 5 in the South End Zone. 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. The City is required to pay for game day personnel on the days of Jaguar games. 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.

**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 forty 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, condemnations proceedings and other alleged violations of State and Federal laws.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS**

**A. Litigation:** (continued)

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 any ultimate liability 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 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). Workers' compensation, public liability and general liability, including motor vehicles operated by the City under the City's Ordinance Code Chapter 128, are self-insured. The City purchases commercial insurance for workers' compensation claims in excess of \$1 million. Under the laws of the State of Florida, the City has limited sovereign immunity for certain self-insured losses in excess of \$200,000. The City retains coverage on all other types of insurance including real and personal property damage. 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 incurred but not reported and claims development liabilities.

**D. Environmental Matters:**

There are claims pending against the City as a potentially-responsible party (PRP) for cleanup of hazardous and other contaminated waste sites under federal and state superfund and other environmental laws as follows:

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS**

**D. Environmental Matters: (continued)**

Several years ago, the City and other PRPs completed remedial action at the Pickettville Road Landfill Superfund Site pursuant to a consent decree with the U.S. Environmental Protection Agency (USEPA). During the post-construction monitoring phase, contaminants were discovered in monitoring wells beyond the site, including the Realco Wrecking Company construction and demolition debris landfill across Pickettville Road. Following a remedial investigation and feasibility study, the PRPs recommended constructing an iron reactive impermeable barrier between the landfill and Pickettville Road and further monitoring on the other side of the landfill along Six Mile Creek. The cost of the remedy is about \$800,000, which the PRPs have deposited with the Site Trustee. The PRPs are awaiting USEPA's approval of the proposed action which the Agency advises may require an amendment to the Record of Decision. USEPA also requested a focused feasibility study to address groundwater contamination on the other side of the landfill. The PRPs await USEPA's decision on that study.

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 USEPA's Pilot Allocation Project which resulted in EPA assuming as much as 65% of the liability at the site, and the City being allocated slightly less than 10% of the liability. USEPA estimates \$20 million site costs, with the City paying approximately \$2 million over the life of the project (which includes a 20 year operations and maintenance period). The allocation was memorialized in a Consent Decree. Site work began in December, 2003.

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 City agreed to pay \$24,000 and USEPA has lodged a complaint and consent decree with the U.S. District Court for the Middle District of Florida, memorializing the agreement between the government and the PRPs. 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. 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.

USEPA investigated a former dump site known as Doeboy Dump. This site is not, primarily, an ash dump site, but may have been an open dump that received some waste for which the City may be liable. The City, the U.S. Navy, Millennium Specialty Chemical Co., LLC, Kerr-McGee Chemical Co., Benjamin Moore Paint Co., and Waste Management, Inc., were identified by USEPA as PRPs. The FDEP has assumed lead agency responsibility from USEPA. The City has negotiated a Consent Order with FDEP to investigate the extent of contamination and remediate it. Until the City bids out the

**CITY OF JACKSONVILLE, FLORIDA  
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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS**

**D. Environmental Matters:** (continued)

work and reaches agreement on cost sharing with other PRPs, the extent of its responsibility for clean-up costs cannot be estimated.

Because of the uncertainty as to the amount of any environmental cleanup costs which may ultimately be paid by the City no accrual has been made in the accompanying financial statements at September 30, 2003, except as disclosed in Note 13.C. Funding for such payment, if any, will be from general revenue sources, environmental protection trust fund monies, third-party recoveries, Federal assistance and earnings.

**E. Other Litigation:**

There are other claims pending against the City, as follows:

Several individuals, who are disabled voters in Duval County and protected by the American Association of People with Disabilities, assert that they have been discriminated against by the failure of the State of Florida to require voting equipment upon which disabled persons may cast their ballots without the assistance of a third party. They claim the Supervisor of Elections in Duval County violated their rights by not purchasing such equipment. The federal district court dismissed a substantial portion of the plaintiffs' claims. There has also been a trial, however, and the Court has announced tentatively that it will find an ADA violation. Possible exposure for the City is up to \$10,000,000.

There is also an eminent domain case, wherein the City acquired 13 parcels for the new County Courthouse on January 4, 2002. The City deposited \$8.9 million. Nine parcels have settled or been tried for an additional \$5 million, which includes \$738 thousand for fees and costs. All but two parcels have settled for an additional \$3 million. In addition, the City paid \$738 thousand for fees and costs. The owner of one of the two remaining parcels has demanded \$8 million more than the deposit. The trial will be held in the fall of 2004. The last parcel will be tried at a later date. The owner has demanded \$3.5 million more than the City deposited for the parcel. The latter parcel may not get to trial for another year because the Florida Supreme Court is considering a trial-related issue.

As with the previously stated environmental costs, no accrual has been made in the accompanying financial statements for these cases. Funding for these payments, if any, will be from general revenue sources and earnings.



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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS**

**F. Construction Commitments:**

At September 30, 2003, the City had major construction contracts for the following projects:

Courthouse Improvements	\$166.6 million
Septic Tank Remediation	\$62.6 million
Countywide Road Resurfacing	\$42.6 million
Main Library	\$32.9 million
Jacksonville Veterans Memorial Arena	\$19.9 million
Argyle Forest (Westport to East of Shindler) Road	\$7.3 million
Wesconnett Blvd/Blanding Blvd	\$6.6 million
Lenox Ave/Highway to Day	\$5.9 million
Grand Park Area Drainage	\$5.6 million
Hood Road/Sunbeam to St. Augustine	\$5.4 million
Northbank Riverwalk	\$5.3 million
Lone Star Rd/Arlington to Millcove	\$5.1 million

**G. JPA - Commitments and Contingencies:**

Prior to the 1998 tax year, the local Property Appraiser did not assess JPA-owned real property, and consequently none of its property was subject to real estate taxes. Beginning with the 1998 tax year, the local Property Appraiser began assessing JPA-owned real property, based upon a 1997 Florida Supreme Court decision that seemed to establish that local port authorities were not immune from ad valorem taxation. JPA decided to pass some of the ad valorem taxes on to its tenants. As a result, several tenants initiated a lawsuit against JPA, claiming that JPA was still immune from such taxes. This suit went to final hearing in August 2002 and the court issued an order sustaining the tenants' arguments. Upon becoming aware of the hearing, the local property appraiser challenged its validity. The court heard arguments from all parties on December 12, 2002 and issued an order dated December 17, 2002, upholding its previous ruling. Due to the uncertainty surrounding the final resolution of this issue, JPA recorded ad valorem tax expense in fiscal year 2002 as if it were not immune from such taxes. However, during fiscal year 2003, a Final Declaratory Judgment was reached resulting in an ad valorem tax exemption for the JPA. As such, JPA reversed the tax expense that had been recorded in prior years and established a liability to refund tenants who had reimbursed JPA.

In December 1998, JPA became aware that a piece of its real property was contaminated and may be subject to undetermined cleanup efforts. JPA's property was sampled by the USEPA in connection with testing at an adjacent site, not owned by JPA, but known to be contaminated. JPA has investigated the former uses of its property and is unable to identify any source of contamination other than from the adjacent site not owned by JPA. The owner of the adjacent property and the USEPA have entered into an Administrative

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS**

**G. JPA - Commitments and Contingencies: (continued)**

Order of Consent whereby the adjacent site will be further investigated and remediation alternatives identified. The adjacent property owner has sampled soils and groundwater from nine monitoring wells placed on JPA's property. Pesticide related contamination was detected in three monitoring wells. Additional sampling may be conducted in the future. JPA believes that it is not a responsible party.

**16. SUBSEQUENT EVENTS**

On December 29, 2003, the City closed on the sale of \$18,745,000 Excise Taxes Revenue Bonds, Series 2003A with a true interest cost of 4.218%. The 2003B bonds carry coupon rates ranging from 3% to 4.5% with maturity dates ranging from October 1, 2007 through October 1, 2023. The proceeds were used to fund a loan to University of Florida Health Services Institute, LLC to finance in part the acquisition of land and the construction of a building on which will be located proton therapy equipment. The building will be located contiguous to a City-owned hospital facility, which provides care to indigent residents of the City. Health Services will sublease a major part of the building to Florida Proton Therapy Institute, Inc., a not-for-profit corporation described in Section 501(c)(3) of the Code. The issuance provided net proceeds of \$18,079,887.94 (after payment of \$545,844.36 for underwriter's discounts, insurance and costs of issuance) to fund construction and capitalized interest.

On March 3, 2004, the City closed on the sale of \$218,755,000 Better Jacksonville Sales Tax Revenue Bonds, Series 2004 with a true interest cost of 4.344%. The 2004 bonds carry coupon rates ranging from 2% to 4.625% with maturity dates ranging from October 1, 2005 through October 1, 2030. The proceeds are being used to fund road improvements, infrastructure improvements, park and environmental improvements, economic development and public facilities approved by the City. The issuance provided net proceeds of \$200,000,000 (after payment of \$18,755,000 for a debt service reserve fund, underwriter's discounts, insurance, costs of issuance, and net original issue discount) to fund the improvements.

**Interest Rate Swaps with City of Jacksonville**

The City of Jacksonville's debt and 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. The City utilizes interest rate swaps to manage the interest rate risk associated with various assets and liabilities. The City's debt shall be managed with an overall philosophy of taking a long-term approach in borrowing funds at the lowest possible interest cost while adhering to Florida law. To achieve this goal, the City will continuously work 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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**16. SUBSEQUENT EVENTS (continued)**

market outlook, future capital funding needs, rating agency considerations, counter-party credit profiles, and competition. The City does not speculate on the expected future movements of interest rates.

Effective October 6, 2003, the City of Jacksonville entered into a 5 year fixed receiver swap with Morgan Stanley Capital Services. The notional amount of the transaction is \$100,000,000. The City receives a fixed rate of 3.275% and pays the 1 month LIBOR. The City receives payments semi-annually and makes payments monthly. For the fiscal year 2004, the City makes no payments to the counter-party and receives \$2,000,000. For purposes of credit, the swap is secured by the City's half-cent sales tax with a lien junior and subordinate to the City's Local Government Sales Tax Revenue Bonds. The counter-party does not have the right to terminate this transaction unless a termination event has occurred. The City retains the right to terminate this swap agreement at the market value prior to maturity.

Effective October 13, 2003, the City of Jacksonville entered into a 5 year fixed receiver swap with Morgan Stanley Capital Services. The notional amount of the transaction is \$100,000,000. The City receives a fixed rate of 3.5821% and pays the 1 month LIBOR. The City receives payments semi-annually and makes payments monthly. For the fiscal year 2004, the City makes no payments to the counter-party and receives \$2,000,000. For purposes of credit, the swap is secured by the City's half-cent sales tax with a lien junior and subordinate to the City's Local Government Sales Tax Revenue Bonds. The counter-party does not have the right to terminate this transaction unless a termination event has occurred. The City retains the right to terminate this swap agreement at the market value prior to maturity.

Effective March 8, 2004, the City of Jacksonville entered into a 5 year fixed receiver swap with SunTrust Bank. The notional amount of the transaction is \$100,000,000. The City receives a fixed rate of 3.398% and pays the 1 month LIBOR. The City receives payments semi-annually and makes payments monthly. For purposes of credit, the swap is secured by the City's half-cent sales tax with a lien junior and subordinate to the City's Local Government Sales Tax Revenue Bonds. The counter-party does not have the right to terminate this transaction unless a termination event has occurred. The City retains the right to terminate this swap agreement at the market value prior to maturity.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**17. SHORT-TERM DEBT**

Mayport Ferry, one of the City's nonmajor enterprise funds, has a balance of \$73 thousand in Notes Payable at September 30, 2003. Short-term debt activity for the year ended September 30, 2003, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Note Payable	\$ -	\$ 103	\$ 30	\$ 73

Mayport Ferry entered into a financing agreement on July 7, 2003 to finance insurance premiums.

**18. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE**

**A. JEA/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 2003	\$ 12,618	\$ 11,292

Beginning in fiscal year 1999, the JEA Electric System was required to contribute annually to the General Fund of the City an amount not to exceed 7.5 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 rate, beginning with fiscal year 1999, was the greater of 5.5 mills per kilowatt hour delivered or the 1998 fiscal year contribution of \$52,039 thousand plus an increase of \$3,000 thousand a year through 2003.

The contribution for fiscal year 2003 amounted to \$67,039 thousand. The amount for 2003 was reduced by \$4,243 thousand due to realized savings from the "River City Renaissance Program." A contribution of \$70,039 thousand has been budgeted for the fiscal year ending September 30, 2004.

Beginning in fiscal year 1999, the JEA Water and Sewer System was required to contribute annually to the General Fund of the City an amount not to exceed 2.63 mills per cubic foot of potable water and sewer service provided, excluding reclaimed water

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**18. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE (continued)**

**A. JEA/City of Jacksonville (continued)**

service. The contribution amount for fiscal year 2003 was \$11,457 thousand. This amount is based on a contribution rate of 1.75 mills and such rate was in effect through fiscal year 2003. A contribution of \$13,148 thousand has been budgeted for the fiscal year ending September 30, 2004.

For fiscal year 2004, the calculation of the City contribution has been reconsidered. At the request of the City Council, JEA staff and the Council Auditor met to review and reconsider the assessment calculation. The parties agreed to recommend an assessment calculation. The recommended calculation is based on approximately 9.8% of the revenues, as defined, of the Electric System and Water and Sewer System. This calculation is subject to a minimum average annual increase of \$2.75 million per year using 2004 as the base year for the combined assessment for the Electric System and Water and Sewer System. The fiscal year 2004 approved budget electric system contribution after the legislation is approved (to be effective October 1, 2003) will be \$67,385 thousand. The fiscal year 2004 approved budget water and sewer system contribution after the legislation is approved (to be effective October 1, 2003) will be \$15,802 thousand.

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 2003, JEA made principal and interest payments to the City of \$3,187 thousand. The total remaining principal amount due the City as of September 30, 2003 was \$12,743 thousand.

**Risk Management**

JEA is a component unit of the City and utilizes various services provided by departments of the City, including insurance. JEA is billed on a proportionate cost basis with other user departments and agencies. JEA insures its risks related to general liability, auto liability and workers compensation through the City's self insurance program. The risk management internal service fund of the City manages the program, estimates the liabilities through actuarial and other methods and assesses the user departments and agencies based on its assessment of the funded position of the estimated liabilities. JEA insures its plants and other capital assets through insurance policies purchased from unrelated insurance companies.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**18. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE (continued)**

**A. JEA/City of Jacksonville (continued)**

**Joint Projects Agreement**

The Joint Projects Agreement (Agreement) between JEA and the City, entered into on November 23, 1998, authorized the design and/or construction of certain JEA water, sewer, and electric utility upgrades in conjunction with certain City projects for streets and drainage to accomplish one-time construction within the public rights of way.

Pursuant to this Agreement, JEA funded a \$750 thousand working fund to be kept by the City, from which monthly payments are made for JEA's portion of these projects. The working fund is replenished the following month for payments made on behalf of JEA. JEA is not required to fund its unexpended project commitments other than the working fund amount unless the working fund becomes inadequate, which would require immediate wire transfer of needed funds. At September 30, 2003, JEA's unfunded project commitment to the City in excess of the working fund is approximately \$544 thousand.

**Better Jacksonville Plan**

Beginning in fiscal year 2002, 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 \$7,548 thousand in fiscal year 2003.

**B. JEA - Acquisition of Assets and Customers of United Water Florida, Inc. and Florida Water Services:**

On December 31, 2001, JEA purchased the water and sewer assets and franchise of United Water Florida, Inc. (UWF). UWF had provided water and/or wastewater services, primarily to residential customers, in parts of Duval County, St. Johns County, and Nassau County. The purchase price of such assets and franchise was \$219,000 thousand. The purchase price was recorded as an addition to the Water and Sewer System capital assets based on an assessment of the fair value of the capital assets acquired. In addition to the purchase price, JEA made a payment to UWF of \$2,000 thousand that was intended to be a reserve for UWF's cost of capital items during the early years of the operation and maintenance agreement referred to below. JEA and UWF also entered into a transition services agreement pursuant to which JEA made payments to UWF in fiscal year 2002 of \$4,700 thousand for transition services.

In connection with the acquisition of UWF, JEA and UWF entered into an operation and maintenance agreement pursuant to which UWF will operate the Monterey Sewer Plant in Duval County and all of the UWF water and sewer plants and distribution and

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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**18. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE (continued)**

**B. JEA - Acquisition of Assets and Customers of United Water Florida: (continued)**

collection systems in St. Johns County and in Nassau County for 20 years, subject to renewal at the option of JEA. Under this agreement, JEA has agreed to pay an annual fee to UWF for the services provided by UWF under the agreement. For 2003, the fee was \$4,066 thousand, and the fee escalates each year, with the fee in 2021 being approximately \$11,400 thousand. JEA is entitled to terminate the operation and maintenance agreement after the seventh anniversary thereof upon making a termination payment. The amount of the termination payment initially will be \$2,500 thousand and the amount of such payment will decline to zero after the tenth anniversary of such agreement.

In connection with the acquisition of UWF, JEA made payments in fiscal year 2002 of \$3,500 thousand and \$1,500 thousand to Nassau County and St. Johns County for the purchase of UWF's territory in these counties. These payments have been recorded in debt issue costs and other in the balance sheets and are being amortized consistent with the terms of the agreements. JEA financed the acquisition with proceeds of Water and Sewer System Revenue Bonds.

On October 8, 2003, the Members of JEA approved the purchase of Florida Water Services Corporation water and wastewater systems within the JEA service area. The acquisition of two water and wastewater systems in Duval County and two water systems in northern St. Johns County will bring an additional approximately 5,600 water and 5,000 wastewater customers to JEA. The purchase price of \$25,000 thousand was finalized in mid-October. JEA financed the purchase with the proceeds from Water and Sewer System Subordinated Revenue Bonds.

JEA accounts for its business acquisitions in accordance with FASB Statement No. 141, Business Combinations.

**C. JEA - Impairment of Long-Lived Assets:**

Long-lived assets subject to the requirements of SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. Losses on the impairment of assets at the Southside Generating Station, the Kennedy Generation Station, and Northside Unit 1 of approximately \$20,762 thousand were recognized in depreciation expense during fiscal year 2003.





**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, 2003**

<b>GENERAL FUND</b>						
	<b>BUDGETED AMOUNTS</b>			<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>			
<b>REVENUE:</b>						
Property taxes.....	\$ 312,794	\$ 312,794	\$ 322,927	\$ -	\$ 322,927	\$ 10,133
Utility service taxes.....	99,284	99,284	95,976	-	95,976	(3,308)
Sales and tourist taxes.....	-	-	-	-	-	-
Licenses and permits.....	8,470	8,470	8,473	-	8,473	3
Intergovernmental.....	130,973	130,973	122,621	-	122,621	(8,352)
Charges for services.....	56,632	58,567	58,277	-	58,277	(290)
Fines and forfeitures.....	8,815	8,815	8,176	-	8,176	(639)
Payment in lieu of taxes.....	81,330	81,330	81,376	-	81,376	46
Interest.....	7,334	7,334	4,793	-	4,793	(2,541)
Other.....	5,402	6,103	8,934	-	8,934	2,831
<b>Total Revenue.....</b>	<b>711,034</b>	<b>713,670</b>	<b>711,553</b>	<b>-</b>	<b>711,553</b>	<b>(2,117)</b>
<b>EXPENDITURES AND ENCUMBRANCES:</b>						
Administration and Finance.....	14,532	14,134	13,092	900	13,992	142
Agriculture.....	1,284	1,280	1,095	45	1,140	140
City Council.....	7,471	7,348	6,625	72	6,697	651
Clerk of the Courts.....	15,085	15,390	15,184	148	15,332	58
Courts.....	5,376	5,459	5,405	54	5,459	-
Community Services.....	29,525	29,485	28,988	286	29,274	211
Fire/Rescue.....	94,867	97,895	97,339	493	97,832	63
General Counsel.....	480	539	503	1	504	35
Health Administrator.....	3,372	3,354	3,251	99	3,350	4
Jacksonville Economic Development Commission.....	2,427	2,426	2,055	349	2,404	22
Mayor.....	2,028	2,304	2,251	26	2,277	27
Mayor's Boards and Commissions.....	364	372	363	2	365	7
Medical Examiner.....	1,708	1,807	1,751	6	1,757	50
Metropolitan Planning Organization.....	14	14	-	14	14	-
Department of Neighborhoods.....	16,620	16,953	16,442	474	16,916	37
Property Appraiser.....	6,706	6,654	5,911	159	6,070	584
Public Defender.....	841	841	797	13	810	31
Planning and Development.....	8,233	7,652	6,304	1,136	7,440	212
Pension Funds.....	25	25	15	-	15	10
Public Libraries.....	21,064	21,400	21,217	35	21,252	148
Parks, Recreation and Entertainment.....	24,364	24,148	23,478	447	23,925	223
Public Works.....	62,328	60,836	58,643	1,788	60,431	405
Regulatory and Environmental Services.....	6,851	7,194	6,838	141	6,979	215
State Attorney.....	2,490	2,490	2,395	2	2,397	93
Supervisor of Elections.....	5,573	5,571	5,458	36	5,494	77
Office of the Sheriff.....	217,764	218,009	215,846	1,655	217,501	508
Solid Waste.....	4,099	3,976	3,798	28	3,826	150
Tax Collector.....	10,708	10,302	9,902	51	9,953	349
Federal Program Reserve.....	3,873	139	-	-	-	139
Contribution to Shands-Jacksonville.....	23,776	23,776	23,776	-	23,776	-
Cash Carryover Reserves.....	25,500	31,000	-	-	-	31,000
Jacksonville Misc. Citywide Activities.....	31,655	26,569	23,534	1,537	25,071	1,498
<b>Total Expenditures.....</b>	<b>651,003</b>	<b>649,342</b>	<b>602,256</b>	<b>9,997</b>	<b>612,253</b>	<b>37,089</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>60,031</b>	<b>64,328</b>	<b>109,297</b>	<b>(9,997)</b>	<b>99,300</b>	<b>34,972</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in.....	2,390	4,990	4,989	-	-4,989	(1)
Operating transfers out.....	(122,582)	(126,990)	(117,868)	-	(117,868)	9,122
<b>Total Other Financing Sources (Uses).....</b>	<b>(120,192)</b>	<b>(122,000)</b>	<b>(112,879)</b>	<b>-</b>	<b>(112,879)</b>	<b>9,121</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(60,161)</b>	<b>(57,672)</b>	<b>(3,582)</b>	<b>(9,997)</b>	<b>(13,579)</b>	<b>44,093</b>
<b>FUND BALANCES - BEGINNING.....</b>	<b>61,580</b>	<b>61,580</b>	<b>61,580</b>	<b>-</b>	<b>61,580</b>	<b>-</b>
Change in reserve for inventory of supplies.....	-	-	(254)	-	(254)	(254)
<b>FUND BALANCES - ENDING.....</b>	<b>\$ 1,419</b>	<b>\$ 3,908</b>	<b>\$ 57,744</b>	<b>(\$ 9,997)</b>	<b>\$ 47,747</b>	<b>\$ 43,839</b>



**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
GENERAL EMPLOYEES RETIREMENT SYSTEM  
SEPTEMBER 30, 2003**

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(in thousands)

<u>Plan Year Ending September 30</u>	<u>Annual Required Contributions</u>	<u>City Cash Contributions</u>	<u>Allotted from Past Excess Contributions</u>	<u>Total Employer Contributions</u>	<u>Percentage Contributed</u>
1998	\$ 28,782	\$ 20,668	\$ 8,114	\$ 28,782	100%
1999	17,673	16,081	1,592	17,673	100%
2000	12,429	11,681	748	12,429	100%
2001	12,235	-	12,235	12,235	100%
2002	12,724	-	12,724	12,724	100%
2003	19,003	8	18,995	19,003	100%

Certain adjustments are made to the annual required contribution if the plan carries a net pension obligation. The net pension obligation (asset) is defined in GASB Statement No. 27 as the cumulative difference at date of adoption (or transition) between annual requirements and actual contributions plus the cumulative difference between the requirements and contributions after that date. Because the plan has no net pension obligation, no other adjustments were made to determine expense this year.

Note that the net pension asset is not the same as "past excess contributions," which stand 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.

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See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 POLICE AND FIRE RETIREMENT SYSTEM  
 SEPTEMBER 30, 2003**

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Annual Required Contribution (1)</u>	<u>City Cash Contributions</u>	<u>Alloted from Contribution Reserves</u>	<u>Court Fines and Premium-Tax Refunds (2)</u>	<u>Total Employer Contributions</u>	<u>Total Member Contributions</u>	<u>Percentage Contributed</u>
1998	\$ 34,618						100%
1999	30,201						100%
2000	32,146	\$ 9,187	\$ 8,144	\$ 6,830	\$ 24,161	\$ 7,985	100%
2001	26,875	9,058	3,170	6,881	19,109	7,766	100%
2002 (3)	35,585	9,896	10,389	7,185	27,470	8,115	100%
2003	36,311	9,734	10,882	7,426	28,042	8,269	100%

- (1) Excess contributions from all sources are accumulated in the combined account which is drawn upon if actual contributions fall below the annual required contribution.
- (2) Includes refunds from premium tax under Florida Statutes Chapters 175 and 185.
- (3) The financial statement expense requirement for the fiscal year ended September 30, 2002 was equal to the annual required contributions of \$35,585. The Plan has no net pension obligation.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
GENERAL EMPLOYEES RETIREMENT SYSTEM  
SEPTEMBER 30, 2003**

(in thousands)

<b>Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (1) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
09/30/98	\$ 1,261,363	\$ 1,217,641	(\$ 43,722)	103.59%	\$ 192,859	(22.7%)
09/30/99	1,324,735	1,321,083	(3,652)	100.28%	197,781	(1.8%)
09/30/00 (2)	1,426,926	1,426,745	(181)	100.01%	202,321	(0.1%)
09/30/01	1,461,866	1,511,829	49,963	96.70%	234,684	21.3%
09/30/02	1,425,708	1,528,742	103,034	93.26%	243,446	42.3%
09/30/03 (3)	1,446,209	1,611,958	165,749	89.72%	237,373	69.8%

(1) General Employees - Actuarial present values determined under the Entry Age Actuarial Cost Method for the October 1, 2002 valuation.

Actuarial Assumptions:

Investment rate of return	8.40%
Projected salary increases	4.5% to 8.0%
Includes inflation at:	4.00%
Cost-of-living adjustments	3.00% ann. Def. 5yrs.

(2) Net of the unassigned past-excess contributions separate account of \$71,006.

(3) Net of the unassigned past-excess contributions separate account of \$34,027.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POLICE AND FIRE RETIREMENT SYSTEM  
SEPTEMBER 30, 2003**

(in thousands)

<b>Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (1) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
09/30/98	\$ 675,414	\$ 902,035	\$ 226,621	74.88%	\$ 110,598	204.91%
09/30/99	738,461	970,418	231,957	76.10%	97,666	237.50%
09/30/00	814,889	939,802	124,913	86.71%	97,207	128.50%
09/30/01 (2)	790,823	1,012,577	246,163	78.10%	96,199	255.89%
09/30/02	737,680	977,779	252,363	75.44%	101,698	248.15%
09/30/03	736,948	(3) 1,146,459	413,933	64.28%	109,637	377.55%

(1) Police and Fire - Actuarial present values determined under the Entry Age Normal Actuarial Cost Method for the October 1, 2001 valuation.

Actuarial Assumptions:

Net investment rate of return	8.50%
Projected salary increases	5.00%
Includes inflation percent of	3.50%
Cost-of-living adjustments	3.00%

(2) The values were revised with the release of the October 1, 2001 Actuarial Report.

(3) This account was redefined by the Restated Agreement effective April 1, 2000. As of September 30, 2003, the value of the City Budget Stabilization Account was \$285,901, and the Enhanced Benefit Account was \$4,136,846. These amounts are included in the actuarial value of assets as of September 30, 2003.

See accompanying notes.



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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.

**The Sports, Convention and Tourism Development Fund** collects revenues from tourist and convention development taxes and sales tax rebate revenue from the State to support ALLTEL Stadium and surrounding sports complex and convention center facilities and to fund tourism programs sponsored by the Tourist Development Council through the City.

**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 Housing Rehabilitation and Home Investment and Opportunity Grants Fund** accounts for federal grant funds expended within federal guidelines to help Jacksonville citizens to secure home ownership through a variety of private/public partnership mortgage and rehabilitation loan programs.

**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 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, homeowner repair and rehabilitation and acquisition of existing single family dwellings for home ownership.

**The Better Jacksonville 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.

**The Non-Budgeted General Government Fund** accounts for the 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 and also 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 Special Bonded Debt - Better Jacksonville 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.

## **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 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 (in thousands)  
 SEPTEMBER 30, 2003**

**SPECIAL REVENUE FUNDS**

<u>ASSETS</u>	<u>CONCURRENCY MANAGEMENT</u>	<u>AIR POLLUTION CONTROL AND MONITORING</u>	<u>SPORTS, CONVENTION AND TOURISM DEVELOPMENT</u>
Equity in cash and investments.....	\$ 15,263	\$ 819	\$ 4,405
Cash in escrow and with fiscal agents.....	-	-	100
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts .....	-	-	177
Mortgages.....	-	-	-
Due from independent agencies and other governments.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 15,263</u></b>	<b><u>\$ 819</u></b>	<b><u>\$ 4,682</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	\$ 38	\$ 99	\$ 762
Contracts payable.....	63	-	-
Due to other funds.....	-	-	-
Due to individuals.....	-	-	-
Matured bonds and interest payable.....	-	-	-
Deposits.....	362	-	-
Deferred revenue.....	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>463</u></b>	<b><u>99</u></b>	<b><u>762</u></b>
<b>FUND BALANCES:</b>			
Reserved for:			
Encumbrances.....	2,345	16	1,549
Cash in escrow.....	-	-	100
Mortgages receivable.....	-	-	-
Debt service.....	-	-	-
Unreserved:			
Designated for capital projects.....	-	-	395
Designated for subsequent years' budget.....	-	-	-
Designated for changes in fair value of investments.....	51	3	15
Undesignated (deficit).....	12,404	701	1,861
Total Fund Balances.....	<u>14,800</u>	<u>720</u>	<u>3,920</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 15,263</u></b>	<b><u>\$ 819</u></b>	<b><u>\$ 4,682</u></b>

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**SPECIAL REVENUE FUNDS**

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<u>BUDGETED GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>EMERGENCY 9-1-1</u>	<u>TAX INCREMENT DISTRICTS</u>	<u>JACKSONVILLE CHILDREN'S COMMISSION</u>
\$ 21,676	\$ 307	\$ 4,945	\$ 1,609	\$ 4,671
-	-	-	-	-
16	-	-	-	-
-	-	-	-	-
-	-	219	-	2,369
<u>21,692</u>	<u>307</u>	<u>5,164</u>	<u>1,609</u>	<u>7,040</u>
\$ 405	\$ 1	\$ 130	\$ -	\$ 873
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
391	-	-	-	-
-	-	-	-	-
<u>796</u>	<u>1</u>	<u>130</u>	<u>-</u>	<u>873</u>
1,416	9	339	4	2,766
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	6	900	-
-	-	298	605	-
72	1	16	5	16
<u>19,408</u>	<u>296</u>	<u>4,375</u>	<u>95</u>	<u>3,385</u>
<u>20,896</u>	<u>306</u>	<u>5,034</u>	<u>1,609</u>	<u>6,167</u>
<u>\$ 21,692</u>	<u>\$ 307</u>	<u>\$ 5,164</u>	<u>\$ 1,609</u>	<u>\$ 7,040</u>

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands; continued)**  
**SEPTEMBER 30, 2003**

**SPECIAL REVENUE FUNDS**

<u>ASSETS</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>HOUSING REHABILITATION AND HOME INVESTMENT AND OPPORTUNITY GRANTS</u>	<u>JOB TRAINING PARTNERSHIP ACT GRANT</u>	<u>MAINTENANCE, PARKS AND RECREATION</u>
Equity in cash and investments.....	\$ -	\$ 1,342	\$ 504	\$ 6,337
Cash in escrow and with fiscal agents.....	791	2,158	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	-	29
Mortgages.....	1,004	8,932	-	-
Due from independent agencies and other governments.....	1,817	297	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 3,612</u></b>	<b><u>\$ 12,729</u></b>	<b><u>\$ 504</u></b>	<b><u>\$ 6,366</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 621	\$ 549	\$ -	\$ 77
Contracts payable.....	233	-	-	3
Due to other funds.....	1,544	-	-	-
Due to individuals.....	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-
Deposits.....	6	77	-	-
Deferred revenue.....	994	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>3,398</u></b>	<b><u>626</u></b>	<b><u>-</u></b>	<b><u>80</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	2,006	2,080	-	337
Cash in escrow.....	791	2,158	-	-
Mortgages receivable.....	1,004	8,932	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	674
Designated for subsequent years' budget.....	-	-	-	90
Designated for changes in fair value of investments.....	-	4	2	21
Undesignated (deficit).....	(3,587)	(1,071)	502	5,164
Total Fund Balances.....	<u>214</u>	<u>12,103</u>	<u>504</u>	<u>6,286</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 3,612</u></b>	<b><u>\$ 12,729</u></b>	<b><u>\$ 504</u></b>	<b><u>\$ 6,366</u></b>

**SPECIAL REVENUE FUNDS**

<b>METROPOLITAN PLANNING ORGANIZATION</b>	<b>OTHER FEDERAL, STATE AND LOCAL GRANTS</b>	<b>STATE HOUSING INITIATIVE PARTNERSHIP</b>	<b>BETTER JACKSONVILLE PLAN TRUST</b>	<b>NON-BUDGETED GENERAL GOVERNMENT</b>	<b>TOTALS</b>	
					<b>2003</b>	<b>2002</b>
\$ 1	\$ 7,590	\$ 3,073	\$ -	\$ 8,120	\$ 80,662	\$ 71,277
-	40	-	-	1,176	4,265	3,964
-	-	-	-	1	223	48
-	-	3,713	-	-	13,649	14,765
<u>1,132</u>	<u>2,232</u>	<u>-</u>	<u>14,438</u>	<u>-</u>	<u>22,504</u>	<u>22,654</u>
<u>\$ 1,133</u>	<u>\$ 9,862</u>	<u>\$ 6,786</u>	<u>\$ 14,438</u>	<u>\$ 9,297</u>	<u>\$ 121,303</u>	<u>\$ 112,708</u>
\$ 111	\$ 1,479	\$ 1,239	\$ -	\$ 2,482	\$ 8,866	\$ 6,011
-	-	-	-	27	326	239
752	-	-	-	-	2,296	1,529
-	-	-	-	315	315	305
-	-	-	-	-	-	-
-	-	-	-	8	844	453
-	-	-	-	-	994	1,069
<u>863</u>	<u>1,479</u>	<u>1,239</u>	<u>-</u>	<u>2,832</u>	<u>13,641</u>	<u>9,606</u>
185	4,580	4,077	-	808	22,517	22,361
-	40	-	-	1,176	4,265	3,964
-	-	3,713	-	-	13,649	14,765
-	-	-	-	-	-	-
-	-	-	-	-	1,975	912
-	-	-	-	-	993	379
-	25	10	-	14	255	262
<u>85</u>	<u>3,738</u>	<u>(2,253)</u>	<u>14,438</u>	<u>4,467</u>	<u>64,008</u>	<u>60,459</u>
<u>270</u>	<u>8,383</u>	<u>5,547</u>	<u>14,438</u>	<u>6,465</u>	<u>107,662</u>	<u>103,102</u>
<u>\$ 1,133</u>	<u>\$ 9,862</u>	<u>\$ 6,786</u>	<u>\$ 14,438</u>	<u>\$ 9,297</u>	<u>\$ 121,303</u>	<u>\$ 112,708</u>

(continued)

See accompanying notes.



**CITY OF JACKSONVILLE, FLORIDA  
COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS (in thousands; continued)  
SEPTEMBER 30, 2003**

	<b>DEBT SERVICE FUNDS</b>				
	<b>GENERAL BONDED DEBT OBLIGATIONS</b>	<b>SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS</b>	<b>OTHER NON-BONDED DEBT OBLIGATIONS</b>	<b>TOTALS</b>	
				<b>2003</b>	<b>2002</b>
<b><u>ASSETS</u></b>					
Equity in cash and investments	\$ -	\$ 31,478	\$ -	\$ 31,478	\$ 19,903
Cash in escrow and with fiscal agents	39	44,638	-	44,677	30,092
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts	-	-	-	-	-
Mortgages	-	-	-	-	-
Due from independent agencies and other governments	-	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 39</b>	<b>\$ 76,116</b>	<b>\$ -</b>	<b>\$ 76,155</b>	<b>\$ 49,995</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities	\$ 39	\$ -	\$ -	39	\$ -
Contracts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to individuals	-	-	-	-	-
Matured bonds and interest payable	-	-	-	-	39
Deposits	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>39</b>
<b>FUND BALANCES:</b>					
Reserved for:					
Encumbrances	-	-	-	-	-
Cash in escrow	-	44,638	-	44,638	30,053
Mortgages receivable	-	-	-	-	-
Debt service	-	27,230	-	27,230	15,578
Unreserved:					
Designated for capital projects	-	-	-	-	-
Designated for subsequent years' budget	-	-	-	-	-
Designated for changes in fair value of investments	-	4,248	-	4,248	4,325
Undesignated (deficit)	-	-	-	-	-
Total Fund Balances	-	76,116	-	76,116	49,956
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 39</b>	<b>\$ 76,116</b>	<b>\$ -</b>	<b>\$ 76,155</b>	<b>\$ 49,995</b>

CAPITAL PROJECTS FUNDS				PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS		CEMETERY MAINTENANCE FUNDS		TOTALS	
		2003	2002	2003	2002	2003	2002
\$ 4,992 106	\$ 4,352 -	\$ 9,344 106	\$ 6,653 274	\$ 174 -	\$ 170 -	\$ 121,658 49,048	\$ 98,003 34,330
-	-	-	-	-	-	223	48
-	-	-	-	-	-	13,649	14,765
7,868	-	7,868	4,818	-	-	30,372	27,472
<u>\$ 12,966</u>	<u>\$ 4,352</u>	<u>\$ 17,318</u>	<u>\$ 11,745</u>	<u>\$ 174</u>	<u>\$ 170</u>	<u>\$ 214,950</u>	<u>\$ 174,618</u>
\$ 1,346 408	\$ 121 8	\$ 1,467 416	\$ 1,306 151	\$ - -	\$ - -	\$ 10,372 742	\$ 7,317 390
-	-	-	-	-	-	2,296	1,529
-	-	-	-	-	-	315	305
-	-	-	-	-	-	-	39
-	-	-	-	-	-	844	453
-	-	-	-	-	-	994	1,069
<u>1,754</u>	<u>129</u>	<u>1,883</u>	<u>1,457</u>	<u>-</u>	<u>-</u>	<u>15,563</u>	<u>11,102</u>
16,512 106	285 -	16,797 106	8,487 274	- -	- -	39,314 49,009	30,848 34,291
-	-	-	-	-	-	13,649	14,765
-	-	-	-	-	-	27,230	15,578
-	3,924	3,924	4,360	-	-	5,899	5,272
-	-	-	-	-	-	993	379
17	14	31	24	-	-	4,534	4,611
(5,423)	-	(5,423)	(2,857)	174	170	58,759	57,772
<u>11,212</u>	<u>4,223</u>	<u>15,435</u>	<u>10,288</u>	<u>174</u>	<u>170</u>	<u>199,387</u>	<u>163,516</u>
<u>\$ 12,966</u>	<u>\$ 4,352</u>	<u>\$ 17,318</u>	<u>\$ 11,745</u>	<u>\$ 174</u>	<u>\$ 170</u>	<u>\$ 214,950</u>	<u>\$ 174,618</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>CONCURRENCY MANAGEMENT</u>	<u>AIR POLLUTION CONTROL AND MONITORING</u>	<u>SPORTS, CONVENTION AND TOURISM DEVELOPMENT</u>
<b>REVENUE:</b>			
Property taxes.....	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	11,401
Intergovernmental.....	-	1,615	2,000
Charges for services.....	6,430	-	1,900
Fines and forfeitures.....	-	-	-
Interest.....	271	18	85
Other.....	-	-	3,150
<b>Total Revenue.....</b>	<u>6,701</u>	<u>1,633</u>	<u>18,536</u>
<b>EXPENDITURES:</b>			
Current:			
General government.....	208	-	-
Human services.....	-	-	-
Public safety.....	-	-	-
Culture and recreation.....	-	-	2,986
Transportation.....	1,603	-	-
Economic environment.....	-	-	3,868
Physical environment.....	-	2,310	-
Capital outlay.....	-	-	-
Debt service:			
Principal.....	-	-	-
Interest on fiscal charges.....	-	-	-
<b>Total Expenditures.....</b>	<u>1,811</u>	<u>2,310</u>	<u>6,854</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>4,890</u>	<u>(677)</u>	<u>11,682</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Long-term debt issued.....	-	-	-
Transfers in.....	-	400	1,902
Transfers out.....	(110)	(292)	(13,384)
<b>Total Other Financing Sources (Uses).....</b>	<u>(110)</u>	<u>108</u>	<u>(11,482)</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	4,780	(569)	200
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<u>10,020</u>	<u>1,289</u>	<u>3,720</u>
<b>FUND BALANCES, END OF YEAR.....</b>	<u>\$ 14,800</u>	<u>\$ 720</u>	<u>\$ 3,920</u>

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**SPECIAL REVENUE FUNDS**

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<b>BUDGETED GENERAL GOVERNMENT</b>	<b>PUBLIC SAFETY</b>	<b>EMERGENCY 9-1-1</b>	<b>TAX INCREMENT DISTRICTS</b>	<b>JACKSONVILLE CHILDREN'S COMMISSION</b>
\$ -	\$ -	\$ -	\$ 4,461	\$ -
-	-	-	-	-
1,710	220	-	-	37,514
11,094	-	3,647	-	-
2,849	-	-	-	-
330	6	85	-	102
<u>4,053</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>302</u>
<u>20,036</u>	<u>226</u>	<u>3,732</u>	<u>4,634</u>	<u>37,918</u>
4,088	-	-	-	-
1,131	-	-	-	22,031
7,921	205	2,540	-	-
-	-	-	-	-
-	-	-	1,362	31,267
3,438	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>16,578</u>	<u>205</u>	<u>2,540</u>	<u>1,362</u>	<u>53,298</u>
<u>3,458</u>	<u>21</u>	<u>1,192</u>	<u>3,272</u>	<u>(15,380)</u>
-	-	-	-	-
973	-	-	-	14,839
<u>(216)</u>	<u>-</u>	<u>-</u>	<u>(3,014)</u>	<u>(68)</u>
<u>757</u>	<u>-</u>	<u>-</u>	<u>(3,014)</u>	<u>14,771</u>
4,215	21	1,192	258	(609)
<u>16,681</u>	<u>285</u>	<u>3,842</u>	<u>1,351</u>	<u>6,776</u>
<u>\$ 20,896</u>	<u>\$ 306</u>	<u>\$ 5,034</u>	<u>\$ 1,609</u>	<u>\$ 6,167</u>

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (in thousands; continued)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<b>SPECIAL REVENUE FUNDS</b>			
	<b>COMMUNITY DEVELOPMENT BLOCK GRANT</b>	<b>HOUSING REHABILITATION AND HOME INVESTMENT AND OPPORTUNITY GRANTS</b>	<b>JOB TRAINING PARTNERSHIP ACT GRANT</b>	<b>MAINTENANCE, PARKS AND RECREATION</b>
<b>REVENUE:</b>				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	11,493	3,353	-	-
Charges for services.....	-	-	-	1,557
Fines and forfeitures.....	-	-	-	-
Interest.....	9	42	10	115
Other.....	258	-	-	220
<b>Total Revenue.....</b>	<b>11,760</b>	<b>3,395</b>	<b>10</b>	<b>1,892</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	-	1,902
Transportation.....	-	-	-	-
Economic environment.....	11,828	4,010	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
<b>Total Expenditures.....</b>	<b>11,828</b>	<b>4,010</b>	<b>-</b>	<b>1,902</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>(68)</b>	<b>(615)</b>	<b>10</b>	<b>(10)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long-term debt issued.....	-	-	-	-
Transfers in.....	75	-	-	527
Transfers out.....	-	-	-	(140)
<b>Total Other Financing Sources (Uses).....</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>387</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>7</b>	<b>(615)</b>	<b>10</b>	<b>377</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<b>207</b>	<b>12,718</b>	<b>494</b>	<b>5,909</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 214</b>	<b>\$ 12,103</b>	<b>\$ 504</b>	<b>\$ 6,286</b>

**SPECIAL REVENUE FUNDS**

<u>METROPOLITAN PLANNING ORGANIZATION</u>	<u>OTHER FEDERAL, STATE AND LOCAL GRANTS</u>	<u>STATE HOUSING INITIATIVE PARTNERSHIP</u>	<u>BETTER JACKSONVILLE PLAN TRUST</u>	<u>NON-BUDGETED GENERAL GOVERNMENT</u>	<u>TOTALS</u>	
					<u>2003</u>	<u>2002</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,461	\$ 2,091
-	-	-	57,971	-	69,372	66,408
1,362	16,484	6,316	-	239	82,306	83,460
-	23	-	-	1,246	25,897	21,295
-	-	-	-	193	3,042	2,521
-	91	81	1,174	28	2,447	1,584
-	105	373	-	1,834	10,468	6,730
<u>1,362</u>	<u>16,703</u>	<u>6,770</u>	<u>59,145</u>	<u>3,540</u>	<u>197,993</u>	<u>184,089</u>
1,398	1,721	-	-	972	8,387	7,016
-	9,429	-	-	398	32,989	28,101
-	9,594	-	-	1,155	21,415	24,216
-	2,273	-	-	1,508	8,669	5,040
-	-	-	-	-	1,603	288
-	300	9,568	-	21	62,224	57,628
-	209	-	-	122	6,079	5,384
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,398</u>	<u>23,526</u>	<u>9,568</u>	<u>-</u>	<u>4,176</u>	<u>141,366</u>	<u>127,673</u>
<u>(36)</u>	<u>(6,823)</u>	<u>(2,798)</u>	<u>59,145</u>	<u>(636)</u>	<u>56,627</u>	<u>56,416</u>
-	-	-	-	-	-	-
30	4,553	-	-	230	23,529	23,164
-	-	-	(58,319)	(53)	(75,596)	(70,545)
<u>30</u>	<u>4,553</u>	<u>-</u>	<u>(58,319)</u>	<u>177</u>	<u>(52,067)</u>	<u>(47,381)</u>
(6)	(2,270)	(2,798)	826	(459)	4,560	9,035
<u>276</u>	<u>10,653</u>	<u>8,345</u>	<u>13,612</u>	<u>6,924</u>	<u>103,102</u>	<u>94,067</u>
<u>\$ 270</u>	<u>\$ 8,383</u>	<u>\$ 5,547</u>	<u>\$ 14,438</u>	<u>\$ 6,465</u>	<u>\$ 107,662</u>	<u>\$ 103,102</u>

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands; continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<b>DEBT SERVICE FUNDS</b>				
	<b>GENERAL BONDED DEBT OBLIGATIONS</b>	<b>SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS</b>	<b>OTHER NON-BONDED DEBT OBLIGATIONS</b>	<b>TOTALS</b>	
				<b>2003</b>	<b>2002</b>
<b>REVENUE:</b>					
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-	-
Intergovernmental.....	-	11,598	-	11,598	9,004
Charges for services.....	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-
Interest.....	-	2,210	4	2,214	5,311
Other.....	-	-	-	-	-
<b>Total Revenue.....</b>	<b>-</b>	<b>13,808</b>	<b>4</b>	<b>13,812</b>	<b>14,315</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	-	-	-	-	-
Human services.....	-	-	-	-	-
Public safety.....	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-
Transportation.....	-	-	-	-	-
Economic environment.....	-	-	-	-	-
Physical environment.....	-	-	-	-	-
Capital outlay.....	-	-	-	-	-
Debt service:					
Principal.....	-	3,420	1,790	5,210	4,175
Interest on fiscal charges.....	-	20,421	1,117	21,538	19,914
<b>Total Expenditures.....</b>	<b>-</b>	<b>23,841</b>	<b>2,907</b>	<b>26,748</b>	<b>24,089</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>					
<b>EXPENDITURES.....</b>	<b>-</b>	<b>(10,033)</b>	<b>(2,903)</b>	<b>(12,936)</b>	<b>(9,774)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Long-term debt issued.....	-	13,129	-	13,129	-
Transfers in.....	-	23,180	2,787	25,967	16,932
Transfers out.....	-	-	-	-	-
<b>Total Other Financing Sources (Uses).....</b>	<b>-</b>	<b>36,309</b>	<b>2,787</b>	<b>39,096</b>	<b>16,932</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>-</b>	<b>26,276</b>	<b>(116)</b>	<b>26,160</b>	<b>7,158</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<b>-</b>	<b>49,840</b>	<b>116</b>	<b>49,956</b>	<b>42,798</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ -</b>	<b>\$ 76,116</b>	<b>\$ -</b>	<b>\$ 76,116</b>	<b>\$ 49,956</b>

CAPITAL PROJECTS FUNDS				PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS		CEMETERY MAINTENANCE FUNDS		TOTALS	
		2003	2002	2003	2002	2003	2002
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,461	\$ 2,091
-	-	-	-	-	-	69,372	66,408
19,797	-	19,797	7,328	-	-	113,701	99,792
-	-	-	-	-	-	25,897	21,295
-	-	-	-	-	-	3,042	2,521
45	86	131	126	4	4	4,796	7,025
91	-	91	1,384	-	-	10,559	8,114
<u>19,933</u>	<u>86</u>	<u>20,019</u>	<u>8,838</u>	<u>4</u>	<u>4</u>	<u>231,828</u>	<u>207,246</u>
-	-	-	-	-	-	8,387	7,016
-	-	-	-	-	-	32,989	28,101
-	-	-	-	-	-	21,415	24,216
-	-	-	-	-	-	8,669	5,040
-	-	-	-	-	-	1,603	288
-	-	-	-	-	-	62,224	57,628
-	-	-	-	-	-	6,079	5,384
15,414	494	15,908	6,894	-	-	15,908	6,894
-	-	-	-	-	-	5,210	4,175
-	-	-	-	-	-	21,538	19,914
<u>15,414</u>	<u>494</u>	<u>15,908</u>	<u>6,894</u>	<u>-</u>	<u>-</u>	<u>184,022</u>	<u>158,656</u>
<u>4,519</u>	<u>(408)</u>	<u>4,111</u>	<u>1,944</u>	<u>4</u>	<u>4</u>	<u>47,806</u>	<u>48,590</u>
-	-	-	-	-	-	13,129	-
1,036	-	1,036	1,425	-	-	50,532	41,521
-	-	-	-	-	-	(75,596)	(70,545)
<u>1,036</u>	<u>-</u>	<u>1,036</u>	<u>1,425</u>	<u>-</u>	<u>-</u>	<u>(11,935)</u>	<u>(29,024)</u>
5,555	(408)	5,147	3,369	4	4	35,871	19,566
<u>5,657</u>	<u>4,631</u>	<u>10,288</u>	<u>6,919</u>	<u>170</u>	<u>166</u>	<u>163,516</u>	<u>143,950</u>
<u>\$ 11,212</u>	<u>\$ 4,223</u>	<u>\$ 15,435</u>	<u>\$ 10,288</u>	<u>\$ 174</u>	<u>\$ 170</u>	<u>\$ 199,387</u>	<u>\$ 163,516</u>

See accompanying notes.



**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

<b>CONCURRENCY MANAGEMENT</b>						
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>				
<b>REVENUE:</b>						
Charges for services.....	\$ 4,128	\$ 4,128	\$ 6,430	\$ -	\$ 6,430	\$ 2,302
Interest.....	-	-	271	-	271	271
Total Revenue.....	<u>4,128</u>	<u>4,128</u>	<u>6,701</u>	<u>-</u>	<u>6,701</u>	<u>2,573</u>
<b>EXPENDITURES:</b>						
Planning and development.....	3,042	3,042	155	24	180	2,862
Public works.....	9,811	9,811	1,655	2,321	3,976	5,835
Total Expenditures.....	<u>12,853</u>	<u>12,853</u>	<u>1,811</u>	<u>2,345</u>	<u>4,156</u>	<u>8,697</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>(8,725)</u>	<u>(8,725)</u>	<u>4,890</u>	<u>(2,345)</u>	<u>2,545</u>	<u>11,270</u>
<b>OTHER FINANCING (USES):</b>						
Operating transfers out.....	(110)	(110)	(110)	-	(110)	-
Total Other Financing (Uses).....	<u>(110)</u>	<u>(110)</u>	<u>(110)</u>	<u>-</u>	<u>(110)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>(8,835)</u>	<u>(8,835)</u>	<u>4,780</u>	<u>(2,345)</u>	<u>2,435</u>	<u>11,270</u>
FUND BALANCE, BEGINNING.....	<u>10,020</u>	<u>10,020</u>	<u>10,020</u>	<u>-</u>	<u>10,020</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>	<u><u>\$ 1,185</u></u>	<u><u>\$ 1,185</u></u>	<u><u>\$ 14,800</u></u>	<u><u>(\$ 2,345)</u></u>	<u><u>\$ 12,455</u></u>	<u><u>\$ 11,270</u></u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**AIR POLLUTION CONTROL AND MONITORING**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ 2,497	\$ 2,544	\$ 1,615	\$ -	\$ 1,615	(\$ 929)
Interest.....	-	-	18	-	18	18
Total Revenue.....	<u>2,497</u>	<u>2,544</u>	<u>1,633</u>	<u>-</u>	<u>1,633</u>	<u>(911)</u>
<b>EXPENDITURES:</b>						
Regulatory and Environmental.....	<u>1,275</u>	<u>3,102</u>	<u>2,310</u>	<u>16</u>	<u>2,326</u>	<u>776</u>
Total Expenditures.....	<u>1,275</u>	<u>3,102</u>	<u>2,310</u>	<u>16</u>	<u>2,326</u>	<u>776</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>1,222</u>	<u>(558)</u>	<u>(677)</u>	<u>(16)</u>	<u>(693)</u>	<u>(135)</u>
<b>OTHER FINANCING SOURCES:</b>						
Operating transfers in.....	400	400	400	-	400	-
Operating transfers out.....	<u>(228)</u>	<u>(292)</u>	<u>(292)</u>	<u>-</u>	<u>(292)</u>	<u>-</u>
Total Other Financing Sources.....	<u>172</u>	<u>108</u>	<u>108</u>	<u>-</u>	<u>108</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>1,394</u>	<u>(450)</u>	<u>(569)</u>	<u>(16)</u>	<u>(585)</u>	<u>(135)</u>
FUND BALANCE, BEGINNING.....	<u>1,289</u>	<u>1,289</u>	<u>1,289</u>	<u>-</u>	<u>1,289</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>	<u><u>\$ 2,683</u></u>	<u><u>\$ 839</u></u>	<u><u>\$ 720</u></u>	<u><u>(\$ 16)</u></u>	<u><u>\$ 704</u></u>	<u><u>(\$ 135)</u></u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**SPORTS, CONVENTION AND TOURISM DEVELOPMENT**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Sales and tourist taxes.....	\$ 13,286	\$ 13,286	\$ 11,401	\$ -	\$ 11,401	(\$ 1,885)
Intergovernmental.....	-	-	2,000	-	2,000	2,000
Charges for services.....	2,070	2,070	1,900	-	1,900	(170)
Interest.....	143	143	85	-	85	(58)
Other.....	2,434	2,876	3,150	-	3,150	274
<b>Total Revenue.....</b>	<b>17,933</b>	<b>18,375</b>	<b>18,536</b>	<b>-</b>	<b>18,536</b>	<b>161</b>
<b>EXPENDITURES:</b>						
City Council.....	7,435	7,435	3,868	1,476	5,344	2,091
Neighborhoods.....	279	721	459	-	459	262
Sports Complex.....	3,019	2,781	2,527	73	2,600	181
<b>Total Expenditures.....</b>	<b>10,734</b>	<b>10,937</b>	<b>6,854</b>	<b>1,549</b>	<b>8,403</b>	<b>2,534</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>7,199</b>	<b>7,438</b>	<b>11,682</b>	<b>(1,549)</b>	<b>10,133</b>	<b>2,695</b>
<b>OTHER FINANCING (USES):</b>						
Operating transfers in.....	756	1,790	1,902	-	1,902	(112)
Operating transfers out.....	(12,564)	(13,564)	(13,384)	-	(13,384)	(180)
<b>Total Other Financing (Uses).....</b>	<b>(11,808)</b>	<b>(11,774)</b>	<b>(11,482)</b>	<b>-</b>	<b>(11,482)</b>	<b>(292)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(4,609)</b>	<b>(4,336)</b>	<b>200</b>	<b>(1,549)</b>	<b>(1,349)</b>	<b>2,403</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>3,720</b>	<b>3,720</b>	<b>3,720</b>	<b>-</b>	<b>3,720</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>(\$ 889)</b>	<b>(\$ 616)</b>	<b>\$ 3,920</b>	<b>(\$ 1,549)</b>	<b>\$ 2,371</b>	<b>\$ 2,403</b>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<b>BUDGETED GENERAL GOVERNMENT</b>					
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ 1,705	\$ 2,737	\$ 1,710	\$ -	\$ 1,710	(\$ 1,027)
Charges for services.....	10,543	9,195	11,094	-	11,094	1,899
Fines and forfeitures.....	2,504	2,427	2,849	-	2,849	422
Interest.....	986	729	330	-	330	(399)
Other.....	11,472	9,539	4,053	-	4,053	(5,486)
<b>Total Revenue.....</b>	<b>27,210</b>	<b>24,627</b>	<b>20,036</b>	<b>-</b>	<b>20,036</b>	<b>(4,591)</b>
<b>EXPENDITURES:</b>						
Courts.....	4,133	4,389	3,801	64	3,865	524
Community Services.....	1,111	1,656	1,244	70	1,314	342
Neighborhoods.....	32	124	95	4	99	25
Public Works.....	10,268	16,614	9,065	1,274	10,339	6,275
Regulatory and Environmental.....	2,412	4,419	2,294	4	2,298	2,121
Tax Collector.....	109	109	79	-	79	30
<b>Total Expenditures.....</b>	<b>18,064</b>	<b>27,311</b>	<b>16,578</b>	<b>1,416</b>	<b>17,994</b>	<b>9,317</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>9,146</b>	<b>(2,684)</b>	<b>3,458</b>	<b>(1,416)</b>	<b>2,042</b>	<b>4,726</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in.....	973	973	973	-	973	-
Operating transfers out.....	(200)	(216)	(216)	-	(216)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>773</b>	<b>757</b>	<b>757</b>	<b>-</b>	<b>757</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>9,919</b>	<b>(1,927)</b>	<b>4,215</b>	<b>(1,416)</b>	<b>2,799</b>	<b>4,726</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>16,681</b>	<b>16,681</b>	<b>16,681</b>	<b>-</b>	<b>16,681</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 26,600</b>	<b>\$ 14,754</b>	<b>\$ 20,896</b>	<b>(\$ 1,416)</b>	<b>\$ 19,480</b>	<b>\$ 4,726</b>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

<b>PUBLIC SAFETY</b>						
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ 370	\$ 222	\$ 220	\$ -	\$ 220	(\$ 2)
Interest.....	14	14	6	-	6	(8)
<b>Total Revenue.....</b>	<b>384</b>	<b>236</b>	<b>226</b>	<b>-</b>	<b>226</b>	<b>(10)</b>
<b>EXPENDITURES:</b>						
Fire and Rescue.....	80	306	205	9	214	92
<b>Total Expenditures.....</b>	<b>80</b>	<b>306</b>	<b>205</b>	<b>9</b>	<b>214</b>	<b>92</b>
<b>EXCESS OF REVENUE (UNDER) EXPENDITURES.....</b>	<b>304</b>	<b>(70)</b>	<b>21</b>	<b>(9)</b>	<b>12</b>	<b>82</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>304</b>	<b>(70)</b>	<b>21</b>	<b>(9)</b>	<b>12</b>	<b>82</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>-</b>	<b>285</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 589</b>	<b>\$ 215</b>	<b>\$ 306</b>	<b>(\$ 9)</b>	<b>\$ 297</b>	<b>\$ 82</b>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>EMERGENCY 9-1-1</u>					VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Charges for services.....	\$ 3,138	\$ 3,704	\$ 3,647	\$ -	\$ 3,647	(\$ 57)
Interest.....	-	-	85	-	85	85
Total Revenue.....	<u>3,138</u>	<u>3,704</u>	<u>3,732</u>	<u>-</u>	<u>3,732</u>	<u>28</u>
<b>EXPENDITURES:</b>						
Office of the Sheriff.....	5,484	7,254	2,540	339	2,879	4,375
Total Expenditures.....	<u>5,484</u>	<u>7,254</u>	<u>2,540</u>	<u>339</u>	<u>2,879</u>	<u>4,375</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>(2,346)</u>	<u>(3,550)</u>	<u>1,192</u>	<u>(339)</u>	<u>853</u>	<u>4,403</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	(2,346)	(3,550)	1,192	(339)	853	4,403
FUND BALANCE, BEGINNING.....	<u>3,842</u>	<u>3,842</u>	<u>3,842</u>	<u>-</u>	<u>3,842</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>	<u>\$ 1,496</u>	<u>\$ 292</u>	<u>\$ 5,034</u>	<u>(\$ 339)</u>	<u>\$ 4,695</u>	<u>\$ 4,403</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>TAX INCREMENT DISTRICTS</u>					VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Property taxes.....	\$ 7,048	\$ 7,053	\$ 4,461	\$ -	\$ 4,461	(\$ 2,592)
Other.....	-	-	173	-	173	173
Total Revenue.....	<u>7,048</u>	<u>7,053</u>	<u>4,634</u>	<u>-</u>	<u>4,634</u>	<u>(2,419)</u>
<b>EXPENDITURES:</b>						
Administration and Finance.....	2,656	2,661	993	-	993	1,668
Jacksonville Economic Development Commission.....	<u>2,120</u>	<u>2,720</u>	<u>369</u>	<u>4</u>	<u>373</u>	<u>2,347</u>
Total Expenditures.....	<u>4,776</u>	<u>5,381</u>	<u>1,362</u>	<u>4</u>	<u>1,366</u>	<u>4,015</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES.....</b>	<u>2,272</u>	<u>1,672</u>	<u>3,272</u>	<u>(4)</u>	<u>3,268</u>	<u>1,596</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in.....	-	-	-	-	-	-
Operating transfers out.....	<u>(3,016)</u>	<u>(3,016)</u>	<u>(3,014)</u>	<u>-</u>	<u>(3,014)</u>	<u>(2)</u>
Total Other Financing Sources (Uses).....	<u>(3,016)</u>	<u>(3,016)</u>	<u>(3,014)</u>	<u>-</u>	<u>(3,014)</u>	<u>(2)</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	(744)	(1,344)	258	(4)	254	1,594
FUND BALANCE, BEGINNING.....	<u>1,351</u>	<u>1,351</u>	<u>1,351</u>	<u>-</u>	<u>1,351</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>	<u>\$ 607</u>	<u>\$ 7</u>	<u>\$ 1,609</u>	<u>(\$ 4)</u>	<u>\$ 1,605</u>	<u>\$ 1,594</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

**JACKSONVILLE CHILDREN'S COMMISSION**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ 38,373	\$ 75,666	\$ 37,514	\$ -	\$ 37,514	(\$ 38,152)
Interest.....	-	-	102	-	102	102
Other.....	-	-	302	-	302	302
Total Revenue.....	<u>38,373</u>	<u>75,666</u>	<u>37,918</u>	<u>-</u>	<u>37,918</u>	<u>(37,748)</u>
<b>EXPENDITURES:</b>						
Jacksonville Children's Commission.....	<u>57,144</u>	<u>94,768</u>	<u>53,298</u>	<u>2,766</u>	<u>56,064</u>	<u>38,704</u>
Total Expenditures.....	<u>57,144</u>	<u>94,768</u>	<u>53,298</u>	<u>2,766</u>	<u>56,064</u>	<u>38,704</u>
<b>EXCESS OF REVENUE (UNDER) EXPENDITURES.....</b>	<u>(18,771)</u>	<u>(19,102)</u>	<u>(15,380)</u>	<u>(2,766)</u>	<u>(18,146)</u>	<u>956</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in.....	14,839	14,839	14,839	-	14,839	-
Operating transfers out.....	<u>(51)</u>	<u>(68)</u>	<u>(68)</u>	<u>-</u>	<u>(68)</u>	<u>-</u>
Total Other Financing Sources (Uses).....	<u>14,788</u>	<u>14,771</u>	<u>14,771</u>	<u>-</u>	<u>14,771</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>(3,983)</u>	<u>(4,331)</u>	<u>(609)</u>	<u>(2,766)</u>	<u>(3,375)</u>	<u>956</u>
FUND BALANCE, BEGINNING.....	<u>6,776</u>	<u>6,776</u>	<u>6,776</u>	<u>-</u>	<u>6,776</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>	<u>\$ 2,793</u>	<u>\$ 2,445</u>	<u>\$ 6,167</u>	<u>(\$ 2,766)</u>	<u>\$ 3,401</u>	<u>\$ 956</u>

See accompanying notes.





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### **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 Sports Complex, Convention Center and Auditorium Fund** accounts for the operation of the ALLTEL Stadium, the Baseball Park and Veterans Memorial Arena sports complex, the Prime Osborn Convention Center and Performing Arts Center.

**The Motor Vehicle Inspection Fund** accounts for the operations of the City's motor vehicle inspection stations.

**The Mayport Ferry Fund** accounts for the operation of the City's ferry across the St. Johns River at Mayport.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS (in thousands)**  
**SEPTEMBER 30, 2003**

<u>ASSETS</u>	<u>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</u>	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>	<u>TOTALS</u>	
				<u>2003</u>	<u>2002</u>
<b>CURRENT ASSETS:</b>					
Equity in cash and investments.....	\$ 2,450	\$ 84	\$ 139	\$ 2,673	\$ 3,133
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts.....	828	17	15	860	2,030
Due from other governments.....	-	22	-	22	203
Inventories.....	-	4	-	4	3
Prepaid expenses and other assets.....	129	-	111	240	224
Total Current Assets.....	<u>3,407</u>	<u>127</u>	<u>265</u>	<u>3,799</u>	<u>5,593</u>
<b>NONCURRENT ASSETS:</b>					
Sinking fund cash and investments.....	784	-	-	784	205
Accounts and interest receivable.....	379	-	-	379	47
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	-	32	610	642	25,218
Other capital assets, net of depreciation.....	-	214	4,069	4,283	200,051
Total Noncurrent Assets.....	<u>1,163</u>	<u>246</u>	<u>4,679</u>	<u>6,088</u>	<u>225,521</u>
<b>TOTAL ASSETS.....</b>	<u>4,570</u>	<u>373</u>	<u>4,944</u>	<u>9,887</u>	<u>231,114</u>
<b><u>LIABILITIES</u></b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	2,623	4	122	2,749	3,094
Contracts payable.....	-	-	-	-	7
Accrued compensated absences, current portion....	-	12	-	12	28
Deposits held for construction and events.....	1,162	-	-	1,162	252
Deferred revenue.....	230	-	19	249	54
Total Current Liabilities.....	<u>4,015</u>	<u>16</u>	<u>141</u>	<u>4,172</u>	<u>3,435</u>
<b>NONCURRENT LIABILITIES:</b>					
Notes payable .....	-	-	73	73	-
Accrued compensated absences.....	-	29	-	29	12
Total Noncurrent Liabilities.....	<u>-</u>	<u>29</u>	<u>73</u>	<u>102</u>	<u>12</u>
<b>TOTAL LIABILITIES.....</b>	<u>4,015</u>	<u>45</u>	<u>214</u>	<u>4,274</u>	<u>3,447</u>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	-	246	4,679	4,925	225,269
Restricted - others.....	784	-	-	784	205
Unrestricted.....	(229)	82	51	(96)	2,193
<b>TOTAL NET ASSETS.....</b>	<u>\$ 555</u>	<u>\$ 328</u>	<u>\$ 4,730</u>	<u>\$ 5,613</u>	<u>\$ 227,667</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF REVENUE, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2003	2002
<b>OPERATING REVENUE:</b>					
Charges for services.....	\$ 8,183	\$ 416	\$ 1,118	\$ 9,717	\$ 11,168
Total Operating Revenue.....	<u>8,183</u>	<u>416</u>	<u>1,118</u>	<u>9,717</u>	<u>11,168</u>
<b>OPERATING EXPENSES:</b>					
Personal services.....	7,705	389	863	8,957	9,344
Supplies and materials.....	2,100	15	153	2,268	2,304
Central services.....	-	15	-	15	164
Interdepartmental charges.....	776	-	-	776	471
Other services and charges.....	4,947	120	709	5,776	4,749
Depreciation and amortization.....	-	38	315	353	6,016
Total Operating Expenses.....	<u>15,528</u>	<u>577</u>	<u>2,040</u>	<u>18,145</u>	<u>23,048</u>
<b>OPERATING LOSS.....</b>	<u>(7,345)</u>	<u>(161)</u>	<u>(922)</u>	<u>(8,428)</u>	<u>(11,880)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>					
Interest revenue.....	12	5	5	22	88
Other.....	(35)	(2)	13	(24)	2,383
Total Non-Operating Revenue (Expenses).....	<u>(23)</u>	<u>3</u>	<u>18</u>	<u>(2)</u>	<u>2,471</u>
<b>LOSS BEFORE CONTRIBUTIONS AND TRANSFERS.....</b>	<u>(7,368)</u>	<u>(158)</u>	<u>(904)</u>	<u>(8,430)</u>	<u>(9,409)</u>
Capital contributions.....	-	-	-	-	1,371
Transfers in.....	7,520	-	748	8,268	4,695
Transfers out.....	<u>(221,892)</u>	<u>-</u>	<u>-</u>	<u>(221,892)</u>	<u>(960)</u>
<b>CHANGES IN NET ASSETS.....</b>	<u>(221,740)</u>	<u>(158)</u>	<u>(156)</u>	<u>(222,054)</u>	<u>(4,303)</u>
<b>TOTAL NET ASSETS, BEGINNING OF YEAR.....</b>	<u>222,295</u>	<u>486</u>	<u>4,886</u>	<u>227,667</u>	<u>231,970</u>
<b>TOTAL NET ASSETS, END OF YEAR.....</b>	<u>\$ 555</u>	<u>\$ 328</u>	<u>\$ 4,730</u>	<u>\$ 5,613</u>	<u>\$ 227,667</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts to customers.....	\$ 9,487	\$ 670	\$ 1,090	\$ 11,247	\$ 9,993
Payments to suppliers.....	(7,112)	(330)	(970)	(8,412)	(6,247)
Payments to employees.....	(7,705)	(388)	(863)	(8,956)	(9,329)
Other receipts (expenses).....	(35)	(2)	13	(24)	2388
Other operating cash payments.....	(776)	-	-	(776)	(471)
<b>NET CASH USED IN OPERATING ACTIVITIES.....</b>	<b>(6,141)</b>	<b>(50)</b>	<b>(730)</b>	<b>(6,921)</b>	<b>(3,666)</b>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash received through operating transfers from other funds....	7,520	-	748	8,268	4,695
Cash received from capital contributions.....	-	-	-	-	1,366
Cash payments through operating transfers to other funds.....	(221,892)	-	-	(221,892)	(960)
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>(214,372)</b>	<b>-</b>	<b>748</b>	<b>(213,624)</b>	<b>5,101</b>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Additions to property, plant and equipment.....	-	(38)	(315)	(353)	(6,016)
Proceeds from sale of property, plant and equipment.....	220,381	(167)	129	220,343	3,829
Proceeds from notes payable.....	-	-	73	73	-
<b>NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>\$ 220,381</b>	<b>(\$ 205)</b>	<b>(\$ 113)</b>	<b>\$ 220,063</b>	<b>(\$ 2,187)</b>
<b>INVESTING ACTIVITIES:</b>					
Interest and dividends on investments.....	\$ 12	\$ 5	\$ 5	\$ 22	\$ 88
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES..</b>	<b>12</b>	<b>5</b>	<b>5</b>	<b>22</b>	<b>88</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>					
	(120)	(250)	(90)	(460)	(664)
Cash and cash equivalents at October 1.....	2,570	334	229	3,133	3,797
Cash and cash equivalents at September 30.....	\$ 2,450	\$ 84	\$ 139	\$ 2,673	\$ 3,133

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2003	2002
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS).....	(\$ 7,345)	(\$ 161)	(\$ 922)	(\$ 8,428)	(\$ 11,880)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:					
Depreciation and amortization.....	-	38	315	353	6,016
Other non-operating revenue/(expenses).....	(35)	(2)	13	(24)	2,388
Change in assets and liabilities:					
Decrease (increase) in receivables and other current assets, net.....	1,110	73	(13)	1,170	(932)
Decrease (increase) in due from independent Increase (decrease) in due from other governments.....	-	181	-	181	(203)
Decrease (increase) in inventories.....	-	(1)	-	(1)	-
(Increase) in prepaid expenses.....	(5)	-	(11)	(16)	(14)
Increase in accounts payable and accrued expenses.....	(58)	(179)	(108)	(345)	963
Increase (decrease) in contracts payable.....	(7)	-	-	(7)	7
(Decrease) in deferred revenue.....	199	-	(4)	195	(26)
Increase in accrued compensated absences.....	-	1	-	1	15
TOTAL ADJUSTMENTS.....	1,204	111	192	1,507	8,214
NET CASH (USED IN) OPERATING ACTIVITIES.....	<u>(\$ 6,141)</u>	<u>(\$ 50)</u>	<u>(\$ 730)</u>	<u>(\$ 6,921)</u>	<u>(\$ 3,666)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Change in the fair value of investments.....	\$ 1	(\$ 1)	\$ -	\$ -	\$ 3
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>\$ 1</u>	<u>(\$ 1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>

See accompanying notes.



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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.



**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS (in thousands)  
SEPTEMBER 30, 2003**

<u>ASSETS</u>	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
<b>CURRENT ASSETS:</b>			
Equity in cash and investments.....	\$ 70,994	\$ 239	\$ 17,127
Accounts receivable.....	-	-	-
Other receivables.....	-	-	-
Due from other funds.....	2	-	11
Due from independent agencies and other governments.....	1,173	-	381
Advances to other funds.....	-	-	-
Inventories.....	1,019	-	396
Prepaid expenses and other assets.....	-	-	-
<b>Total Current Assets.....</b>	<b>73,188</b>	<b>239</b>	<b>17,915</b>
<b>NONCURRENT ASSETS:</b>			
Other receivables - noncurrent.....	-	-	-
<b>Total Noncurrent Assets.....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL ASSETS AND INFRASTRUCTURE (Note 1)</b>			
Land and work in progress.....	36	-	22
Other capital assets, net of depreciation	42,544	-	20,627
<b>Total Capital Assets, Net.....</b>	<b>42,580</b>	<b>-</b>	<b>20,649</b>
<b>TOTAL ASSETS.....</b>	<b>115,768</b>	<b>239</b>	<b>38,564</b>
 <b><u>LIABILITIES</u></b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	1,195	51	1,497
Due to other funds.....	-	-	-
Due to independent agencies and other governments.....	-	-	-
Capitalized lease obligations, current portion.....	-	-	3,566
Deposits.....	-	-	-
Deferred revenue.....	-	-	-
Accrued compensated absences, current portion.....	254	15	338
<b>Total Current Liabilities.....</b>	<b>1,449</b>	<b>66</b>	<b>5,401</b>
<b>NONCURRENT LIABILITIES:</b>			
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	592	35	788
Capitalized lease obligations.....	-	-	15,889
<b>Total Long-Term Liabilities.....</b>	<b>592</b>	<b>35</b>	<b>16,677</b>
<b>TOTAL LIABILITIES.....</b>	<b>2,041</b>	<b>101</b>	<b>22,078</b>
<b>NET ASSETS:</b>			
Invested in capital assets.....	42,580	-	20,649
Unrestricted (deficit).....	71,147	138	(4,163)
<b>TOTAL NET ASSETS.....</b>	<b>\$ 113,727</b>	<b>\$ 138</b>	<b>\$ 16,486</b>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>	
				<u>2003</u>	<u>2002</u>
\$ 1,299	\$ 20,422	\$ 4,737	\$ -	\$ 114,818	\$ 134,837
-	107	76	-	183	188
-	2,618	-	-	2,618	56
18	2,460	-	1,321	3,812	5,362
423	3,264	-	180	5,421	3,101
-	12,082	-	-	12,082	12,593
-	-	-	-	1,415	1,406
-	-	-	1,543	1,543	2,059
<u>1,740</u>	<u>40,953</u>	<u>4,813</u>	<u>3,044</u>	<u>141,892</u>	<u>159,602</u>
-	16,465	-	-	16,465	-
-	16,465	-	-	16,465	-
-	-	-	-	58	58
57	4	16	29	63,277	63,773
57	4	16	29	63,335	63,831
<u>1,797</u>	<u>57,422</u>	<u>4,829</u>	<u>3,073</u>	<u>221,692</u>	<u>223,433</u>
98	246	4,266	737	8,090	8,264
-	-	-	158	158	2,444
504	555	-	-	1,059	16
-	-	-	-	3,566	3,252
-	-	2	-	2	-
-	-	-	1,694	1,694	269
261	13	29	9	919	2,239
<u>863</u>	<u>814</u>	<u>4,297</u>	<u>2,598</u>	<u>15,488</u>	<u>16,484</u>
-	52,998	-	-	52,998	53,587
608	31	67	20	2,141	710
-	-	-	-	15,889	15,192
<u>608</u>	<u>53,029</u>	<u>67</u>	<u>20</u>	<u>71,028</u>	<u>69,489</u>
<u>1,471</u>	<u>53,843</u>	<u>4,364</u>	<u>2,618</u>	<u>86,516</u>	<u>85,973</u>
57	4	16	29	63,335	45,387
269	3,575	449	426	71,841	92,073
<u>\$ 326</u>	<u>\$ 3,579</u>	<u>\$ 465</u>	<u>\$ 455</u>	<u>\$ 135,176</u>	<u>\$ 137,460</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUE, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<b>FLEET MANAGEMENT</b>	<b>COPY CENTER</b>	<b>INFORMATION TECHNOLOGIES</b>
<b>OPERATING REVENUE:</b>			
Charges for services.....	\$ 34,887	\$ 1,184	\$ 28,744
Charges for services for independent authorities.....	6,420	3	2,699
Other.....	47	-	603
Total Operating Revenue.....	<u>41,354</u>	<u>1,187</u>	<u>32,046</u>
<b>OPERATING EXPENSES:</b>			
Personal services.....	7,441	219	8,960
Supplies and materials.....	11,503	553	738
Central services.....	680	36	1,426
Other services and charges.....	4,046	340	16,226
Depreciation.....	15,146	-	5,674
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	74	1	58
Total Operating Expenses.....	<u>38,890</u>	<u>1,149</u>	<u>33,082</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>2,464</u>	<u>38</u>	<u>(1,036)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>			
Interest revenue.....	1,219	(1)	298
Other.....	725	(61)	(1,044)
Total Non-Operating Revenue (Expenses) .....	<u>1,944</u>	<u>(62)</u>	<u>(746)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS.....</b>			
	4,408	(24)	(1,782)
Capital contributions.....	-	-	-
Transfers in.....	3,491	-	-
Transfers out.....	-	(238)	(658)
<b>CHANGE IN NET ASSETS.....</b>	<u>7,899</u>	<u>(262)</u>	<u>(2,440)</u>
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<u>105,828</u>	<u>400</u>	<u>18,926</u>
<b>NET ASSETS, END OF YEAR.....</b>	<u>\$ 113,727</u>	<u>\$ 138</u>	<u>\$ 16,486</u>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>	
				<u>2003</u>	<u>2002</u>
\$ 4,824	\$ 14,849	\$ 49,596	\$ 7,795	\$ 141,879	\$ 131,522
1,806	6,232	-	-	17,160	15,639
3	1	16	-	670	404
<u>6,633</u>	<u>21,082</u>	<u>49,612</u>	<u>7,795</u>	<u>159,709</u>	<u>147,565</u>
5,183	584	672	441	23,500	22,484
116	50	40	9	13,009	11,388
445	1,014	405	37	4,043	4,310
1,629	3,402	444	520	26,607	26,461
18	3	8	48	20,897	17,544
25	-	-	-	25	25
-	14,112	-	-	14,112	12,079
9	917	48,532	7,152	56,743	49,737
<u>7,425</u>	<u>20,082</u>	<u>50,101</u>	<u>8,207</u>	<u>158,936</u>	<u>144,028</u>
<u>(792)</u>	<u>1,000</u>	<u>(489)</u>	<u>(412)</u>	<u>773</u>	<u>3,537</u>
30	634	94	-	2,274	3,510
<u>(236)</u>	<u>(503)</u>	<u>(326)</u>	<u>(79)</u>	<u>(1,524)</u>	<u>(1,401)</u>
<u>(206)</u>	<u>131</u>	<u>(232)</u>	<u>(79)</u>	<u>750</u>	<u>2,109</u>
(998)	1,131	(721)	(491)	1,523	5,646
-	-	-	-	-	157
75	1,072	600	220	5,458	4,172
<u>(886)</u>	<u>(7,483)</u>	<u>-</u>	<u>-</u>	<u>(9,265)</u>	<u>(11,567)</u>
(1,809)	(5,280)	(121)	(271)	(2,284)	(1,592)
<u>2,135</u>	<u>8,859</u>	<u>586</u>	<u>726</u>	<u>137,460</u>	<u>139,052</u>
<u>\$ 326</u>	<u>\$ 3,579</u>	<u>\$ 465</u>	<u>\$ 455</u>	<u>\$ 135,176</u>	<u>\$ 137,460</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers.....	\$ 41,310	\$ 1,187	\$ 31,886
Payments to suppliers.....	(16,513)	(915)	(18,285)
Payments to employees.....	(7,483)	(215)	(8,912)
Internal activity- payments to other funds.....	-	-	-
Other receipts.....	725	(61)	(1,044)
Other operating cash payments.....	<u>6</u>	<u>-</u>	<u>(5)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>18,045</u>	<u>(4)</u>	<u>3,640</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash received through operating transfers from other funds.....	3,491	-	-
Cash payments through operating transfers to other funds.....	<u>-</u>	<u>(238)</u>	<u>(658)</u>
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	<u>3,491</u>	<u>(238)</u>	<u>(658)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Additions to property, plant and equipment.....	(15,336)	-	(5,025)
Additions to contributed capital assets.....	-	-	-
Increase in capitalized lease obligations.....	-	-	314
Principal paid on long-term obligations.....	<u>-</u>	<u>-</u>	<u>697</u>
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(15,336)</u>	<u>-</u>	<u>(4,014)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends.....	<u>1,219</u>	<u>(1)</u>	<u>298</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>1,219</u>	<u>(1)</u>	<u>298</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	7,419	(243)	(734)
Cash and cash equivalents at October 1.....	<u>63,575</u>	<u>482</u>	<u>17,861</u>
Cash and cash equivalents at September 30.....	<u>\$ 70,994</u>	<u>\$ 239</u>	<u>\$ 17,127</u>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>	
				<u>2003</u>	<u>2002</u>
\$ 6,598	\$ 605	\$ 49,621	\$ 8,187	\$ 139,394	\$ 145,030
(2,491)	(6,319)	(49,021)	(7,064)	(100,608)	(88,894)
(5,102)	(575)	(656)	(446)	(23,389)	(22,506)
-	-	-	(2,286)	(2,286)	2,444
(236)	(503)	(326)	(79)	(1,524)	(1,249)
496	(12,648)	-	1,468	(10,683)	(17,361)
<u>(735)</u>	<u>(19,440)</u>	<u>(382)</u>	<u>(220)</u>	<u>904</u>	<u>17,464</u>
75	1,072	600	220	5,458	4,172
<u>(886)</u>	<u>(7,483)</u>	<u>-</u>	<u>-</u>	<u>(9,265)</u>	<u>(11,567)</u>
<u>(811)</u>	<u>(6,411)</u>	<u>600</u>	<u>220</u>	<u>(3,807)</u>	<u>(7,395)</u>
(37)	(2)	(1)	-	(20,401)	(37,479)
-	-	-	-	-	7
-	-	-	-	314	2,713
-	-	-	-	697	13,860
<u>(37)</u>	<u>(2)</u>	<u>(1)</u>	<u>-</u>	<u>(19,390)</u>	<u>(20,899)</u>
30	634	94	-	2,274	3,510
<u>30</u>	<u>634</u>	<u>94</u>	<u>-</u>	<u>2,274</u>	<u>3,510</u>
(1,553)	(25,219)	311	-	(20,019)	(7,320)
<u>2,852</u>	<u>45,641</u>	<u>4,426</u>	<u>-</u>	<u>134,837</u>	<u>142,157</u>
<u>\$ 1,299</u>	<u>\$ 20,422</u>	<u>\$ 4,737</u>	<u>\$ -</u>	<u>\$ 114,818</u>	<u>\$ 134,837</u>

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS (in thousands; continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<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) .....	\$ 2,464	\$ 38	(\$ 1,036)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	15,146	-	5,674
Other non-operating revenue/(expenses).....	725	(61)	(1,044)
Change in assets and liabilities:			
Decrease (increase) in receivables and other current assets, net.....	-	-	-
Decrease (increase) in due from other funds.....	6	-	(5)
Decrease (increase) in due from independent agencies and other governments.....	(44)	-	(160)
Decrease (increase) in inventories.....	29	-	(38)
(Increase) in receivables-non-current.....	-	-	-
Decrease (increase) in prepaid expenses.....	-	-	-
Increase (decrease) in accounts payable and accrued expenses.....	(239)	15	201
Increase (decrease) in due to other funds.....	-	-	-
Increase (decrease) in compensated absences.....	(42)	4	48
Increase in due to independent agencies.....	-	-	-
Increase in deposits .....	-	-	-
Increase in deferred revenue.....	-	-	-
(Decrease) in liability for self-insured losses.....	-	-	-
TOTAL ADJUSTMENTS.....	<u>15,581</u>	<u>(42)</u>	<u>4,676</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>\$ 18,045</u>	<u>\$ (4)</u>	<u>\$ 3,640</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	\$ 2	(\$ 1)	\$ -
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>\$ 2</u>	<u>(\$ 1)</u>	<u>\$ -</u>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>	
				<u>2003</u>	<u>2002</u>
<u>(\$ 792)</u>	<u>\$ 1,000</u>	<u>(\$ 489)</u>	<u>(\$ 412)</u>	<u>\$ 773</u>	<u>\$ 3,537</u>
18	3	8	48	20,897	17,544
(236)	(503)	(326)	(79)	(1,524)	(1,249)
-	(2,598)	(15)	56	(2,557)	43
(8)	2,025	-	43	2,061	(1,858)
(35)	(1,925)	24	(180)	(2,320)	(1,009)
-	-	-	-	(9)	(18)
-	(16,465)	-	-	(16,465)	-
-	-	-	516	516	(2,059)
(267)	(936)	398	654	(174)	3,045
-	539	-	(2,286)	(1,747)	2,444
81	9	16	(5)	111	(22)
504	-	-	-	504	-
-	-	2	-	2	-
-	-	-	1,425	1,425	269
-	(589)	-	-	(589)	(3,203)
<u>57</u>	<u>(20,440)</u>	<u>107</u>	<u>192</u>	<u>131</u>	<u>13,927</u>
<u>\$ (735)</u>	<u>(\$ 19,440)</u>	<u>\$ (382)</u>	<u>(\$ 220)</u>	<u>\$ 904</u>	<u>\$ 17,464</u>
<u>(\$ 6)</u>	<u>(\$ 150)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 155)</u>	<u>\$ 125</u>
<u>(\$ 6)</u>	<u>(\$ 150)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 155)</u>	<u>\$ 125</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 General Employees Pension Trust Fund** includes resources accumulated to pay present and future retirement annuities to eligible employees of the City except for employees of the Office of the Sheriff and City 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.

**The Clerk of the Circuit Court Fund** accounts for assets and liabilities from revenues collected on behalf of the State and City by the Court System for various judgements, fines, bonds, fees and licenses, and other miscellaneous amounts.



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**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 (in thousands)**  
**SEPTEMBER 30, 2003**

	<b>PENSION TRUST FUNDS</b>			
	<b>GENERAL EMPLOYEES PENSION PLAN</b>	<b>POLICE AND FIRE PENSION PLAN</b>	<b>TOTALS</b>	
			<b>2003</b>	<b>2002</b>
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 12,049	\$ 29,772	\$ 41,821	\$ 115,833
Receivables (net, where applicable, of allowances for uncollectible):				
Interest and dividends.....	5,603	3,868	9,471	10,518
Accounts.....	-	24	24	45
Total receivables.....	<u>5,603</u>	<u>3,892</u>	<u>9,495</u>	<u>10,563</u>
Investments, at fair value:				
U.S. Government obligations.....	316,021	184,533	500,554	471,441
Municipal Bonds.....	892	4,090	4,982	1,114
Domestic corporate bonds.....	228,021	121,244	349,265	357,542
Commercial paper.....	-	-	-	5,996
Domestic stocks.....	777,879	413,040	1,190,919	886,122
International stocks.....	98,012	43,801	141,813	159,218
Real Estate.....	-	7,810	7,810	7,250
Total investments.....	<u>1,420,825</u>	<u>774,518</u>	<u>2,195,343</u>	<u>1,888,683</u>
Capital assets:				
Other capital assets, net of depreciation.....	35	174	209	318
Net capital assets.....	<u>35</u>	<u>174</u>	<u>209</u>	<u>318</u>
<b>TOTAL ASSETS.....</b>	<u><b>1,438,512</b></u>	<u><b>808,356</b></u>	<u><b>2,246,868</b></u>	<u><b>2,015,397</b></u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	1,944	783	2,727	3,308
Current portion of long-term liabilities.....	-	-	-	31
Accrued Compensated Absences.....	4	42	46	42
Due to Drop Participants.....	-	103,462	103,462	77,538
<b>TOTAL LIABILITIES.....</b>	<u><b>1,948</b></u>	<u><b>104,287</b></u>	<u><b>106,235</b></u>	<u><b>80,919</b></u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS....</b>	<u><b>\$ 1,436,564</b></u>	<u><b>\$ 704,069</b></u>	<u><b>\$ 2,140,633</b></u>	<u><b>\$ 1,934,478</b></u>
(See schedule of funding progress on pages 148 - 149.)				

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION TRUST FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<b>PENSION TRUST FUNDS</b>			
	<b>GENERAL EMPLOYEES PENSION PLAN</b>	<b>POLICE AND FIRE PENSION PLAN</b>	<b>TOTALS</b>	
			<b>2003</b>	<b>2002</b>
<b><u>ADDITIONS</u></b>				
Contributions:				
Employer.....	\$ 7	\$ 9,734	\$ 9,741	\$ 9,619
Plan Member.....	17,377	8,597	25,974	24,524
Total contributions.....	<u>17,384</u>	<u>18,331</u>	<u>35,715</u>	<u>34,143</u>
Other additions:				
State insurance contributions.....	-	5,855	5,855	5,222
Court fines & penalties.....	-	3,041	3,041	3,117
Parking revenues.....	-	132	132	155
Miscellaneous.....	7	31	38	89
Gain/Loss on Sale of Fixed Assets.....	(4)	-	(4)	104
Total other additions.....	<u>3</u>	<u>9,059</u>	<u>9,062</u>	<u>8,687</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments.....	170,804	87,584	258,388	(182,096)
Interest.....	31,130	15,649	46,779	55,780
Dividends.....	8,463	7,012	15,475	15,281
Rebate of Commissions.....	218	481	699	726
Rental Income.....	-	574	574	493
Earnings other Miscellaneous.....	575	404	979	1,037
Total investment income.....	<u>211,190</u>	<u>111,704</u>	<u>322,894</u>	<u>(108,779)</u>
Less investment expense.....	(4,348)	(3,266)	(7,614)	(7,359)
Less rental expense.....	-	(110)	(110)	(135)
Net investment income.....	<u>206,842</u>	<u>108,328</u>	<u>315,170</u>	<u>(116,273)</u>
<b>TOTAL ADDITIONS.....</b>	<u>224,229</u>	<u>135,718</u>	<u>359,947</u>	<u>(73,443)</u>
<b><u>DEDUCTIONS</u></b>				
Benefits payments.....	79,297	69,640	148,937	140,661
Refunds of contributions.....	2,539	233	2,772	2,356
Operating transfers out.....	-	106	106	123
Administrative expenses.....	681	1,296	1,977	3,482
<b>TOTAL DEDUCTIONS.....</b>	<u>82,517</u>	<u>71,275</u>	<u>153,792</u>	<u>146,622</u>
Net change in net assets.....	141,712	64,443	206,155	(220,065)
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<u>1,294,852</u>	<u>639,626</u>	<u>1,934,478</u>	<u>2,154,543</u>
<b>NET ASSETS, END OF YEAR.....</b>	<u>\$ 1,436,564</u>	<u>\$ 704,069</u>	<u>\$ 2,140,633</u>	<u>\$ 1,934,478</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS (in thousands)**  
**SEPTEMBER 30, 2003**

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	<u>TREASURER</u>	<u>TAX COLLECTOR</u>	<u>CLERK OF THE CIRCUIT COURT</u>
<b>ASSETS:</b>			
Equity in cash and investments.....	\$ 393	\$ 11,222	\$ 17,490
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts.....	<u>93</u>	<u>3,389</u>	<u>110</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$ 486</u></b>	<b><u>\$ 14,611</u></b>	<b><u>\$ 17,600</u></b>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	\$ 486	\$ -	\$ -
Due to independent agencies and other governments.....	-	4,604	5,756
Due to individuals.....	-	573	1,796
Deposits held in escrow.....	<u>-</u>	<u>9,434</u>	<u>10,048</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 486</u></b>	<b><u>\$ 14,611</u></b>	<b><u>\$ 17,600</u></b>

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<u>PLAT DEPOSITS</u>	<u>DUVAL CO SCHOOL READINESS COALITION</u>	<u>FLORIDA RETIREMENT SYSTEM</u>	<u>TOTALS</u>	
			<u>2003</u>	<u>2002</u>
\$ 374	\$ 22	\$ 22	\$ 29,523	\$ 28,959
<u>-</u>	<u>1</u>	<u>-</u>	<u>3,593</u>	<u>3,377</u>
<u>\$ 374</u>	<u>\$ 23</u>	<u>\$ 22</u>	<u>\$ 33,116</u>	<u>\$ 32,336</u>
\$ -	\$ 23	\$ -	\$ 509	\$ 175
-	-	22	10,382	8,543
-	-	-	2,369	2,111
<u>374</u>	<u>-</u>	<u>-</u>	<u>19,856</u>	<u>21,507</u>
<u>\$ 374</u>	<u>\$ 23</u>	<u>\$ 22</u>	<u>\$ 33,116</u>	<u>\$ 32,336</u>



**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>BALANCE OCTOBER 1, 2002</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2003</u>
<b><u>TREASURER</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 47	\$ 534,034	\$ 533,688	\$ 393
Accounts receivable.....	<u>88</u>	<u>42</u>	<u>37</u>	<u>93</u>
TOTAL ASSETS.....	<u>\$ 135</u>	<u>\$ 534,076</u>	<u>\$ 533,725</u>	<u>\$ 486</u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	<u>\$ 135</u>	<u>\$ 698,244</u>	<u>\$ 697,893</u>	<u>\$ 486</u>
TOTAL LIABILITIES.....	<u>\$ 135</u>	<u>\$ 698,244</u>	<u>\$ 697,893</u>	<u>\$ 486</u>
<b><u>TAX COLLECTOR</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 11,709	\$ 574,863	\$ 575,350	\$ 11,222
Accounts receivable.....	<u>3,176</u>	<u>213</u>	<u>-</u>	<u>3,389</u>
TOTAL ASSETS.....	<u>\$ 14,885</u>	<u>\$ 575,076</u>	<u>\$ 575,350</u>	<u>\$ 14,611</u>
<b><u>LIABILITIES</u></b>				
Due to independent agencies and other governments.....	\$ 4,529	\$ 5,307	\$ 5,232	\$ 4,604
Due to individuals.....	323	800	550	573
Deposits held in escrow.....	<u>10,033</u>	<u>580,980</u>	<u>581,579</u>	<u>9,434</u>
TOTAL LIABILITIES.....	<u>\$ 14,885</u>	<u>\$ 587,087</u>	<u>\$ 587,361</u>	<u>\$ 14,611</u>

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>BALANCE OCTOBER 1, 2002</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2003</u>
<b><u>CLERK OF THE CIRCUIT COURT</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 16,730	\$ 20,013	\$ 19,253	\$ 17,490
Accounts receivable.....	113	123	126	110
TOTAL ASSETS.....	<u>\$ 16,843</u>	<u>\$ 20,136</u>	<u>\$ 19,379</u>	<u>\$ 17,600</u>
<b><u>LIABILITIES</u></b>				
Due to independent agencies and other governments.....	\$ 3,979	\$ 4,897	\$ 3,120	\$ 5,756
Due to individuals.....	1,788	1,922	1,914	1,796
Deposits held in escrow.....	11,076	5,747	6,775	10,048
TOTAL LIABILITIES.....	<u>\$ 16,843</u>	<u>\$ 12,566</u>	<u>\$ 11,809</u>	<u>\$ 17,600</u>
<b><u>PLAT DEPOSITS</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 398	\$ 43	\$ 67	\$ 374
TOTAL ASSETS.....	<u>\$ 398</u>	<u>\$ 43</u>	<u>\$ 67</u>	<u>\$ 374</u>
<b><u>LIABILITIES</u></b>				
Deposits held in escrow.....	\$ 398	\$ 43	\$ 67	\$ 374
TOTAL LIABILITIES.....	<u>\$ 398</u>	<u>\$ 43</u>	<u>\$ 67</u>	<u>\$ 374</u>
<b><u>DUVAL CO SCHOOL READINESS COALITION</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 40	\$ 26,846	\$ 26,864	\$ 22
Accounts receivable.....	-	1	-	1
TOTAL ASSETS.....	<u>\$ 40</u>	<u>\$ 26,847</u>	<u>\$ 26,864</u>	<u>\$ 23</u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	\$ 40	\$ 27,718	\$ 27,735	\$ 23
TOTAL LIABILITIES.....	<u>\$ 40</u>	<u>\$ 27,718</u>	<u>\$ 27,735</u>	<u>\$ 23</u>

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>BALANCE OCTOBER 1, 2002</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2003</u>
<b><u>FLORIDA RETIREMENT SYSTEM</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 35	\$ 389	\$ 402	\$ 22
TOTAL ASSETS.....	<u>\$ 35</u>	<u>\$ 389</u>	<u>\$ 402</u>	<u>\$ 22</u>
<b><u>LIABILITIES</u></b>				
Due to independent agencies and other governments....	\$ 35	\$ 362	\$ 375	\$ 22
TOTAL LIABILITIES.....	<u>\$ 35</u>	<u>\$ 362</u>	<u>\$ 375</u>	<u>\$ 22</u>
 <b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 28,959	\$ 1,156,188	\$ 1,155,624	\$ 29,523
Accounts receivable.....	3,377	379	163	3,593
TOTAL ASSETS.....	<u>\$ 32,336</u>	<u>\$ 1,156,567</u>	<u>\$ 1,155,787</u>	<u>\$ 33,116</u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	\$ 175	\$ 725,962	\$ 725,628	\$ 509
Due to independent agencies and other governments....	8,543	10,566	8,727	10,382
Due to individuals.....	2,111	2,722	2,464	2,369
Deposits held in escrow.....	21,507	586,770	588,421	19,856
TOTAL LIABILITIES.....	<u>\$ 32,336</u>	<u>\$ 1,326,020</u>	<u>\$ 1,325,240</u>	<u>\$ 33,116</u>

See accompanying notes.

## 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 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 Airport Authority** manages and operates the City's aviation/airport facilities.

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

### NON-MAJOR COMPONENT UNITS:

**The Duval County 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.

**The Downtown Vision, Inc.** provides community enhancements, such as, security, hospitality and clean teams, within the downtown area.

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF NET ASSETS -  
COMPONENT UNITS (in thousands)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<b>MAJOR COMPONENT UNITS</b>			
	<b>JEA</b>	<b>JACKSONVILLE TRANSPORTATION AUTHORITY</b>	<b>JACKSONVILLE AIRPORT AUTHORITY</b>	<b>JACKSONVILLE PORT AUTHORITY</b>
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 467,630	\$ 25,417	\$ 20,870	\$ 36,736
Investments.....	374,830	188,355	17,347	1,344
Due from primary government.....	-	-	-	3,600
Due from other governmental agencies.....	-	29,390	-	-
Accounts and interest receivable.....	160,050	1,172	5,352	2,371
Mortgage receivables.....	-	-	-	-
Other receivables.....	-	-	6,761	5,121
Inventories.....	105,087	1,952	1,064	1,221
Other assets.....	458,152	730	1,829	3,628
Bond issuance costs, net.....	-	-	-	2,017
Capital assets:				
Land and construction in progress.....	869,476	213,385	86,585	114,251
Buildings and improvements.....	-	130,058	446,500	284,207
Vehicles.....	-	64,605	-	-
Equipment.....	-	65,468	15,692	95,202
Electric plant in service.....	6,368,726	-	-	-
Other capital assets.....	-	-	2,054	-
Less: accumulated depreciation.....	(1,952,980)	(96,425)	(148,501)	(153,683)
Total capital assets, net of depreciation.....	<u>5,285,222</u>	<u>377,091</u>	<u>402,330</u>	<u>339,977</u>
Total assets.....	<u>6,850,971</u>	<u>624,107</u>	<u>455,553</u>	<u>396,015</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses.....	165,417	3,735	5,336	3,168
Deposits.....	17,043	-	-	-
Deferred revenue.....	-	993	-	-
Due to other governmental agencies.....	-	25	-	-
Interest payable.....	85,396	-	2,362	-
Other current liabilities.....	90,000	-	-	369
Other noncurrent liabilities.....	137,413	-	295	-
Liabilities payable with restricted assets.....	-	15,082	-	-
Long-term liabilities:				
Due within one year:				
Estimated liability for injury and damage claims.....	-	882	-	-
Bonds, notes payable, capital leases and contracts.....	115,495	21,000	6,334	8,904
Compensated absences.....	-	47	-	-
Due in more than one year:				
Estimated liability for injury and damage claims.....	-	3,131	-	-
Bonds, capital leases and commercial paper.....	4,701,916	-	127,573	86,144
Compensated absences.....	-	677	-	-
Total liabilities.....	<u>5,312,680</u>	<u>45,572</u>	<u>141,900</u>	<u>98,585</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	928,295	368,357	274,654	249,752
Restricted for:				
Capital projects.....	-	163,531	3,562	3,600
Debt service.....	-	-	8,044	7,393
Other purposes.....	376,438	-	6,486	-
Unrestricted.....	233,558	46,647	20,907	36,685
Total Net Assets.....	<u>\$ 1,538,291</u>	<u>\$ 578,535</u>	<u>\$ 313,653</u>	<u>\$ 297,430</u>

**NON-MAJOR COMPONENT UNITS**

<b>DUVAL COUNTY HOUSING FINANCE AUTHORITY</b>	<b>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</b>	<b>DOWNTOWN VISION, INC.</b>	<b>TOTAL</b>
\$ 6,111	\$ 11,443	\$ 607	\$ 568,814
-	-	-	581,876
-	-	-	3,600
-	979	-	30,369
-	-	631	169,576
9,907	-	-	9,907
-	17,762	-	29,644
-	-	-	109,324
2,211	-	5	466,555
-	-	-	2,017
-	-	-	1,283,697
-	-	-	860,765
-	-	-	64,605
63	116	129	176,670
-	-	-	6,368,726
-	-	-	2,054
(38)	(95)	(49)	(2,351,771)
<u>25</u>	<u>21</u>	<u>80</u>	<u>6,404,746</u>
<u>18,254</u>	<u>30,205</u>	<u>1,323</u>	<u>8,376,428</u>
2,234	168	89	180,147
-	546	-	17,589
-	17,762	-	18,755
-	-	-	25
-	-	-	87,758
-	-	-	90,369
-	-	-	137,708
-	-	-	15,082
-	-	-	882
-	-	-	151,733
-	-	-	47
-	-	-	3,131
-	-	-	4,915,633
-	-	-	677
<u>2,234</u>	<u>18,476</u>	<u>89</u>	<u>5,619,536</u>
25	21	-	1,821,104
-	-	-	170,693
-	-	-	15,437
-	-	-	382,924
15,995	11,708	1,234	366,734
<u>\$ 16,020</u>	<u>\$ 11,729</u>	<u>\$ 1,234</u>	<u>\$ 2,756,892</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF ACTIVITIES -  
 GOVERNMENTAL COMPONENT UNITS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

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	<u>PROGRAM REVENUES</u>			
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
<b>MAJOR COMPONENT UNITS</b>				
Jacksonville Transportation Authority.....	\$ 63,595	\$ -	\$ 1,432	\$ 94,174
<b>NON-MAJOR COMPONENT UNITS</b>				
Duval County Housing Finance Authority.....	1,501	-	328	-
Jacksonville Economic Development Commission.....	8,304	426	2,173	744
Downtown Vision, Inc.....	1,203	919	-	185
Total non-major component units.....	<u>\$ 74,603</u>	<u>\$ 1,345</u>	<u>\$ 3,933</u>	<u>\$ 95,103</u>
			General revenues:	
			Sales taxes.....	
			Unrestricted earnings on investments.....	
			Disposition of Fixed Assets.....	
			Other non-tax general revenues.....	
			Transfers.....	
			CHANGE IN NET ASSETS.....	
			BEGINNING NET ASSETS.....	
			ENDING NET ASSETS.....	

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See accompanying notes.

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**NET (EXPENSE) REVENUE AND  
CHANGES IN NET ASSETS**

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<u>JACKSONVILLE TRANSPORTATION AUTHORITY</u>	<u>DUVAL COUNTY HOUSING FINANCE AUTHORITY</u>	<u>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</u>	<u>DOWNTOWN VISION, INC.</u>
\$ 32,011	\$ -	\$ -	\$ -
-	(1,173)	-	-
-	-	(4,961)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(99)</u>
<u>32,011</u>	<u>(1,173)</u>	<u>(4,961)</u>	<u>(99)</u>
60,318	-	-	-
4,350	157	279	12
-	-	5,137	-
86	568	376	-
<u>(3,046)</u>	<u>-</u>	<u>-</u>	<u>-</u>
93,719	(448)	831	(87)
<u>276,624</u>	<u>16,468</u>	<u>10,898</u>	<u>1,321</u>
<u><u>\$ 370,343</u></u>	<u><u>\$ 16,020</u></u>	<u><u>\$ 11,729</u></u>	<u><u>\$ 1,234</u></u>



**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUE, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
BUSINESS-TYPE COMPONENT UNITS (in thousands)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003**

	<u>MAJOR COMPONENT UNITS</u>	
	<u>JEA</u>	<u>JACKSONVILLE TRANSPORTATION AUTHORITY</u>
<b>OPERATING REVENUE:</b>		
Charges for services.....	\$ 1,035,251	\$ 18,529
Other.....	-	356
Total Operating Revenue.....	<u>1,035,251</u>	<u>18,885</u>
<b>OPERATING EXPENSES:</b>		
Personal services.....	-	31,502
Supplies and materials.....	541,504	5,732
Other services and charges.....	98,371	24,478
Depreciation and amortization.....	281,888	14,252
Total Operating Expenses.....	<u>921,763</u>	<u>75,964</u>
<b>OPERATING LOSS.....</b>	<u>113,488</u>	<u>(57,079)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>		
Interest revenue.....	34,059	220
Interest expense.....	(198,326)	-
Payments from other governments.....	-	48,608
Contributions to other governments.....	-	-
Loss - defeasance.....	-	-
Gain on sales of assets.....	-	-
Other.....	42,577	-
Total Non-Operating Revenue (Expenses).....	<u>(121,690)</u>	<u>48,828</u>
<b>LOSS BEFORE CONTRIBUTIONS, EXTRAORDINARY ITEMS AND TRANSFERS.....</b>	<u>(8,202)</u>	<u>(8,251)</u>
Extraordinary item - government sale.....	-	-
Contributions.....	(19,324)	-
Transfers.....	-	3,046
<b>CHANGES IN NET ASSETS.....</b>	<u>(27,526)</u>	<u>(5,205)</u>
<b>TOTAL NET ASSETS, BEGINNING OF YEAR.....</b>	<u>1,565,817</u>	<u>213,397</u>
<b>TOTAL NET ASSETS, END OF YEAR.....</b>	<u>\$ 1,538,291</u>	<u>\$ 208,192</u>

See accompanying notes.

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<b>MAJOR COMPONENT UNITS</b>		
<b>JACKSONVILLE AIRPORT AUTHORITY</b>	<b>JACKSONVILLE PORT AUTHORITY</b>	<b>TOTAL</b>
\$ 38,492	\$ 30,293	\$ 1,122,565
5,042	712	6,110
<u>43,534</u>	<u>31,005</u>	<u>1,128,675</u>
14,035	10,769	56,306
10,603	2,797	560,636
4,721	3,773	131,343
18,166	14,868	329,174
<u>47,525</u>	<u>32,207</u>	<u>1,077,459</u>
<u>(3,991)</u>	<u>(1,202)</u>	<u>51,216</u>
709	540	35,528
(7,014)	(4,587)	(209,927)
1,178	3,600	53,386
(2,457)	-	(2,457)
-	(1,966)	(1,966)
-	51	51
7,989	31	50,597
<u>405</u>	<u>(2,331)</u>	<u>(74,788)</u>
<u>(3,586)</u>	<u>(3,533)</u>	<u>(23,572)</u>
-	16,042	16,042
19,251	10,704	10,631
-	-	3,046
15,665	23,213	6,147
<u>297,988</u>	<u>274,217</u>	<u>2,351,419</u>
<u>\$ 313,653</u>	<u>\$ 297,430</u>	<u>\$ 2,357,566</u>

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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.

**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands)**  
**SEPTEMBER 30, 2003**

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
<b>GENERAL OBLIGATION BONDS PAYABLE</b>			
<b>FROM AD VALOREM TAXES:</b>			
Duval County Certificates of Indebtedness of 1972.....	4.500-5.250%	4/1; 10/1	10/01/72
<b>TOTAL PAYABLE FROM AD VALOREM TAXES.....</b>			
<b>SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE</b>			
<b>SOURCES OTHER THAN AD VALOREM TAXES:</b>			
Excise Taxes Revenue Bonds, Series 1993.....	5.000-6.300%	4/1; 10/1	02/23/93
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	4.700-5.375%	4/1; 10/1	08/11/93
Capital Improvement Revenue Bonds, Series 1994.....	5.050-5.875%	4/1; 10/1	08/17/94
Sunshine State Governmental Finance Commission Bonds, Series 1994.....	9.200% (1)	Monthly	08/24/94
Capital Improvement Revenue Bonds, Series 1995.....	5.000-5.875%	4/1; 10/1	03/14/95
Sales Tax Revenue Bonds, Series 1995.....	5.000-6.000%	4/1; 10/1	06/28/95
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.875-5.125%	4/1; 10/1	01/04/96
Sunshine State Governmental Finance Commission Bonds, Series 1995A.....	4.750-5.650%	4/1; 10/1	10/05/95
Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT).....	4.600-5.750%	4/1; 10/1	10/05/95
Sales Tax Revenue Bonds, Series 1996.....	4.350-5.500%	4/1; 10/1	01/07/97
Excise Taxes Revenue Bonds, Series 1996B .....	4.750-4.900%	4/1; 10/1	11/05/96
Excise Taxes Revenue Bonds, Series 1996C .....	4.350-4.850%	4/1; 10/1	11/05/96
Capital Improvement Revenue Bonds, Series 1997.....	4.200-5.250%	4/1; 10/1	03/11/97
Capital Project Revenue Bonds, Series 1997-1.....	7.810% (1)	Monthly	01/22/98
Capital Project Revenue Bonds, Series 1997-2.....	8.890% (1)	Monthly	11/04/99
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	3.900-5.000%	4/1; 10/1	08/26/98
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A....	3.300-5.000%	4/1; 10/1	03/09/99
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	3.000-5.000%	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.....	4.000-5.125%	4/1; 10/1	04/01/02
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	4.250-5.500%	4/1; 10/1	07/03/02
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002..	3.000-5.375%	4/1; 10/1	07/03/02
Capital Improvement Revenue Bonds, Series 2002A.....	2.375-5.000%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	2.000-5.250%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	2.375-5.250%	4/1; 10/1	09/09/02
Excise Taxes Revenue Bonds, Series 2002B.....	2.500-5.375%	4/1; 10/1	11/26/02
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	3.000-5.375%	4/1; 10/1	12/16/02
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	3.000-5.000%	4/1; 10/1	07/03/03
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	2.000-5.250%	4/1; 10/1	07/03/03
Capital Project Revenue Bonds, Series 1997-3.....	7.900% (1)	Monthly	09/25/03
<b>TOTAL PAYABLE FROM SPECIFIC REVENUE SOURCES.....</b>			

- (1) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes.
- (2) Total authorization of \$99,000,000
- (3) Total authorization of \$130,000,000
- (4) Total authorization of \$90,300,000
- (5) Total authorization of \$70,000,000
- (6) Total authorization of \$750,000,000
- (7) Total authorization of \$1,500,000,000

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/02	<u>\$ 9,370</u>	<u>\$ 9,370</u>	<u>\$ 9,370</u>	<u>\$ -</u>
	<u>9,370</u>	<u>9,370</u>	<u>9,370</u>	<u>-</u>
10/01/20	43,605	43,605	35,835	7,770
10/01/09	35,085	35,085	32,655	2,430
10/01/19	74,995	74,995	32,930	42,065
09/15/06	10,075	9,825	6,925	2,900
10/01/25	27,855	27,855	1,880	25,975
10/01/05	100,000	100,000	88,950	11,050
10/01/09	7,580	7,580	-	7,580
10/01/11	9,050	9,050	-	9,050
10/01/15	15,945	15,945	5,475	10,470
10/01/18	65,640	65,640	54,565	11,075
10/01/02	57,150	57,150	57,150	-
10/01/06	4,055	4,055	2,080	1,975
10/01/25	8,285	8,285	810	7,475
10/01/17	99,000 (2)	30,000	3,465	26,535
10/01/22	N/A (2)	45,000	2,300	42,700
10/01/25	37,310	37,310	1,310	36,000
10/01/19	75,890	75,890	18,405	57,485
10/01/18	127,000	103,725	235	103,490
10/01/09	49,000	42,485	-	42,485
10/01/32	49,000	46,735	-	46,735
10/01/13	65,000	56,685	-	56,685
10/01/32	125,000	115,265	-	115,265
10/01/30	130,000 (3)	54,135	-	54,135
10/01/19	N/A (3)	42,170	-	42,170
10/01/25	N/A (3)	26,920	-	26,920
10/01/26	90,300 (4)	68,475	-	68,475
10/01/18	70,000	63,060	-	63,060
10/01/11	70,000 (5)	17,971	-	17,971
10/01/20	N/A (5)	34,540	-	34,540
10/01/25	N/A (2)	24,000	-	24,000
	<u>\$ 1,446,820</u>	<u>\$ 1,343,436</u>	<u>\$ 344,970</u>	<u>\$ 998,466</u>

(continued)

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)**  
**SEPTEMBER 30, 2003**

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
<b>SPECIAL OBLIGATION BONDS PAYABLE FROM OTHER SPECIFIC REVENUE</b>			
<b>SOURCES OTHER THAN AD VALOREM TAXES:</b>			
Transportation Revenue Bonds, Series 2001.....	3.000-5.250%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	3.000-5.500%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	2.000-5.250%	4/1; 10/1	02/19/03
Transportation Revenue Bonds, Series 2003 (Auction Rate Securities).....	4.010% (1) 35 day ARS		07/01/03
Transportation Revenue Bonds, Series 2003A (Auction Rate Securities).....	4.810% (1) 35 day ARS		09/25/03
Transportation Revenue Bonds, Series 2003B (Auction Rate Securities).....	4.810% (1) 35 day ARS		09/25/03
<b>TOTAL PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES.....</b>			
<b>TOTAL GENERAL AND SPECIAL OBLIGATION BONDS.....</b>			
<b>PAYABLE FROM ENTERPRISE FUNDS:</b>			
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	4.700-5.375%	4/1; 10/1	08/11/93
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.250-5.125%	4/1; 10/1	01/04/96
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	4.000-5.000%	4/1; 10/1	02/28/96
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B....	4.200-5.750%	4/1; 10/1	09/23/99
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	3.000-5.000%	4/1; 10/1	07/03/03
<b>TOTAL PAYABLE FROM ENTERPRISE FUNDS.....</b>			
<b>PAYABLE FROM GENERAL REVENUE:</b>			
U.S. Government Guaranteed Note Payable, Series 1994A (Vistakon).....	6.44 - 6.53 %	2/1; 8/1	03/02/94
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	8.24 - 9.03 %	2/1; 8/1	02/01/95
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	6.23 - 6.88 %	2/1; 8/1	12/18/96
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	6.23 - 7.03 %	2/1; 8/1	11/20/96
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	6.23 - 7.08 %	2/1; 8/1	02/19/97
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	6.23 - 6.78 %	2/1; 8/1	04/02/97
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	6.23 - 7.08 %	2/1; 8/1	10/28/97
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	6.23 - 7.03 %	2/1; 8/1	10/28/97
<b>TOTAL PAYABLE FROM GENERAL REVENUE.....</b>			
<b>TOTAL BONDED INDEBTEDNESS.....</b>			

- (1) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes.
- (2) Total authorization of \$99,000,000
- (3) Total authorization of \$130,000,000
- (4) Total authorization of \$90,300,000
- (5) Total authorization of \$70,000,000
- (6) Total authorization of \$750,000,000
- (7) Total authorization of \$1,500,000,000



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<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/31	\$ 750,000 (6)	\$ 179,280	\$ 110	\$ 179,170
10/01/30	1,500,000 (7)	218,430	5,625	212,805
10/01/30	N/A (7)	211,050	-	211,050
10/01/20	N/A (6)	47,775	-	47,775
10/01/32	N/A (6)	76,825	-	76,825
10/01/32	N/A (6)	76,800	-	76,800
	<u>2,250,000</u>	<u>810,160</u>	<u>5,735</u>	<u>804,425</u>
	<u>\$ 3,706,190</u>	<u>\$ 2,162,966</u>	<u>\$ 360,075</u>	<u>\$ 1,802,891</u>
10/01/11	\$ 14,780	\$ 14,780	\$ 13,910	\$ 870
10/01/09	12,270	12,270	550	11,720
10/01/16	19,965	19,965	1,990	17,975
10/01/16	40,835	40,835	4,260	36,575
10/01/11	N/A (5)	9,094	-	9,094
	<u>87,850</u>	<u>96,944</u>	<u>20,710</u>	<u>76,234</u>
08/01/03	10,000	10,000	10,000	-
08/01/14	3,845	3,845	310	3,535
08/01/12	1,065	1,065	395	670
08/01/15	2,850	2,850	350	2,500
08/01/16	1,700	1,700	650	1,050
08/01/10	700	700	265	435
08/01/16	775	775	75	700
08/01/15	550	550	65	485
	<u>21,485</u>	<u>21,485</u>	<u>12,110</u>	<u>9,375</u>
	<u>\$ 3,815,525</u>	<u>\$ 2,281,395</u>	<u>\$ 392,895</u>	<u>\$ 1,888,500</u>

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Unaudited - see accompanying independent auditors' report.

**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, 2003**

	<b>PRINCIPAL OUTSTANDING</b>
Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Taxes:	
Excise Taxes Revenue Bonds, Series 1993.....	\$ 7,770,140
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	2,430,000
Capital Improvement Revenue Bonds, Series 1994.....	42,065,000
Sunshine State Governmental Finance Commission Bonds, Series 1994.....	2,900,000
Capital Improvement Revenue Bonds, Series 1995.....	25,975,000
Sales Tax Revenue Bonds, Series 1995.....	11,050,000
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	7,580,000
Sunshine State Governmental Finance Commission Bonds, Series 1995A.....	9,050,000
Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT).....	10,470,000
Sales Taxes Revenue Bonds, Series 1996.....	11,075,000
Excise Taxes Revenue Bonds, Series 1996C.....	1,975,000
Capital Improvement Revenue Bonds, Series 1997.....	7,475,000
Capital Project Revenue Bonds, Series 1997-1.....	26,535,000
Capital Project Revenue Bonds, Series 1997-2.....	42,700,000
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	36,000,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	57,485,000
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	103,490,000
Excise Taxes Refunding Bonds, Series 2001A.....	42,485,000
Excise Taxes Revenue Bonds, Series 2001.....	46,735,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	56,685,000
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	115,265,000
Capital Improvement Revenue Bonds, Series 2002A.....	54,135,000
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	42,170,000
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	26,920,000
Excise Taxes Revenue Bonds, Series 2002B.....	68,475,000
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	63,060,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	17,971,160
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	34,540,000
Capital Project Revenue Bonds, Series 1997-3.....	24,000,000
Total.....	<u>998,466,300</u>
Special Obligation Bonds Payable from Other Specific Revenue Source other than Ad Valorem Taxes:	
Transportation Revenue Bonds, Series 2001.....	179,170,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	212,805,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	211,050,000
Transportation Revenue Bonds, Series 2003 (Auction Rate Securities).....	47,775,000
Transportation Revenue Bonds, Series 2003A (Auction Rate Securities).....	76,825,000
Transportation Revenue Bonds, Series 2003B (Auction Rate Securities).....	76,800,000
Total.....	<u>804,425,000</u>
Payable from Enterprise Funds:	
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	870,000
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	11,720,000
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	17,975,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	36,575,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	9,093,840
Total.....	<u>76,233,840</u>
Other Long - Term Obligations:	
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	3,535,000
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	670,000
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	2,500,000
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	1,050,000
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	435,000
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	700,000
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	485,000
Total.....	<u>9,375,000</u>
Grand Total.....	<u>\$ 1,888,500,140</u>

<b>TOTAL INTEREST TO MATURITY</b>	<b>TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY</b>	<b>CASH IN SINKING FUND</b>	<b>NET DEBT</b>
\$ 18,790,822	\$ 26,560,962	\$ 230,963	\$ 26,329,999
59,829	2,489,829	2,489,829	-
24,633,948	66,698,948	2,024,213	64,674,736
538,660	3,438,660	209,959	3,228,701
21,835,244	47,810,244	1,165,968	46,644,276
922,800	11,972,800	3,782,000	8,190,800
2,033,310	9,613,310	189,591	9,423,719
2,422,123	11,472,123	239,979	11,232,144
5,554,725	16,024,725	1,363,975	14,660,750
3,190,531	14,265,531	2,614,548	11,650,983
191,911	2,166,911	516,451	1,650,460
5,313,954	12,788,954	370,964	12,417,990
18,423,128	44,958,128	1,274,193	43,683,935
53,980,882	96,680,882	830,885	95,849,997
32,326,879	68,326,879	1,007,971	67,318,908
15,200,168	72,685,168	8,694,683	63,990,485
51,173,857	154,663,857	2,766,322	151,897,535
8,454,375	50,939,375	5,087,125	45,852,250
44,898,585	91,633,585	1,150,386	90,483,199
15,823,375	72,508,375	6,054,550	66,453,825
105,514,400	220,779,400	4,725,631	216,053,769
65,357,776	119,492,776	1,320,652	118,172,124
22,122,697	64,292,697	957,191	63,335,506
18,784,439	45,704,439	604,329	45,100,110
46,409,213	114,884,213	2,121,883	112,762,330
30,230,944	93,290,944	4,073,763	89,217,181
3,233,097	21,204,257	181,312	21,022,945
26,458,610	60,998,610	428,754	60,569,856
35,400,020	59,400,020	4,339	59,395,681
<u>679,280,302</u>	<u>1,677,746,602</u>	<u>56,482,408</u>	<u>1,621,264,194</u>
202,768,286	381,938,286	6,660,488	375,277,798
192,279,252	405,084,252	8,790,983	396,293,269
181,461,179	392,511,179	8,470,266	384,040,913
22,431,890	70,206,890	478,944	69,727,946
81,783,488	158,608,488	-	158,608,488
81,744,988	158,544,988	-	158,544,988
<u>762,469,083</u>	<u>1,566,894,083</u>	<u>24,400,681</u>	<u>1,542,493,402</u>
21,021	891,021	891,021	-
2,795,236	14,515,236	727,830	13,787,406
6,935,981	24,910,981	1,370,981	23,540,000
15,419,655	51,994,655	2,832,870	49,161,785
1,636,025	10,729,865	92,160	10,637,705
<u>26,807,918</u>	<u>103,041,758</u>	<u>5,914,862</u>	<u>97,126,896</u>
2,292,812	5,827,812	-	5,827,812
233,666	903,666	-	903,666
1,320,854	3,820,854	-	3,820,854
620,146	1,670,146	-	1,670,146
129,694	564,694	-	564,694
405,300	1,105,300	-	1,105,300
262,945	747,945	-	747,945
<u>5,265,417</u>	<u>14,640,417</u>	<u>-</u>	<u>14,640,417</u>
<u>\$ 1,473,822,720</u>	<u>\$ 3,362,322,860</u>	<u>\$ 86,797,951</u>	<u>\$ 3,275,524,909</u>

Unaudited - see accompanying independent auditors' report.

**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, 2003**

Fiscal Year	Development of Third Terminal for Operation by the Jacksonville Port Authority		To Refund Excise Taxes Revenue Refunding Bonds, Series 1987A		Superstructure Renovation of the ALLTEL Stadium		Construction of the Automated Skyway Express River Crossing Leg	
	Excise Taxes Revenue Bonds, Series 1993		Excise Taxes Revenue Refunding Bonds, Series 1993A		Capital Improvement Revenue Bonds, Series 1994		Sunshine State Governmental Finance Commission Bonds, Series 1994	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 225,000	\$ 5,963	\$ 2,430,000	\$ 59,829	\$ 860,000	\$ 2,305,850	\$ 940,000	\$ 266,800
2005					940,000	2,258,365	965,000	180,320
2006					1,025,000	2,205,780	995,000	91,540
2007					1,625,000	2,133,418		
2008					1,755,000	2,039,590		
2009					1,890,000	1,936,585		
2010	190,465	334,536			2,040,000	1,823,560		
2011	1,076,112	2,103,888			2,200,000	1,699,775		
2012	1,061,197	2,273,803			2,370,000	1,569,975		
2013	1,352,429	3,167,570			2,545,000	1,434,812		
2014	1,313,363	3,401,636			2,730,000	1,289,750		
2015	1,288,056	3,631,944			2,930,000	1,134,100		
2016	1,263,518	3,871,482			3,135,000	967,313		
2017					3,615,000	781,687		
2018					3,865,000	575,988		
2019					4,130,000	356,125		
2020					4,410,000	121,275		
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
	<u>\$ 7,770,140</u>	<u>\$ 18,790,822</u>	<u>\$ 2,430,000</u>	<u>\$ 59,829</u>	<u>\$ 42,065,000</u>	<u>\$ 24,633,948</u>	<u>\$ 2,900,000</u>	<u>\$ 538,660</u>

Interest Rates:      5.00 - 6.30%                              4.70 - 5.375%                              5.05 - 5.875%                              Variable Rate Assumed at 9.20%

<b>Superstructure Renovation of the ALLTEL Stadium</b>		<b>River City Renaissance Projects</b>		<b>To Partially Refund Excise Taxes Revenue Refunding Bonds, Series 1988A</b>		<b>Closure of North Landfill</b>	
<b>Capital Improvement Revenue Bonds, Series 1995</b>		<b>Sales Tax Revenue Bonds, Series 1995</b>		<b>Excise Taxes Revenue Refunding Bonds, Series 1995A</b>		<b>Sunshine State Governmental Finance Commission Bonds, Series 1995A</b>	
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
\$ 415,000	\$ 1,491,250	\$ 3,470,000	\$ 519,900		\$ 379,181		\$ 479,957
460,000	1,468,604	3,680,000	305,400		379,182	\$ 670,000	464,045
510,000	1,443,256	3,900,000	97,500		379,181	1,180,000	415,683
560,000	1,415,029				379,181	1,240,000	352,232
610,000	1,383,719			\$ 2,850,000	309,713	1,310,000	287,828
670,000	1,348,824			2,995,000	163,497	1,380,000	217,335
735,000	1,309,819			1,735,000	43,375	1,460,000	140,097
805,000	1,266,296					1,545,000	57,460
880,000	1,218,274					265,000	7,486
955,000	1,165,738						
1,040,000	1,107,731						
1,130,000	1,043,988						
1,230,000	974,663						
1,320,000	899,756						
1,345,000	821,472						
1,370,000	741,719						
1,400,000	660,350						
1,430,000	577,219						
1,455,000	492,472						
1,485,000	406,109						
1,510,000	318,131						
2,210,000	208,856						
2,450,000	71,969						
<b>\$ 25,975,000</b>	<b>\$ 21,835,244</b>	<b>\$ 11,050,000</b>	<b>\$ 922,800</b>	<b>\$ 7,580,000</b>	<b>\$ 2,033,310</b>	<b>\$ 9,050,000</b>	<b>\$ 2,422,123</b>

5.00 - 5.875%

5.00 - 6.00%

4.875 - 5.125%

4.75 - 5.65%

(continued)

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -**  
**SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES**  
**OTHER THAN AD VALOREM TAXES (continued)**  
**SEPTEMBER 30, 2003**

Fiscal Year	Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT)		Sales Tax Revenue Bonds, Series 1996		Excise Taxes Revenue Bonds Series 1996C		Capital Improvement Revenue Bonds, Series 1997	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 1,070,000	\$ 562,538	\$ 2,350,000	\$ 476,221	\$ 470,000	\$ 82,210	\$ 180,000	\$ 377,968
2005	450,000	525,875	2,455,000	366,881	485,000	60,241	190,000	369,827
2006		514,625	2,570,000	250,021	505,000	36,971	200,000	361,148
2007		514,625		189,625	515,000	12,489	210,000	351,817
2008		514,625		189,625			215,000	341,935
2009		514,625		189,625			230,000	331,363
2010		514,625		189,625			240,000	319,962
2011		514,625		189,625			250,000	307,833
2012	1,370,000	475,237		189,625			265,000	294,825
2013	1,735,000	385,969		189,625			275,000	280,986
2014	1,835,000	283,331		189,625			290,000	266,365
2015	1,945,000	174,656		189,625			305,000	250,819
2016	2,065,000	59,369	860,000	167,588			320,000	234,412
2017			900,000	122,488			340,000	217,087
2018			945,000	75,210			355,000	198,844
2019			995,000	25,497			375,000	179,681
2020							395,000	159,469
2021							415,000	138,206
2022							435,000	115,894
2023							460,000	92,400
2024							485,000	67,594
2025							510,000	41,475
2026							535,000	14,044
2027								
2028								
2029								
2030								
2031								
2032								
2033								
	<u>\$ 10,470,000</u>	<u>\$ 5,554,725</u>	<u>\$ 11,075,000</u>	<u>\$ 3,190,531</u>	<u>\$ 1,975,000</u>	<u>\$ 191,911</u>	<u>\$ 7,475,000</u>	<u>\$ 5,313,954</u>

Interest Rates:      4.60 - 5.75%                              4.35 - 5.50%                              4.35 - 4.85%                              4.20 - 5.25%

Drainage and General Capital Programs		Drainage and General Capital Programs		To Refund a Portion of Capital Improvement Revenue Bonds, Series 1994		To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1988A and 1991 and Preservation and Recreational Programs	
Capital Project Revenue Bonds Series 1997 - 1		Capital Project Revenue Bonds Series 1997 - 2		Capital Improvement and Refunding Revenue Bonds, Series 1998		Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 1,255,000	\$ 2,072,383	\$ 800,000	\$ 3,796,030	\$ 155,000	\$ 1,702,843	\$ 7,435,000	\$ 2,389,252
1,305,000	1,976,186	900,000	3,728,340	160,000	1,696,462	7,690,000	2,066,890
1,365,000	1,870,723	900,000	3,641,544	165,000	1,689,718	8,075,000	1,721,215
1,430,000	1,765,841	1,000,000	3,564,890	175,000	1,682,577	7,385,000	1,383,165
1,495,000	1,654,158	1,000,000	3,475,990	180,000	1,675,078	3,670,000	1,125,140
1,565,000	1,538,814	1,100,000	3,390,209	190,000	1,667,167	3,815,000	975,440
1,640,000	1,413,869	1,100,000	3,286,271	195,000	1,658,793	1,410,000	870,940
1,720,000	1,287,088	1,200,000	3,191,510	205,000	1,649,890	1,465,000	811,608
1,805,000	1,152,756	1,200,000	3,084,830	215,000	1,640,332	1,530,000	747,965
1,895,000	1,012,717	1,300,000	2,980,892	225,000	1,630,100	1,590,000	680,473
1,995,000	862,991	1,400,000	2,859,944	235,000	1,619,231	1,665,000	608,030
2,095,000	707,977	1,400,000	2,738,120	245,000	1,607,525	1,740,000	530,548
2,205,000	544,357	1,500,000	2,613,660	260,000	1,594,900	1,820,000	447,758
2,320,000	372,489	1,600,000	2,482,594	270,000	1,581,650	1,905,000	359,744
2,445,000	190,779	1,700,000	2,335,917	285,000	1,567,775	1,995,000	264,625
		4,400,000	2,186,940	300,000	1,553,150	2,095,000	162,375
		4,600,000	1,795,780	315,000	1,538,169	2,200,000	55,000
		4,900,000	1,388,117	5,035,000	1,411,106		
		5,200,000	950,354	5,330,000	1,164,937		
		5,500,000	488,950	5,640,000	904,400		
				5,970,000	628,663		
				5,640,000	352,925		
				4,610,000	109,488		
<u>\$ 26,535,000</u>	<u>\$ 18,423,128</u>	<u>\$ 42,700,000</u>	<u>\$ 53,980,882</u>	<u>\$ 36,000,000</u>	<u>\$ 32,326,879</u>	<u>\$ 57,485,000</u>	<u>\$ 15,200,168</u>

Variable Rate  
Assumed at 7.81%

Variable Rate  
Assumed at 8.89%

3.90 - 5.00%

3.30 - 5.00%

(continued)

Unaudited - see accompanying independent auditors' report.





<b>To Refund Excise Taxes Revenue Refunding Bonds, Series 1992 and Animal Care and Control Facility</b>		<b>To Refund Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A and Various Other Projects</b>		<b>Capital Improvements at Alltel Stadium</b>	
<b>Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A</b>		<b>Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002</b>		<b>Capital Improvement Revenue Bonds, Series 2002A</b>	
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
\$ 4,605,000	\$ 2,783,975	\$ 2,000,000	\$ 5,421,263		\$ 2,641,304
4,845,000	2,547,725	2,060,000	5,360,362		2,641,304
5,080,000	2,299,600	2,120,000	5,297,663		2,641,304
5,335,000	2,039,225	2,185,000	5,233,087	\$ 595,000	2,634,238
5,605,000	1,758,719	2,250,000	5,165,156	560,000	2,619,613
5,895,000	1,486,319	2,320,000	5,089,400	505,000	2,604,478
6,155,000	1,199,481	2,400,000	5,006,800	455,000	2,589,509
6,465,000	868,206	2,485,000	4,918,206	395,000	2,575,203
6,805,000	511,362	2,580,000	4,821,625	335,000	2,562,260
2,865,000	245,438	2,680,000	4,718,038	290,000	2,550,865
3,030,000	83,325	2,785,000	4,608,737	220,000	2,541,100
		2,895,000	4,493,328	155,000	2,533,600
		3,015,000	4,352,591	75,000	2,529,000
		3,180,000	4,186,100		2,527,500
		3,350,000	4,010,606		2,527,500
		3,530,000	3,825,706		2,527,500
		3,720,000	3,630,863		2,527,500
		3,920,000	3,425,537		2,527,500
		4,130,000	3,216,938		2,527,500
		4,335,000	3,005,312		2,527,500
		4,555,000	2,783,063		2,527,500
		4,780,000	2,549,687		2,527,500
		5,020,000	2,304,688	945,000	2,503,875
		5,270,000	2,047,438	8,975,000	2,255,875
		5,535,000	1,777,313	9,425,000	1,795,875
		5,810,000	1,491,375	9,900,000	1,312,750
		6,105,000	1,188,506	10,395,000	805,375
		6,415,000	869,756	10,910,000	272,750
		6,745,000	534,206		
		7,090,000	181,050		
<u>\$ 56,685,000</u>	<u>\$ 15,823,375</u>	<u>\$ 115,265,000</u>	<u>\$ 105,514,400</u>	<u>\$ 54,135,000</u>	<u>\$ 65,357,776</u>

4.250% - 5.500%

3.000% - 5.375%

2.375% - 5.000%

(continued)

Unaudited - see accompanying independent auditors' report.



<b>To Refund Commercial Paper Notes and to Fund Veterans Memorial Wall Plaza and Library Systems Improvements</b>		<b>To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1993A</b>		<b>To Refund Excise Taxes Revenue Bonds, Series 1993 (AMT)</b>		<b>Drainage and General Capital Programs</b>		<b>Total Principal and Interest</b>
<b>Local Government Sales Tax Refunding and Improvement Revenue Bonds, Series 2002</b>		<b>Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B</b>		<b>Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT)</b>		<b>Capital Project Revenue Bonds Series 1997 - 3</b>		
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
\$ 2,695,000	\$ 2,717,100		\$ 553,011		\$ 1,305,751		\$ 1,773,503	\$ 86,028,001
2,375,000	2,641,050	\$ 2,456,800	705,998	\$ 330,000	1,750,694		\$ 1,893,829	\$ 87,990,755
2,440,000	2,568,825	2,533,160	605,817	360,000	1,743,794		1,896,000	\$ 90,439,923
2,515,000	2,494,500	2,656,000	476,088	405,000	1,735,891		1,896,000	\$ 91,200,928
2,585,000	2,418,000	2,785,480	367,906	435,000	1,726,150		1,898,171	\$ 89,813,101
2,675,000	2,337,428	2,875,120	279,677	475,000	1,713,588		1,893,829	\$ 90,352,491
2,755,000	2,249,141	2,971,400	158,945	15,000	1,706,219		1,896,000	\$ 86,821,071
2,850,000	2,150,994	826,680	63,993	15,000	1,705,713	\$ 200,000	1,881,499	\$ 76,996,118
2,950,000	2,041,806	866,520	21,663	15,000	1,705,150	500,000	1,846,055	\$ 77,221,172
3,065,000	1,922,975			20,000	1,704,450	800,000	1,780,645	\$ 73,528,610
3,195,000	1,797,775			20,000	1,703,638	700,000	1,726,745	\$ 73,530,779
3,315,000	1,652,013			20,000	1,702,813	800,000	1,664,195	\$ 70,497,907
6,845,000	1,387,803			20,000	1,701,963	700,000	1,610,082	\$ 70,484,264
7,210,000	1,015,438			5,380,000	1,560,300	600,000	1,558,403	\$ 68,719,560
7,595,000	624,403			5,895,000	1,264,331	600,000	1,512,796	\$ 68,721,687
7,995,000	211,694			6,445,000	940,406	500,000	1,472,647	\$ 68,669,758
				7,030,000	586,688	400,000	1,442,044	\$ 51,606,205
				7,660,000	201,075	300,000	1,414,423	\$ 44,759,281
						200,000	1,399,599	\$ 36,578,986
							1,398,300	\$ 36,136,681
						5,700,000	986,097	\$ 35,351,692
						5,900,000	519,553	\$ 35,649,940
						6,100,000	39,608	\$ 35,209,166
								\$ 24,393,225
								\$ 21,624,254
								\$ 21,597,575
								\$ 21,578,437
								\$ 21,546,506
								\$ 10,355,731
								\$ 10,342,797
<b>\$ 63,060,000</b>	<b>\$ 30,230,944</b>	<b>\$ 17,971,160</b>	<b>\$ 3,233,097</b>	<b>\$ 34,540,000</b>	<b>\$ 26,458,610</b>	<b>\$ 24,000,000</b>	<b>\$ 35,400,020</b>	<b>\$ 1,677,746,601</b>

3.000% - 5.375%

3.000% - 5.000%

2.000% - 5.250%

Variable Rate  
Maximum Assumed at 7.90%

**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, 2003**

Fiscal Year	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	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 2,215,000	\$ 8,855,535	\$ 3,405,000	\$ 10,698,450	\$ 2,615,000	\$ 10,570,092
2005	2,365,000	8,778,708	3,555,000	10,536,060	4,310,000	9,386,551
2006	2,410,000	8,693,940	3,730,000	10,362,230	4,395,000	9,299,501
2007	2,555,000	8,602,015	3,900,000	10,179,775	4,480,000	9,210,751
2008	2,595,000	8,501,570	4,095,000	9,979,900	4,570,000	9,117,395
2009	2,730,000	8,393,705	4,300,000	9,779,025	4,670,000	8,998,789
2010		8,337,740	4,500,000	9,577,365	4,810,000	8,856,589
2011		8,337,740	4,705,000	9,373,047	4,955,000	8,703,920
2012	9,080,000	8,120,129	4,905,000	9,149,265	5,115,000	8,533,889
2013		7,902,519	5,150,000	8,885,015	5,295,000	8,345,095
2014		7,902,519	5,435,000	8,593,928	5,490,000	8,141,504
2015		7,902,519	5,735,000	8,286,752	5,700,000	7,923,194
2016		7,902,519	6,050,000	7,962,665	5,930,000	7,653,531
2017		7,902,519	6,380,000	7,622,090	6,240,000	7,334,069
2018		7,902,519	6,730,000	7,262,815	6,565,000	6,997,938
2019		7,902,519	7,100,000	6,882,490	6,910,000	6,662,613
2020		7,902,519	7,490,000	6,492,500	7,240,000	6,309,569
2021		7,902,518	7,880,000	6,092,880	7,620,000	5,919,494
2022	3,415,000	7,815,009	8,290,000	5,680,750	8,015,000	5,509,075
2023	3,625,000	7,636,875	8,705,000	5,255,875	8,440,000	5,087,681
2024	10,980,000	7,271,750	9,140,000	4,809,750	8,860,000	4,657,544
2025	11,520,000	6,709,250	9,600,000	4,341,250	9,300,000	4,205,906
2026	12,090,000	6,119,000	10,080,000	3,849,250	9,765,000	3,729,684
2027	12,685,000	5,499,625	10,580,000	3,332,750	10,250,000	3,230,269
2028	13,315,000	4,832,981	11,110,000	2,790,500	10,760,000	2,706,038
2029	20,260,000	3,951,638	11,665,000	2,221,125	11,300,000	2,155,000
2030	21,325,000	2,860,031	12,250,000	1,623,250	11,865,000	1,575,875
2031	22,440,000	1,739,250	26,340,000	658,500	25,585,000	639,625
2032	23,565,000	589,125				
2033						
	<u>\$ 179,170,000</u>	<u>\$ 202,768,286</u>	<u>\$ 212,805,000</u>	<u>\$ 192,279,252</u>	<u>\$ 211,050,000</u>	<u>\$ 181,461,179</u>

Interest Rates:                      3.00 - 5.25%    3.00 - 5.50%    2.00 - 5.25%

To currently refund State of Florida, Full Faith and Credit, Jacksonville Transportation Authority, Senior Lien Refunding Bonds, Series 1992A and other Better Jacksonville Transportation Projects

Better Jacksonville Transportation Projects

Better Jacksonville Transportation Projects

Transportation Revenue Bonds, Series 2003 (Auction Rate Securities)		Transportation Revenue Bonds Series 2003A (Auction Rate Securities)		Transportation Revenue Bonds Series 2003B (Auction Rate Securities)		Total Principal and Interest
Principal	Interest	Principal	Interest	Principal	Interest	
	\$ 1,436,833		\$ 1,909,229		\$ 1,908,608	\$ 43,613,747
\$ 1,365,000	1,888,409		3,695,283		3,694,080	49,574,092
1,420,000	1,832,570		3,695,282		3,694,080	49,532,603
1,475,000	1,774,525		3,695,283		3,694,080	49,566,430
1,540,000	1,714,075		3,695,282		3,694,080	49,502,302
1,610,000	1,650,917		3,695,283		3,694,080	49,521,799
1,670,000	1,585,153		3,695,282		3,694,080	46,726,209
1,745,000	1,516,682		3,695,283		3,694,080	46,725,753
1,810,000	1,445,405		3,695,282		3,694,080	55,548,049
1,890,000	1,371,220		3,695,283		3,694,080	46,228,212
2,300,000	1,287,210		3,695,282		3,694,080	46,539,522
2,385,000	1,193,276	\$ 2,375,000	3,638,164	\$ 2,375,000	3,636,961	51,150,866
2,495,000	1,095,432	2,500,000	3,520,920	2,500,000	3,519,718	51,129,785
4,990,000	945,358	2,100,000	3,410,290	2,100,000	3,409,088	52,433,413
5,190,000	741,249	2,125,000	3,308,679	2,125,000	3,306,875	52,255,074
5,405,000	528,819	2,225,000	3,204,061	2,225,000	3,201,055	52,246,557
5,135,000	317,492	2,550,000	3,089,223	2,550,000	3,086,216	52,162,518
5,350,000	107,268	2,625,000	2,964,764	2,625,000	2,962,359	52,049,282
		3,800,000	2,810,243	3,800,000	2,807,838	51,942,914
		3,925,000	2,624,456	3,925,000	2,622,051	51,846,939
		4,075,000	2,432,056	4,075,000	2,430,253	58,731,353
		4,225,000	2,232,441	4,225,000	2,231,840	58,590,688
		4,375,000	2,025,611	4,375,000	2,026,213	58,434,758
		4,500,000	1,812,168	4,500,000	1,812,769	58,202,580
		4,650,000	1,592,110	4,650,000	1,591,509	57,998,137
		4,825,000	1,364,236	4,825,000	1,363,034	63,930,033
		5,000,000	1,127,945	5,000,000	1,126,743	63,753,844
		5,175,000	883,236	5,175,000	882,034	89,517,645
		5,350,000	630,110	5,350,000	628,908	36,113,143
		10,425,000	250,721	10,400,000	250,120	21,325,841
<u>\$ 47,775,000</u>	<u>\$ 22,431,890</u>	<u>\$ 76,825,000</u>	<u>\$ 81,783,488</u>	<u>\$ 76,800,000</u>	<u>\$ 81,744,988</u>	<u>\$ 1,566,894,083</u>

Auction Rate Securities  
Assumed at 4.01%

Auction Rate Securities  
Assumed at 4.81%

Auction Rate Securities  
Assumed at 4.81%

Unaudited - see accompanying independent auditors' report.



<b>To Partially Refund Excise Taxes Revenue Bonds, Series 1991B and Construction of Trail Ridge Landfill</b>		<b>To Partially Refund Excise Taxes Revenue Refunding Bonds, Series 1993A</b>		<b>Total Principal And Interest</b>
<b>Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B</b>		<b>Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B</b>		
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
\$ 1,885,000	\$ 1,855,212		\$ 279,837	\$ 7,709,831
1,970,000	1,771,345	\$ 1,243,200	357,252	8,140,734
2,055,000	1,681,768	1,281,840	306,558	8,119,150
2,145,000	1,585,927	1,344,000	240,912	9,075,921
2,245,000	1,483,005	1,409,520	186,169	10,279,853
2,355,000	1,372,283	1,454,880	141,523	10,273,012
2,465,000	1,253,255	1,503,600	80,430	10,261,770
2,590,000	1,120,405	418,320	32,382	5,937,090
2,730,000	974,105	438,480	10,962	5,929,297
2,880,000	816,230			5,472,730
3,050,000	645,742			5,469,492
3,220,000	471,115			5,463,490
3,400,000	290,675			5,462,800
3,585,000	98,588			5,446,588
<u>\$ 36,575,000</u>	<u>\$ 15,419,655</u>	<u>\$ 9,093,840</u>	<u>\$ 1,636,025</u>	<u>\$ 103,041,758</u>

4.20 - 5.75%

3.00 - 5.00%

**CITY OF JACKSONVILLE, FLORIDA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
PAYABLE FROM GENERAL REVENUE  
SEPTEMBER 30, 2003**

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Fiscal Year	HUD Section 108 Program Loan for Coach Distribution Project		HUD Section 108 Program Loan for Sally Beauty Project		HUD Section 108 Program Loan for Hilton Hotel Project		HUD Section 108 Program Loan for LaVilla Project	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 115,000	\$ 311,548	\$ 65,000	\$ 44,399	\$ 90,000	\$ 169,560	\$ 35,000	\$ 71,717
2005	150,000	302,073	65,000	40,266	105,000	163,837	40,000	69,490
2006	170,000	289,487	70,000	36,099	140,000	157,106	45,000	66,927
2007	235,000	275,089	75,000	31,577	160,000	148,062	55,000	64,019
2008	285,000	254,949	75,000	26,709	175,000	137,678	60,000	60,450
2009	335,000	230,239	80,000	21,752	195,000	126,110	60,000	56,484
2010	385,000	200,860	80,000	16,392	215,000	113,046	70,000	52,464
2011	420,000	166,749	80,000	10,968	250,000	98,468	90,000	47,718
2012	455,000	129,327	80,000	5,504	275,000	81,394	100,000	41,571
2013	500,000	88,696			295,000	62,473	110,000	34,691
2014	485,000	43,795			300,000	42,030	125,000	27,068
2015					300,000	21,090	130,000	18,343
2016							130,000	9,204
	<u>\$ 3,535,000</u>	<u>\$ 2,292,812</u>	<u>\$ 670,000</u>	<u>\$ 233,666</u>	<u>\$ 2,500,000</u>	<u>\$ 1,320,854</u>	<u>\$ 1,050,000</u>	<u>\$ 620,146</u>

Interest Rates:      8.24 - 9.03%                      6.23 - 6.88%                      6.23 - 7.03%                      6.23 - 7.08%  
(Taxable)    (Taxable)    (Taxable)    (Taxable)



<b>HUD Section 108 Program Loan for HTV Associates Project</b>		<b>HUD Section 108 Program Loan for Armor Holdings</b>		<b>HUD Section 108 Program Loan for Hampton Inns</b>		<b>Total Principal And Interest</b>
<b>U.S. Government Guaranteed Note Payable, Series 1997</b>		<b>U.S. Government Guaranteed Note Payable, Series 1997</b>		<b>U.S. Government Guaranteed Note Payable, Series 1997</b>		
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
\$ 50,000	\$ 28,631	\$ 25,000	\$ 47,750	\$ 15,000	\$ 32,957	\$ 1,101,562
50,000	25,452	30,000	46,160	20,000	32,003	1,139,281
50,000	22,246	30,000	44,237	20,000	30,721	1,171,823
50,000	19,017	35,000	42,299	25,000	29,429	1,244,492
55,000	15,771	40,000	40,027	40,000	27,806	1,293,390
85,000	12,136	45,000	37,384	40,000	25,163	1,349,268
95,000	6,441	55,000	34,368	45,000	22,482	1,391,053
		60,000	30,640	45,000	19,432	1,318,975
		65,000	26,541	50,000	16,358	1,325,695
		75,000	22,070	55,000	12,918	1,255,848
		80,000	16,872	65,000	9,106	1,193,871
		80,000	11,288	65,000	4,570	630,291
		80,000	5,664			224,868
<b>\$ 435,000</b>	<b>\$ 129,694</b>	<b>\$ 700,000</b>	<b>\$ 405,300</b>	<b>\$ 485,000</b>	<b>\$ 262,945</b>	<b>\$ 14,640,417</b>

6.23 - 6.78%  
(Taxable)

6.23 - 7.08%  
(Taxable)

6.23 - 7.03%  
(Taxable)

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA**  
**SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE**  
**DISCLOSURE OBLIGATION**  
**SEPTEMBER 30, 2003**

**Pledged Revenue for the Fiscal Year Ended September 30**

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 61,775,050	\$ 67,373,395	\$ 67,487,001
7th Cent Gasoline Tax:			
7th Cent Gasoline Tax	\$ 3,231,997	\$ 3,447,789	\$ 3,469,260
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	\$ 4,633,183	\$ 4,878,361	\$ 4,890,098
Peoples Gas	1,120,391	1,068,503	904,315
Telecommunications Tax (3)	23,013,866	23,894,566	26,267,409
Communications Services Taxes (3)	-	-	-
JEA (2)	40,051,957	40,965,363	43,336,805
Miscellaneous	2,764,122	2,534,348	3,087,032
Total Utilities Service Tax	<u>71,583,519</u>	<u>73,341,141</u>	<u>78,485,659</u>
Fuel Oil Tax	232,255	245,233	287,443
Occupational License Taxes	6,674,579	6,720,992	6,910,069
Total Excise Tax Pledged Revenues	<u>\$ 78,490,353</u>	<u>\$ 80,307,366</u>	<u>\$ 85,683,171</u>
Junior Lien Excise Taxes:			
Total Excise Taxes	<u>\$ 78,490,353</u>	<u>\$ 80,307,366</u>	<u>\$ 85,683,171</u>
Total Junior Lien Excise Tax Revenues	<u>\$ 78,490,353</u>	<u>\$ 80,307,366</u>	<u>\$ 85,683,171</u>
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	\$ 729,692	\$ 665,978	\$ 1,012,176
Southern Bell	2,835,185	3,405,328	3,524,759
Cable Television	2,904,064	3,127,769	3,309,345
Other Franchise Fees	-	-	-
Total Franchise Fees	<u>6,468,941</u>	<u>7,199,075</u>	<u>7,846,280</u>
Communications Services Taxes (4)	-	-	-
Sports Facility Sales Tax Rebate	1,999,944	1,999,944	1,833,292
Convention Development Tax (2%)	3,058,553	3,134,146	3,474,960
Sports Facility Tourist Development Tax (2%)	3,285,332	3,365,147	3,737,587
Total Sports Facility Capital Improvements Pledged Revenues	<u>\$ 14,812,770</u>	<u>\$ 15,698,312</u>	<u>\$ 16,892,119</u>
Infrastructure Improvements (Better Jacksonville Infrastructure):			
Infrastructure Sales Tax (5)	\$ -	\$ -	\$ 38,496,315
Transportation Improvements (Better Jacksonville Transportation):			
Transportation Sales Tax (1)	\$ 51,976,595	\$ 56,745,904	\$ 57,496,406
Gas Tax (Constitutional Fuel Tax) (1)	7,554,095	8,557,846	8,475,125
Total Transportation Improvements Pledged Revenues	<u>\$ 59,530,690</u>	<u>\$ 65,303,750</u>	<u>\$ 65,971,531</u>

(1) Recognition of revenue per GASB 33.

(2) Variance between 2000 and 2001 financial statements due to incorrect recognition of revenue.

(3) Beginning October 1, 2001 85% of the Communications Services Tax replaced the Telecommunications Tax.

(4) Beginning October 1, 2001 15% of the Communications Services Tax replaced the franchise fees for Southern Bell.

(5) The Infrastructure Sales Tax was approved by voters and is effective for a thirty-year period commencing January 1, 2001.

<u>2002</u>	<u>2003</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 71,688,673	\$ 73,677,299	\$ 17,399,950	4.24 x	1.35 x
\$ 3,585,283	\$ 3,688,755	\$ 1,206,800	3.06 x	1.50 x
\$ 5,393,416	\$ 5,659,797			
593,671	677,108			
2,165,646	145,230			
34,588,391	35,186,308			
42,857,680	45,981,688			
2,111,122	1,954,161			
<u>87,709,926</u>	<u>89,604,292</u>			
164,199	162,835			
7,089,446	7,492,991			
<u>\$ 94,963,571</u>	<u>\$ 97,260,118</u>	\$ 50,087,505	1.95 x	1.40 x
<u>\$ 94,963,571</u>	<u>\$ 97,260,118</u>	\$ 50,087,505	1.95 x	1.25 x
\$ 553,140	\$ 620,741			
1,180,053	-			
1,029,768	-			
-	304,963			
<u>2,762,961</u>	<u>925,704</u>			
6,103,834	6,209,348			
2,000,004	2,000,004			
3,524,332	3,610,819			
3,780,078	3,895,264			
<u>\$ 18,171,209</u>	<u>\$ 16,641,139</u>	\$ 11,705,488	1.43 x	1.35 x
\$ 55,324,038	\$ 57,970,655	\$ 27,919,586	2.08 x	1.35 x
\$ 57,471,472	\$ 60,379,055			
8,174,201	8,446,937			
<u>\$ 65,645,673</u>	<u>\$ 68,825,992</u>	\$ 44,075,158	1.57 x	1.35 x

(continued)

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA**  
**SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE**  
**DISCLOSURE OBLIGATION (continued)**  
**SEPTEMBER 30, 2003**

**Pledged Revenue for the Fiscal Year Ended September 30**

	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>Guaranteed Entitlement Revenues:</b>			
County Revenue Sharing:			
Cigarette Tax	\$ 705,953	\$ 673,724	\$ 596,894
Intangible Tax (1)	22,025,365	19,509,391	-
Sales Tax (1)	-	-	16,718,361
County Total	<u>\$ 22,731,318</u>	<u>\$ 20,183,115</u>	<u>\$ 17,315,255</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>11.37 x</u>	<u>10.10 x</u>	<u>8.66 x</u>
City Revenue Sharing:			
Cigarette Tax (2)	\$ 9,366,612	\$ 9,803,251	\$ -
Sales and Use Tax (2)	-	-	10,404,649
City Total	<u>\$ 9,366,612</u>	<u>\$ 9,803,251</u>	<u>\$ 10,404,649</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>1.61 x</u>	<u>1.68 x</u>	<u>1.79 x</u>
Aggregate City / County Guaranteed	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>
<b>Statewide Revenue Sharing - Counties:</b>			
Intangible Tax (1)	\$ 409,844,667	\$ 355,976,483	\$ -
Cigarette Tax	10,494,872	12,117,511	11,149,461
Sales Tax (1)	-	-	306,361,416
Total Receipts	<u>\$ 420,339,539</u>	<u>\$ 368,093,994</u>	<u>\$ 317,510,877</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>4.42 x</u>	<u>3.88 x</u>	<u>3.34 x</u>
<b>Statewide Revenue Sharing - Municipalities:</b>			
Cigarette Tax (2)	\$ 127,545,634	\$ 123,878,513	\$ -
8th Cent Motor Fuel Tax	76,852,577	80,870,856	80,474,387
Special Tax and Alternative Fuel User Decal Fee	736,176	1,028,891	1,060,517
Sales and Use Tax (2)	-	-	145,896,115
Total Receipts	<u>\$ 205,134,387</u>	<u>\$ 205,778,260</u>	<u>\$ 227,431,019</u>
Guaranteed Entitlement for all Florida Municipalities	<u>\$ 112,261,230</u>	<u>\$ 112,261,230</u>	<u>\$ 112,304,159</u>
Average Coverage - All Florida Municipalities	<u>1.83 x</u>	<u>1.84 x</u>	<u>2.03 x</u>
<b>JEA Contribution:</b>			
JEA Contribution - Electric Services	\$ 57,056,112	\$ 60,898,145	\$ 62,589,668
JEA Contribution - Water and Sewer	9,437,643	10,536,135	11,048,610
Total JEA Contribution	<u>\$ 66,493,755</u>	<u>\$ 71,434,280</u>	<u>\$ 73,638,278</u>

(1) Prior to July 1, 2000 intangible tax revenues, not Sales Tax, funded the State Revenue Sharing Trust Fund for Counties.

(2) 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.

<u>2002</u>	<u>2003</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 579,774	\$ 566,791			
-	-			
16,698,273	17,072,235			
<u>\$ 17,278,047</u>	<u>\$ 17,639,026</u>			
\$ 1,999,042	\$ 1,999,042			
<u>8.65 x</u>	<u>8.83 x</u>			
\$ -	\$ -			
10,663,344	11,091,977			
<u>\$ 10,663,344</u>	<u>\$ 11,091,977</u>			
\$ 5,826,077	\$ 5,826,077			
<u>1.83 x</u>	<u>1.91 x</u>			
<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	\$ 7,452,100	1.05 x	1.05 x
\$ -	\$ -			
11,229,107	11,046,778			
309,765,152	318,054,685			
<u>\$ 320,994,259</u>	<u>\$ 329,101,463</u>			
\$ 95,086,330	\$ 95,086,330			
<u>3.38 x</u>	<u>3.47 x</u>			
\$ -	\$ -			
82,184,764	84,519,288			
953,804	1,135,259			
147,517,049	151,462,709			
<u>\$ 230,655,617</u>	<u>\$ 237,117,256</u>			
\$ 117,046,851	\$ 113,749,426			
<u>1.97 x</u>	<u>2.09 x</u>			
\$ 65,489,557	\$ 67,039,278			
11,116,676	11,456,781			
<u>\$ 76,606,233</u>	<u>\$ 78,496,059</u>	\$ 9,507,340	2.00 x	8.26 x

Unaudited - see accompanying independent auditors' report.



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## STATISTICAL SECTION

**The Statistical Section** presents comparative data for the past ten years, and other pertinent information involving taxes, revenues, expenditures, demographic data and other miscellaneous statistics.

The statistical data 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 City government operates.



**CITY OF JACKSONVILLE, FLORIDA  
GENERAL GOVERNMENTAL REVENUES  
LAST TEN FISCAL YEARS (in thousands)**

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	<u>2003</u>	<u>%</u>	<u>2002</u>	<u>%</u>	<u>2001</u>	<u>%</u>	<u>2000</u>	<u>%</u>
<b><u>SOURCE</u></b>								
Taxes.....	\$ 581,289	53.85	\$ 558,090	54.32	\$ 507,253	58.63	\$ 464,004	57.31
Licenses and Permits.....	8,473	0.78	10,238	1.00	14,806	1.71	13,970	1.73
Intergovernmental.....	264,146	24.47	327,358	31.87	210,053	24.28	202,150	24.97
Charges for Services.....	84,424	7.82	74,309	7.23	68,394	7.91	62,302	7.70
Fines and Forfeitures.....	11,218	1.04	10,946	1.07	10,415	1.20	9,938	1.22
Payment in Lieu of Taxes.....	81,376	7.54	2,984	0.29	3,344	0.39	3,583	0.44
Interest.....	20,404	1.89	23,118	2.25	29,496	3.41	29,864	3.69
Other.....	<u>28,109</u>	<u>2.60</u>	<u>20,275</u>	<u>1.97</u>	<u>21,361</u>	<u>2.47</u>	<u>23,790</u>	<u>2.94</u>
Total General Governmental Revenue.....	<u>\$ 1,079,439</u>	<u>100.00</u>	<u>\$ 1,027,318</u>	<u>100.00</u>	<u>\$ 865,122</u>	<u>100.00</u>	<u>\$ 809,601</u>	<u>100.00</u>

Note: This schedule includes Revenues of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

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<u>1999</u>	<u>%</u>	<u>1998</u>	<u>%</u>	<u>1997</u>	<u>%</u>	<u>1996</u>	<u>%</u>	<u>1995</u>	<u>%</u>	<u>1994</u>	<u>%</u>
\$ 425,912	58.28	\$ 406,372	57.60	\$ 378,665	56.87	\$ 370,590	59.11	\$ 349,208	58.34	\$ 329,993	59.83
13,194	1.81	13,028	1.85	12,499	1.88	12,129	1.93	11,592	1.94	11,442	2.07
182,543	24.98	166,477	23.60	149,095	22.39	148,789	23.74	143,141	23.91	132,535	24.03
55,275	7.56	57,652	8.17	55,209	8.29	51,192	8.17	50,644	8.46	45,725	8.29
8,948	1.21	9,914	1.40	7,485	1.12	6,521	1.04	6,380	1.07	7,232	1.31
3,799	0.52	3,904	0.55	4,027	0.60	4,275	0.68	3,612	0.60	3,808	0.69
22,373	3.06	22,055	3.13	18,900	2.84	19,217	3.07	22,153	3.70	12,717	2.31
18,820	2.58	26,068	3.70	39,992	6.01	14,161	2.26	11,825	1.98	8,089	1.47
<u>\$ 730,864</u>	<u>100.00</u>	<u>\$ 705,470</u>	<u>100.00</u>	<u>\$ 665,872</u>	<u>100.00</u>	<u>\$ 626,874</u>	<u>100.00</u>	<u>\$ 598,555</u>	<u>100.00</u>	<u>\$ 551,541</u>	<u>100.00</u>

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Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
GENERAL GOVERNMENTAL EXPENDITURES  
LAST TEN FISCAL YEARS (in thousands)**

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	<u>2003</u>	<u>%</u>	<u>2002</u>	<u>%</u>	<u>2001</u>	<u>%</u>	<u>2000</u>	<u>%</u>
<b><u>FUNCTIONAL AREA</u></b>								
General Government.....	\$ 109,494	7.41	\$ 102,169	8.81	\$ 100,232	10.59	\$ 92,281	11.03
Human Services.....	99,206	6.72	94,375	8.14	90,601	9.57	81,451	9.73
Public Safety.....	341,473	23.12	327,634	28.27	311,732	32.93	298,131	35.61
Culture and Recreation.....	59,538	4.03	49,592	4.28	44,018	4.65	40,725	4.87
Transportation.....	118,073	8.00	128,928	11.12	110,765	11.70	119,741	14.31
Economic Environment.....	74,242	5.03	78,241	6.75	57,411	6.06	43,296	5.17
Physical Environment.....	18,435	1.25	25,608	2.21	21,346	2.25	15,352	1.83
Debt Service.....	98,590	6.68	93,050	8.03	73,670	7.78	70,451	8.42
Capital Outlay.....	<u>557,727</u>	<u>37.77</u>	<u>259,486</u>	<u>22.39</u>	<u>136,910</u>	<u>14.46</u>	<u>75,548</u>	<u>9.03</u>
Total General Governmental Expenditures.....	<u>\$ 1,476,778</u>	<u>100.00</u>	<u>\$ 1,159,083</u>	<u>100.00</u>	<u>\$ 946,685</u>	<u>100.00</u>	<u>\$ 836,976</u>	<u>100.00</u>

Note: This schedule includes Expenditures of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

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<u>1999</u>	<u>%</u>	<u>1998</u>	<u>%</u>	<u>1997</u>	<u>%</u>	<u>1996</u>	<u>%</u>	<u>1995</u>	<u>%</u>	<u>1994</u>	<u>%</u>
\$ 85,213	11.07	\$ 85,213	11.51	\$ 75,064	9.37	\$ 69,054	9.45	\$ 69,527	8.42	\$ 65,120	10.23
75,358	9.79	71,290	9.63	63,071	7.88	59,991	8.21	53,866	6.53	50,768	7.47
276,361	35.88	267,017	36.04	257,565	32.17	243,139	33.26	232,820	28.20	218,350	31.49
38,350	4.98	36,202	4.89	36,413	4.55	33,854	4.63	34,263	4.15	32,490	4.78
110,019	14.29	106,854	14.43	106,943	13.36	103,606	14.17	102,145	12.37	100,169	14.74
44,555	5.79	40,663	5.49	43,215	5.40	39,899	5.46	40,937	4.96	42,776	6.29
13,891	1.80	11,812	1.60	15,220	1.90	15,937	2.18	16,180	1.96	21,099	3.10
64,443	8.37	59,147	7.99	104,298	13.03	58,145	7.95	78,635	9.53	39,871	5.87
<u>61,826</u>	<u>8.03</u>	<u>62,330</u>	<u>8.42</u>	<u>98,830</u>	<u>12.34</u>	<u>107,370</u>	<u>14.69</u>	<u>197,118</u>	<u>23.88</u>	<u>108,921</u>	<u>16.03</u>
<u>\$ 770,016</u>	<u>100.00</u>	<u>\$ 740,528</u>	<u>100.00</u>	<u>\$ 800,619</u>	<u>100.00</u>	<u>\$ 730,995</u>	<u>100.00</u>	<u>\$ 825,491</u>	<u>100.00</u>	<u>\$ 679,564</u>	<u>100.00</u>

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Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
 TAX REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Ad Valorem Taxes (1)				
General Services District.....	\$ 322,926,509	\$ 310,460,077	\$ 293,080,537	\$ 278,501,775
Urban Services District.....	-	-	-	-
Tax Increment District.....	4,460,821	2,090,966	6,251,919	4,263,409
Total Ad Valorem Taxes.....	<u>327,387,330</u>	<u>312,551,043</u>	<u>299,332,456</u>	<u>282,765,184</u>
Utility Service Taxes				
Fuel Oil Companies.....	162,639	164,199	287,443	245,233
City Water.....	5,659,797	5,393,416	4,890,098	4,878,361
People's Gas.....	677,108	593,671	904,315	1,068,503
Telecommunications.....	41,540,886	42,857,871	26,267,409	23,894,566
JEA.....	45,981,688	42,857,680	39,815,943	44,486,956
Others.....	1,954,161	2,111,122	3,087,032	2,534,348
Total Utility Service Taxes.....	<u>95,976,279</u>	<u>93,977,959</u>	<u>75,252,240</u>	<u>77,107,967</u>
Tourist Development Tax.....	7,790,503	7,559,593	7,477,106	6,729,490
Convention Development Tax.....	3,610,819	3,524,332	3,474,960	3,134,146
Local Option Gas Tax (2).....	28,174,024	27,681,053	25,723,304	27,408,778
Local Option Sales Tax - Transportation (3).....	60,379,055	57,471,472	57,496,406	66,858,197
Local Option Sales Tax - Infrastructure (4).....	<u>57,970,655</u>	<u>55,324,038</u>	<u>38,496,315</u>	<u>-</u>
Total Tax Revenue.....	<u>\$ 581,288,665</u>	<u>\$ 558,089,490</u>	<u>\$ 507,252,787</u>	<u>\$ 464,003,762</u>

- (1) Property taxes include interest and penalties on delinquent taxes.
- (2) A six cent local option gas tax was instituted in 1987 to fund capital road construction projects throughout Duval County.
- (3) A one-half cent local option sales tax was passed by Jacksonville voters in 1989 to replace bridge tolls. All revenue received from this tax is remitted directly to the Jacksonville Transportation Authority (a component unit of the primary government) to fund Duval County transportation operations.
- (4) A one-half cent sales tax was passed by Jacksonville voters in September, 2000 to fund the Better Jacksonville Plan.

Source: Tax Collector's Office

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
\$ 266,765,762	\$ 255,789,300	\$ 231,645,388	\$ 225,044,088	\$ 215,496,848	\$ 204,462,560
24,024	1,887,009	1,735,471	1,794,848	1,727,718	1,762,200
<u>5,441,737</u>	<u>3,996,224</u>	<u>4,569,270</u>	<u>4,355,758</u>	<u>4,662,265</u>	<u>4,627,753</u>
<u>272,231,523</u>	<u>261,672,533</u>	<u>237,950,129</u>	<u>231,194,694</u>	<u>221,886,831</u>	<u>210,852,513</u>
232,255	237,661	212,660	366,168	330,737	406,171
4,633,183	4,408,512	4,136,209	3,833,754	3,202,330	2,698,922
1,120,391	1,135,414	1,091,841	1,390,202	1,282,169	1,317,215
23,013,614	19,370,288	17,387,934	16,689,932	13,452,383	12,977,579
36,255,365	36,068,367	37,217,093	39,975,747	37,649,886	36,807,357
<u>2,764,122</u>	<u>3,217,673</u>	<u>3,183,882</u>	<u>3,329,476</u>	<u>2,975,258</u>	<u>3,172,871</u>
68,018,930	64,437,915	63,229,619	65,585,279	58,892,762	57,380,115
6,570,683	6,189,018	5,478,886	4,853,878	4,022,243	2,531,120
3,058,553	2,883,981	2,542,967	2,253,466	1,991,297	1,679,594
24,055,882	22,948,341	24,228,183	22,508,967	21,847,527	21,975,041
51,976,595	48,240,640	45,235,670	44,193,979	40,565,755	35,573,977
-	-	-	-	-	-
<u>\$ 425,912,166</u>	<u>\$ 406,372,428</u>	<u>\$ 378,665,454</u>	<u>\$ 370,590,263</u>	<u>\$ 349,206,415</u>	<u>\$ 329,992,360</u>

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>Year</u>		<u>Current Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>
1994	General Fund - General Services District	\$ 211,012,591	\$ 201,414,185	95.5%
	General Fund - Urban Services District	1,956,505	1,835,711	93.8%
	Totals	\$ 212,969,096	\$ 203,249,896	95.4%
1995	General Fund - General Services District	\$ 224,122,401	\$ 212,579,284	94.8%
	General Fund - Urban Services District	1,948,887	1,821,716	93.5%
	Totals	\$ 226,071,288	\$ 214,401,000	94.8%
1996	General Fund - General Services District	\$ 229,855,681	\$ 221,114,198	96.2%
	General Fund - Urban Services District	1,969,347	1,870,103	95.0%
	Totals	\$ 231,825,028	\$ 222,984,301	96.2%
1997	General Fund - General Services District	\$ 244,346,056	\$ 234,578,690	96.0%
	General Fund - Urban Services District	2,022,502	1,893,107	93.6%
	Totals	\$ 246,368,558	\$ 236,471,797	96.0%
1998	General Fund - General Services District	\$ 257,656,758	\$ 244,965,131	95.1%
	General Fund - Urban Services District	2,075,611	1,919,421	92.5%
	Totals	\$ 259,732,369	\$ 246,884,552	95.1%
1999	General Fund - General Services District	\$ 275,432,033	\$ 261,480,331	94.9%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 275,432,033	\$ 261,480,331	94.9%
2000	General Fund - General Services District	\$ 287,849,421	\$ 274,189,507	95.3%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 287,849,421	\$ 274,189,507	95.3%
2001	General Fund - General Services District	\$ 303,152,394 (3)	\$ 290,003,150	95.7%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 303,152,394	\$ 290,003,150	95.7%
2002	General Fund - General Services District	\$ 317,428,233	\$ 302,003,381	95.1%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 317,428,233	\$ 302,003,381	95.1%
2003	General Fund - General Services District	\$ 336,340,414	\$ 317,513,090	94.4%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 336,340,414	\$ 317,513,090	94.4%

(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%

(2) Beginning in 1999, the amounts for USD represent delinquent collections.

(3) Figures have been updated to reflect 2002 tax roll.

Source: Tax Collector's Office

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
\$ 8,159,804	\$ 209,573,990	99.3%	\$ 9,598,406	4.5 %
<u>99,170</u>	<u>1,934,882</u>	98.9%	<u>120,793</u>	6.2 %
\$ 8,258,974	\$ 211,508,872	99.3%	\$ 9,719,199	4.6 %
\$ 7,885,069	\$ 220,464,353	98.4%	\$ 11,543,117	5.2 %
<u>93,859</u>	<u>1,915,576</u>	98.3%	<u>127,171</u>	6.5 %
\$ 7,978,928	\$ 222,379,929	98.4%	\$ 11,670,288	5.2 %
\$ 8,129,025	\$ 229,243,224	99.7%	\$ 8,741,482	3.8 %
<u>94,724</u>	<u>1,964,827</u>	99.8%	<u>99,244</u>	5.0 %
\$ 8,223,749	\$ 231,208,051	99.7%	\$ 8,840,726	3.8 %
\$ 7,839,598	\$ 242,418,109	99.2%	\$ 9,767,546	4.0 %
<u>97,423</u>	<u>1,990,530</u>	98.4%	<u>129,395</u>	6.4 %
\$ 7,937,021	\$ 244,408,639	99.2%	\$ 9,896,941	4.0 %
\$ 8,950,810	\$ 253,915,941	98.5%	\$ 12,691,627	4.9 %
<u>97,861</u>	<u>2,017,282</u>	97.2%	<u>156,191</u>	7.5 %
\$ 9,048,671	\$ 255,933,223	98.5%	\$ 12,847,818	4.9 %
\$ 10,916,310	\$ 272,396,641	98.9%	\$ 13,951,702	5.1 %
<u>108,071</u>	<u>108,071</u>	0.0%	<u>-</u>	0.0 %
\$ 11,024,381	\$ 272,504,712	98.9%	\$ 13,951,702	5.1 %
\$ 8,866,740	\$ 283,056,247	98.3%	\$ 13,659,914	4.7 %
<u>12,057</u>	<u>12,057</u>	0.0%	<u>-</u>	0.0 %
\$ 8,878,797	\$ 283,068,304	98.3%	\$ 13,659,914	4.7 %
\$ 10,588,622	\$ 300,591,772	99.2%	\$ 13,149,244 (3)	4.3 %
<u>6,418 (3)</u>	<u>6,418</u>	0.0%	<u>-</u>	0.0 %
\$ 10,595,040	\$ 300,598,190	99.2%	\$ 13,149,244	4.3 %
\$ 11,858,005	\$ 313,861,386	98.9%	\$ 15,424,852	4.9 %
<u>6,409</u>	<u>6,409</u>	0.0%	<u>-</u>	0.0 %
\$ 11,864,414	\$ 313,867,795	98.9%	\$ 15,424,852	4.9 %
\$ 11,008,851	\$ 328,521,942	97.7%	\$ 18,827,323	5.6 %
<u>5,844</u>	<u>5,844</u>	0.0%	<u>-</u>	0.0 %
\$ 11,014,695	\$ 328,527,786	97.7%	\$ 18,827,323	5.6 %

Unaudited - see accompanying independent auditors' report.



**CITY OF JACKSONVILLE, FLORIDA**  
**ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS (in thousands)**

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<b>Year</b>	<b>Assessed Taxable Values</b>			<b>Total Taxable Property</b>	<b>Estimated Actual Values (4)</b>	<b>Ratio of Assessed to Actual Values</b>
	<b>Real Property (1)</b>	<b>Personal Property (2)</b>	<b>Centrally Assessed Property (3)</b>			
1994	\$ 16,633,658	\$ 3,967,575	\$ 82,825	\$ 20,684,058	\$ 32,498,659	63.65%
1995	17,336,922	4,077,530	75,541	21,489,993	33,605,005	63.95%
1996	18,573,751	4,380,502	85,752	23,040,005	35,902,957	64.17%
1997	19,864,756	4,581,700	121,604	24,568,060	37,869,560	64.88%
1998	21,670,377	4,772,427	110,301	26,553,105	40,153,551	64.62%
1999	23,006,705	4,971,561	114,981	28,093,247	43,049,107	65.26%
2000	25,111,711	5,141,892	139,229	30,392,832	45,911,503	66.20%
2001	27,377,261	5,006,119	130,200	32,513,580	49,301,249	65.95%
2002	29,711,042	5,219,215	136,971	35,067,228	52,707,516	66.53%
2003	32,531,312	4,925,078	187,099	37,643,489	57,041,509	65.99%

- (1) Prior to fiscal year 1981, State Homestead Exemption Laws exempted from taxation the first \$5,000 of assessed value for qualified homeowners. For 1981, the homestead exemption was increased to \$15,000; for 1982, it was increased to \$20,000; and for 1983 and subsequent years, it was increased to \$25,000.
- (2) Personal property values are also net of certain allowable exemptions - primarily for inventories (which have not been assessed since 1982) and government property.
- (3) Centrally assessed property is primarily railroad property and private car line property, which must be separately assessed.
- (4) Estimated actual values are the total "just" values or property subject to taxation, as defined by Section 193.011 of the Florida Statutes.

Source: Property Appraiser's Office

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Unaudited - see accompanying independent auditors' report.

**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				Other Taxing Authorities			Combined Millage Total
	District (Note 1)	Operations	Debt Service	Total	Schools	Water Management District	FIND (Note 3)	
1994	GSD(2)	11.1628	0.1530	11.3158	9.8420	0.4700	0.0530	21.6808
	USD	11.6008	0.2869	11.8877	9.8420	0.4700	0.0530	22.2527
1995	GSD(2)	11.2131	0.1027	11.3158	10.3210	0.4820	0.0490	22.1678
	USD	11.6934	0.1943	11.8877	10.3210	0.4820	0.0490	22.7397
1996	GSD(2)	11.1196	0.0962	11.2158	10.3070	0.4820	0.0400	22.0448
	USD	11.6000	0.1877	11.7877	10.3070	0.4820	0.0400	22.6167
1997	GSD(2)	11.0866	0.0292	11.1158	10.0670	0.4820	0.0380	21.7028
	USD	11.6417	0.0460	11.6877	10.0670	0.4820	0.0380	22.2747
1998	GSD(2)	10.9883	0.0275	11.0158	9.8750	0.4820	0.0500	21.4228
	USD	11.5602	0.0275	11.5877	9.8750	0.4820	0.0500	21.9947
1999	GSD (4)	10.8901	0.0257	10.9158	9.8560	0.4820	0.0470	21.3008
2000	GSD (4)	10.7618	0.0243	10.7861	9.3660	0.4820	0.0440	20.6781
2001	GSD (4)	10.5498	0.0225	10.5723	9.2580	0.4720	0.0410	20.3433
2002	GSD (4)	10.3465	0.0210	10.3675	8.8720	0.4620	0.0386	19.7401
2003	GSD (4)	9.8398	0.0000	9.8398	8.5400	0.4620	0.0385	18.8803

(1) The GSD (General Services District) millage rate is the one which applies to most taxpayers in the City of Jacksonville, and it is effectively a county-wide rate. Due to the existence of six other taxing districts, a total of seven combined millage rates apply to taxpayers within the City of Jacksonville. The two most prevalent millage rates are shown here.

The USD (Urban Services District 1) millage rates apply to the area of the preconsolidation City of Jacksonville. The millage rates shown include the GSD rate.

(2) Beginning in 1981, as the result of a double-taxation suit settlement, the four independent Urban Services Districts within Duval County began paying 18.8% less than the GSD millage rate, subject to a limit of 10.0000 mills plus debt service. Each of the four levies additional taxes for its own municipal services.

(3) Florida Inland Navigational District

(4) Beginning in 1999, the same rates apply to the consolidated City of Jacksonville.

Source: Property Appraiser's Office

**CITY OF JACKSONVILLE, FLORIDA  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

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<b>Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross General Obligation Bonded Debt (3)</b>	<b>Less Respective Debt Service Funds</b>	<b>Net General Obligation Bonded Debt</b>		
					<b>Amount</b>	<b>Ratio to Assessed Value</b>	<b>Per Capita</b>
1994	716,472	\$ 19,528,168,000	\$ 9,090,000	\$ 696,559	\$ 8,393,441	0.04%	11.71
1995	732,034	20,201,997,000	6,335,000	-	6,335,000	0.03%	8.65
1996	740,870	21,447,954,000	4,190,000	-	4,190,000	0.02%	5.66
1997	754,048	22,682,652,000	3,260,000	-	3,260,000	0.01%	4.32
1998	766,705	24,038,888,000	2,785,000	-	2,785,000	0.01%	3.63
1999	778,341	25,741,803,000	2,285,000	-	2,285,000	0.01%	2.94
2000	791,507	27,374,151,000	1,755,000	-	1,755,000	0.01%	2.22
2001	793,898	29,545,454,000	1,195,000	-	1,195,000	0.00%	1.51
2002	807,012	31,749,501,000	605,000	-	605,000	0.00%	0.75
2003	826,951	37,643,489,000	-	-	-	0.00%	0.00

- (1) Population estimates for Duval County from the University of Florida, Bureau of Economic and Business Research, as revised after the 2000 census analysis. General obligation bonded debt applies to all of Duval County.
- (2) Assessed values are the final adjusted appraisals as reported by the Duval County Property Appraiser.
- (3) Gross general obligation bonded debt represents bonds payable from ad valorem taxes only.

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Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT  
 SEPTEMBER 30, 2003**

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<u>Name of Governmental Agency</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Jacksonville (2)</u>	<u>City of Jacksonville's Share of Gross Debt</u>
City of Jacksonville, Florida	\$ -	100%	\$ -
Duval County School Board	70,645,000	100%	<u>70,645,000</u>
			<u>\$ 70,645,000</u>

(1) The gross debt outstanding includes debt which is secured by the authority to levy taxes on real estate.

(2) The applicable percentage is based on the municipality's geographical boundaries within Duval County.

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**CITY OF JACKSONVILLE, FLORIDA  
 LEGAL DEBT LIMIT  
 SEPTEMBER 30, 2003**

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Neither the City of Jacksonville charter or code nor the Florida State Statutes limits the amount of debt the City of Jacksonville can issue.

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Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL  
OBLIGATION BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES  
LAST TEN FISCAL YEARS**

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<b>Year</b>	<b>General Obligation Debt</b>			<b>Total General Governmental Expenditures (1) (in thousands)</b>	<b>Ratio of Debt Service to General Governmental Expenditures</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
1994	\$ 3,295,000	\$ 476,449	\$ 3,771,449	\$ 679,564	0.55%
1995	2,755,000	357,992	3,112,992	825,491	0.38%
1996	2,145,000	260,424	2,405,424	730,995	0.33%
1997	930,000	178,905	1,108,905	799,495	0.14%
1998	475,000	154,144	629,144	740,528	0.08%
1999	500,000	128,550	628,550	770,016	0.08%
2000	530,000	101,513	631,513	836,976	0.08%
2001	560,000	72,900	632,900	946,685	0.07%
2002	590,000	42,713	632,713	1,100,498	0.06%
2003	605,000	13,613	618,613	1,476,778	0.04%

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

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Unaudited - see accompanying independent auditors' report.



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**CITY OF JACKSONVILLE, FLORIDA  
REVENUE BOND COVERAGE - PARKING SYSTEM  
LAST TEN FISCAL YEARS**

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<u>Year</u>	<u>Revenue (1)</u>	<u>Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>
1994	\$ 95,615,000	\$ 68,923,000	\$ 26,692,000
1995	112,292,000	60,975,000	51,317,000
1996	122,927,000	63,086,000	59,841,000
1997 (4)	84,019,000	45,413,000	38,606,000
1998 (4)	5,508,000	2,473,000	3,035,000
1999 (4)(5)	(6,071,000)	2,392,000	(8,463,000)
2000	4,373,000	2,917,000	1,456,000
2001	3,112,000	2,710,000	402,000
2002	4,085,000	2,951,000	1,134,000
2003	4,376,000	3,091,000	1,285,000

- (1) Revenue includes interest earned and other non-operating revenue.
- (2) Expenses exclude depreciation and interest expense.
- (3) Coverage is an expression of the number of times "Net Revenue Available for Debt Service" exceeds "Debt Service Requirements" (P & I).
- (4) Reduced amounts reflect the transfer of the Water and Sewer Utility Enterprise Fund to JEA on June 1, 1997; the "Debt Service Requirements" shown here are not covered by Enterprise Fund pledged revenues.
- (5) Parking Garage given to Adam's Mark Hotel.

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<b>Debt Service Requirements</b>			
<u>Principal</u>	<u>Interest</u>	<u>Totals</u>	<u>Coverage (3)</u>
\$ 6,086,909	\$ 13,888,233	\$ 19,975,142	1.34
7,530,661	13,187,611	20,718,272	2.48
8,231,974	13,048,240	21,280,214	2.81
1,665,000	3,840,694	5,505,694	7.01
1,740,000	3,598,168	5,338,168	0.57
1,830,000	3,508,238	5,338,238	(1.59)
1,925,000	4,027,263	5,952,263	0.24
2,115,000	4,204,152	6,319,152	0.06
3,315,000	4,089,647	7,404,647	0.15
3,745,000	3,936,991	7,681,991	0.17

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Unaudited - see accompanying independent auditors' report.



**CITY OF JACKSONVILLE, FLORIDA  
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS (in thousands)**

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<u>Year</u>	<u>New Construction (1)</u>			<u>Bank Deposits (2)</u>	<u>Real Property (3)</u>		
	<u>Residential</u>	<u>Commercial</u>	<u>Alterations (1)</u>		<u>Commercial</u>	<u>Residential</u>	<u>Nontaxable</u>
1994	\$ 352,166	\$ 124,571	\$ 363,420	\$ 6,365,459	\$ 7,604,099,466	\$ 13,864,791,273	\$ 4,081,588,110
1995	361,598	209,100	337,284	7,502,639	7,730,829,569	14,770,621,802	4,095,070,672
1996	510,739	162,925	370,106	8,118,088	8,034,155,678	16,121,151,945	4,381,582,635
1997	453,670	301,790	671,128	8,583,244	8,445,725,666	17,207,002,871	5,978,050,566
1998	472,076	309,018	753,196	10,973,592	9,108,427,299	18,789,586,995	4,362,323,727
1999	594,438	376,159	479,738	10,127,170	9,688,132,922	20,147,735,943	4,357,721,556
2000	600,833	259,934	854,827	9,780,491	10,610,894,987	21,736,221,819	4,362,900,928
2001	622,959	374,950	688,407	8,882,117	11,330,305,166	24,657,180,107	4,364,901,962
2002	711,968	232,161	853,260	11,646,987	12,179,411,401	27,207,404,144	4,483,005,286
2003	902,891	451,668	616,691	14,553,021	12,774,546,196	30,971,999,836	4,814,862,197

Source (1) Building and Zoning Division

(2) Florida Bankers Association

(3) The Property Appraiser's Office

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Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
 DEMOGRAPHIC STATISTICS  
 SEPTEMBER 30, 2003**

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**POPULATION**

<u>Year</u>	<u>JACKSONVILLE</u>	<u>DUVAL COUNTY</u>
1910	57,699	75,163
1920	92,588	113,540
1930	129,549	155,503
1940	173,065	210,143
1950	204,517	304,029
1960	201,030	455,411
1970	504,265 (1)	528,865
1980	540,920 (1)	571,003
1990	635,230 (1)	672,971
1995	690,996 (1)	732,034
2000	747,270 (1)(2)	791,507 (2)
2001	750,513 (1)(2)	793,898 (2)
2002	762,369 (1)(2)	807,012 (2)
2003	782,064 (1)(2)	826,951 (2)

(1) After Consolidation  
 (2) As of April 1

**POPULATION PROJECTIONS (3)**

<u>YEAR</u>	<u>DUVAL COUNTY</u>	<u>STATE OF FLORIDA</u>
2005	846,458	16,882,830
2010	896,652	18,121,273
2015	953,508	19,400,913
2020	978,510	21,792,600
2025	1,020,924	23,177,700

Source: University of Florida, Bureau of Economic and Business Research, June 2003  
 City of Jacksonville, Planning and Development Department  
 (3) Five year projections done October, 2002

**POPULATION DISTRIBUTION BY AGE\***

<u>AGE</u>	<u>DUVAL COUNTY</u>	<u>STATE OF FLORIDA</u>
0-14	21.87%	18.62%
15-24	14.32%	12.46%
25-44	31.09%	27.40%
45-64	22.21%	23.93%
65+	10.51%	17.60%

Source: University of Florida, Bureau of Economic and Business Research, Population Program  
 Florida Population Studies, July 2003, Volume 36, No 3, Bulletin No. 136R.

\*April 1, 2002 Estimates

**CITY OF JACKSONVILLE, FLORIDA  
TEN LARGEST TAXPAYERS  
SEPTEMBER 30, 2003**

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<u>Taxpayer</u>	<u>Type of Business</u>	<u>Valuation</u>	<u>Percentage</u>
Bell South/Jacksonville MSA Limited.....	Communications	\$ 548,398,230	1.57%
Anheuser-Busch/Metal Container Corp.....	Manufacturing	285,392,187	0.82%
Bank of America.....	Banking	220,787,479	0.63%
Comcast Cable.....	Communications	201,216,818	0.58%
Flagler Development Company.....	Real Estate Management/Development	195,713,963	0.56%
Blue Cross & Blue Shield.....	Insurance	192,078,918	0.55%
Liberty Property Limited Partnership.....	Real Estate Management/Development	191,688,526	0.55%
Gate Petroleum/Maritime /Lands.....	Pertroleum	188,542,624	0.54%
Cedar Bay Generating Co.....	Utilities	179,257,699	0.51%
Vistakon/Johnson & Johnson Vision.....	Manufacturing	<u>162,958,137</u>	<u>0.47%</u>
Total Taxable Assessed Value of 10 Largest Taxpayers		2,366,034,581	6.78%
Total Taxable Assessed Value of Other Taxpayers		<u>32,506,429,918</u>	<u>93.22%</u>
Total Taxable Assessed Value of All Taxpayers		<u>\$ 34,872,464,499</u>	<u>100.00%</u>

Source: Tax Collector's Office

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Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
 MISCELLANEOUS STATISTICAL DATA  
 SEPTEMBER 30, 2003**

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First Charter	February 11, 1832
Consolidation	October 1, 1968
Form of Government	Mayor and City Council
Area of City	840.1 square miles
Miles of Streets:	3,402.5
Streets - Paved	3,395.8
Streets - Unpaved	6.7
State Maintained Primary	372.7
Interstate	95.1
Wastewater System:	
Number of Treatment Plants	13
Total Miles of Sewer Lines	3,180
Fire Protection:	
Stations	47
Marine Based Stations	2
Volunteer Stations	3
Employees -Full-time	839
Employees - Volunteers	70
Fire Rescue:	
Rescue units in Fire Stations	29
Employees- Full time	213
Police Protection:	
Employees - Sworn	1,575
Employees - Civilian	1,097
Vehicular Patrol Units - Patrol Cars	1,164
Motorcycles	16
Other Vehicles	184
Unmarked	381
Horse Patrol	6
Electric Utility Customers	363,053
Water Utility Customers	200,276
Sewer Utility Customers	148,338
Recreation:	
Acreage of parks and open spaces	7,919
Basketball courts	150
Boat ramps	21
Community Centers	30
Softball and baseball diamonds	267
Swimming pools	33
Tennis Courts	149
Soccer Fields	57

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Unaudited - see accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
<b>Major Governmental Funds</b>	<b>General Fund</b>	
	General Services District	011
	Mosquito Control State I	012
	Urban Service District	014
	Property Appraiser	015
	<b>Special Revenue Fund</b>	
	Transportation Fund	
	Streets & Highways 5-Year Road Program	141
	Local Option 1/2 Cent Transportation	142
	Local Option Gas Tax	143
	<b>Debt Service Funds</b>	
	Special Bonded Debt Obligations Funds	
	1992 ETR Refunding S/F	221
	1993 Excise Tax Revenue Bonds S/F	222
	1993A ETR Refunding S/F	223
	ETR Refunding 1984C New Money S/F	224
	Sales Tax Ref & Imp Rev Bonds, Series 2002	225
	1988A ETR Refunding S/F	226
	ETRRIG, Series 2003B & 2003C	227
	1991 ETR Refunding S/F	228
	Criminal Justice Bond S/F	22A
	1992 Guaranteed Entitlement Revenue	22D
	1995A ETR Refunding S/F	22E
	1994 Municipal Stadium Capital Improvement Bonds S/F	22F
	1995 Sales Tax Bonds (RCR) S/F	22G
	1996 Sales Tax (RCR) S/F	22I
	1995 Municipal Stadium Capital Improvement Bonds S/F	22J
	1995A Guaranteed Entitlement Revenue Refunding S/F	22K
	1996B ETR Bonds S/F	22L
	1996C ETR Bonds S/F	22M
	1995 Sunshine State S/F	22N
	2002A, B & C Capital Improvement & Refunding Revenue Bonds S/F	22O
	1997 Municipal Stadium Capital Improvement Bonds S/F	22P
	1997 Capital Project Revenue Bonds S/F	22R
	1998 Alltel Stadium S/F	22S
	1999A ETR Refunding S/F	22T
	2001 Sales Tax Refunding	22U
	2001A ETR Refunding S/F	22V
	Excise Taxes Revenue Bonds, Series 2001B S/F	22W
	ETR Revenue Refunding & Improvement Bonds, Series 2002A S/F	22X

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<b>Major Governmental Funds (continued)</b>	<b>Debt Service Funds (continued)</b>	
	Special Bonded Debt Obligations Funds (continued)	
	Guaranteed Entitlement Revenue Refunding & Improvement Bonds, 2002 S/F	22Y
	ETR Bonds Series 2002B (Shands Jacksonville Loan)	22Z
	Sunshine State S/F	231
	Capital Improvement 2002A Reserve Account	271
	<b>Capital Projects Funds</b>	
	Bond Projects Fund	
	1983 Capital Improvement Revenue Construction	311
	1985A Excise Tax Revenue Bond Construction	312
	1986A ETR Excise Taxes Revenue Bonds	313
	1988A ETR Refunding Construction	314
	1988B ETR Bond Construction	315
	1991 ETR Refunding Construction	316
	1992 ETR Refunding Construction, 1986A	317
	1992 ETR Refunding Construction, 1988B	318
	1993 ETR Bond Construction	319
	1993A ETR Bond Construction	31A
	Streets and Drainage Bond Construction	31B
	1994 Alltel Stadium Bond Construction	31C
	1996B ETR Bonds Construction Fund	31D
	1996C ETR Bond Construction Fund	31E
	1988 Capital Improvement Revenue Construction	31F
	Criminal Justice 1987A Construction	31G
	1995A ETR Refunding Construction	31H
	1995 Alltel Stadium Bond Construction	31I
	1995 Sunshine State Construction	31J
	1997 Alltel Stadium Bond Construction Fund	31K
	Capital Project Revenue Bond Construction	31L
	1999 Alltel Stadium Construction	31M
	2001A ETR Refunding Bonds	31N
	Excise Taxes Revenue Bonds, Series 2001B	31O
	2002 Guaranteed Entitlement Construction Fund	31P
	2003B ETRRIB Series Bond	31Q
	1999A ETR Bond Construction	31R
	ETR Refunding & Improvement Bonds, Series 2002A	31S
	Series 2002A Capital Improvement Revenue Bonds	31T
	Series 2002B & C Capital Improvement & Refunding Revenue Bonds	31U
	2002 Local Government Sales Tax Ref and Imp Bds	31V
	2002B Excise Taxes Revenue Bonds	31W
	ETRRB Series 2003C	361

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<b>Major Governmental Funds (continued)</b>	<b>Capital Projects Funds (continued)</b>	
	General Projects Fund	
	River City Renaissance Pay-As-You-Go	321
	General Capital Projects	322
	First Municipal Loan Construction	323
	Jacksonville Environmental Land Acquisition	324
	St Andrews Church Renovation	325
	Recreation Lands and Park Acquisition	1D3
	Better Jacksonville Plan Construction Project Fund	
	City/JTA Transportation Projects Pay-As-You-Go	351
	City/JTA Transportation Projects Bonds	352
	Better Jax Projects Pay-As-You-Go	353
	Better Jax Projects Bonds	354
<b>Major Enterprise Funds</b>	Public Parking System Fund	
	Public Parking System	411
	Parking Garage Revenue	412
	Parking & ETR S/F RSV	413
	1986 Parking & ETR Construction	414
	1987 Parking & ETR Refunding S/F	415
	Solid Waste Disposal Fund	
	Solid Waste Disposal	441
	Contamination Assessments	442
	Landfill Closure	443
	Solid Waste Grants	444
	Solid Waste Facilities Mitigation	445
	Solid Waste Class III Mitigation	446
	1991A Excise Tax Bonds S/F	447
	1991B Excise Tax Bonds S/F	448
	1991A Construction	449
	1991B Construction	44A
	1996A ETR Refunding S/F	44B
	1999B ETR Construction	44C
	1999B ETR Refunding S/F	44D
	Downtown Garage Can Trust Fund	44E

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<b>Nonmajor Governmental Funds</b>	<b>Special Revenue Funds</b>	
	Concurrence Management	
	Concurrence Management System	112
	Concurrence Management Traffic Data	113
	Fair Share Sector Areas Transportation Improvement	114
	Gate Parkway Extension	115
	Air Pollution Control and Monitoring Fund	
	Air Pollution Tag Fee	121
	Air Pollution EPA	122
	Air Monitoring	123
	Ambient Air Monitoring	124
	Title V	125
	Air Monitoring - Grants	126
	Air Pollution EPA	127
	Ambient Air Monitoring	128
	Sports, Convention and Tourism Development Fund	
	Alltel Stadium Revenue	131
	Tourist Development Council	132
	Convention Development	133
	Special Events	134
	Neighborhood Services Community Activities	135
	Tourist Development Special Revenue	136
	Sports Complex Trust Fund	137
	General Government Fund (Budgeted)	
	Tax Collector / JEA Modernization	151
	Local Government Criminal Justice	152
	Construction Trades Qualifying Board	153
	Hazardous Waste Program	154
	Gas Storage Tank Inspections and Cleanup	155
	Duval County Drug Abuse Program	156
	Alcoholic Rehabilitation Trust	157
	Court Facilities/Civil Trust	158
	Building Inspection	159
	Environmental Protection	15A
	Duval County Law Library	15B
	Family Mediation/County Mediation	15C
	Animal Care and Control	15D
	Victim Assistance Services	15E
	Tree Protection & Related Expense	15F
	Veterinary Services	15G
	Environmental Protection	15H
	Tax Collector / JEA Modernization	15I
	Court Capital Improvement	15J



**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
<b>Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)</b>		
	General Government Fund (Budgeted) (continued)	
	County Mediation	15K
	Duval County Teen Court Programs	15L
	Gas Storage Tank Inspections and Cleanup	15M
	Tree Mitigation and Related Expense	15N
	Mayor's Commission on Status of Women	15P
	Public Safety Fund	161
	Emergency 9-1-1	
	911 Emergency User Fee	171
	911 Capital Equipment Replacement	172
	E911 Emergency Wireless User Fees	173
	E911 Wireless Capital Equipment Replacement	174
	Tax Increment Districts Fund	
	USD1 C Northeast Tax Increment	181
	USD1 A Southside Tax Increment	182
	USD1 B Northwest Tax Increment	183
	JIA Area Redevelopment Trust	185
	Jacksonville Children's Commission	
	Jacksonville Children's Commission	191
	Jacksonville Children's Commission Grants	192
	Jacksonville Children's Commission Projects	193
	Community Development Block Grant Fund	
	Community Development	1A1
	Housing Opportunity for Persons with AIDS	1A2
	Housing Rehabilitation and Home Investment and Opportunity Grants Fund	
	Rehabilitation Loan Program	1B1
	HOME Investment Trust	1B2
	HOPE Program	1B3
	HUD Miscellaneous Grants	1B4
	Housing UDAG	1B5
	Rental Rehabilitation Program	1B6
	Springfield SE Quadrant NR Historic District	1B7
	Job Training Partnership Act Grant Fund	
	JTPA Title II ABC & III	1C1

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
<b>Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)</b>		
	Maintenance, Parks and Recreation Fund	
	Huguenot Park	1D1
	Kathryn A. Hanna Park Improvement	1D2
	Metropolitan Park Maintenance	1D4
	Recreation Maintenance and Improvements	1D5
	Parks and Recreation Facilities Trust	1D6
	Woodstock Park Development Trust	1D7
	FL Boating Improvement Program	1D8
	Sisters Creek Park Maintenance and Improvements	1D9
	Cecil Field Commerce Center	1DA
	Metropolitan Planning Organization Fund	1E1
	Other Federal, State and Local Grants Fund	
	Miscellaneous Federal Projects	1F1
	Prepaid Grants	1F2
	Beach Erosion - State	1F3
	Beach Erosion - Local	1F4
	Library Grants (Council Appropriated)	1F5
	Community Service Grants	1F6
	Sheriff's Office Grants	1F7
	Library Grants (Self-Appropriated)	1F8
	Fire and Rescue Grants	1F9
	Parks, Recreation and Entertainment Grants	1FA
	Regulatory and Environmental Grants	1FB
	Supervisor of Election Grants	1FC
	DCHFSA State Housing Initiatives Partnership Fund	1G1
	Better Jacksonville Plan Trust Fund	1I1
	General Government Fund (Non-Budgeted)	
	Public Records Modernization	1H1
	Animal Care and Control Programs	1H2
	Legal Aid Program	1H3
	Senior Services	1H4
	Fire/Rescue Production Revolving Fund	1H6
	Parks & Recreational Activities	1H7
	Handicap Parking Fines	1H8
	City Wellness and Fitness Fund	1H9
	Driver Education Safety Trust Fund	1HA
	Choose Life Trust Fund	1J1
	Derelict Vessel Removal Fund	1K1
	Special Assessment Fund	1L1
	Mayor's Hispanic Advisory Board Trust Fund	1M1

CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
<b>Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)</b>		
	General Government Fund (Non-Budgeted) (continued)	
	Pickettville Rd Dump Site	641
	Cemetery Perpetual Care and Maintenance	642
	City Council Parks Acquisition, Development and Maintenance	643
	Treaty Oak Park Trust	644
	Jacksonville Veterans Memorial Wall Trust	645
	Child Services Trust	646
	City Access Cable Enhancement Trust	647
	Mimi & Lee Adams Trust	648
	Board of Library Trustees Trust	649
	Sheriff's Trusts (Carryforward/Council-appropriated)	64A
	Sheriff's Trusts (Lapse/Self-appropriated)	64B
	Sheriff's Trusts (Carryforward/Self-appropriated)	64C
	Sheriff's Trusts (Lapse/Council-appropriated)	64D
	Federal Forfeitures Trust	64E
	General Trust & Agency (Carryforward/Council-appropriated)	64F
	General Trust & Agency (Carryforward/Self-appropriated)	64G
	General Trust & Agency (Lapse/Council-appropriated)	64H
	General Trust & Agency (Lapse/Self-appropriated)	64I
	Flexible Spending Plan	64J
	Lavilla Cultural and Heritage District Trust	64L
	Youth Travel Trust (Jacksonville Children's Comm.)	64M
	Art in Public Places Trust Fund	64N
	Balis Estate Trust Fund	64P
	Unclaimed Checks	662
	Tax Deed Sale - Surplus	663
	Outstanding Checks - Treasury	664
	Duplicate Checks- Treasury	666
	Unclaimed Refunds	66Y
	Execution Funds 5 Year	66Z
<b>Debt Service Funds</b>		
	General Bonded Debt Obligations Fund	211
	Special Bonded Debt - Better Jax Obligations Fund	
	BJP Transportation Series 2001	241
	BJP Infrastructure Series 2001	242
	BJP Transportation Series 2001 Reserve	243
	BJP Infrastructure Series 2001 Reserve	244
	BJP Infrastructure Swap	245

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<b>Nonmajor Governmental Funds (continued) Debt Service Funds (continued)</b>		
	Other Non-Bonded Debt Obligations Fund	
	River City Renaissance Bond S/F	232
	HUD 108 Loan S/F - Vistakon	233
	HUD 108 Loan S/F - Coach Distribution	234
	HUD 108 Loan S/F - Southside Harbor	235
	HUD 108 Loan S/F - Hilton Hotel	236
	HUD 108 Loan S/F - Sally Beauty	237
	HUD 108 Loan S/F - LaVilla	238
	HUD 108 Loan S/F - HTV Associates	239
	HUD 108 Loan S/F - Jax Landing	23A
	HUD 108 Loan S/F - American Body Armor	23B
	HUD 108 Loan S/F - Hampton Inn	23C
	<b>Capital Projects Funds</b>	
	Grant Capital Improvements Projects Fund	331
	River City Renaissance Bond Construction Project Fund	
	River City Renaissance Bond Construction	341
	2001 Sales Tax Refunding	342
	<b>Permanent Fund</b>	
	Cemetary Maintenance Trust	652
<b>Nonmajor Enterprise Funds</b>	Sports Complex, Convention Center and Auditorium Fund	
	Sports Complex	421
	Convention Center and Auditorium	422
	SMG-Jacksonville	423
	Alltel Stadium	424
	Equestrian Center	425
	Motor Vehicle Inspection Fund	431
	Mayport Ferry	451
<b>Internal Service Funds</b>	Fleet Management Fund	
	Motor Pool	511
	Motor Pool - Vehicle Replacement	512
	Copy Center Fund	
	Copy Center	521
	Storeroom/Printing	522

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<b>Internal Service Funds (continued)</b>	Information Technologies Fund	
	Information Technologies	531
	Information Technologies (Lapse/Self-appropriating)	532
	Communications	533
	Communications - Radio Replacement	534
	Office of General Counsel	551
	Self Insurance Fund	561
	Group Health Fund	571
	Insured Programs Fund	581
	<b>Fiduciary Funds</b>	<b>Pension Trust Funds</b>
<b>General Employees Pension</b>		
General Employees		611
General EE Post Retirement Trust		612
<b>Police and Fire Pension</b>		
Police and Fire		621
Police & Fire Post Retirement Trust		622
<b>Private Purpose Trust Funds</b>		
James Brady Disabled Scholarship		1H5
Michael Jackson Music Scholarship Trust		651
J. B. Smith Memorial Scholarship Trust		653
Lex Hester Memorial Scholarship Trust Fund		654
<b>Agency Funds</b>		
Treasurer Agency Fund		661
Plat Deposits		665
Tax Collector Agency Fund		671
Clerk of the Circuit Court Fund		681
Florida Retirement System		6A1
Duval Co School Readiness Coalition, Inc		6B1

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2003**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<b>Discretely Presented Component Units</b>	Duval County Housing Finance Authority	721
	Housing Tax Credit MF Rental Revolving Fund	722
	Jacksonville Economic Development Commission	
	Jacksonville Economic Development Commission	751
	Sports Development Events	752
	Jacksonville Film & Television Office Trust	753
	International Marketing Trust	754
	SS Redevelopment Trust Parks and Recreation	755
	Greenleaf/Jacobs Clock Restoration	756
	JEDC Prepaid Grants	757
	JEDC Miscellaneous Federal/State/Local Grants	758
	JEDC Cecil Field Trust	759
	Downtown Historic Preservation & Revitalization	75A
	Downtown Economic Development Fund	75B
	Jacksonville Game Trust Fund	760



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