

# CITY OF JACKSONVILLE, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004



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, 2004**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

LETTERS OF TRANSMITTAL .....	i - xiv
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING .....	xvi
ORGANIZATIONAL CHART .....	xvii
LISTING OF CITY OFFICERS, CONSTITUTIONAL OFFICEHOLDERS, AND CITY COUNCIL OFFICIALS AND STAFF .....	xviii - xix

**FINANCIAL SECTION**

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS .....	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	6 - 18

**BASIC FINANCIAL STATEMENTS**

**CITY-WIDE FINANCIAL STATEMENTS**

Statement of Net Assets .....	20
Statement of Activities .....	21

**FUND FINANCIAL STATEMENTS**

Balance Sheet - Governmental Funds .....	26 - 27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	29
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds .....	30 - 31

**FINANCIAL SECTION (CONTINUED)**

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	32
Statement of Net Assets - Proprietary Funds.....	34 - 35
Statement of Revenue, Expenses and Changes in Fund Net Assets - Proprietary Funds .....	37
Statement of Cash Flows - Proprietary Funds .....	38 - 41
Statement of Fiduciary Net Assets.....	44
Statement of Changes in Fiduciary Net Assets.....	45
<b>MAJOR COMPONENT UNITS</b>	
Combining Statement of Net Assets – Component Units .....	48 - 49
Combining Statement of Activities – Governmental Component Units .....	50 - 51
Combining Statement of Revenue, Expenses, and Changes in Fund Net Assets - Business-Type Component Units.....	52 - 53
<b>NOTES TO FINANCIAL STATEMENTS.....</b>	<b>55 - 148</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund.....	150
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION.....</b>	<b>151 - 152</b>
Schedule of Employer Contributions - General Employees Retirement System .....	153
Schedule of Employer Contributions - Police and Fire Retirement System .....	154
Schedule of Funding Progress - General Employees Retirement System .....	155
Schedule of Funding Progress - Police and Fire Retirement System .....	156

**FINANCIAL SECTION (CONTINUED)**

**COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**GOVERNMENTAL FUNDS**

Combining Balance Sheet - Nonmajor Governmental Funds .....	160 - 165
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	166 - 171
Budgetary Comparison Schedule - Nonmajor Governmental Funds .....	172 - 180

**PROPRIETARY FUNDS**

Combining Statement of Net Assets - Nonmajor Enterprise Funds.....	182
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds .....	183
Combining Statement of Cash Flows - Nonmajor Enterprise Funds .....	184 - 185

**INTERNAL SERVICE FUNDS**

Combining Statement of Net Assets - Internal Service Funds.....	188 - 189
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets - Internal Service Funds.....	190 - 191
Combining Statement of Cash Flows - Internal Service Funds .....	192 - 195

**FIDUCIARY FUNDS**

**PENSION TRUST FUNDS**

Combining Statement of Fiduciary Net Assets - Pension Trust Funds .....	198
Combining Statement of Changes in Fiduciary Net Assets - Pension Trust Funds .....	199

**AGENCY FUNDS**

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds .....	200 - 201
Combining Statement of Changes in Assets and Liabilities Fiduciary Funds - All Agency Funds.....	202 - 204

**FINANCIAL SECTION (CONTINUED)**

**NON MAJOR COMPONENT UNITS**

Combining Statement of Net Assets – Non Major Component Units .....206

Combining Statement of Activities – Non Major Governmental Component Units ....208 - 209

**SUPPLEMENTAL INFORMATION**

Schedule of Long-Term Bonded Indebtedness .....212 - 215

Schedule of Debt Service Requirements Compared  
to Cash in Sinking Fund Long-Term Obligations .....216 - 217

Schedule of Debt Service Requirements to Maturity -  
Special Obligation Bonds Payable from Specific Revenue  
Sources Other Than Ad Valorem Taxes .....218 - 225

Schedule of Debt Service Requirements to Maturity -  
Special Obligation Bonds Payable from Specific Revenue  
Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan .....226 - 228

Schedule of Debt Service Requirements to Maturity -  
Payable from Enterprise Funds .....230 - 231

Schedule of Debt Service Requirements to Maturity -  
Payable from General Revenue .....232 - 233

Summary of Pledged Revenues and Bond Coverage  
Disclosure Obligation .....234 - 237

**STATISTICAL SECTION (UNAUDITED)**

General Governmental Revenues .....240 - 241

General Governmental Expenditures .....242 - 243

Tax Revenue by Source .....244 - 245

Property Tax Levies and Collections .....246 - 247

Assessed and Estimated Actual Values of Taxable Property .....248

Property Tax Rates - Direct and Overlapping Governments .....249

**STATISTICAL SECTION (UNAUDITED)** (CONTINUED)

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt per Capita.....	250
Computation of Direct and Overlapping General Obligation Bonded Debt .....	251
Legal Debt Limit.....	251
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures .....	252
Revenue Bond Coverage - Parking System .....	254 - 255
Property Value, Construction and Bank Deposits .....	256
Demographic Statistics .....	257
Ten Largest Taxpayers.....	258
Miscellaneous Statistical Data.....	259
Fund Conversion Table .....	260 - 268



**(This page is intentionally left blank.)**

**LETTERS OF TRANSMITTAL**





**OFFICE OF THE MAYOR**

**JOHN PEYTON**  
MAYOR

CITY HALL SUITE 400  
117 W. DUVAL STREET  
JACKSONVILLE, FL 32202

February 18, 2005

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 2003/2004.

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,

A handwritten signature in black ink, appearing to read "John Peyton". The signature is stylized with large, flowing loops.

John Peyton  
Mayor



**(This page is intentionally left blank.)**

# DEPARTMENT OF ADMINISTRATION AND FINANCE

## Office of the Director



February 18, 2005

**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, 2004 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 and the reports of other auditors, 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, 2004, 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.

**117 West Duval Street, Suite 300  
Jacksonville, Florida 32202  
Telephone (904)630-1298 Fax (904)630-3615  
[www.coj.net](http://www.coj.net)**



*Recipient of the 2001 Governor's Sterling Award*

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 Amendments of 1996 (the Single Audit Act); U.S. Office of Management and Budget Circular A-133, *Audits of States, 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 compliance with 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 is a component unit of the city blended into the appropriate fund type. The JEA, the Jacksonville Airport Authority, the Jacksonville Port Authority, the Jacksonville Transportation Authority, the Jacksonville Economic Development Commission, the Downtown Vision Inc., the Jacksonville 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 provide the best service to our citizens at the lowest cost, and to continue to realize Jacksonville's full potential on every level.

#### **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, the City of Jacksonville continues to actively work with the Jacksonville Regional Chamber of Commerce, the Jacksonville Economic Development Commission and other organizations and individuals to attract more and better jobs to Jacksonville. During the past year, the city has also devoted significant time, energy and resources to preparing for Super Bowl XXXIX, which will not only bring an estimated \$250 to \$300 million into the local economy in the short term, but will also showcase Jacksonville to thousands of corporate decision-makers from across the nation as a possible location for relocation or expansion.

On the military front, the city has worked diligently to preserve the local military presence, which contributes about \$8 billion to the local economy and is an important part of our national defense. The city's first-ever military affairs director and other staff have engaged in ongoing outreach to both local military leadership and civilian leadership in

Washington, and have worked closely with our Congressional delegation, Governor Bush and others in order to do as much as we can to support their efforts on behalf of Jacksonville's military facilities and personnel.

Increasing minority and small business ownership is also key to our city's economic health. During FY 03-04, the city created the Jacksonville Small and Emerging Business (JSEB) initiative based upon recommendations from a community-wide committee. The JSEB will work to create opportunity for small businesses by: making it easier for them to do business with the city, increasing their access to capital, and providing opportunities for them to access other resources and information they need to succeed. The city has also made increasing small and minority business participation in Super Bowl XXXIX a priority, engaging in coordinated outreach with the Super Bowl Host Committee to enhance the number of local contracts awarded.

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

In support of our efforts to make Jacksonville the safest city in America, the FY 03-04 budget provided for a historic commitment to public safety. Initiatives included modernizing and relocating fire stations, replacing 14 stations, improving response time and accomplishing needed vehicle and apparatus replacement; providing new equipment and personnel to the Medical Examiner to speed crime solving; upgrading our emergency communications center; funding the new Community Service Officers program of the Jacksonville Sheriff's Office; and providing portability of pension benefits for our police and firefighters to allow the city to attract the best talent available.

## **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. In support of early literacy, the FY 03-04 budget contained funding to implement a community-wide literacy initiative, RALLY Jacksonville. The initiative's goal is to get Jacksonville's 4-year-olds (who will be entering kindergarten in the fall of 2005) ready to read and succeed by: making reading a core value of the community through advocacy, improving school readiness through intensive intervention in child care centers, developing neighborhood pilot projects and measuring and reporting results.

RALLY Jacksonville has already reached thousands of children and families through efforts including: the Mayor's Book Club, with over 8,000 members; PEER teams - 54 education professionals reaching into 633 preschool classrooms at 198 child care centers to improve everything from environment to curriculum; a book drive and the development of a neighborhood pilot project that will begin this spring.

## **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.**

This administration has 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 has reviewed the status of housing and developed a strategic plan to address needs in the community in FY 04-05.

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

During the past year, we began the largest performance review and reorganization of city government in over a decade, with the goal of achieving top-notch customer service and making it easier for our citizens to live, work and do business here in Jacksonville. We streamlined and centralized city purchasing, reorganized the Jacksonville

Economic Development Commission, reorganized city departments to increase efficiency and decrease cost, elevated procurement to the department level, gave more authority to our managers and instituted performance measures for city employees. We have also provided for investments that will save the taxpayers money. One example is our matched book investing and borrowing policy, which realized a benefit to the taxpayers of over \$11.1 million.

## **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 1,294,082 in 2003 to an estimated 1,300,817 in 2004, a .5% 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.

### **Employment by Industry**

<b>INDUSTRY TITLE</b>	<b>EMPLOYMENT</b>	<b>PROJECTED EMPLOYMENT</b>	<b>PROJECTED ANNUAL CHANGE</b>	
	<b>2003</b>	<b>2011</b>	<b>TOTAL</b>	<b>PERCENT</b>
<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

### **2004 Economic Activity**

The Cornerstone Division of the Jacksonville Chamber of Commerce announced 33 business projects in 2004, which retained a total of 77 jobs and brought 3,747 new jobs to the area. Private capital investment associated with these projects totaled over \$116 million. Major Economic Development Program Announcements from 01/01/04-12/31/04 follow:

Company Name	Type of Business	Projected New Jobs	Capital Investment
Harvey's Supermarkets	Grocery warehousing	100(new)	No new cap. investment
Merrill Lynch Credit	Finance/Insurance HQ	150(new)	No new cap. investment
ITC Financial	Employer-based financial solutions	275(new)	\$2,365,000
Aerogeroup, Inc.	Tactical air services for foreign militaries	152(new)	\$1,000,000
Rulon Company	High-end wood and suspended ceiling	100(new)	\$6,000,000
State Farm	Insurance and financial services	300(new)	\$946,684
Clearwire	Wide area wireless internet provider	100(new)	\$3,000,000
Gyrx	Medical device manufacturer	100(new)	No new cap. investment
Clarksville Refrigerated Lines	Exclusive trucking company for Wal Mart	100(new)	No new cap. investment
WMC Mortgage Corp.	Secondary market mortgage lending operation	105(new)	\$1,558,000
Wal Mart Distribution	Food distribution center	300(new)	No new cap. investment
Washington Mutual	Financial Services	725(new)	\$1,200,000
Option One	Financial Services	300(new)	\$2,067,123
Northrop Grumman	Aerospace and defense systems integration	100(new)	\$410,700

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 2004 and beyond. The following listing from various sources highlights the community:

- Jacksonville is consistently rated as one of the top **"Hottest Cites 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 six 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 7,847 active city employees, 320 DROP participants for the Police and Fire Pension Plan and 6,448 retirees and beneficiaries at September 30, 2004. 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) and elected officials participate in the State of Florida Retirement System.

During fiscal year 2004, the net plan assets of the General Employees Pension Plan (\$1.5 billion at September 30, 2004) increased a net of \$110.8 million, with the plan being 82.7% funded. The net plan assets of the Police and Fire Pension Plan (\$739.4 million at September 30, 2004) increased a net of \$35.3 million during fiscal year 2004, with the plan being 59.6% funded.

The city made all of its required contributions in 2004 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, 2004, of the \$3.4 billion of cash and investments, \$2.78 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. 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, and obligations of the U.S. Government. The city has hired three fixed-income money managers to invest \$150 million of its pooled cash in increments of \$50 million each. The funds will be benchmarked against the Lehman Aggregate Index. 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 \$37.9 million during the fiscal year ended September 30, 2004. From this total, \$25.8 million was derived from a city-administered, commingled investment pool, which generated a total weighted average yield of 1.992% on an average daily-invested balance of \$844.7 million. The remaining \$12.1 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, 2004 the general investment portfolio of government securities managed in-house carry a weighted-average number of days to maturity of 955 days, while the securities managed by the portfolio managers have an average duration of 4.34 years.

*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, 2003. 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-four consecutive years (fiscal years 1980 through 2003). 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-sixth (1969 - 2004) 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 2004 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 Elaine Brown, and Councilperson Reggie Fullwood, 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,



Calvin C. Ray  
Director, Department of  
Administration and Finance



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



**(This page is intentionally left blank.)**

# 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, 2003

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.



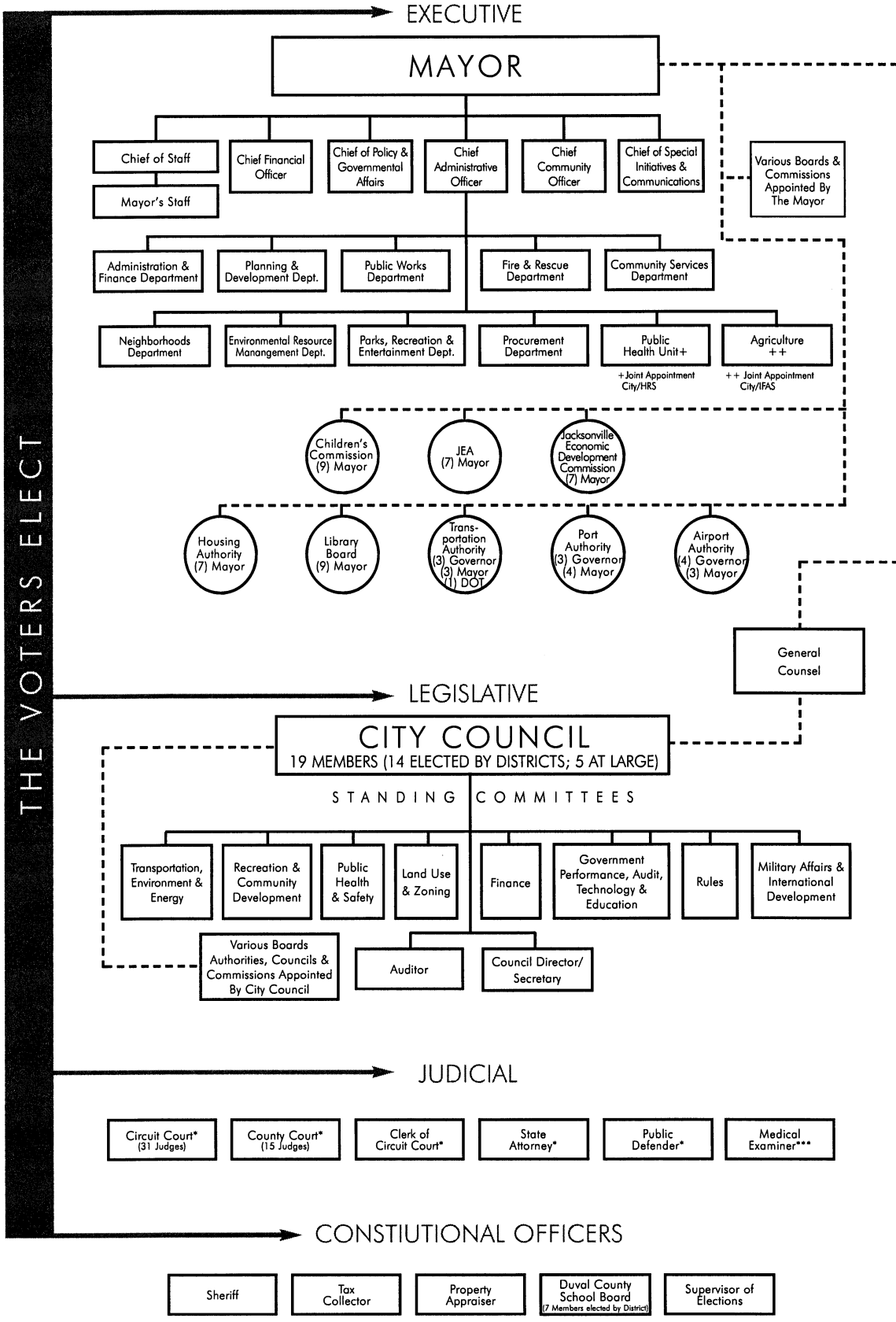
*Nancy L. Ziehl*

President

*Jeffrey R. Emery*

Executive Director

# Organizational Chart City of Jacksonville, Florida



THE VOTERS ELECT

\*\*\* Appointed by the Governor

# City of Jacksonville, Florida

## City Officers and Constitutional Officeholders

---

**John Peyton, Mayor**

### City Officers

Steve Diebenow .....	Chief of Staff
Daniel Kleman .....	Chief Administrative Officer
Adam Hollingsworth .....	Chief of Policy & Governmental 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
Alan Mosley.....	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
William Scheu .....	Supervisor of Elections
Mike Hogan .....	Tax Collector



# City of Jacksonville, Florida

## City Council Officials and Staff

---

### City Council

President of Council .....Elaine Brown  
Vice President of Council..... Kevin Hyde

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



**(This page is intentionally left blank.)**

## 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the City), as of and for the year ended September 30, 2004, 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 Port Authority, Jacksonville Transportation Authority, and Downtown Vision, Inc., which collectively represent 11 percent, 32 percent, and 5 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 36 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 they relate to the amounts included for the aforementioned component units and the pension trust funds aggregate remaining fund information, are based solely on the reports of the other auditors. The prior year summarized comparative information has been derived from the City's 2003 financial statements and, in our report dated January 30, 2004, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

We conducted our audits in accordance with auditing standards generally accepted in 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 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 grant agreements and other

matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining 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 them.

*Ernst + Young LLP*

December 30, 2004



**(This page is intentionally left blank.)**

**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.

### Financial Highlights

- The City of Jacksonville's total net assets at the close of the 2004 fiscal year increased by \$9 million from the prior fiscal year primarily due to the increase in capital assets.
- Capital assets were \$ 2,108 million at September 30, 2004, resulting in a \$321 million, 18%, increase over last fiscal year.
- The city took advantage of historically low interest rates during the year, borrowing new money to fund capital improvements in the amount of \$372 million.
- The city was affected by four hurricanes this year and incurred approximately \$6 million in FY2004 and \$14 million in FY2005 in damage and clean-up costs. The Federal government (FEMA) will reimburse 90% of the costs and the State will reimburse the city for an additional 5% of the costs.

### City Highlights

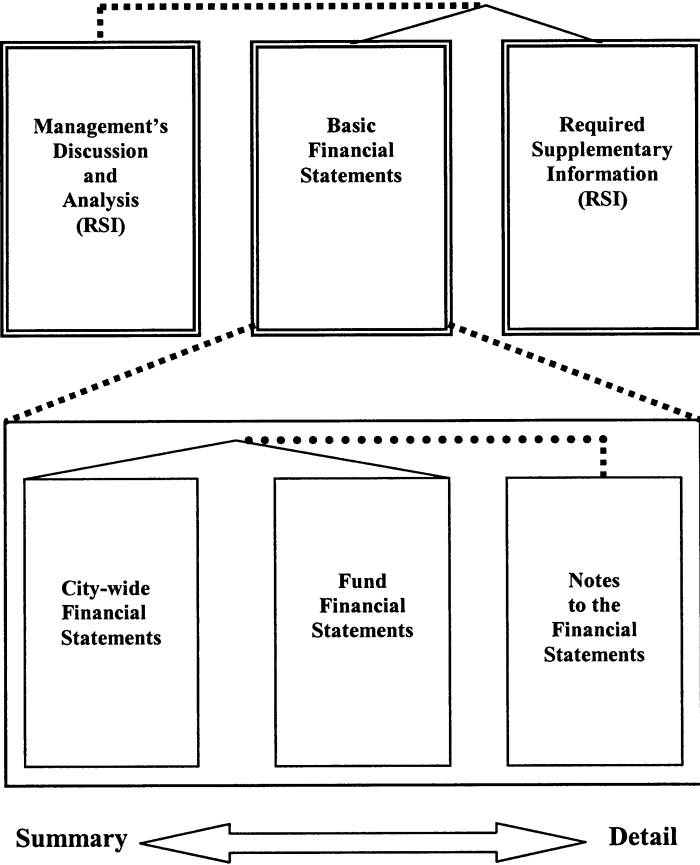
- The city continues to invest, not only in infrastructure, but also in services that enhance the quality of life of our citizens. Once more an additional \$1 million was added to the annual contribution to the Jacksonville Children's Commission, bringing the contribution to nearly \$15.9 million. This million is targeted to the Early Literacy Initiative. The contribution to Shands Hospital for indigent health care was maintained at \$23.8 million.
- Parks, Recreation and Entertainment received \$2 million in funding specifically designated for enhanced maintenance.
- Information Technologies was funded \$2.2 million for development of new technology.
- Four capital projects were funded through the General 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.

**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, Jacksonville 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 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, Special Bonded Debt Obligations Fund, Special Bonded Debt-Better Jacksonville Plan Obligations Fund, Bond Projects 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 and public parking, which are major funds and sports complex activities, motor vehicle, and ferry operations which are non-major.

*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 with related notes and the progress of the city's employee 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, 2004, 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, 2003 and September 30, 2004**

	Governmental Activities		Business Type Activities		Total Primary Government		Total Percentage of Change	
	2004	2003	2004	2003	2004	2003	2003/2004	2002/2003
Cash and Investments	\$ 924,176	\$ 879,111	\$ 52,400	\$ 59,607	\$ 976,576	\$ 938,718	4.03%	-1.42%
Other Current Assets	176,609	173,218	36,701	38,071	213,310	211,289	0.96%	28.98%
Capital Assets	2,055,728	1,730,612	51,947	56,451	2,107,675	1,787,063	17.94%	25.41%
Total assets	<u>3,156,513</u>	<u>2,782,941</u>	<u>141,048</u>	<u>154,129</u>	<u>3,297,561</u>	<u>2,937,070</u>	12.27%	15.59%
Current Liabilities	151,064	126,739	13,309	10,646	164,373	137,385	19.64%	2.57%
Long-term obligations	2,272,098	1,949,916	101,320	98,810	2,373,418	2,048,726	15.85%	29.43%
Total liabilities	<u>2,423,162</u>	<u>2,076,655</u>	<u>114,629</u>	<u>109,456</u>	<u>2,537,791</u>	<u>2,186,111</u>	16.09%	27.34%
Net assets								
Invested in capital assets, net of related debt	238,487	259,956	12,289	(18,516)	250,776	241,440	3.87%	123.18%
Restricted	295,088	230,392	13,591	12,714	308,679	243,106	26.97%	-47.23%
Unrestricted	199,776	215,938	539	50,475	200,315	266,413	-24.81%	4.35%
Total net assets	<u>\$ 733,351</u>	<u>\$ 706,286</u>	<u>\$ 26,419</u>	<u>\$ 44,673</u>	<u>\$ 759,770</u>	<u>\$ 750,959</u>	1.17%	-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.”

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.

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

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

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

The decrease of unrestricted net assets in the Business Type Activities includes \$12.2 million cash transfer to the Governmental Activities.

The city’s general governmental revenues increased to \$1.2 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 \$27 million, accounting for 100% of the total growth in net assets.

The following Table A-2 provides a summary comparison of the city's operations for the 2003 and 2004 fiscal year ends.

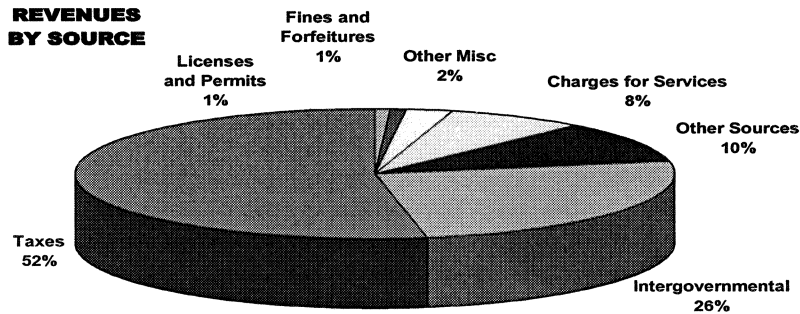
**Table A-2**  
**Statement of Activities**  
**(In Thousands)**  
**as of September 30, 2003 and September 30, 2004**

	Governmental Activities		Business Type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
<b>Revenues:</b>						
Program Revenues:						
Fines & Charges for services	\$ 105,084	\$ 104,115	\$ 57,472	\$ 49,939	\$ 162,556	\$ 154,054
Operating grants/contributions	83,649	85,013	220	49	83,869	85,062
Capital grants/contributions	67,970	31,210	-	-	67,970	31,210
General revenues:						
Property/utility service/sales taxes	602,606	581,289	-	-	602,606	581,289
Intergovernmental	190,917	163,551	-	-	190,917	163,551
Payment in lieu of taxes	83,188	81,376	-	-	83,188	81,376
Unrestricted earnings on investmtns	33,741	22,894	2,594	2,729	36,335	25,623
Miscellaneous	26,771	28,109	2,132	1,927	28,903	30,036
<b>Total Revenues</b>	<b>1,193,926</b>	<b>1,097,557</b>	<b>62,418</b>	<b>54,644</b>	<b>1,256,344</b>	<b>1,152,201</b>
<b>Expenses</b>						
General government	191,705	168,844	-	-	191,705	168,844
Human Services	100,120	101,974	-	-	100,120	101,974
Public safety	367,308	334,977	-	-	367,308	334,977
Cultural and recreational	60,955	73,523	-	-	60,955	73,523
Transportation	129,734	299,785	-	-	129,734	299,785
Economic & physical environment	119,621	86,835	-	-	119,621	86,835
Interest on long term debt	92,477	68,656	-	-	92,477	68,656
Parking system	-	-	4,298	3,621	4,298	3,621
Sports complex	-	-	21,995	15,528	21,995	15,528
Motor vehicle inspections	-	-	451	577	451	577
Solid Waste	-	-	77,588	69,098	77,588	69,098
Ferry	-	-	2,063	2,040	2,063	2,040
<b>Total Expenses</b>	<b>1,061,920</b>	<b>1,134,594</b>	<b>106,395</b>	<b>90,864</b>	<b>1,168,315</b>	<b>1,225,458</b>
Increases (decreases) in net assets before special items and transfers	132,006	(37,037)	(43,977)	(36,220)	88,029	(73,257)
Special item-refunded state bonds	(79,218)	-	-	-	(79,218)	-
Transfers	(25,723)	190,184	25,723	(190,184)	-	-
<b>Change in net assets</b>	<b>\$ 27,065</b>	<b>\$ 153,147</b>	<b>\$ (18,254)</b>	<b>\$ (226,404)</b>	<b>\$ 8,811</b>	<b>\$ (73,257)</b>
<b>Net assets, beginning 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>
<b>Net assets, end of year</b>	<b>\$ 733,351</b>	<b>\$ 706,286</b>	<b>\$ 26,419</b>	<b>\$ 44,673</b>	<b>\$ 759,770</b>	<b>\$ 750,959</b>

## FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

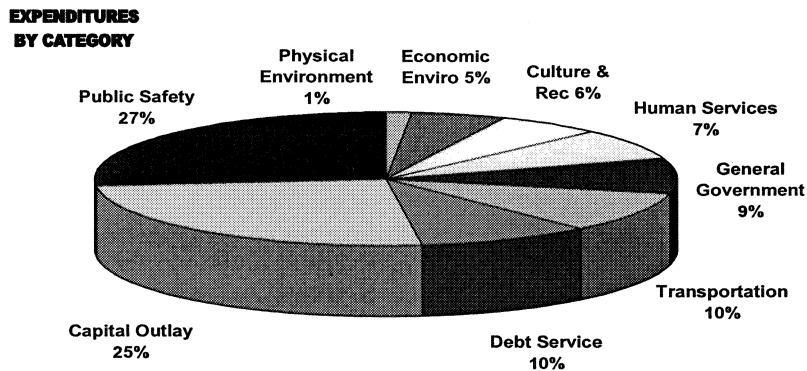
The focus of the City of Jacksonville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2004.

### 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



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 \$900 million. Approximately 21% 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 non-major funds of each governmental fund type with legally adopted annual budgets are included in the Combining Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual. The General Fund Budget and Actual Schedule is included as RSI following the Notes to the Financial Statements.

#### **Governmental Funds:**

- The city's general governmental revenues increased by \$70 million, expenditures decreased by \$135 million. Reduction of capital outlay expenditures were the major portion of the decrease.
- At the close of the 2004 fiscal year, the City of Jacksonville's governmental funds reported combined ending fund balances of \$900 million.
- The unreserved fund balance for the general fund was \$70 million or 79% of the total general fund balance. Management has designated 99% of these reserved funds toward capital projects and next year budget appropriations. Taxes, the largest source of city revenue, reported a 4% increase in 2004, \$21 million over last year.

#### **General Fund**

- Ad Valorem millage rate reduced for the tenth consecutive year of millage cuts, resulting in a 1.48 mill decrease over the ten years. This represents savings to taxpayers of approximately \$50.9 million in the fiscal year 2004 and cumulative savings of \$166.2 million over the ten-year period.
- For the tenth consecutive year, the city continues its effort to build up reserves. General Fund cash carryover has been increased by \$11.7 million to a total of \$37.2 million.
- The contribution to Shands Hospital/Jacksonville in support of indigent care has been maintained at \$23.8 million. An additional transfer of \$5 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.
- General Fund-General Services District revenues completed the year at \$786.7 million as compared to the \$765.6 million budgeted, exclusive of transfers from fund balance. This resulted in a favorable variance of \$21 million, with taxes accounting for approximately \$7 million, of which Ad Valorem accounted for \$4 million; and Earnings on Investment for another \$12 million, attributed to the recently implemented "Matched Book" investment policy.
- The Library System received funding for several positions as well as operating funds and an additional \$1 million for books for new and expanded facilities.
- The city continued our commitment to Public Safety and the Library System by setting aside \$2.9 million in a reserve for Fire and Rescue which was used to add 30 additional firefighter positions to replace those leaving due to the DROP plan and an additional 14 positions for two peak time rescue units.

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 13<sup>th</sup>, and completed its review and made final recommendations on September 20<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 28th and was signed into law by the Mayor on October 1.

The Mayor recommended a gross Annual Budget of \$1,475,553,488. The budget was amended by City Council to a new gross total of \$1,478,685,437 an increase of \$3,131,949 or 0.2%.

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

- Increased Tax Collector Investment Pool Earnings by \$355,151 to fund build out of the Gateway branch.
- Increased Medical Examiner revenues by \$16,000
- Increased revenues in Building Inspections by \$380,000
- Increased Property Room revenues by \$151,245
- Increased salary funding in the Office of the Sheriff by \$3,786,458
- Moved the funding for the purchase of \$5.3 million in library books from the Internal Loan Pool to Operating Expenses
- Increased funding in Mosquito Control \$60,601 for additional chemicals.
- Increased funding for Fleet Management – Parts, Oil, Gas and Lube internal service allocation by \$2,329,291.

## 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, 2004, amounts to \$2,108 million (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.

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

Governmental Activities:	
General government	\$1,920
Human services	890
Public Safety	5,774
Culture and recreation	7,593
Transportation	82
Economic environment	81
Physical environment	<u>25,359</u>
Total depreciation expense	
Governmental Activities	<u>\$41,699</u>



**Capital Assets**  
**Net of Accumulated Depreciation**  
(In Thousands)  
as of September 30, 2003 and September 30, 2004

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	2004	2003	2004	2003	2004	2003
Land	\$ 270,698	\$ 256,722	\$ 7,074	\$ 7,074	\$ 277,772	\$ 263,796
Buildings and improvements	847,172	565,810	74,137	73,621	921,309	639,431
Furniture & Equipment	55,960	55,119	9,173	9,575	65,133	64,694
Construction in progress	143,692	240,752	-	533	143,692	241,285
Infrastructure	1,074,057	908,622	-	-	1,074,057	908,622
Capital assets reported in Internal Service Funds, net	61,798	63,335	-	-	61,798	63,335
Less accumulated depreciation	(397,649)	(359,748)	(38,437)	(34,352)	(436,086)	(394,100)
Total	<u>\$ 2,055,728</u>	<u>\$ 1,730,612</u>	<u>\$ 51,947</u>	<u>\$ 56,451</u>	<u>\$ 2,107,675</u>	<u>\$ 1,787,063</u>

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

- The Better Jacksonville Plan continued major projects such as a new main library along with six branch libraries in 2004. The Public Library was provided \$5.3 million for the purchase of books system-wide. The main library is scheduled to open in 2005.
- Major projects were completed in fiscal year 2004. This included \$120 million for the new Arena, \$48 million for Alltel Stadium improvements, \$33 million for the Baseball Park and \$15 million for the Equestrian Center.
- Additionally a variety of street construction projects in new residential developments and widening and expansion projects for existing streets and bridges were completed in fiscal year 2004.

**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).

The Jacksonville Transportation Authority, a component unit, 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. On September 30, 2004, the city closed on the sale of \$80 million Transportation Revenue Bonds. The proceeds were used to refund the State of Florida, Full Faith and Credit, Jacksonville Transportation Authority, Senior Lien Refunding Bonds.

At year-end the city had \$2.2 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	
	2004	2003	2004	2003	2004	2003
Special Obligation Bonds	\$ 2,128,956	\$ 1,802,891	\$ -	\$ -	\$ 2,128,956	\$ 1,802,891
Revenue Bonds Payable	-	-	72,109	76,234	72,109	76,234
Notes Payable	8,980	9,375	-	-	8,980	9,375
Deferred Amounts	6,095	9,354	(2,644)	(2,944)	3,451	6,410
<b>Total</b>	<b>\$ 2,144,031</b>	<b>\$ 1,821,620</b>	<b>\$ 69,465</b>	<b>\$ 73,290</b>	<b>\$ 2,213,496</b>	<b>\$ 1,894,910</b>

The City of Jacksonville's Debt increased by \$319 million as compared to fiscal year 2003. 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.

At September 30, 2004, the City of Jacksonville had \$1 billion in special obligation bonds payable from specific revenue sources other than ad valorem taxes, \$1.1 billion in special obligation bonds payable from other specific revenue sources (Better Jacksonville Plan), \$72 million in bonds payable from Enterprise Funds, and \$9 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, 2004.

New indebtedness of the City of Jacksonville consists of;

Closing Date	Par Amount	Lien	Primary Use
December 29, 2003	\$18,745,000	Excise Taxes Revenue	Univ of FI Proton Beam
March 2, 2004	\$218,755,000	Sales Tax Revenue	Better Jax Plan Improvements
September 21, 2004	\$54,000,000	Capital Project Revenue	Drainage & Other Projects
September 30, 2004	\$80,275,000	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.

A state of emergency was declared during the hurricanes of August and September, 2004 and an excess of expenditures over appropriations was authorized by the Mayor. The city recorded an accrual of \$6 million for the FY2004 expenditures and has incurred an additional \$14 million in expenditures in fiscal year 2005 due to the hurricanes' related declared state of emergency. Reimbursement requests from the Federal Emergency Management Agency have been initiated.

The FY2005 General Fund budget appropriations, not including hurricane related transactions noted in the paragraph above, included \$72.2 million appropriated from the Fund Balance of the General Fund. Due to expenditures being greater than projected, the Fund Balance of the General Fund was over appropriated by \$4.6 million. The over appropriation will be addressed by the Administration in FY2005.

### **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 tenth consecutive year of millage cuts, resulting in a 1.53 mills decrease over the ten years. This represents savings to taxpayers of approximately \$59.9 million in the current year and cumulative savings of \$226.1 million over the ten-year period.
- General Fund revenues are up \$42,129,960 excluding transfers, which represents a 5.86 percent increase.
- For the tenth consecutive year, the city continues its effort to build up reserves. General Fund cash has been increased to \$40 million from \$37.2 million.
- The Public Library was provided \$5.3 million for the purchase of books system-wide.
- Juvenile Justice is funded for \$3.9 million for services previously provided by the State.
- The Tax Collector received 16 additional positions and approximately 16,000 new part-time hours. Funding for a new Tax System is also included in this budget.
- Funding in the amount of approximately \$140 million was provided through Long Term Capital Investment for fire stations, sidewalk repairs & replacements. Bay Street Towncenter, senior centers expansion, Parks/Recreation capital improvements, and other capital projects.

## **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 -**  
**SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	PRIMARY GOVERNMENT				COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS		
			2004	2003	
<b>ASSETS:</b>					
Equity in cash and investments.....	\$ 819,756	\$ 52,400	\$ 872,156	\$ 889,394	\$ 1,006,784
Cash in escrow and with fiscal agents.....	104,420	-	104,420	49,324	-
Receivables, net.....	38,568	4,099	42,667	46,291	212,848
Due from primary government.....	-	-	-	-	2,200
Due from independent agencies and other governments.....	116,593	122	116,715	113,463	34,748
Inventories.....	2,714	10	2,724	2,687	102,288
Prepaid expenses and other assets.....	14,901	415	15,316	11,804	431,594
Deferred charge - landfill related costs.....	-	31,592	31,592	33,616	-
Other deferred charges.....	3,833	463	4,296	3,428	-
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	414,448	7,074	421,522	505,139	1,565,879
Other capital assets, net of depreciation.....	1,641,280	44,873	1,686,153	1,281,924	5,275,462
<b>TOTAL ASSETS.....</b>	<b>3,156,513</b>	<b>141,048</b>	<b>3,297,561</b>	<b>2,937,070</b>	<b>8,631,803</b>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	81,016	7,728	88,744	75,532	186,708
Contracts payable.....	9,395	1,328	10,723	5,000	-
Due to component units.....	2,200	-	2,200	3,600	-
Due to independent agencies and other governments.....	590	7	597	4,922	27
Deposits.....	1,565	2,025	3,590	2,148	18,477
Accrued interest payable.....	49,546	1,793	51,339	38,169	96,040
Deferred revenue.....	6,752	428	7,180	8,014	21,412
Liabilities payable from restricted assets.....	-	-	-	-	14,841
Other current liabilities.....	-	-	-	-	90,566
<b>NONCURRENT LIABILITIES:</b>					
Due within one year.....	76,830	4,868	81,698	69,401	120,545
Due in more than one year.....	2,195,268	96,452	2,291,720	1,979,325	5,389,575
<b>TOTAL LIABILITIES.....</b>	<b>2,423,162</b>	<b>114,629</b>	<b>2,537,791</b>	<b>2,186,111</b>	<b>5,938,191</b>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	238,487	12,289	250,776	241,440	1,911,680
Restricted for:					
Debt service.....	176,987	-	176,987	144,690	6,951
Capital projects.....	118,101	11,929	130,030	97,632	99,721
Other purposes.....	-	1,662	1,662	784	324,400
Unrestricted.....	199,776	539	200,315	266,413	350,860
<b>TOTAL NET ASSETS.....</b>	<b>\$ 733,351</b>	<b>\$ 26,419</b>	<b>\$ 759,770</b>	<b>\$ 750,959</b>	<b>\$ 2,693,612</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF ACTIVITIES -**  
**SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			PRIMARY GOVERNMENT		TOTALS		COMPONENT UNITS
		FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2004	2003	
<b>PRIMARY GOVERNMENT</b>									
Governmental activities:									
General government.....	\$ 191,705	\$ 55,329	\$ 2,504	\$ -	(\$ 133,872)		(\$ 133,872)	(\$ 111,449)	
Human services.....	100,120	442	16,937	-	(82,741)		(82,741)	(87,374)	
Public safety.....	367,308	42,398	7,714	-	(317,196)		(317,196)	(287,189)	
Culture and recreation.....	60,955	5,395	3,621	2,443	(49,496)		(49,496)	(61,192)	
Transportation.....	129,734	550	-	48,848	(80,336)		(80,336)	(275,731)	
Economic environment.....	74,889	-	49,368	16,660	(8,861)		(8,861)	(17,586)	
Physical environment.....	44,732	970	3,505	19	(40,238)		(40,238)	(5,079)	
Interest on long term debt.....	92,477	-	-	-	(92,477)		(92,477)	(68,656)	
Total governmental activities...	<u>1,061,920</u>	<u>105,084</u>	<u>83,649</u>	<u>67,970</u>	<u>(805,217)</u>		<u>(805,217)</u>	<u>(914,256)</u>	
Business-type activities:									
Parking system.....	4,298	2,648	-	-	-	(\$ 1,650)	(1,650)	(820)	
Sports complex.....	21,995	13,515	-	-	-	(8,480)	(8,480)	(7,345)	
Motor vehicle inspections.....	451	388	-	-	-	(63)	(63)	(161)	
Solid Waste.....	77,588	39,903	220	-	-	(37,465)	(37,465)	(31,628)	
Ferry.....	2,063	1,018	-	-	-	(1,045)	(1,045)	(922)	
Total business-type activities....	<u>106,395</u>	<u>57,472</u>	<u>220</u>	<u>-</u>	<u>-</u>	<u>(48,703)</u>	<u>(48,703)</u>	<u>(40,876)</u>	
<b>Total primary government....</b>	<b><u>\$ 1,168,315</u></b>	<b><u>\$ 162,556</u></b>	<b><u>\$ 83,869</u></b>	<b><u>\$ 67,970</u></b>	<b><u>(805,217)</u></b>	<b><u>(48,703)</u></b>	<b><u>(853,920)</u></b>	<b><u>(955,132)</u></b>	
<b>COMPONENT UNITS:</b>									
Governmental activities.....	\$ 141,540	\$ 1,482	\$ 11,703	\$ 55,759					(\$ 72,596)
Business-type activities.....	<u>1,361,124</u>	<u>1,163,577</u>	<u>50,498</u>	<u>10,492</u>					<u>(136,557)</u>
Total component units.....	<b><u>\$ 1,502,664</u></b>	<b><u>\$ 1,165,059</u></b>	<b><u>\$ 62,201</u></b>	<b><u>\$ 66,251</u></b>					<b><u>(209,153)</u></b>
General revenues:									
Property taxes.....					343,870	-	343,870	327,388	-
Utility service taxes.....					95,629	-	95,629	95,976	-
Sales and tourist taxes.....					163,107	-	163,107	157,925	61,684
Intergovernmental.....					190,917	-	190,917	163,551	-
Payment in lieu of taxes.....					83,188	-	83,188	81,376	-
Unrestricted earnings on investments.....					33,741	2,594	36,335	25,623	34,112
Miscellaneous.....					26,771	2,132	28,903	30,036	53,213
Special item - refunded state bonds.....					(79,218)	-	(79,218)	-	-
Transfers.....					(25,723)	25,723	-	-	-
Total general revenues, special items, and transfers.....					<u>832,282</u>	<u>30,449</u>	<u>862,731</u>	<u>881,875</u>	<u>149,009</u>
Change in net assets.....					<u>27,065</u>	<u>(18,254)</u>	<u>8,811</u>	<u>(73,257)</u>	<u>(60,144)</u>
Net assets, beginning of year.....					<u>706,286</u>	<u>44,673</u>	<u>750,959</u>	<u>824,216</u>	<u>2,756,892</u>
Prior period adjustment.....					-	-	-	-	(3,136)
Net assets, beginning of year, as restated.....					<u>706,286</u>	<u>44,673</u>	<u>750,959</u>	<u>824,216</u>	<u>2,753,756</u>
Net assets, end of year.....					<b><u>\$ 733,351</u></b>	<b><u>\$ 26,419</u></b>	<b><u>\$ 759,770</u></b>	<b><u>\$ 750,959</u></b>	<b><u>\$ 2,693,612</u></b>

See accompanying notes.



**(This page is intentionally left blank.)**

**FUND FINANCIAL  
STATEMENTS**





**(This page is intentionally left blank.)**

## **MAJOR GOVERNMENTAL FUNDS:**

### **GENERAL FUND**

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

### **DEBT SERVICE FUNDS**

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

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

### **CAPITAL PROJECTS FUNDS**

**The 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**  
**SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	GENERAL FUND	SPECIAL BONDED DEBT OBLIGATIONS	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	BOND PROJECTS
<b>ASSETS:</b>				
Equity in cash and investments.....	\$ 62,835	\$ 71,365	\$ 72,165	\$ 112,760
Cash in escrow and with fiscal agents.....	-	67,757	32,298	276
Receivables (net, where applicable, of allowances for uncollectibles):				
Taxes.....	28	-	-	-
Accounts and interest.....	6,369	-	-	-
Mortgages.....	44	-	-	-
Other.....	2,618	-	-	-
Due from independent agencies and other governments.....	53,475	-	-	-
Inventories.....	1,270	-	-	-
Prepaid items.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 126,639</b>	<b>\$ 139,122</b>	<b>\$ 104,463</b>	<b>\$ 113,036</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 30,064	\$ -	\$ -	\$ 3,399
Contracts payable.....	-	-	-	2,217
Due to other funds.....	-	-	-	968
Due to component units.....	2,200	-	-	-
Due to independent agencies and other governments.....	164	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	595	-	-	-
Deferred revenue.....	4,507	-	-	-
Advances from other funds.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>37,530</b>	<b>-</b>	<b>-</b>	<b>6,584</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	17,093	-	-	22,921
Imprest cash and cash in escrow.....	329	67,757	32,298	276
Mortgages receivable.....	44	-	-	-
Inventories.....	1,270	-	-	-
Debt service.....	-	71,292	72,165	-
Unreserved:				
Designated for capital projects.....	5,263	-	-	83,152
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.....	-	-	-	-
Designated for changes in fair value of investments.....	65	73	-	103
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.....	65,045	-	-	-
Undesignated (deficit).....	-	-	-	-
Unreserved, reported in nonmajor:				
Special revenue funds.....	-	-	-	-
Capital projects funds.....	-	-	-	-
Permanent fund.....	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>89,109</b>	<b>139,122</b>	<b>104,463</b>	<b>106,452</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 126,639</b>	<b>\$ 139,122</b>	<b>\$ 104,463</b>	<b>\$ 113,036</b>

See accompanying notes.

GENERAL PROJECTS	BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	OTHER GOVERNMENTAL FUNDS	TOTALS	
			2004	2003
\$ 40,473	\$ 292,918	\$ 107,039	\$ 759,555	\$ 714,969
-	-	4,089	104,420	49,324
-	-	-	28	28
-	-	544	6,913	6,880
-	-	10,369	10,413	13,695
-	-	-	2,618	2,664
946	-	59,062	113,483	107,759
-	-	-	1,270	1,268
-	1,384	-	1,384	1,384
<u>\$ 41,419</u>	<u>\$ 294,302</u>	<u>\$ 181,103</u>	<u>\$ 1,000,084</u>	<u>\$ 897,971</u>
\$ 2,715	\$ 17,454	\$ 12,392	\$ 66,024	\$ 60,975
781	5,234	1,163	9,395	3,740
-	1,321	738	3,027	3,654
-	-	-	2,200	3,600
-	-	-	164	3,857
-	-	416	416	315
-	-	968	1,563	844
-	63	1,200	5,770	6,071
<u>11,548</u>	<u>-</u>	<u>-</u>	<u>11,548</u>	<u>12,082</u>
<u>15,044</u>	<u>24,072</u>	<u>16,877</u>	<u>100,107</u>	<u>95,138</u>
10,391	374,023	32,089	456,517	325,037
-	-	4,050	104,710	49,614
-	-	9,169	9,213	13,695
-	-	-	1,270	1,268
-	-	-	143,457	164,326
15,943	-	-	104,358	106,563
-	-	701	701	1,975
-	-	-	-	3,924
-	-	39	39	993
-	-	-	-	4,724
41	-	-	282	1,737
-	-	108	108	255
-	-	-	-	4,248
-	-	7	7	31
-	-	-	65,045	37,029
-	(103,793)	-	(103,793)	28,655
-	-	112,213	112,213	64,008
-	-	5,674	5,674	(5,423)
-	-	176	176	174
<u>26,375</u>	<u>270,230</u>	<u>164,226</u>	<u>899,977</u>	<u>802,833</u>
<u>\$ 41,419</u>	<u>\$ 294,302</u>	<u>\$ 181,103</u>	<u>\$ 1,000,084</u>	<u>\$ 897,971</u>



**(This page is intentionally left blank.)**

**City of Jacksonville, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**September 30, 2004**  
**(in thousands)**

Total fund balances- governmental funds		\$	899,977
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			2,055,728
Long term liabilities liabilities are not due and payable in the current period and are not reported in the funds:			
Bonds and notes payable	\$	(2,139,551)	
Unamortized bond discounts		3,938	
Unamortized bond premium		(15,579)	
Unamortized loss on advance refunding of debt		5,546	
Total bonds and notes payable		(2,145,646)	
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)			(50,772)
Interest payable			(49,546)
Unamortized bond issuance costs			14,901
Interest receivable			8
Arbitrage rebate payable			(1,846)
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.			10,547
Net assets of governmental activities		\$	733,351

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<b>GENERAL FUND</b>	<b>SPECIAL BONDED DEBT OBLIGATIONS</b>	<b>SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS</b>	<b>BOND PROJECTS</b>
<b>REVENUE:</b>				
Property taxes.....	\$ 338,758	\$ -	\$ -	\$ -
Utility Service taxes.....	95,629	-	-	-
Sales and tourist taxes.....	-	-	-	-
Licenses and permits.....	8,524	-	-	-
Intergovernmental.....	135,980	-	19,208	-
Charges for services.....	57,735	-	-	-
Fines and forfeitures.....	8,294	-	-	-
Payment in lieu of taxes.....	83,188	-	-	-
Interest.....	15,601	3,058	8,324	766
Other.....	9,798	-	-	-
<b>Total Revenue.....</b>	<b>753,507</b>	<b>3,058</b>	<b>27,532</b>	<b>766</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	109,000	-	-	-
Human services.....	65,813	-	-	-
Public safety.....	338,589	-	-	-
Culture and recreation.....	54,264	-	-	-
Transportation.....	35,525	-	-	-
Economic environment.....	14,371	-	-	-
Physical environment.....	12,116	-	-	-
Capital outlay.....	-	-	-	82,421
Debt service:				
Principal.....	-	37,420	9,600	-
Interest and fiscal charges.....	-	43,964	34,512	-
Other - cost of issuance.....	-	-	-	1,189
<b>Total Expenditures.....</b>	<b>629,678</b>	<b>81,384</b>	<b>44,112</b>	<b>83,610</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>123,829</b>	<b>(78,326)</b>	<b>(16,580)</b>	<b>(82,844)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term debt issued.....	-	2,435	13,847	70,310
Premium on special obligation bonds payable.....	-	-	-	-
Discount on special obligation bonds payable.....	-	-	-	(119)
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	38,848	77,686	31,080	-
Transfers out.....	(131,314)	-	-	-
<b>Total Other Financing Sources (Uses).....</b>	<b>(92,466)</b>	<b>80,121</b>	<b>44,927</b>	<b>70,191</b>
<b>SPECIAL ITEM:</b>				
Payment to escrow agent - refunded state bonds.....	-	-	-	-
<b>NET CHANGES IN FUND BALANCES.....</b>	<b>31,363</b>	<b>1,795</b>	<b>28,347</b>	<b>(12,653)</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>				
	57,744	137,327	76,116	119,105
Change in reserve for inventory of supplies.....	2	-	-	-
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 89,109</b>	<b>\$ 139,122</b>	<b>\$ 104,463</b>	<b>\$ 106,452</b>

See accompanying notes.

GENERAL PROJECTS	BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	OTHER GOVERNMENTAL FUNDS	TOTALS	
			2004	2003
\$ -	\$ -	\$ 5,112	\$ 343,870	\$ 327,388
-	-	-	95,629	95,976
-	-	163,107	163,107	157,925
-	-	-	8,524	8,473
598	30,203	111,650	297,639	264,146
-	-	28,054	85,789	84,424
-	-	2,477	10,771	11,218
-	-	-	83,188	81,376
301	2,761	3,678	34,489	20,404
<u>5,101</u>	<u>182</u>	<u>11,690</u>	<u>26,771</u>	<u>28,109</u>
<u>6,000</u>	<u>33,146</u>	<u>325,768</u>	<u>1,149,777</u>	<u>1,079,439</u>
-	-	8,428	117,428	109,494
-	-	34,399	100,212	99,206
-	-	20,375	358,964	341,473
-	-	24,128	78,392	59,538
-	-	94,948	130,473	118,073
-	-	54,304	68,675	74,242
-	-	7,155	19,271	18,435
12,789	216,895	25,791	337,896	557,727
-	-	395	47,415	31,210
-	-	707	79,183	59,445
-	<u>2,844</u>	-	<u>4,033</u>	<u>7,935</u>
<u>12,789</u>	<u>219,739</u>	<u>270,630</u>	<u>1,341,942</u>	<u>1,476,778</u>
<u>(6,789)</u>	<u>(186,593)</u>	<u>55,138</u>	<u>(192,165)</u>	<u>(397,339)</u>
-	285,183	-	371,775	620,496
-	-	-	-	12,136
-	(2,659)	-	(2,778)	-
-	-	-	-	(172,346)
9,633	33,904	41,098	232,249	185,557
(15,157)	-	(86,250)	(232,721)	(211,895)
<u>(5,524)</u>	<u>316,428</u>	<u>(45,152)</u>	<u>368,525</u>	<u>433,948</u>
-	<u>(79,218)</u>	-	<u>(79,218)</u>	-
(12,313)	50,617	9,986	97,142	36,609
38,688	219,613	154,240	802,833	766,478
-	-	-	2	(254)
<u>\$ 26,375</u>	<u>\$ 270,230</u>	<u>\$ 164,226</u>	<u>\$ 899,977</u>	<u>\$ 802,833</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, 2004**  
(in thousands)

Net change in fund balances- total governmental funds: \$ 97,142

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	321,751	
Capital assets contributed by developers	44,897	
Capital assets transferred from proprietary funds of the city	1,644	
Current year depreciation	(41,699)	
Loss on disposition of assets	(1,729)	
		324,864

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	4,033	
Discount on bonds issued	2,778	
Amortization of issuance costs	(696)	
Amortization of bond discounts	(155)	
Additional current year interest expense, bond premiums	1,019	
Amortization - loss on refunding	(383)	
		6,596

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 (\$371,775) exceeded principal repayment (\$46,105 on bonds and \$174 on capital lease).

(325,496)

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

Accrued interest expense	(13,054)	
Reduction in accrued interest receivable	(323)	
Decreases in compensated absences payable	2,011	
Arbitrage rebate payable	(1,846)	
		(332,112)

Changes in reserves for inventory 2

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

Interest income	1,421	
Other operating expenses	(1,520)	
Loss from operations	(10,245)	
Transfers out	(52,487)	
		(62,831)

Change in Net Assets - Governmental Activities \$ 27,065

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**  
**SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<b>ENTERPRISE FUNDS</b>					<b>INTERNAL SERVICE FUNDS</b>
	<b>PUBLIC PARKING SYSTEM</b>	<b>SOLID WASTE DISPOSAL</b>	<b>OTHER ENTERPRISE</b>	<b>TOTALS</b>		
				<b>2004</b>	<b>2003</b>	
<b>ASSETS:</b>						
Equity in cash and investments.....	\$ 1,438	\$ 33,272	\$ 2,771	\$ 37,481	\$ 45,635	\$ 60,201
Receivables (net, where applicable, of allowances for uncollectibles):						
Accounts.....	-	2,593	1,298	3,891	3,048	93
Other.....	-	-	-	-	-	2,336
Due from other funds.....	-	-	-	-	-	3,027
Due from independent agencies and other governments...	-	110	12	122	283	3,110
Advances to other funds.....	-	-	-	-	-	11,548
Inventories.....	-	-	10	10	4	1,444
Prepaid expenses and other assets.....	-	-	415	415	240	2,449
<b>Total Current Assets.....</b>	<b>1,438</b>	<b>35,975</b>	<b>4,506</b>	<b>41,919</b>	<b>49,210</b>	<b>84,208</b>
<b>NONCURRENT ASSETS:</b>						
Sinking fund cash and investments.....	-	-	1,662	1,662	784	-
Construction fund cash and investments.....	-	13,257	-	13,257	13,188	-
Accounts and interest receivable.....	-	-	208	208	379	-
Other receivables.....	-	-	-	-	-	16,159
<b>CAPITAL ASSETS:</b>						
Land and work in progress.....	4,573	1,859	642	7,074	7,607	58
Other capital assets, net of depreciation.....	8,351	32,482	4,040	44,873	48,844	61,740
Deferred charge - Landfill related costs.....	-	31,592	-	31,592	33,616	-
Other deferred charges.....	-	463	-	463	501	-
<b>Total Noncurrent Assets.....</b>	<b>12,924</b>	<b>79,653</b>	<b>6,552</b>	<b>99,129</b>	<b>104,919</b>	<b>77,957</b>
<b>TOTAL ASSETS.....</b>	<b>\$ 14,362</b>	<b>\$ 115,628</b>	<b>\$ 11,058</b>	<b>\$ 141,048</b>	<b>\$ 154,129</b>	<b>\$ 162,165</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<b>ENTERPRISE FUNDS</b>					
	<u>PUBLIC PARKING SYSTEM</u>	<u>SOLID WASTE DISPOSAL</u>	<u>OTHER ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
				<u>2004</u>	<u>2003</u>	
<b>LIABILITIES:</b>						
Accounts payable and accrued liabilities.....	\$ 52	\$ 3,963	\$ 3,713	\$ 7,728	\$ 6,152	\$ 12,730
Contracts payable.....	-	1,328	-	1,328	1,260	-
Due to independent agencies and other governments.....	7	-	-	7	6	426
Capitalized lease obligations, current portion.....	-	-	-	-	-	3,628
Deposits.....	82	73	1,870	2,025	1,302	2
Accrued interest payable.....	464	1,329	-	1,793	1,677	-
Current portion of bonds payable.....	1,703	2,940	-	4,643	4,125	-
Deferred revenue.....	-	-	428	428	249	982
Accrued compensated absences, current portion.....	41	174	10	225	216	904
<b>Total Current Liabilities.....</b>	<b>2,349</b>	<b>9,807</b>	<b>6,021</b>	<b>18,177</b>	<b>14,987</b>	<b>18,672</b>
<b>NONCURRENT LIABILITIES:</b>						
Estimated liability for self-insured losses.....	-	-	-	-	-	55,397
Liability for landfill closure and postclosure care.....	-	31,104	-	31,104	24,724	-
Accrued compensated absences.....	96	406	24	526	507	2,112
Capitalized lease obligations.....	-	-	-	-	-	13,639
Notes payable.....	-	-	-	-	73	-
Revenue bonds.....	17,479	47,343	-	64,822	69,165	-
<b>Total Noncurrent Liabilities.....</b>	<b>17,575</b>	<b>78,853</b>	<b>24</b>	<b>96,452</b>	<b>94,469</b>	<b>71,148</b>
<b>TOTAL LIABILITIES.....</b>	<b>19,924</b>	<b>88,660</b>	<b>6,045</b>	<b>114,629</b>	<b>109,456</b>	<b>89,820</b>
<b>NET ASSETS:</b>						
Invested in capital assets, net of related debt.....	(6,722)	14,329	4,682	12,289	(18,516)	61,798
Restricted for:						
Capital.....	-	11,929	-	11,929	11,930	-
Restricted - others.....	-	-	1,662	1,662	784	-
Unrestricted.....	1,160	710	(1,331)	539	50,475	10,547
<b>TOTAL NET ASSETS.....</b>	<b>\$ (5,562)</b>	<b>\$ 26,968</b>	<b>\$ 5,013</b>	<b>\$ 26,419</b>	<b>\$ 44,673</b>	<b>\$ 72,345</b>



**(This page is intentionally left blank.)**

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<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>2004</b>	<b>2003</b>	
<b>OPERATING REVENUE:</b>						
Charges for services.....	\$ 2,648	\$ 39,903	\$ 14,921	\$ 57,472	\$ 49,939	\$ 139,202
Charges for services for independent authorities....	-	-	-	-	-	17,298
Other.....	-	-	-	-	-	107
Total Operating Revenue.....	<u>2,648</u>	<u>39,903</u>	<u>14,921</u>	<u>57,472</u>	<u>49,939</u>	<u>156,607</u>
<b>OPERATING EXPENSES:</b>						
Personal services.....	1,408	6,671	11,745	19,824	16,370	23,479
Supplies and materials.....	77	1,012	3,611	4,700	2,602	15,776
Central services.....	345	1,746	11	2,102	3,067	4,058
Interdepartmental charges.....	467	32	1,147	1,646	1,293	-
Other services and charges.....	890	61,670	7,603	70,163	60,185	27,377
Depreciation and amortization.....	368	3,799	392	4,559	4,569	21,062
Court reporter services.....	-	-	-	-	-	25
Claims and losses.....	-	-	-	-	-	15,735
Insurance premiums and participant dividends.....	-	-	-	-	-	59,340
Total Operating Expenses.....	<u>3,555</u>	<u>74,930</u>	<u>24,509</u>	<u>102,994</u>	<u>88,086</u>	<u>166,852</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>(907)</u>	<u>(35,027)</u>	<u>(9,588)</u>	<u>(45,522)</u>	<u>(38,147)</u>	<u>(10,245)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>						
Interest revenue.....	1,903	686	5	2,594	2,729	1,421
Interest expense.....	(743)	(2,658)	-	(3,401)	(2,778)	-
Operating grants.....	-	220	-	220	49	-
Other.....	19	2,132	(19)	2,132	1,927	(1,520)
Total Non-Operating Revenue (Expenses).....	<u>1,179</u>	<u>380</u>	<u>(14)</u>	<u>1,545</u>	<u>1,927</u>	<u>(99)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS.....</b>	272	(34,647)	(9,602)	(43,977)	(36,220)	(10,344)
Transfers in.....	1,812	29,869	9,002	40,683	33,141	2,779
Transfers out.....	<u>(2,251)</u>	<u>(12,709)</u>	<u>-</u>	<u>(14,960)</u>	<u>(223,325)</u>	<u>(55,266)</u>
<b>CHANGES IN NET ASSETS.....</b>	(167)	(17,487)	(600)	(18,254)	(226,404)	(62,831)
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR.....</b>	<u>(5,395)</u>	<u>44,455</u>	<u>5,613</u>	<u>44,673</u>	<u>271,077</u>	<u>135,176</u>
<b>NET ASSETS (DEFICIT), END OF YEAR.....</b>	<u><u>(\$ 5,562)</u></u>	<u><u>\$ 26,968</u></u>	<u><u>\$ 5,013</u></u>	<u><u>\$ 26,419</u></u>	<u><u>\$ 44,673</u></u>	<u><u>\$ 72,345</u></u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

**ENTERPRISE FUNDS**

**PUBLIC  
PARKING  
SYSTEM**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers.....	\$ 2,648
Payments to suppliers.....	(1,393)
Payments to employees .....	(1,498)
Internal activity- payments to other funds.....	-
Other receipts (expenses).....	19
Other operating cash payments.....	<u>(72)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b><u>(296)</u></b>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>	
Operating grants received.....	-
Cash received through operating transfers from other funds.....	1,812
Cash received from capital contributions.....	-
Cash payments through operating transfers to other funds.....	<u>(2,251)</u>
<b>NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING  ACTIVITIES.....</b>	<b><u>(439)</u></b>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Additions to property, plant and equipment.....	(368)
Proceeds from sale of property, plant and equipment.....	847
Increase in construction fund cash and investments.....	-
Principal paid on long-term obligations.....	(1,524)
Increase in capitalized lease obligations.....	96
Proceeds from notes payable.....	-
Interest and payments to refunded bond escrow agent.....	<u>(743)</u>
<b>NET CASH (USED IN) CAPITAL AND RELATED  FINANCING ACTIVITIES.....</b>	<b><u>(1,692)</u></b>
<b>INVESTING ACTIVITIES:</b>	
Interest and dividends on investments.....	<u>1,903</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES.....</b>	<b><u>1,903</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>(524)</b>
Cash and cash equivalents at October 1, 2003.....	<u>1,962</u>
Cash and cash equivalents at September 30, 2004.....	<b><u>\$ 1,438</u></b>

---

**ENTERPRISE FUNDS**

---

<u>SOLID WASTE DISPOSAL</u>	<u>OTHER ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
		<u>2004</u>	<u>2003</u>	
\$ 39,649	\$ 14,498	\$ 56,795	\$ 50,492	\$ 159,224
(63,551)	(10,267)	(75,211)	(66,694)	(101,965)
(6,642)	(11,752)	(19,892)	(16,447)	(23,523)
-	-	-	-	(158)
2,132	(19)	2,132	1,927	(1,520)
<u>6,487</u>	<u>(1,147)</u>	<u>5,268</u>	<u>1,244</u>	<u>(13,896)</u>
<u>(21,925)</u>	<u>(8,687)</u>	<u>(30,908)</u>	<u>(29,478)</u>	<u>18,162</u>
220	-	220	49	-
29,869	9,002	40,683	33,141	2,779
-	-	-	-	(55,266)
<u>(12,709)</u>	<u>-</u>	<u>(14,960)</u>	<u>(223,325)</u>	<u>-</u>
<u>17,380</u>	<u>9,002</u>	<u>25,943</u>	<u>(190,135)</u>	<u>(52,487)</u>
(3,799)	(392)	(4,559)	(4,569)	(19,525)
5,476	243	6,566	225,513	-
(69)	-	(69)	(251)	-
(2,819)	-	(4,343)	(3,863)	(2,250)
-	-	96	92	62
-	(73)	(73)	73	-
<u>(2,658)</u>	<u>-</u>	<u>(3,401)</u>	<u>(2,778)</u>	<u>-</u>
<u>(3,869)</u>	<u>(222)</u>	<u>(5,783)</u>	<u>214,217</u>	<u>(21,713)</u>
<u>686</u>	<u>5</u>	<u>2,594</u>	<u>2,729</u>	<u>1,421</u>
<u>686</u>	<u>5</u>	<u>2,594</u>	<u>2,729</u>	<u>1,421</u>
(7,728)	98	(8,154)	(2,667)	(54,617)
<u>41,000</u>	<u>2,673</u>	<u>45,635</u>	<u>48,302</u>	<u>114,818</u>
<u>\$ 33,272</u>	<u>\$ 2,771</u>	<u>\$ 37,481</u>	<u>\$ 45,635</u>	<u>\$ 60,201</u>

(continued)

See accompanying notes.



**CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands; continued)**

**ENTERPRISE FUNDS**

**PUBLIC  
PARKING  
SYSTEM**

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
OPERATING INCOME (LOSS).....	(\$ 907)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization.....	368
Other non-operating revenue/(expenses).....	19
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.....	(255)
(Decrease) in due to other funds.....	-
Increase (decrease) in contracts payable.....	(2)
Increase (decrease) in due to independent agencies and other governments.....	1
Increase in deposits.....	1
(Decrease) in interest payable.....	176
Increase in current portion of bond payables.....	393
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.....	(90)
TOTAL ADJUSTMENTS.....	<u>611</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u><u>(\$ 296)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Change in the fair value of investments.....	<u>(\$ 5)</u>
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u><u>(\$ 5)</u></u>

---

**ENTERPRISE FUNDS**

---

<u>SOLID WASTE DISPOSAL</u>	<u>OTHER ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
		<u>2004</u>	<u>2003</u>	
<u>(\$ 35,027)</u>	<u>(\$ 9,588)</u>	<u>(\$ 45,522)</u>	<u>(\$ 38,147)</u>	<u>(\$ 10,245)</u>
3,799	392	4,559	4,569	21,062
2,132	(19)	2,132	1,927	(1,520)
(405)	(438)	(843)	294	396
-	-	-	-	1,319
151	-	151	(101)	2,311
-	10	10	181	-
-	(6)	(6)	(1)	(29)
-	-	-	-	282
-	(174)	(174)	(16)	(906)
867	964	1,576	(486)	4,640
-	-	-	-	(791)
70	-	68	(20)	-
-	-	1	(28)	-
14	-	15	17	-
(60)	-	116	(333)	-
125	-	518	380	-
-	179	179	195	(712)
6,380	-	6,380	2,168	-
-	-	-	-	2,399
29	(7)	(68)	(77)	(44)
<u>13,102</u>	<u>901</u>	<u>14,614</u>	<u>8,669</u>	<u>28,407</u>
<u>(\$ 21,925)</u>	<u>(\$ 8,687)</u>	<u>(\$ 30,908)</u>	<u>(\$ 29,478)</u>	<u>\$ 18,162</u>
<u>(\$ 103)</u>	<u>(\$ 3)</u>	<u>(\$ 111)</u>	<u>(\$ 23)</u>	<u>(\$ 287)</u>
<u>(\$ 103)</u>	<u>(\$ 3)</u>	<u>(\$ 111)</u>	<u>(\$ 23)</u>	<u>(\$ 287)</u>

---

See accompanying notes.



**(This page is intentionally left blank.)**

## **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**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<b>PENSION TRUST FUNDS</b>		<b>PRIVATE PURPOSE TRUST FUND</b>		<b>AGENCY FUNDS</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b><u>ASSETS</u></b>						
<b>CURRENT ASSETS:</b>						
Equity in cash and investments.....	\$ 108,963	\$ 41,821	\$ 210	\$ 206	\$ 18,767	\$ 29,523
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends.....	9,395	9,471	-	-	-	-
Accounts.....	238	24	-	-	3,408	3,593
Total receivables.....	<u>9,633</u>	<u>9,495</u>	<u>-</u>	<u>-</u>	<u>3,408</u>	<u>3,593</u>
Investments, at fair value:						
U.S. Government obligations.....	476,897	500,554	-	-	-	-
Municipal Bonds.....	2,556	4,982	-	-	-	-
Domestic corporate bonds.....	371,162	349,265	-	-	-	-
Commercial paper.....	25,672	-	-	-	-	-
Domestic stocks.....	1,145,358	1,190,919	-	-	-	-
International stocks.....	257,620	141,813	-	-	-	-
Real Estate.....	8,560	7,810	-	-	-	-
Total investments.....	<u>2,287,825</u>	<u>2,195,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS.....</b>	<b><u>2,406,421</u></b>	<b><u>2,246,659</u></b>	<b><u>210</u></b>	<b><u>206</u></b>	<b><u>22,175</u></b>	<b><u>33,116</u></b>
<b>CAPITAL ASSETS</b>						
Other capital assets, net of depreciation.....	175	209	-	-	-	-
<b>TOTAL CAPITAL ASSETS, Net.....</b>	<b><u>175</u></b>	<b><u>209</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL ASSETS.....</b>	<b><u>2,406,596</u></b>	<b><u>2,246,868</u></b>	<b><u>210</u></b>	<b><u>206</u></b>	<b><u>\$ 22,175</u></b>	<b><u>\$ 33,116</u></b>
<b><u>LIABILITIES</u></b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable and accrued liabilities.....	3,279	2,727	-	2	\$ 318	\$ 509
Due to independent agencies and other governments..	-	-	-	-	11,573	10,382
Due to individuals.....	-	-	-	-	740	2,369
Deposits held in escrow.....	-	-	-	-	9,544	19,856
<b>Total Current Liabilities.....</b>	<b><u>3,279</u></b>	<b><u>2,727</u></b>	<b><u>-</u></b>	<b><u>2</u></b>	<b><u>22,175</u></b>	<b><u>33,116</u></b>
<b>NONCURRENT LIABILITIES:</b>						
Accrued compensated absences.....	57	46	-	-	-	-
Terminal Leave - Group Care.....	612	-	-	-	-	-
Terminal Leave - Pending.....	242	-	-	-	-	-
Due to Drop participants.....	115,666	103,462	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>119,856</u></b>	<b><u>106,235</u></b>	<b><u>-</u></b>	<b><u>2</u></b>	<b><u>\$ 22,175</u></b>	<b><u>\$ 33,116</u></b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....</b>	<b><u>\$ 2,286,740</u></b>	<b><u>\$ 2,140,633</u></b>	<b><u>\$ 210</u></b>	<b><u>\$ 204</u></b>		

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<b>PENSION TRUST FUNDS</b>		<b>PRIVATE PURPOSE TRUST</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b><u>ADDITIONS</u></b>				
Contributions:				
Employer.....	\$ 20,336	\$ 9,741	\$ -	\$ -
Plan members.....	29,515	25,974	-	-
Total contributions.....	<u>49,851</u>	<u>35,715</u>	<u>-</u>	<u>-</u>
Other additions:				
State insurance contributions.....	6,655	5,855	-	-
Court fines & penalties.....	2,914	3,041	-	-
Parking revenues.....	156	132	-	-
Miscellaneous.....	47	38	-	-
Operating transfer in.....	25,587	-	5	53
Loss on sale of fixed assets.....	(2)	(4)	-	-
Total other additions.....	<u>35,357</u>	<u>9,062</u>	<u>5</u>	<u>53</u>
Investment income:				
Net appreciation				
in fair value of investments.....	175,440	258,388	-	-
Interest.....	46,009	46,779	4	4
Dividends.....	17,734	15,475	-	-
Rebate of commissions.....	461	699	-	-
Rental income.....	535	574	-	-
Other miscellaneous.....	729	979	-	-
Total investment income.....	<u>240,908</u>	<u>322,894</u>	<u>4</u>	<u>4</u>
Less investment expense.....	(7,744)	(7,614)	-	-
Less rental expense.....	(152)	(110)	-	-
Net investment income.....	<u>233,012</u>	<u>315,170</u>	<u>4</u>	<u>4</u>
<b>TOTAL ADDITIONS.....</b>	<b><u>318,220</u></b>	<b><u>359,947</u></b>	<b><u>9</u></b>	<b><u>57</u></b>
<b><u>DEDUCTIONS</u></b>				
Benefits payments.....	166,773	148,937	-	-
Refunds of contributions.....	3,124	2,772	-	-
Operating transfers out.....	-	106	-	-
Administrative expenses.....	2,216	1,977	-	-
Operating expenses.....	-	-	3	7
<b>TOTAL DEDUCTIONS.....</b>	<b><u>172,113</u></b>	<b><u>153,792</u></b>	<b><u>3</u></b>	<b><u>7</u></b>
CHANGE IN NET ASSETS.....	146,107	206,155	6	50
NET ASSETS, BEGINNING OF YEAR.....	<u>2,140,633</u>	<u>1,934,478</u>	<u>204</u>	<u>154</u>
NET ASSETS, END OF YEAR.....	<u><u>\$ 2,286,740</u></u>	<u><u>\$ 2,140,633</u></u>	<u><u>\$ 210</u></u>	<u><u>\$ 204</u></u>

See accompanying notes.



**(This page is intentionally left blank.)**

## 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 major component units follow:

### MAJOR COMPONENT UNITS:

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

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

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

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



**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF NET ASSETS -  
COMPONENT UNITS (in thousands)  
SEPTEMBER 30, 2004**

	<b>MAJOR COMPONENT UNITS</b>	
	<b>JEA</b>	<b>JACKSONVILLE TRANSPORTATION AUTHORITY</b>
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 456,067	\$ 24,520
Investments.....	290,269	105,853
Due from primary government.....	-	-
Due from other governmental agencies.....	-	33,588
Accounts and interest receivable.....	166,813	1,683
Mortgages receivable.....	-	-
Other receivables.....	-	-
Inventories.....	98,078	2,130
Other assets.....	419,670	311
Bond issuance costs, net.....	-	-
Capital assets:		
Land and construction in progress.....	1,060,576	266,134
Buildings and improvements.....	-	131,569
Vehicles.....	-	72,340
Equipment.....	-	67,534
Utility plant in service.....	6,724,300	-
Other capital assets.....	-	-
Less: accumulated depreciation.....	(2,139,538)	(111,476)
Total capital assets, net of depreciation.....	<u>5,645,338</u>	<u>426,101</u>
Total assets.....	<u>7,076,235</u>	<u>594,186</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses.....	165,757	3,921
Deposits.....	18,059	-
Deferred revenue.....	-	3,977
Due to other governmental agencies.....	-	27
Interest payable.....	92,872	-
Other current liabilities.....	90,000	-
Other noncurrent liabilities.....	131,496	-
Liabilities payable with restricted assets.....	-	14,841
Long-term liabilities:		
Due within one year:		
Estimated liability for injury and damage claims.....	-	583
Bonds, notes payable, capital leases and contracts.....	90,495	-
Compensated absences.....	-	71
Due in more than one year:		
Estimated liability for injury and damage claims.....	-	4,070
Bonds, capital leases and commercial paper.....	5,013,242	-
Compensated absences.....	-	792
Total liabilities.....	<u>5,601,921</u>	<u>28,282</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt.....	948,415	426,100
Restricted for:		
Capital projects and grants.....	-	99,721
Debt service.....	-	-
Other purposes.....	296,050	-
Unrestricted.....	229,849	40,083
Total Net Assets.....	<u>\$ 1,474,314</u>	<u>\$ 565,904</u>

See accompanying notes.

---

**MAJOR COMPONENT UNITS**

---

<b>JACKSONVILLE AIRPORT AUTHORITY</b>	<b>JACKSONVILLE PORT AUTHORITY</b>	<b>NON MAJOR COMPONENT UNITS</b>	<b>TOTAL</b>
\$ 53,349	\$ 30,769	\$ 18,747	\$ 583,452
25,680	1,530	-	423,332
-	2,200	-	2,200
-	-	1,160	34,748
5,609	2,309	604	177,018
-	-	9,927	9,927
5,342	3,126	17,435	25,903
909	1,171	-	102,288
2,533	3,206	3,964	429,684
-	1,910	-	1,910
113,501	125,668	-	1,565,879
457,703	292,613	-	881,885
-	-	-	72,340
14,459	96,018	314	178,325
-	-	-	6,724,300
2,253	-	-	2,253
(164,418)	(167,987)	(222)	(2,583,641)
<u>423,498</u>	<u>346,312</u>	<u>92</u>	<u>6,841,341</u>
<u>516,920</u>	<u>392,533</u>	<u>51,929</u>	<u>8,631,803</u>
7,685	4,022	5,323	186,708
-	-	418	18,477
-	-	17,435	21,412
-	-	-	27
3,168	-	-	96,040
-	566	-	90,566
599	-	-	132,095
-	-	-	14,841
-	-	-	583
19,274	10,122	-	119,891
-	-	-	71
-	-	-	4,070
155,943	83,433	-	5,252,618
-	-	-	792
<u>186,669</u>	<u>98,143</u>	<u>23,176</u>	<u>5,938,191</u>
280,513	256,618	34	1,911,680
-	-	-	99,721
-	6,951	-	6,951
28,152	198	-	324,400
21,586	30,623	28,719	350,860
<u>\$ 330,251</u>	<u>\$ 294,390</u>	<u>\$ 28,753</u>	<u>\$ 2,693,612</u>

---

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF ACTIVITIES -  
 GOVERNMENTAL COMPONENT UNITS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

	<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 UNIT</b>				
Jacksonville Transportation Authority.....	\$ 127,286	\$ -	\$ 1,935	\$ 54,120
<b>NON MAJOR COMPONENT UNITS.....</b>	<u>14,254</u>	<u>1,482</u>	<u>9,768</u>	<u>1,639</u>
Total component units - governmental activities.....	<u>\$ 141,540</u>	<u>\$ 1,482</u>	<u>\$ 11,703</u>	<u>\$ 55,759</u>

General revenues:

- Sales taxes.....
- Unrestricted earnings on investments.....
- Other non-tax general revenues.....

CHANGE IN NET ASSETS.....

BEGINNING NET ASSETS.....

ENDING NET ASSETS.....

---

**NET (EXPENSE) REVENUE AND  
CHANGES IN NET ASSETS**

---

<b>JACKSONVILLE TRANSPORTATION AUTHORITY</b>	<b>NON MAJOR COMPONENT UNITS</b>	<b>TOTAL</b>
(\$ 71,231)	\$ -	(\$ 71,231)
<u>-</u>	<u>(1,365)</u>	<u>(1,365)</u>
<u>(71,231)</u>	<u>(1,365)</u>	<u>(72,596)</u>
61,684	-	61,684
2,359	585	2,944
<u>180</u>	<u>550</u>	<u>730</u>
(7,008)	(230)	(7,238)
<u>370,343</u>	<u>28,983</u>	<u>399,326</u>
<u><u>\$ 363,335</u></u>	<u><u>\$ 28,753</u></u>	<u><u>\$ 392,088</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, 2004**

	<u>MAJOR COMPONENT UNITS</u>	
	<u>JEA</u>	<u>JACKSONVILLE TRANSPORTATION AUTHORITY</u>
<b>OPERATING REVENUE:</b>		
Charges for services.....	\$ 1,068,592	\$ 19,593
Other.....	-	535
Total Operating Revenue.....	<u>1,068,592</u>	<u>20,128</u>
<b>OPERATING EXPENSES:</b>		
Personal services.....	-	34,356
Supplies and materials.....	581,676	6,633
Other services and charges.....	95,224	25,288
Depreciation and amortization.....	295,677	15,017
Total Operating Expenses.....	<u>972,577</u>	<u>81,294</u>
<b>OPERATING GAIN (LOSS).....</b>	<u>96,015</u>	<u>(61,166)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>		
Interest revenue.....	29,756	228
Interest expense.....	(204,267)	-
Payments from other governments.....	-	48,160
Contributions to other governments.....	-	-
Loss on sales of assets.....	-	-
Other.....	32,010	-
Total Non-Operating Revenue (Expenses).....	<u>(142,501)</u>	<u>48,388</u>
<b>GAIN (LOSS) BEFORE CONTRIBUTIONS.....</b>	<u>(46,486)</u>	<u>(12,778)</u>
Contributions.....	<u>(17,491)</u>	<u>10,291</u>
<b>CHANGES IN NET ASSETS.....</b>	<u>(63,977)</u>	<u>(2,487)</u>
<b>TOTAL NET ASSETS, BEGINNING OF YEAR.....</b>	<u>1,538,291</u>	<u>208,192</u>
Prior Period Adjustment.....	-	(3,136)
<b>TOTAL NET ASSETS, BEGINNING OF YEAR, AS RESTATED.....</b>	<u>1,538,291</u>	<u>205,056</u>
<b>TOTAL NET ASSETS, END OF YEAR.....</b>	<u>\$ 1,474,314</u>	<u>\$ 202,569</u>

See accompanying notes.

---

<u>MAJOR COMPONENT UNITS</u>		
<u>JACKSONVILLE AIRPORT AUTHORITY</u>	<u>JACKSONVILLE PORT AUTHORITY</u>	<u>TOTAL</u>
\$ 44,378	\$ 31,014	\$ 1,163,577
<u>7,852</u>	<u>1,402</u>	<u>9,789</u>
<u>52,230</u>	<u>32,416</u>	<u>1,173,366</u>
14,824	11,543	60,723
12,636	3,544	604,489
6,442	7,898	134,852
<u>19,796</u>	<u>14,996</u>	<u>345,486</u>
<u>53,698</u>	<u>37,981</u>	<u>1,145,550</u>
<u>(1,468)</u>	<u>(5,565)</u>	<u>27,816</u>
616	568	31,168
(6,316)	(4,801)	(215,384)
138	2,200	50,498
(123)	-	(123)
-	(67)	(67)
<u>10,701</u>	<u>(17)</u>	<u>42,694</u>
<u>5,016</u>	<u>(2,117)</u>	<u>(91,214)</u>
<u>3,548</u>	<u>(7,682)</u>	<u>(63,398)</u>
<u>13,050</u>	<u>4,642</u>	<u>10,492</u>
16,598	(3,040)	(52,906)
<u>313,653</u>	<u>297,430</u>	<u>2,357,566</u>
-	-	(3,136)
<u>313,653</u>	<u>297,430</u>	<u>2,354,430</u>
<u>\$ 330,251</u>	<u>\$ 294,390</u>	<u>\$ 2,301,524</u>

---



**(This page is intentionally left blank.)**

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	58 - 73
	A. Basis of Presentation .....	58
	B. Financial Reporting Entity.....	58 - 63
	C. Basic Financial Statements .....	63 - 64
	D. Fund Structure .....	64 - 66
	E. Basis of Accounting.....	66 - 67
	F. Cash, Cash Equivalents, and Investments .....	68
	G. Receivables.....	68
	H. Inventories .....	68
	I. Capital Assets .....	68 - 69
	J. Contributions .....	69
	K. Interfund Activity .....	69
	L. Restricted Assets.....	69
	M. Compensated Absences .....	70
	N. Risk Financing.....	70
	O. Pension Costs.....	70
	P. Landfill Closure and Postclosure Care Costs .....	70 - 71
	Q. Long-Term Obligations .....	71
	R. Reservations and Designations of Fund Equity.....	71 - 72
	S. Bond Discounts, Premiums and Issuance Costs .....	72
	T. Deferred Loss on Debt Refundings .....	72
	U. Use of Estimates .....	72
	V. Reclassification.....	72
	W. Summarized Comparative Information .....	73
2.	BUDGETARY DATA.....	73
3.	CASH, INVESTMENTS AND SECURITIES LENDING .....	73 - 78
	A. Equity in Cash and Investments.....	73
	B. Cash on Deposit.....	73 - 74
	C. Investments and Investment Practices .....	74 - 75
	D. Securities Lending .....	76
	E. Interest Rate Swaps with City of Jacksonville.....	76 - 78
4.	ACCOUNTS AND MORTGAGES RECEIVABLE .....	78
5.	PROPERTY TAXES .....	79
	A. Ad Valorem Property Taxes .....	79
	B. The Property Tax Calendar.....	79
6.	CAPITAL ASSET ACTIVITY.....	80 - 81



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

7.	INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS .....	82 – 89
8.	LONG-TERM OBLIGATIONS .....	90 - 128
	A. Long-Term Obligations .....	90 - 94
	B. Debt Service Requirement to Maturity .....	95
	C. Changes in Long-Term Liabilities .....	96
	D. New Indebtedness and Refundings Issued by the City .....	97 - 98
	E. Defeased Debt.....	99
	F. Lease Obligations .....	100
	G. Arbitrage Liability .....	101
	H. Conduit Debt.....	101 - 102
	I. Interest Rate Swaps with City of Jacksonville.....	102 - 104
	J. Interest Rate Swaps with Better Jacksonville Plan.....	104 - 106
	K. Interest Expense.....	106
	L. JEA – Long-Term Debt .....	107 - 119
	M. JTA - Long-Term Debt.....	119
	N. JAA - Long-Term Indebtedness .....	120 - 125
	O. JPA - Long-Term Debt, Capital Leases and Other Noncurrent Liabilities .....	125 - 127
	P. JPA - Swaption .....	127 - 128
9.	PENSION PLANS .....	128 - 135
	A. Summary of Significant Accounting Policies.....	129
	B. General Employees Pension Plan .....	129 - 132
	C. Police and Fire Pension Plan .....	132 - 134
	D. Florida Retirement System .....	134 - 135
10.	DEFERRED COMPENSATION PROGRAM.....	135
11.	POST RETIREMENT BENEFITS.....	135
12.	RISK FINANCING .....	136
13.	OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES .....	137 - 139
	A. Compliance With Finance Related Legal and Contractual Provisions.....	137
	B. Fund Deficits and Excess of Expenditures Over Appropriations.....	137
	C. Landfill Closure and Postclosure Care Costs .....	137 - 139
14.	LESSOR OPERATING LEASE .....	140
	A. Jacksonville Jaguars, Inc. ....	140
	B. Shands Jacksonville.....	140

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

15.	LITIGATION, CONTINGENCIES, AND COMMITMENTS .....	141 - 144
	A. Litigation.....	141
	B. Grants and Contracts .....	141
	C. Self-Insurance .....	141
	D. Environmental Matters .....	141 - 143
	E. Other Litigation .....	143
	F. Construction Commitments.....	144
	G. Shipyards Project.....	144
16.	CHANGES IN REPORTING ENTITY.....	145
17.	SUBSEQUENT EVENTS.....	145 - 146
	A. City of Jacksonville Debt.....	145
	B. Hurricane Clean Up.....	145
	C. JEA – Subsequent Events.....	146
18.	SHORT-TERM DEBT .....	146
19.	MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE .....	146 - 148
	A. JEA/City of Jacksonville .....	146 - 148
	B. JEA - Acquisitions.....	148
	C. JTA – Prior Period Adjustments.....	148

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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 18 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 19.

**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 837,000 residents living in an 840.1 square mile area.

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

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the Mayor and/or controlled by or dependent upon the City Council as set forth in the City Charter. The city, a primary government,

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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.

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

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

**Discrete Component Units.** These component units are entities which are legally separate from the city, but are financially accountable to the city, or whose relationships with the city are such that exclusion would cause the city's financial statements to be misleading or incomplete. The component units are reported separately to emphasize that they are legally separate from the primary government and are governed by separate

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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 engages only in business-type activities and issues separate financial statements, which may be obtained from its administrative office in the JEA Plaza at 21 West Church Street, Jacksonville, Florida 32202.

The **Jacksonville Port Authority (JPA)** was created by Resolution 2000-1104-A, and was initially called the Jacksonville Seaport Authority. This Resolution abolished what was the former Jacksonville Port Authority and created new Seaport and Airport Authorities. However, during fiscal year 2003, the Seaport Authority changed its name back to Jacksonville Port Authority. The governing body of the JPA consists of seven members, four of whom are appointed by the Mayor and confirmed by the City Council, and three of whom are appointed by the Governor. The city can impose its will on the JPA through modification and approval of its budgets, which ensures strong accountability to the local constituent citizenry. The JPA engages only in business-type activities and issues separate financial statements, 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 engages only in business-type activities and issues separate financial statements, which may be obtained from its administrative office at P.O. Box 18018, Jacksonville, Florida 32229-0018.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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 engages in both governmental and business-type activities and issues separate financial statements, which may be obtained from its administrative office at 100 North Myrtle Avenue, Jacksonville, Florida 32203.

Non-major Component Units

The **Jacksonville Housing Finance Authority (JHoFA)**, formerly known as the Duval County Housing Finance Authority (or DCHFA), was created by City Ordinance 2003-1058, to alleviate a shortage of housing and capital investment for the people of Duval County, pursuant to Florida Statutes, Section 159.604. The Mayor appoints 3 of the 5 board members. The city has the ability to impose its will on the JHoFA. The JHoFA operates in conjunction with the Jacksonville Housing Commission, also created by Ordinance 2003-1058, and has the rights and duties necessary under Florida Statutes, Chapter 159, Part IV, to preserve outstanding debt, issue new debt and to shield the city from financial liability. The bonds issued and outstanding are included in Note 8.H. Conduit Debt. The JHoFA engages only in governmental activities. There are no separately issued financial statements for the JHoFA, whose financial activity is accounted for by the city as a single special revenue fund during the year. For financial reporting purposes, fund financial statements for JHoFA 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. The JEDC engages only in governmental activities. There are no separately issued financial statements

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

for the JEDC, whose financial activity is accounted for by the city as a single special revenue fund during the year. 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. Therefore, DVI is fiscally dependent on the city. The DVI is governed by a 15-member Board of Directors, of which two are city representatives. The enhanced services are provided to property owners within several of the city's Downtown Community Redevelopment areas, including some properties owned by the city. DVI engages only in governmental activities and issues separate financial statements, which may be obtained from its main office at 220 East Bay Street, 14<sup>th</sup> Floor, Jacksonville, Florida 32202.

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

The bonds issued by the JHFA are special limited obligations of the JHFA and the principal and interest are payable from rental payments. The principal and interest on the bonds shall never constitute an indebtedness of the City of Jacksonville, Duval County, the State of Florida or any municipality or political subdivision thereof. Accordingly, the bonds issued and outstanding are included in Note 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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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.

**Jointly Governed Organization**

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

The city does not have an ongoing financial interest or responsibility to the FCMPO. However, since the board includes members from each of the governments that created it, the FCMPO is considered a jointly governed organization of the city. The former MPO is reported as a special revenue fund for fiscal year 2004.

**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



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**C. Basic Financial Statements: (continued)**

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, funds with similar characteristics, including those component units referenced above, are grouped into generic classifications as required by GAAP. A brief description of these classifications follows:

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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

**Debt Service Funds:**

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.

Special Bonded Debt – Better Jacksonville Obligations Fund – 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.

**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.

**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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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

In addition, the city reports the following fund types:

**Internal Service Funds** - These funds account for services provided primarily to various departments of the city and to other governmental agencies. Since these funds principally service 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 accumulate resources for pension benefit payments for qualified employees.

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

**Agency Funds** - These 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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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, and the city considers amounts received within one year as available.

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.

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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**F. Cash, Cash Equivalents, and Investments:**

Cash, cash equivalents and investments and related accrued investment earnings are reported in the financial statements as "Equity in cash and investments" under the city's "pooling" concept. (See Note 3.) All monies, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis by the city Treasurer. Investment earnings are distributed in accordance with the participating funds' relative percentage of investments. All Fund Types deposit monies into the Equity in Cash and Investments Pool of the city. The Proprietary Fund Types use this pool as a demand deposit account, and accordingly all amounts in the pool are considered cash and equivalents for purposes of the Statement of Cash Flows. Investments are stated at fair value. Increases and decreases in the fair value of investments are reported as investment income.

**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. 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 and having a useful life of more than one year are capitalized. Infrastructure is capitalized based on the accumulated amounts charged to specific capital projects on an annual basis. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are reported in the applicable governmental or business-type column in the city-wide financial statements, and in the Proprietary Fund Level Statements.

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**I. Capital Assets: (continued)**

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

The city does not capitalize collections, such as artwork or library books. The city has a collection of artwork in various sites throughout the interior and exterior of public facilities. The value of the art is expected to either remain the same or increase over time, so it is not depreciated. The city also does not capitalize library books to be consistent with the GASB recommendation which discourages governments from capitalizing smaller items as a group, that would not individually meet the capitalization threshold.

**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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**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.

**N. Risk Financing:**

The city is self-insured for general and automobile liability and up to \$1.2 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 March 31, 2004 and extrapolated to September 30, 2004, 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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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.)

**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.

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

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

**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.



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**R. Reservations and Designations of Fund Equity: (continued)**

- (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.

**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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**W. Summarized Comparative Information:**

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the city's financial statements for the year ended September 30, 2003, from which the summarized information was derived.

**2. BUDGETARY DATA**

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

**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, 2004, the city's cash on deposit in its bank accounts was \$115.3 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 \$626.9 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 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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**3. CASH, INVESTMENTS AND SECURITIES LENDING**

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

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 securities consistent with the guidelines established by Chapter 17, Section 57 (17.57) Florida Statutes, the limitations established by the Investment Policy, and the Investment Policy of the Florida State Treasury Intermediate Core Portfolio. The city's Investment Policy was amended and restated effective March 1, 2004. Only securities, which are specifically listed as authorized, may be purchased. The City of Jacksonville's amended and restated Investment Policy resolves any conflict between the state's and city's investment policies. 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.

Investments at September 30, 2004, 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, 2004**

**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 Except For Pension</u>				
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
U.S. Government and Agency Securities	481,763	-	486	482,249
Total	<u>\$ 481,763</u>	<u>\$ -</u>	<u>\$ 486</u>	<u>482,249</u>
<u>Pension Trust Funds</u>				
U.S. Government and Agency Securities	\$ 513,955	\$ -	\$ -	513,955
Corporate Bonds	360,894	-	-	360,894
Common Stock	1,402,974	-	-	1,402,974
Real Estate	7,443	-	-	7,443
Municipal Bonds	2,555	-	-	2,555
Commercial Paper	10,730	-	-	10,730
Total	<u>\$2,298,551</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,298,551</u>
Total Risk-Classified Investments				2,780,800
<u>Unclassified as to Credit Risk:</u>				
Accrued Interest Receivable				12,191
Cash Bank Deposits				626,928
Less: Equity in cash and investments of certain Component units discretely presented and Related organizations				<u>(18,183)</u>
Total Cash and Investments at September 30, 2004				<u>\$ 3,401,736</u>
<u>Summary of Cash and Investment Accounts:</u>				
Equity in Cash and Investments				\$ 3,282,397
Cash in Escrow and with Fiscal Agents				104,420
Restricted Cash and Investments				<u>14,919</u>
Total Cash and Investments at September 30, 2004				<u>\$ 3,401,736</u>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**D. Securities Lending:**

As of September 30, 2004, the City of Jacksonville General Employees Pension Plan (GEPP) participates in securities lending transactions through a contract for 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. Types of securities lent include Global Equities, US Agencies, US Corporate Fixed, US Equities and US Government Fixed. The market value of securities on loan against cash collateral and non cash collateral at September 30, 2004 was \$148,073,544, and \$35,369,478, respectively. The total market value of securities on loan was \$183,443,022. The total cash collateral value at September 30, 2004 was \$151,680,964.

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, 2004 was approximately 91 days. Cash open collateral is invested in a short term investment pool, which had an average weighted maturity of 31 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 the lender or the borrower.

There were no violations of legal or contractual provisions, and 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.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

For the fiscal year ended September 30, 2004, the plan received net income of \$.3 million from securities lending activities for its pension portfolio.

**E. Interest Rate Swaps with City of Jacksonville:**

**Objective of the Interest Rate Swaps** – The City of Jacksonville's swap policy allows for the use of interest rate swaps and other financial instruments to manage the city's financial exposure. This policy went into effect on October 1, 2003 and was revised on March 1, 2004. The city utilizes interest rate swaps to manage the interest rate risk associated with various assets. The city continuously works toward developing the optimal capital structure, including the amounts and types of variable rate exposure, in view of the city's risk tolerance to market fluctuations, capital market outlook, future capital funding needs, rating agency considerations, counterparty credit profiles, and competition. The use of interest rate swaps is one instrument used in achieving an optimal capital structure.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**E. Interest Rate Swaps with City of Jacksonville: (continued)**

**Terms** - Effective October 6, 2003, the City of Jacksonville entered into a 5 year fixed receiver swap with Morgan Stanley Capital Services with an effective date of October 6, 2003 and a termination date of September 30, 2008. 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.

For the fiscal year 2004, the city made no payments to the counterparty and received \$2,000,000. For subsequent years, the city will receive payments semi-annually and will make 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 counterparty's credit rating at the time of issuance by Moody's/Standard and Poor's was Aa3/AA-. The counterparty 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 with an effective date of October 14, 2003 and a termination date of September 30, 2008. 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. For the fiscal year 2004, the city made no payments to the counterparty and received \$2,000,000. For subsequent years, the city will receive payments semi-annually and will make 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 counterparty's credit rating at the time of issuance by Moody's/Standard and Poor's was Aa3/AA-. The counterparty 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 with an effective date of March 8, 2004 and a termination date of March 31, 2009. 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 counterparty's credit rating at the time of issuance by Moody's/Standard and Poor's/Fitch was Aa3/A+/AA-. The counterparty 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 July 22, 2004, the City of Jacksonville entered into a 5 year fixed receiver swap with Merrill Lynch with an effective date of July 22, 2004 and a termination date of March 31, 2009. The notional amount of the transaction is \$50,000,000. The city receives a fixed rate of 4.042% 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 counterparty's credit rating at the time of issuance by Moody's/Standard and Poor's was Aa3/A+. The counterparty 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. On October 26, 2004, the city terminated this swap and realized a gain of \$1,082,339.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**E. Interest Rate Swaps with City of Jacksonville: (continued)**

**Fair Value** - As of September 30, 2004, the underlying swaps had a fair value of:

Provider	Fair Value
Morgan Stanley	(\$ 1,054,791)
Morgan Stanley	\$ 89,575
SunTrust	(\$ 1,172,387)
Merrill Lynch	\$ 748,830

This fair value was obtain by the counter-parties' mark to market reports submitted to the city.

**Credit Risk** – Listed below are the credit ratings for the providers of the swaps outstanding as of September 30, 2004:

Provider	Moody's	S & P
Morgan Stanley	Aa3	A+
SunTrust	Aa3	A+
Merrill Lynch	Aa3	A+

Eligible Collateral would be cash, treasury securities and agencies, and other items as agreed upon in writing. The maximum exposure to any single counter-party is \$200,000,000.

**Interest rate risk** – The swap increases the city's exposure to variable interest rates. As the 1-Month LIBOR increases, the city's net payment on the swap increases.

**Termination** – If any of the swaps have a negative fair value at the time of termination, the city would be liable to the counter-party for that payment.

**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, 2004.

Fund	Accounts Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
General Fund	\$ 33,002	(\$ 26,633)	\$ 6,369
Non-Major Special Revenue Funds:			
Sports, Convention & Tourism			
Development	298	(3)	295
Budgeted General Government	39	(19)	20
Major Enterprise Fund:			
Solid Waste Disposal	2,613	(20)	2,593
Fund	Mortgages Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
Non-Major Special Revenue Funds:			
Community Development Block			
Grant	3,296	(2,060)	1,236
Jacksonville Housing Commission	16,882	(7,749)	9,133

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**5. PROPERTY TAXES**

**A. Ad Valorem Property Taxes:**

Property tax collections are governed by Chapter 197, Florida Statutes. The Duval County Tax Collector bills and collects all property taxes levied within the consolidated city/county. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The total millage rate levied by the city was 9.8398 for the fiscal year ended September 30, 2004.

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, 2004**

**6. CAPITAL ASSET ACTIVITY**

Capital asset activity for the year ended September 30, 2004, was as follows (in thousands):

**Primary Government**

	Beginning Balance October 1, 2003	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2004
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 256,722	\$ 13,779	\$ 197	\$ 270,698
Construction in progress	240,752	130,844	(227,904)	143,692
Land reported in Internal Service Funds	58	-	-	58
Total capital assets not being depreciated	<u>497,532</u>	<u>144,623</u>	<u>(227,707)</u>	<u>414,448</u>
Capital assets being depreciated:				
Buildings	490,501	16,775	224,974	732,250
Furniture and equipment	55,119	6,184	(5,343)	55,960
Improvements	75,309	39,109	504	114,922
Infrastructure	908,622	163,390	2,045	1,074,057
Capital assets reported in Internal Service Funds, net	63,277	20,014	(21,551)	61,740
Total assets being depreciated	<u>1,592,828</u>	<u>245,472</u>	<u>200,629</u>	<u>2,038,929</u>
Less accumulated depreciation for:				
Buildings	167,109	9,010	-	176,119
Furniture and equipment	41,507	5,549	(3,798)	43,258
Improvements	18,192	2,051	-	20,243
Infrastructure	132,940	25,089	-	158,029
Total accumulated depreciation	<u>359,748</u>	<u>41,699</u>	<u>(3,798)</u>	<u>397,649</u>
Total capital assets being depreciated, net	<u>1,233,080</u>	<u>203,773</u>	<u>204,427</u>	<u>1,641,280</u>
Governmental activities capital assets, net	<u>\$ 1,730,612</u>	<u>\$ 348,396</u>	<u>(\$ 23,280)</u>	<u>\$ 2,055,728</u>

**Primary Government**

	Beginning Balance October 1, 2003	Increases	Decreases	Ending Balance September 30, 2004
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 7,074	\$ -	\$ -	\$ 7,074
Construction in progress	533	-	533	-
Total capital assets not being depreciated	<u>7,607</u>	<u>-</u>	<u>533</u>	<u>7,074</u>
Capital assets being depreciated:				
Buildings and improvements	73,621	516	-	74,137
Furniture and equipment	9,575	590	992	9,173
Total assets being depreciated	<u>83,196</u>	<u>1,106</u>	<u>992</u>	<u>83,310</u>
Less accumulated depreciation for:				
Buildings and improvements	27,704	4,237	-	31,941
Furniture and equipment	6,648	322	474	6,496
Total accumulated depreciation	<u>34,352</u>	<u>4,559</u>	<u>474</u>	<u>38,437</u>
Total capital assets being depreciated, net	<u>48,844</u>	<u>(3,453)</u>	<u>518</u>	<u>44,873</u>
Business-type activities capital assets, net	<u>\$ 56,451</u>	<u>(\$ 3,453)</u>	<u>\$ 1,051</u>	<u>\$ 51,947</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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	\$ 1,920
Human services	890
Public Safety	5,774
Culture and recreation	7,593
Transportation	82
Economic environment	81
Physical environment	25,359
Total depreciation expense - governmental activities	<u>\$ 41,699</u>

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

<b>Business-type activities:</b>	
Parking system	\$ 368
Motor vehicle inspections	48
Solid waste	3,799
Ferry	344
Total depreciation expense - business-type activities	<u>\$ 4,559</u>

( The remainder of this page is intentionally left blank.)

**CITY OF JACKSONVILLE , FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

A summary of interfund balances follows (in thousands):

<u>DUE TO OTHER FUNDS</u>	<u>AMOUNT</u>	<u>DUE FROM OTHER FUNDS</u>	<u>PURPOSE</u>
<b>MAJOR FUNDS:</b>			
<b>Capital Projects</b>			
Bond Projects	\$ 968	Self Insurance	Temporary interfund loan
Better Jacksonville Plan Construction Project	1,321	Insured Programs	Temporary interfund loan
Total	2,289		

**NONMAJOR FUNDS:**

<b>Special Revenue</b>			
Metropolitan Planning Organization	738	Self Insurance	Temporary interfund loan
	738		

**TOTAL** \$ 3,027

**ADVANCES FROM OTHER FUNDS      AMOUNT      ADVANCES TO OTHER FUNDS**

**MAJOR FUNDS:**

<b>Capital Projects</b>			
General Projects	\$ 11,548	Self Insurance	Interfund loan for Redevelopment Agreement
<b>TOTAL</b>	<b>\$ 11,548</b>		

(The remainder of this page is intentionally left blank.)

**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

The city makes routine transfers between its funds in the course of the fiscal year. The principal purposes of these transfers are to allocate resources for debt service, construction or other capital projects, and to provide operating subsidies. These transfers are consistent with the activities of the funds involved. A summary of interfund transfers follows:

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
<b>MAJOR FUNDS:</b>		
<b>General Fund</b>		
General Fund	\$ 110	Concurrency Management
General Fund	308	Air Pollution Control and Monitoring
General Fund	17	General Government - Budgeted
General Fund	35	Community Development Block Grant
General Fund	3,231	Maintenance, Parks and Recreation
General Fund	15	Other Federal, State and Local Grants
General Fund	100	General Government - Non-Budgeted
General Fund	10,500	Information Technologies
General Fund	12,332	Fleet Management
General Fund	12,200	Solid Waste Disposal
Total	38,848	
<b>Debt Service</b>		
Special Bonded Debt Obligations	63,805	General Fund
		Sports, Convention and Tourism
Special Bonded Debt Obligations	10,720	Development
Special Bonded Debt Obligations	2,145	Tax Increment Districts
Special Bonded Debt Obligations	1,016	Public Parking System
Special Bonded Debt - Better Jacksonville Plan Obligations	31,080	Better Jacksonville Plan Trust Fund
Total	108,766	
<b>Capital Projects</b>		
General Projects	1,438	General Fund
General Projects	2,310	General Government - Budgeted
General Projects	285	Community Development Block Grant
General Projects	100	Solid Waste
General Projects	3,800	Fleet Management
General Projects	1,700	Information Technologies
Better Jacksonville Plan Construction Projects	3,969	Transportation
Better Jacksonville Plan Construction Projects	29,935	Better Jacksonville Plan Trust Fund
Total	43,537	
<b>Enterprise Funds</b>		
Public Parking System	1,812	General Fund
Solid Waste Disposal	29,869	General Fund
Total	31,681	

**CITY OF JACKSONVILLE , FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
<b>NON-MAJOR FUNDS:</b>		
<b>Special Revenue</b>		
Concurrency Management	\$ 125	General Fund
Air Pollution Control and Monitoring	400	General Fund
Sports, Convention and Tourism		
Development	15,115	General Projects
Transportation	400	General Fund
General Government - Budgeted	781	General Fund
Tax Increment Districts	400	General Fund
Jacksonville Children's Commission	15,839	General Fund
Community Development Block Grant	75	Tax Increment Districts
Maintenance, Parks and Recreation	1,749	General Fund
Other Federal, State and Local Grants	3,683	General Fund
Other Federal, State and Local Grants	225	Jacksonville Children's Commission
Other Federal, State and Local Grants	32	General Projects
Other Federal, State and Local Grants	2	Fleet Management
General Government - Non-Budgeted	122	General Fund
General Government - Non-Budgeted	10	General Projects
Total	<u>38,958</u>	
<b>Debt Service</b>		
Other Non-Bonded Debt Obligations	79	General Fund
Other Non-Bonded Debt Obligations	1,023	Tax Increment Districts
Total	<u>1,102</u>	
<b>Capital Projects</b>		
Grant Capital Improvement Projects	1,038	General Fund
Total	<u>1,038</u>	
<b>Enterprise Funds</b>		
Sports Complex, Convention Center and Auditorium	7,759	General Fund
Sports Complex, Convention Center and Auditorium	384	Sports, Convention and Tourism Development
Sports Complex, Convention Center and Auditorium	120	Maintenance, Parks and Recreation
Mayport Ferry	739	General Fund
Total	<u>9,002</u>	

**CITY OF JACKSONVILLE , FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
<b>NON-MAJOR FUNDS: (continued)</b>		
<b>Internal Service Funds</b>		
Fleet Management	\$ 13	General Fund
Fleet Management	133	General Government - Budgeted
Fleet Management	25	Other Federal, State and Local Grants
Information Technologies	1,300	Fleet Management
Self Insurance	1,072	General Fund
Group Health	191	General Fund
Group Health	15	Insured Programs
Insured Programs	30	Self Insurance
Total	2,779	
<b>Fiduciary Funds</b>		
Private Purpose Trust	5	General Government - Non-Budgeted
General Employees Pension	14,602	Fleet Management
Police and Fire Pension	10,985	Fleet Management
Total	25,592	
<b>TOTAL</b>	<b>\$ 301,303</b>	

A change in policy enabled Fleet Management to transfer excess cash to both the General Employees Pension Fund and the Police and Fire Pension Fund, to fund employers contributions.

In the fund financial statements, total transfers out are greater than total transfers in by \$1,644. This is due to the treatment of transfers of capital assets from Public Parking and Solid Waste to the general government in the amount of \$1,235 and \$409, respectively. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources.

(The remainder of this page is intentionally left blank.)

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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 \$11,548,246 at September 30, 2004.

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, 2004 was \$16,465,348.

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, 2004 was \$17,435,387.

During fiscal year 2004, the city had financial transactions with its discretely presented component units classified as follows for financial reporting purposes:

**JEA:**

**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, 2004, revenues dedicated for the support of debt service

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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, 2004 the JEA contributed \$70,039,278.

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, 2004 the JEA contributed \$13,148,260.

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 \$83,187,000.

**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.



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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, 2004, 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 \$3.6 million. In FY 03/04, \$3.6 million was distributed to the JPA. \$2.4 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, 2004, the cumulative balance after the distribution to JPA is \$2.4 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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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 \$61.6 million in fiscal 2004. 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 \$61.6 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.

(The remainder of this page is intentionally left blank.)

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**8. LONG-TERM OBLIGATIONS**

**A. Long-term Obligations at September 30, 2004**, 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 2016	5.00 - 6.30%	\$ 7,545
Capital Improvement Revenue Bonds, Series 1994 payable in semi-annual installments to 2019	5.05 - 5.875%	41,205
Sunshine State Governmental Financing Commission, Series 1994 payable in monthly installments to 2006	Variable Rate Assumed at 9.20%	1,960
Capital Improvement Revenue Bonds, Series 1995 payable in semi-annual installments to 2026	5.00 - 5.875%	25,560
Sales Tax Revenue Bonds, Series 1995 payable in semi-annual installments to 2006	5.00 - 6.00%	7,580
Excise Taxes 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%	9,400
Sales Tax Revenue Bonds, Series 1996 payable in semi-annual installments to 2019	4.35 - 5.50%	8,725
Excise Taxes Revenue Bonds, Series 1996C payable in semi-annual installments to 2007	4.35 - 4.85%	1,505
Capital Improvement Revenue Bonds, Series 1997 payable in semi-annual installments to 2026	4.20 - 5.25%	7,295
Capital Project Revenue Bonds, Series 1997-1 payable in monthly installments to 2018	Variable Rate Assumed at 7.81%	25,280
Capital Project Revenue Bonds, Series 1997-2 payable in monthly installments to 2023	Variable Rate Assumed at 8.89%	41,900

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**8. LONG-TERM OBLIGATIONS**(continued)  
**A. Long-term Obligations at September 30, 2004:** (continued)

<b>SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b> (continued)	<b>INTEREST RATES</b>	<b>PRINCIPAL</b>
Capital Improvement and Revenue Refunding Bonds, Series 1998 payable in semi-annual installments to 2026	3.90 - 5.00%	\$ 35,845
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A payable in semi-annual installments to 2020	3.30 - 5.00%	50,050
Local Government Sales Tax Refunding Revenue Bonds, Series 2001 payable in semi-annual installments to 2019	3.00 - 5.00%	103,330
Excise Taxes Refunding Bonds, Series 2001A payable in semi-annual installments to 2010	5.00%	38,460
Excise Taxes Revenue Bonds, Series 2001B payable in semi-annual installments to 2033	4.000% - 5.125%	46,735
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A payable in semi-annual installments to 2014	4.250% - 5.500%	52,080
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002 payable in semi-annual installments to 2033	3.000% - 5.375%	113,265
Capital Improvement Revenue Bonds, Series 2002A payable in semi-annual installments to 2031	2.375% - 5.000%	54,135
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B payable in semi-annual installments to 2020	2.000% - 5.250%	42,170
Capital Improvement and 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%	67,905
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002 payable in semi-annual installments to 2019	3.000% - 5.375%	60,365
Excise Taxes Revenue Refunding and 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, 2004**

---

**8. LONG-TERM OBLIGATIONS(continued)  
A. Long-term Obligations at September 30, 2004: (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 (AMT) 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
Excise Taxes Revenue Bonds, Series 2003A payable in semi-annual installments to 2024	3.000% - 4.500%	18,745
Capital Project Revenue Bonds, Series 2002-1 payable in monthly installments to 2035	Variable Rate Maximum Assumed at 7.588%	<u>54,000</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes		<u>\$ 1,035,101</u>
Add: Deferred amounts on Special Obligation Bonds		<u>6,095</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes, less deferred amounts		<u>\$ 1,041,196</u>
 <b>SPECIAL OBLIGATIONS BONDS PAYABLE FROM  SPECIFIC REVENUE SOURCES OTHER THAN AD  VALOREM TAXES - BETTER JACKSONVILLE PLAN:</b>		
Transportation Revenue Bonds, Series 2001 payable in semi-annual installments to 2032	3.00 - 5.25%	\$ 176,955
Better Jacksonville Sales Tax Revenue Bonds, Series 2001 payable in semi-annual installments to 2031	3.00 - 5.50%	209,400
Better Jacksonville Sales Tax Revenue Bonds, Series 2003 payable in semi-annual installments to 2031	2.00 - 5.25%	208,435
Transportation Revenue Bonds, Series 2003 interest is reset and payable every 35 days to 2021	Auction Rate Securities Assumed at 4.01%	46,410
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%	76,800
Better Jacksonville Sales Tax Revenue Bonds, Series 2004 payable in semi-annual installments to 2031	2.00 - 5.00%	218,755

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

**8. LONG-TERM OBLIGATIONS(continued)  
A. Long-term Obligations at September 30, 2004: (continued)**

<b>SPECIAL OBLIGATIONS BONDS PAYABLE FROM  SPECIFIC REVENUE SOURCES OTHER THAN AD  VALOREM TAXES - BETTER JACKSONVILLE PLAN: (continued)</b>	<b>INTEREST  RATES</b>	<b>PRINCIPAL</b>
Transportation Revenue Bonds, Series 2004 interest is reset and payable every 35 days to 2027	Auction Rate Securities Assumed at 3.455%	<u>\$ 80,275</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan		<u>\$ 1,093,855</u>
<b>TOTAL SPECIAL OBLIGATIONS BONDS</b>		<u>\$ 2,135,051</u>

**BONDS PAYABLE FROM ENTERPRISE FUNDS:**

Excise Taxes Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.25 - 5.125%	11,280
Excise Taxes Revenue Refunding Bonds, Series 1996A payable in semi-annual installments to 2017	4.00 - 5.50%	17,045
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B payable in semi-annual installments to 2017	4.20 - 5.75%	34,690
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>		<u>\$ 72,109</u>

**TOTAL BONDS PAYABLE** \$ 2,207,160

**NOTES PAYABLE FROM GENERAL REVENUE:**

U.S. Government Guaranteed Note Payable, Series 1995 (Coach) payable in semi-annual installments to 2014	2.31 - 6.01% (Taxable)	\$ 3,420
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty) payable in semi-annual installments to 2012	6.23 - 6.88% (Taxable)	605
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton Hotel) payable in semi-annual installments to 2015	6.23 - 7.03% (Taxable)	2,410
U.S. Government Guaranteed Note Payable, Series 1997 (Lavilla) payable in semi-annual installments to 2016	6.23 - 7.08% (Taxable)	1,015
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates) payable in semi-annual installments to 2010	6.23 - 6.78% (Taxable)	385

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**A. Long-term Obligations at September 30, 2004:** (continued)

**NOTES PAYABLE FROM GENERAL REVENUE:** (continued)

U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings) payable in semi-annual installments to 2016	6.23 - 7.08% (Taxable)	\$ 675
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns) payable in semi-annual installments to 2015	6.23 - 7.03% (Taxable)	<u>470</u>
<b>TOTAL NOTES PAYABLE FROM GENERAL REVENUE</b>		<u>\$ 8,980</u>

**TOTAL BONDED INDEBTEDNESS** \$ 2,216,140

**CAPITALIZED LEASE OBLIGATIONS:**

**General Fund:**

Installment lease purchase of a helicopter with lease maturity date through 2009 with effective interest rate of 3.99% \$ 1,615

**Internal Service Fund:**

Installment lease purchase of office and communications equipment with lease maturity dates through 2010 with effective interest rates ranging from 4.13 to 6.40% 17,267

Total Capitalized Lease Obligations \$ 18,882

**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 \$ 53,788  
Business-type Funds 751

(Fiduciary - Pension Funds have compensated absences of \$ 57 which are not presented on the City-wide Statements)

Total Accrued Compensated Absences \$ 54,539

**OTHER LONG-TERM DEBT:**

Estimated Liability for Self-Insured Losses \$ 55,397  
Liability for Landfill Closure and Postclosure Care 31,104

Total Other Long-Term Debt \$ 86,501

**TOTAL LONG-TERM OBLIGATIONS** \$ 2,376,062

Less Unamortized Discount/Premium and Deferred Loss on Advance Refunding (2,644)

**Total, less Unamortized Discount/Premium and Deferred Loss on Advance Refunding** \$ 2,373,418

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

**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, 2004, 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					
2005	\$ 39,107	\$ 49,542	\$ 10,630	\$ 45,649	\$ 4,643	\$ 3,498	\$ 460	\$ 531	\$ 154,060
2006	43,513	51,743	17,540	48,798	4,832	3,287	525	508	170,746
2007	46,346	49,675	18,100	48,259	6,054	3,022	635	480	172,571
2008	47,365	47,568	20,975	47,682	7,575	2,705	730	445	175,045
2009	50,650	45,397	21,665	46,963	7,920	2,353	840	404	176,192
2010 - 2014	209,883	206,659	114,530	222,956	25,950	7,120	5,005	1,204	793,307
2015 - 2019	226,907	148,639	160,280	194,817	15,135	1,238	785	70	747,871
2020 - 2024	147,355	85,526	209,120	153,744	-	-	-	-	595,745
2025 - 2029	127,380	46,585	287,540	94,822	-	-	-	-	556,327
2030 - 2034	89,795	14,814	233,475	18,370	-	-	-	-	356,454
2035	6,800	516	-	-	-	-	-	-	7,316
Total Principal and Interest	1,035,101	746,664	1,093,855	922,060	72,109	23,223	8,980	3,642	3,905,634
Less: Interest to be paid	-	(746,664)	-	(922,060)	-	(23,223)	-	(3,642)	(1,695,589)
Total Principal	1,035,101	-	1,093,855	-	72,109	-	8,980	-	2,210,045
Deferred amounts	6,095	-	-	-	-	-	-	-	6,095
Unamortized Discount/Premium and Deferred Loss on Advance Refunding (1)	-	-	-	-	(2,644)	-	-	-	(2,644)
Totals	<u>\$ 1,041,196</u>	<u>\$ -</u>	<u>\$ 1,093,855</u>	<u>\$ -</u>	<u>\$ 69,465</u>	<u>\$ -</u>	<u>\$ 8,980</u>	<u>\$ -</u>	<u>\$ 2,213,496</u>
Long-Term Obligations Not Included Above:									
Accrued Compensated Absences									54,539
Capitalized Lease Obligations									18,882
Estimated Liability for Self-Insured Losses									55,397
Liability for Landfill Closure and Postclosure Care									31,104
TOTAL LONG-TERM OBLIGATIONS									<u>\$ 2,373,418</u>

(1) Public Parking System \$1,192 and Solid Waste Disposal \$1,452



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

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

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

Changes in long-term liabilities for the fiscal year ended September 30, 2004, are summarized as follows (in thousands):

	Balance October 1, 2003	Additions	Reductions	Balance September 30, 2004	Due within one year
<b>Governmental activities:</b>					
General long-term obligations:					
Special Obligation Bonds	\$ 998,466	\$ 72,745	\$ 36,110	\$ 1,035,101	\$ 39,107
Special Obligation -BJP	804,425	299,030	9,600	1,093,855	17,180
Notes Payable	9,375	-	395	8,980	460
Deferred amounts:					
Loss on Advance Refunding	(5,929)	-	(383)	(5,546)	-
Issuance premiums	16,598	-	1,019	15,579	-
Issuance discounts	(1,315)	(2,778)	(155)	(3,938)	-
Total bonds and notes payable	<u>1,821,620</u>	<u>368,997</u>	<u>46,586</u>	<u>2,144,031</u>	<u>56,747</u>
Accrued Compensated Absences	55,843	28,812	30,867	53,788	16,136
Capitalized Lease Obligations	19,455	3,344	3,917	18,882	3,947
Estimated Liability for Self-Insured Losses	<u>52,998</u>	<u>15,734</u>	<u>13,335</u>	<u>55,397</u>	<u>-</u>
Governmental activity long-term obligations	<u>1,949,916</u>	<u>416,887</u>	<u>94,705</u>	<u>2,272,098</u>	<u>76,830</u>
<b>Business-type activities:</b>					
Revenue Bonds	76,234	-	4,125	72,109	4,643
Less: Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	<u>(2,944)</u>	<u>-</u>	<u>(300)</u>	<u>(2,644)</u>	<u>-</u>
Total Revenue Bonds, less Unamortized Discount/Premium and, Deferred					
Loss on Advance Refunding	73,290	-	3,825	69,465	-
Accrued Compensated Absences	723	751	723	751	225
Liability for Landfill Closure and Postclosure Care	<u>24,724</u>	<u>6,380</u>	<u>-</u>	<u>31,104</u>	<u>-</u>
Business-type activity long-term liabilities	<u>98,737</u>	<u>7,131</u>	<u>4,548</u>	<u>101,320</u>	<u>4,868</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>\$ 2,048,653</u>	<u>\$ 424,018</u>	<u>\$ 99,253</u>	<u>\$ 2,373,418</u>	<u>\$ 81,698</u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of \$3,016 for compensated absences payable and \$17,284 for capital leases are included above in the totals for governmental activities. Compensated absences for governmental activities are generally liquidated by the general fund.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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.

On September 21, 2004, the city closed on the sale of \$54,000,000 Capital Projects Revenue Bonds, Series 2002-1 with a true interest cost of 3.831%. The 2002-1 bonds carry an assumed weekly variable rate of 3.5% with a mandatory sinking schedule beginning October 1, 2026 and a maturity date of October 1, 2034. The proceeds are being used to finance stormwater drainage and other general capital projects. The issuance provided net proceeds of \$53,180,494 (after payment of \$819,506 for a debt service reserve fund, underwriter's discounts, insurance, costs of issuance, and net original issue discount) to fund the improvements. The 2002-1 Bonds are the first sub series of the City of Jacksonville, Florida Capital Project Revenue Bonds, Series 2002, authorized to be issued in an aggregate principal amount of not to exceed \$94,000,000.

*New debt issued reported as a Special Item:* On September 30, 2004, the city closed on the sale of \$80,275,000 Transportation Revenue Refunding Bonds, Series 2004A. The proceeds were used to refund a portion of the State of Florida, Full Faith and Credit, Jacksonville Transportation Authority, Senior Lien Refunding Bonds, Series 1997A. The Series 1997A Bonds were issued by the State on behalf of the city and the Jacksonville Transportation Authority, a major component unit of the city, and were reported on the

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

State Financial Statements. The pledged revenue for the Series 1997A Bonds was the city's Transportation Sales Tax and Gas Tax, and these sources will remain pledged to repay the remaining outstanding Series 1997A Bonds. The portion of the pledged revenues previously used to repay the refunded portion of the Series 1997A Bonds will be used to service the Series 2004A Bonds.

The city entered into a Hedge Agreement (floating-to-fixed rate swap) on August 23, 2004 with Wachovia Bank that served as a hedge on the city's issuance of the Transportation Revenue Bonds, Series 2004.

(The remainder of this page is intentionally left blank.)

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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, 2004</u>	<u>INVESTMENT BALANCE WITH ESCROW AGENT AT SEPTEMBER 30, 2004 (b)</u>
Excise Taxes Revenue Refunding Bonds, Series 1977	1984 C Excise Tax Revenue Refunding Bonds	\$ 14,400	\$ 9,147
Capital Improvement Revenue Bonds, Series 1994	1998 Capital Improvement and Revenue Refunding Bonds	31,030	32,271
Sales Tax Revenue Bonds, Series 1995 & Series 1996	2001 Local Government Sales Tax Revenue Refunding Bonds	103,980	106,595

(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, 2004**

---

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

**F. Lease Obligations:**

At September 30, 2004, 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 helicopter which was acquired through a capital lease (recorded in the General Fund for the Sheriff's Department). Depreciation was \$274 thousand in fiscal year 2004.

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 \$3.6 million in fiscal year 2004 and was included in depreciation expense of capital assets.

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

	General Fund	Internal Service Fund - Information Technologies
Asset:		
Furniture and Equipment	\$ 1,969	\$ 26,399
Less: Accumulated Depreciation	(274)	(9,132)
Total	\$ 1,695	\$ 17,267

The future minimum lease obligations as of September 30, 2004, were as follows (in thousands):

Fiscal Year Ending September 30,	General Fund	Information Technologies Internal Service Fund
2005	\$ 357	\$ 4,430
2006	357	4,114
2007	357	3,845
2008	357	3,499
2009	356	3,436
2010	-	210
Total minimum lease payments	1,784	19,534
Less: Amount representing interest	(169)	( 2,267)
Present value of minimum lease Payments	\$ 1,615	\$ 17,267
Classified as:		
Current	\$ 319	\$ 3,628
Non-current	1,295	13,639
Total	\$ 1,615	\$ 17,267

The city does not have any material operating leases.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**G. Arbitrage Liability:**

Based on a calculation prepared by PFM Asset Management, LLC, there is Arbitrage Rebate Liability in the amount of \$1,602,926.12 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. The Installment Computation for the period of November 4, 1999 through November 4, 2004 was completed and resulted in a total liability of \$1,846,294.21. 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 city submitted 100% of the liability to the Internal Revenue Service. 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, 2004,

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

the city had authorized \$1,727,128,120 in IDB's and PAB's, of which \$1,265,126,902 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, 2004, the city has authorized a total of \$505,071,000 Jacksonville Housing Finance Authority (JHoFA), formerly Duval County Housing Finance Authority (DCHFA), Single Family and Multi-Family Bonds of which \$454,056,142 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$355,000,000 and \$314,876,142, respectively, with a total amount outstanding of \$108,265,720. The amount of Multi-Family Housing Bonds authorized and issued is \$150,071,000 and \$139,180,000, respectively, with a total amount outstanding of \$134,920,000. There were no Single Family Housing Revenue Bonds authorized or issued during the fiscal year ended 2004. The amount of Multi-Family Housing Bonds both authorized and issued during the fiscal year ended 2004 is \$19,000,000. Refundings of previous issues make up \$68,595,000 of the total amount authorized, \$68,350,000 of the total amount issued, and \$50,980,720 of the total amount outstanding.

As of September 30, 2004, 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 2004. 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. Interest Rate Swaps with City of Jacksonville:**

**Objective of the Interest Rate Swaps** - 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 and was revised on March 1, 2004. 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 market outlook, future capital funding needs, rating agency considerations, counterparty credit profiles, and competition. The use of interest rate swaps is one instrument used in achieving an optimal capital structure.

Effective October 23, 2003, the City of Jacksonville entered into a 5 year fixed receiver swap with Citibank with an effective date of October 23, 2003 and a termination date of September 30, 2008. The notional amount of the transaction is \$100,000,000. The city

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**I. Interest Rate Swaps with City of Jacksonville: (continued)**

receives a fixed rate of 3.626% and pays the 1-month LIBOR. The city receives payments semi-annually and makes payments monthly. For the fiscal year 2004, the city made no payments to the counterparty and received \$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 counterparty's credit rating at the time of issuance by Moody's/Standard and Poor's was Aa1/AA. The counterparty 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. On March 9, 2004, the city terminated this swap and realized a gain of \$3,351,000.

Effective April 19, 2004, the City of Jacksonville entered into a 5 year fixed receiver swap with UBS with an effective date of April 19, 2004 and a termination date of March 31, 2009. The notional amount of the transaction is \$100,000,000. The city receives a fixed rate of 3.785% 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 counterparty's credit rating at the time of issuance by Moody's/Standard and Poor's was Aa2/AA+. The counterparty 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 May 5, 2004, the City of Jacksonville entered into a 5 year fixed receiver swap with Bear Stearns with an effective date of May 5, 2004 and a termination date of March 31, 2009. The notional amount of the transaction is \$100,000,000. The city receives a fixed rate of 4.018% 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 counterparty's credit rating at the time of issuance by Moody's/Standard and Poor's was Aaa/AAA. The counterparty 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. On December 17, 2004, the city terminated this swap and realized a gain of \$1,745,104.

**Fair Value** - As of September 30, 2004, the underlying swaps had a fair value of:

Provider	Fair Value
UBS	(\$ 477,316)
Bear Stearns	(\$ 1,416,829)



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**I. Interest Rate Swaps with City of Jacksonville: (continued)**

This fair value was obtained by the counterparties' mark to market reports submitted to the city.

**Credit Risk** – Listed below are the credit ratings for the providers of the swaps outstanding as of September 30, 2004:

Provider	Moody's	S & P
UBS	Aa2	AA+
Bear Stearns	A1	A

Eligible Collateral would be cash, treasury securities and agencies, and other items as agreed upon in writing. The maximum exposure to any single counterparty is \$200,000,000.

**Interest rate risk** – The swap increases the city's exposure to variable interest rates. As the 1-Month LIBOR increases, the city's net payment on the swap increases.

**Termination** – If any of the swaps have a negative fair value at the time of termination, the city would be liable to the counterparty for that payment.

**J. 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, counterparty 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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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. On March 16, 2004, the city terminated this swap and realized a gain of \$2,559,000.

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 required. The city retains the right to terminate this swap agreement at the market value prior to maturity. On March 15 2004, the city terminated this swap and realized a gain of \$4,008,000.

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.

Effective April 29, 2004, the City of Jacksonville entered into a 5 year fixed receiver swap with Bear Sterns Financial Products rated Aaa/AAA. The notional amount of the transaction is \$50,000,000. The city receives a fixed rate of 3.947% and pays 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 infrastructure sales tax with a lien on parity to the Better Jacksonville Sales Tax Revenue Bonds. The counterparty does not

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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.

On September 30, 2004, the City of Jacksonville entered into a 23-year floating-to-fixed interest rate swap with Wachovia Bank rated Aa2/A+. The notional amount of the transaction is \$80,275,000. The city pays Wachovia a fixed rate of 3.455% and receives floating based on 67% of 1-month LIBOR, which could result in a basis risk if there are changes in the tax laws. The swap is related to the \$80,275,000 Transportation Revenue Bonds, Series 2004A (Auction Rate Securities). 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, 2004, the underlying swaps had a combined negative fair value of \$1,944,912. This fair value was obtained by the counterparties' mark to market reports submitted to the city.

**Swap payments and associated debt** – *See maturity schedule for Better Jacksonville Transportation Series 2003, 2003A, 2003B and 2004A.*

**K. Interest Expense:**

Total interest expense for the fiscal year ended September 30, 2004 was \$92.5 million for governmental activities and \$2.2 million for business-type activities.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

The Electric System, SJRPP System, and Water and Sewer System Revenue Bonds (JEA Revenue Bonds) are each governed by one or more bond resolutions. The Electric System bonds are governed by both a senior and a subordinated bond resolution, the Water and Sewer Systems bonds are governed by both a senior and a subordinated bond resolution, and the SJRPP bonds are governed by a single bond resolution. In accordance with the bond resolutions of each system, principal and interest on the bonds are payable from and secured by a pledge of the Net Revenues of the respective system. In general, the bond resolutions require JEA to make monthly deposits into the separate debt service sinking funds for each System in an amount equal to approximately one-twelfth of the aggregate amount of principal and interest due and payable on the bonds within the bond year. Interest on the fixed rate bonds, other than the SJRPP capital appreciation bonds, is payable semi-annually on April 1 and October 1, and principal is payable on October 1. In accordance with the requirements of the SJRPP bond resolution and the Agreement for Joint Ownership and Construction and Operation of St. Johns River Power Park Coal Units #1 and #2 between JEA and FPL, FPL is responsible for paying its share of the debt service on the SJRPP bonds. The various bond resolutions provide for certain other covenants, the most significant of which (1) requires JEA to establish rates for each system such that net revenues with respect to that system is sufficient to exceed (by a certain percentage) the debt service for that system during the fiscal year and any additional amount required to make all reserve or other payments required to be made in such fiscal year by the resolution of that system and (2) restricts JEA from issuing additional parity bonds unless certain conditions are met.

(The remainder of this page is intentionally left blank.)

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

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

Long-term debt	Interest rates	Due dates	Amount (in thousands)
<b>Electric System Senior Revenue Bonds:</b>			
Series Three, 1998A	4.500-5.250%	2005-2033	\$ 120,140
Series Three, 2000C	5.50%	2024-2035	30,860
Series Three, 2001A	5.125-5.250%	2020-2035	75,000
Series Three, 2001B	3.625-4.400%	2005-2011	82,040
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%	2005-2039	101,645
Series Three, 2003B	Variable	2005-2033	174,000
Series Three, 2003C	Variable	2005-2033	100,000
Series Three, 2004A	2.375-5.000%	2007-2039	101,890
Total Electric System Senior Revenue Bonds			1,019,800
<b>Electric System Subordinated Revenue Bonds:</b>			
Series B Commercial Paper	Variable	N/A	13,112
Series C Commercial Paper	Variable	N/A	114,414
2000 Series A, B	Variable	2004-2010	163,600
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	27,760
2002 Series A	2.950-4.750%	2005-2015	13,980
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
2004 Series A	4.200-5.000%	2014-2024	25,000
Total Electric System Subordinated Revenue Bonds			1,162,166
<b>SJRPP System Revenue Bonds:</b>			
Issue 2, Series 7	6.20%	2010-2011	14,994
Issue 2, Series 8, 9	5.25%	2019-2021	28,405
Issue 2, Series 10	5.500-6.500%	2003-2013	30,065
Issue 2, Series 11	5.000-5.375%	2006-2020	154,480
Issue 2, Series 12	5.000-5.375%	2006-2018	141,755
Issue 2, Series 13, 14, 15	4.500-6.000%	2004-2016	202,150
Issue 2, Series 16	4.200-4.300%	2004-2015	12,865
Issue 2, Series 17	2.800-5.250%	2004-2019	493,800
Issue 2, Series 18	2.625-5.000%	2004-2018	225,835
Issue 2, Series 19	1.620-4.600%	2004-2017	61,930
Total SJRPP System Revenue Bonds			1,366,279

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

<u>Long-term debt</u>	<u>Interest rates</u>	<u>Due dates</u>	<u>Amount (in thousands)</u>
Water and Sewer System Senior Revenue Bonds:			
1997 Series A	4.750-5.625%	2004-2037	57,730
1999 Series A	4.500-5.125%	2009-2019	29,800
2000 Series A (1)	6.000-6.125%	2018-2039	78,890
2001 Series A	4.200-4.300%	2004-2006	515
2001 Series C	2.500-5.250%	2004-2037	147,005
2002 Series A	5.375-5.500%	2024-2041	125,000
2002 Series B	3.000-5.250%	2003-2017	77,970
2002 Series C	4.625-5.000%	2018-2041	160,000
2003 Series A	2.000-4.750%	2005-2043	53,055
2003 Series B	4.375-4.750%	2021-2037	56,640
2004 Series A	2.000-5.000%	2006-2039	207,640
2004 Series B	2.000-4.500%	2006-2039	127,830
2004 Series C	2.000-5.000%	2006-2039	<u>87,000</u>
Total Water and Sewer System Senior Revenue Bonds			<u>1,209,075</u>
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	65,150
Subordinated 2003 Series A-2	Variable	2003-2036	64,750
Subordinated 2003 Series B	Variable	2003-2036	97,165
Subordinated 2003 Series C	2.000-4.750%	2005-2043	55,350
Subordinated 2004 Series A	2.000-4.375%	2005-2034	41,415
Subordinated 2004 Series B	4.000-4.750%	2005-2034	<u>20,000</u>
Total Water and Sewer System Subordinated Revenue Bonds			<u>425,820</u>
Total Debt Principal Outstanding			5,183,140
Plus Accretion of SJRPP Issue 2, Series 7 Capital Appreciation Bonds			16,459
Less debt due within one year			<u>(90,495)</u>
Total long-term debt			<u>\$ 5,109,104</u>

(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  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

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

Long-term debt activity for the year ended September 30, 2004 was as follows (in thousands):

	Bonds and Commercial Paper Payable September 30, 2003	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, 2004	Current Portion September 30, 2004
Electric System Revenue Bonds and Commercial Paper	\$ 2,009,823	\$ 226,890	\$ -	(\$ 54,747)	\$ -	\$ 2,181,966	\$ -
SJRPP System Revenue Bonds	1,464,575	-	-	(83,700)	1,863	1,382,738	78,610
Water and Sewer System Revenue Bonds	1,431,555	563,170	(333,495)	(26,335)	-	1,634,895	11,885
<b>Total</b>	<b>\$ 4,905,953</b>	<b>\$ 790,060</b>	<b>(\$ 333,495)</b>	<b>(\$ 164,782)</b>	<b>\$ 1,863</b>	<b>\$ 5,199,599</b>	<b>\$ 90,495</b>

The debt service to maturity on the outstanding fixed rate bonds as of September 30, 2004, is summarized in the following table (in thousands):

Bond Year Ending October 1	Electric System		Power Park		Water & Sewer		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2004	\$ -	\$ 26,371	\$ 78,610	\$ 33,887	\$ 8,960	\$ 28,497	\$ 176,325
2005	26,780	54,298	79,440	64,331	5,970	62,273	293,092
2006	19,245	53,275	83,560	60,201	24,000	61,906	302,187
2007	30,045	52,482	87,260	56,150	61,845	61,009	348,791
2008	50,135	51,376	97,570	51,897	24,855	58,354	334,186
2009-2013	295,685	219,320	527,559	219,716	142,490	276,132	1,680,902
2014-2018	161,740	170,621	304,855	66,178	162,250	243,808	1,109,452
2019-2023	114,460	139,297	107,425	9,638	195,940	202,215	768,975
2024-2028	93,055	113,623	-	-	184,620	155,979	547,276
2029-2033	166,130	83,983	-	-	168,340	112,773	531,226
2034-2038	182,765	38,728	-	-	199,315	70,885	491,693
2039-2043	44,700	3,784	-	-	147,255	16,622	212,361
<b>Total</b>	<b>\$1,184,740</b>	<b>\$1,007,158</b>	<b>\$1,366,279</b>	<b>\$561,997</b>	<b>\$1,325,840</b>	<b>\$1,350,451</b>	<b>\$6,796,465</b>

The estimated fair value of JEA's outstanding fixed rate debt was \$4,117,230 thousand at September 30, 2004. The estimated fair values were determined through a nationally recognized third-party financial information service.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

The debt service to maturity on the outstanding variable rate obligations as of September 30, 2004, is summarized in the following table (in thousands):

Bond Year Ending October 1	Electric System		Water and Sewer		Total Debt Service
	Principal (1)	Interest (2)	Principal (1)	Interest (2)	
2004	\$ -	\$ 1,719	\$ 2,925	\$ 131	\$ 4,775
2005	25,535	12,964	3,150	2,757	44,406
2006	37,793	12,632	3,275	2,718	56,418
2007	35,364	12,141	3,375	2,678	53,558
2008	38,671	11,681	4,790	2,636	57,778
2009-2013	139,938	51,068	26,860	12,252	230,119
2014-2018	107,895	44,514	33,075	10,464	195,948
2019-2023	180,522	35,249	39,445	8,207	263,423
2024-2028	234,798	22,158	35,440	5,940	298,336
2029-2033	169,910	7,009	43,695	3,566	224,179
2034-2038	26,800	1,084	31,035	774	59,693
Totals	<u>\$ 997,226</u>	<u>\$ 212,218</u>	<u>\$ 227,065</u>	<u>\$ 52,125</u>	<u>\$1,488,634</u>

- (1) Includes amortization of commercial paper which is based upon JEA's current commercial paper payment plan and excludes payments made during fiscal year 2004.
- (2) Interest requirement for the variable rate debt was determined by using the interest rate that was in effect at the financial statement date of September 30, 2004. The table excludes payments made during fiscal year 2004.

The estimated fair value at September 30, 2004 for the \$997,226 thousand of Electric System variable rate debt and \$227,065 thousand of Water and Sewer System variable rate debt were determined to be the par amount outstanding at September 30, 2004.

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



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

	<u>Electric System</u>	<u>SJRPP System</u>	<u>Water and Sewer System</u>
Earliest year for redemption	2004	2004	2005
Redemption price ranges	101% - 100%	101% - 100%	101% - 100%

**Electric System**

The Electric System debt issued in fiscal year 2004 is 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>
Series Three 2003 C	New Money	Senior	October 2003	\$ 100,000
Series Three 2004 A	New Money	Senior	May 2004	101,890
2004 Series A	New Money	Subordinated	May 2004	25,000

On July 27, 2004, JEA established an escrow account to legally defease \$28,030 thousand in par amount of various Electric System fixed and variable rate bonds. The accounting loss resulting from the defeasance was \$198 thousand.

The outstanding Electric System variable rate debt obligations are summarized in the following table:

<u>Series</u>	<u>Priority of Lien</u>	<u>Mode</u>	<u>Par Amount</u>	<u>Liquidity Facility Termination Date</u>	<u>Average Interest Rate FY 2004</u>
2000 Series A	Subordinated	Flexible	\$ 81,800	December 6, 2005	1.040%
2000 Series B	Subordinated	Flexible	81,800	January 7, 2005	1.030%
2000 Series F	Subordinated	Flexible	125,000	November 28, 2005	1.040%
2001 Series B	Subordinated	Daily	66,000	May 21, 2005	1.040%
2001 Series C	Subordinated	Flexible	66,000	May 22, 2006	1.050%
2001 Series D	Subordinated	Auction	175,100	N/A	1.130%
Series Three 2003B-1	Senior	Auction	87,000	N/A	1.120%
Series Three 2003B-2	Senior	Auction	87,000	N/A	1.110%
Series Three 2003C-1	Senior	Auction	50,000	N/A	0.900%
Series Three 2003C-2	Senior	Auction	50,000	N/A	0.910%
Series B Commercial Paper	Subordinated	N/A	13,112	September 21, 2005	1.250%
Series C Commercial Paper	Subordinated	N/A	114,414	December 9, 2005	1.000%

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

Except for commercial paper, all of the outstanding Electric System variable rate obligations are multimodal, therefore, upon satisfying the necessary requirements set forth in the supplemental bond resolution relating to their issuance, they can from time to time be switched from one mode to another mode. While in the daily mode, such obligations bear interest at a daily rate determined on each business day with interest payable on the first business day of each month. The variable rate obligations in the flexible mode were initially issued in the daily mode. While in the flexible mode, they will bear interest at flexible rates and for the interest periods determined by the remarketing agent. The duration of each interest period will be the period determined by the remarketing agent to be the interest period which, in its judgment, will produce the greatest likelihood of the lowest overall debt service cost for that series of obligations. For obligations in the daily or flexible mode, liquidity support is provided in connection with tenders for purchase with separate liquidity providers pursuant to a standby bond purchase agreement (the "liquidity facility") relating to that series of obligation. With respect to each separate liquidity facility, JEA can request, has requested, and expects to request extensions in the future of the termination dates. The purchase price of the obligations 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. Each series of obligations is subject to mandatory and optional redemption prior to its scheduled maturity date as set forth in the supplemental bond resolution relating to its issuance.

The variable rate obligations in the auction mode are subject to the auction procedures set forth in the supplemental bond resolution relating to their issuance. Such obligations were initially issued in the auction mode. Interest for each auction period is 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-1, Series Three 2003B-2 and 2001 Series D is payable every 35 days. Interest on the Series Three 2003C-1 and Series Three 2003C-2 is payable every seven days. In connection with the issuance of the Series Three 2003B-1 and Series Three 2003B-2 bonds, JEA executed a fixed-payer interest rate swap to effectively fix its net payments relative to the Series Three 2003B-1 and Series Three 2003B-2 bonds. The terms of the interest rate swap are approximately equal to that of the Series Three 2003B-1 and Series Three 2003B-2 bonds.

The commercial paper notes are classified as long-term debt obligations. To provide liquidity support for each series of commercial paper notes, JEA has entered into 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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

agreements, provided that certain conditions are satisfied, in an amount equal to the principal amount of the maturing commercial paper notes. JEA has and will continue to request extensions of the credit agreements expiration dates as provided for in the agreements. 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 12 equal semi-annual installments. JEA has not made any borrowings under the credit agreements and does not expect to do so in the future.

**Water and Sewer System**

The Water and Sewer System debt issued in fiscal year 2004 is 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 Issued</u>	<u>Par Refunded</u>
2003 Series C	New Money	Senior	November 2003	\$ 75,000	\$ -
2004 Series A	Refunding	Senior	April 2004	210,350	208,245
2004 Series B	Refunding	Senior	April 2004	129,405	125,250
2004 Series A	New Money	Subordinated	April 2004	41,415	-
2004 Series C	New Money	Senior	September 2004	87,000	-
2004 Series B	New Money	Subordinated	September 2004	20,000	-

The senior lien Water and Sewer System Revenue Bonds, 2004 Series A (the “2004 Series A”) were issued on April 8, 2004, as an in part advance refunding of two prior series fixed rate bonds. The refunding resulted in an accounting loss of \$14,432 thousand. An estimated economic gain of \$3,323 thousand was realized as a result of the refunding. The estimated economic gain from the issuance of the 2004 Series A 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 2004 Series A.

The senior lien Water and Sewer System Revenue Bonds, 2004 Series B, were issued on April 8, 2004 as a current refunding of two prior series variable rate bonds. The refunding resulted in an accounting loss of \$729 thousand. No economic gain was realized as a result of the refunding.

On September 22, 2004, JEA established an escrow account to legally defease \$14,720 thousand in par amount of various fixed rate Water and Sewer System bonds. The accounting gain resulting from the defeasance was \$465 thousand.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

The outstanding Water and Sewer System variable rate debt obligations are summarized in the following table:

<u>Series</u>	<u>Lien</u>	<u>Mode</u>	<u>Principal Amount</u>	<u>Liquidity Facility Termination Date</u>	<u>Average Interest Rate for FY 2004</u>
2003 Series A-1	Subordinated	Auction	\$ 65,150	N/A	0.950%
2003 Series A-2	Subordinated	Auction	64,750	N/A	0.940%
2003 Series B	Subordinated	Weekly	99,140	July 25, 2005	1.040%

All of the outstanding Water and Sewer System variable rate obligations are multimodal, therefore, upon satisfying the necessary requirements, as set forth in the supplemental bond resolution relating to their issuance, they can from time to time be switched from one mode to another mode.

The variable rate obligations in the weekly mode were initially issued in the weekly mode. While in the weekly mode, they bear interest at a weekly rate determined by the remarketing agent on Tuesday of each week with interest payable on the first Wednesday of each month. For the obligations in the weekly mode, liquidity support is provided in connection with tenders for purchase from the liquidity provider pursuant to the liquidity facility. With respect to such liquidity facility, JEA can request, has requested, and expects to request extensions 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 are not payable from any funds of JEA. The obligations in the weekly mode are subject to mandatory and optional redemption prior to its scheduled maturity date as set forth in the supplemental bond resolution relating to its issuance.

The variable rate obligations in the auction mode are subject to the auction procedures set forth in the supplemental bond resolution relating to their issuance. Such obligations were initially issued in the auction mode. Interest for each auction period is 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 2003 Series A-1 and 2003 Series A-2 is payable every seven days.

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

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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 will 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 expected 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):

Bond Years Ending	2001 Series B	Total Debt Service
October 1,		
2004	\$ -	\$ 37,457
2005	2,147	67,996
2006	4,419	85,538
2007	4,419	122,485
2008	4,419	82,840
2009-2013	22,095	416,781
2014-2018	23,195	404,217
2019-2023	40,522	396,311
2024-2028	25,652	338,761
2029-2033	14,194	279,275
2034-2038	41,750	268,357
2039-2043	9,867	163,508
	<u>\$ 192,679</u>	<u>\$ 2,663,526</u>

In fiscal year 2003, JEA obtained an unsecured line of credit for \$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, 2004, there was no outstanding balance and no draws were made during the year.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**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 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 68% of the one-month LIBOR Index thereafter. JEA utilizes a combination of fixed to floating interest rate swaps and floating to fixed interest rate 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.

There were no fixed to floating rate swap agreements open at September 30, 2004. At September 30, 2003, the fixed to floating interest rate swap agreements (BMA Index) had total notional amounts outstanding of \$25,000 thousand for the Electric System and \$95,000 thousand for the Water and Sewer System. 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, caps, and related hedging instruments as of September 30, 2004 are an asset of \$137 thousand for the Electric System and an asset of \$84 thousand for the Water and Sewer System. These amounts were calculated using market rates as of September 30, 2004 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 were established on the Electric System and \$2,850 thousand on the Water and Sewer System as of September 30, 2003. These designated funds were released upon the termination of the floating to fixed swap agreements as discussed in the next paragraph.

During fiscal year 2004, 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 \$75,000 thousand notional amount of such interest rate swaps with respect to the Electric System and \$105,000 thousand notional amount of such interest rate swaps with respect to the Water and Sewer System.

For the fiscal year ending September 30, 2004, the weighted average rates of interest for the fixed to floating interest rate swap agreements were as follows:

Variable	.99%
Fixed	3.11%

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

The floating to fixed interest rate swap agreements have total notional amounts outstanding of \$0 for the Electric System and \$0 for the Water and Sewer System at September 30, 2004. 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 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 2004, 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 \$525,000 thousand notional amount of such interest rate swap agreements with respect to the Electric System and \$175,000 thousand notional amount of such interest rate swap agreements with respect to the Water and Sewer System.

For the fiscal year ending September 30, 2004, the weighted average rates of interest for the floating to fixed interest rate swap agreements were as follows:

BMA Index:	
Variable	1.03%
Fixed	1.82%
LIBOR Index:	
Variable	1.15%
Fixed	2.08%

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 of revenues, 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 increased interest on debt for the Electric System by \$1,783 thousand and decreased interest on debt for the Water and Sewer System by \$2,365 thousand in fiscal year 2004.

JEA has also entered into an integrated (September 18, 2033 expiration – unless terminated earlier) 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 \$4,161 thousand in fiscal year 2004.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**L. JEA - Long-Term Debt: (continued)**

The aggregate fair value of the interest rate swap is a liability of \$7,128 thousand as of September 30, 2004, 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, 2004, and standard cash flow present valuing techniques.

For the fiscal year ending September 30, 2004, the weighted average rates of interest for the floating to fixed interest rate swap agreement were as follows:

Variable	1.07%
Fixed	3.72%

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.

**M. 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 were to be used for construction related to the Wonderwood Project. The loan, which was interest-free, was repaid in a single payment of principal on December 31, 2003. Therefore, no amount was outstanding at September 30, 2004.

Accrued compensated absences at September 30, 2004 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)	\$ -	\$ -
Total loans payable	21,000	-	(21,000)	-	-
Compensated absences	156	74	(16)	214	18
Governmental activity long-term liabilities	<u>\$ 21,156</u>	<u>\$ 74</u>	<u>(\$ 21,016)</u>	<u>\$ 214</u>	<u>\$ 18</u>
<b>Business-type Activities:</b>					
Compensated absences	\$ 568	\$ 1,104	(\$ 1,023)	\$ 649	\$ 53



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**N. 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	\$ 46,115	\$ 37,950	(\$ 2,195)	\$ 81,870	\$ 2,405
Revenue refunding bonds	75,065	-	-	75,065	4,265
Revenue notes	6,898	-	(243)	6,655	259
Notes payable	3,225	-	(1,350)	1,875	1,275
Line of credit	50	-	-	50	-
Total	131,353	37,950	(3,788)	165,515	\$ 8,204
Unamortized deferred loss on bond refunding	(7,185)	-	513	(6,672)	
Unamortized bond discount	(253)	-	13	(240)	
Unamortized bond premium	5,971	-	(427)	5,544	
Total bonds and notes payable	\$ 129,886	\$ 37,950	(\$ 3,689)	\$ 164,147	

**JAA Debt Issues**

***2003 Airport Revenue Refunding Bonds, Series B-1 and B-2***

In 2003, JAA issued \$37,950,000 of Airport Revenue Bonds, Series 2003B-1 and B-2, which were initially issued as Auction Rate Certificates. At any given time, any particular Series 2003B Bonds may operate in any one (but not more than one) of the following rate periods: the Auction Period, Daily Rate Period, Weekly Rate Period, Short-Term Rate Period, Long-Term Rate Period or Fixed Rate Period. Interest payment dates and Auction dates will generally occur every 35 days with principal maturing in varying amounts through October 1, 2023. The proceeds of the Series 2003B-1 and 2003B-2 Bonds will be used for the acquisition, construction and installation of capital improvements at Jacksonville International Airport. The 2003B-1 and B-2 Bonds are insured by Financial Security Assurance, Inc. The 2003B-1 and B-2 Bonds were assigned an underlying rating of "A2" by Moody's and "A" by Fitch.

Year ended	Principal	Interest	Total
2005	\$ 1,650	\$ 565	\$ 2,215
2006	1,625	540	2,165
2007	1,750	515	2,265
2008	1,725	487	2,212
2009	1,850	461	2,311
2010-2014	9,950	1,862	11,812
2015-2019	10,800	1,040	11,840
2020-maturity	7,125	281	7,406
Total	\$ 36,475	\$ 5,751	\$ 42,226

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

***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, 2004 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 4,265	\$ 3,102	\$ 7,367
2006	4,355	2,999	7,354
2007	4,470	2,866	7,336
2008	4,620	2,702	7,322
2009	4,795	2,516	7,311
2010-2014	26,980	9,485	36,465
2015-maturity	25,580	2,578	28,158
<b>Total</b>	<b>\$ 75,065</b>	<b>\$ 26,248</b>	<b>\$ 101,313</b>

***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 6.25%, 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, 2004 (in thousands):

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	920	2,527	3,447
2010-2014	5,405	11,820	17,225
2015-2019	9,110	9,970	19,080
2020-2024	21,560	5,129	26,689
2025-maturity	5,150	161	5,311
Total	<u>\$ 45,395</u>	<u>\$ 40,163</u>	<u>\$ 85,558</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, 2002A Subordinated Tax-Exempt Revenue Note which will not exceed \$5,666,667 and 2002B Subordinated 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, 2004, JAA had \$6,655,000 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, 2004 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 259	\$ 136	\$ 395
2006	276	129	405
2007	294	121	415
2008	310	113	423
2009	330	105	435
2010-2014	1,452	429	1,881
2015-2019	2,604	240	2,844
2020-maturity	1,130	25	1,155
Total	<u>\$ 6,655</u>	<u>\$ 1,298</u>	<u>\$ 7,953</u>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**N. JAA - Long-Term Indebtedness: (continued)**

***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, 2004, JAA had an outstanding principal balance of \$50,000. The Revenue Note is subordinate to the 2000 and 2003B Revenue Bonds, and 2003A Revenue Refunding Bonds.

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, 2004 (in thousands):

Year ended	Principal	Interest	Total
2005	\$ -	\$ 1	\$ 1
2006	50	1	51
Total	<u>\$ 50</u>	<u>\$ 2</u>	<u>\$ 52</u>

***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 October 2004. As of September 30, 2004, JAA had an outstanding principal balance of \$1,150,000.

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, 2004, JAA had an outstanding principal balance of \$700,000.

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, 2004, JAA had an outstanding principal balance of \$25,000.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

**8. LONG-TERM OBLIGATIONS (continued)  
N. 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, 2004 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,275	\$ 159	\$ 1,434
2006	600	-	600
Total	<u>\$ 1,875</u>	<u>\$ 159</u>	<u>\$ 2,034</u>

Annual requirements to amortize all outstanding long-term debt as of September 30, 2004 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>
2005	\$ 5,670	\$ 7,367	\$ 395	\$ 1,434	\$ 1	\$ 8,204	\$ 6,663
2006	5,616	7,354	405	600	51	7,696	6,330
2007	5,715	7,336	415	-	-	7,344	6,122
2008	5,662	7,322	423	-	-	7,530	5,877
2009	5,758	7,311	435	-	-	7,895	5,609
2010-2014	29,037	36,465	1,881	-	-	43,787	23,596
2015-2019	30,920	28,158	2,844	-	-	48,094	13,828
2020-2024	34,095	-	1,155	-	-	29,815	5,435
2025-maturity	5,311	-	-	-	-	5,150	161
Total	<u>\$ 127,784</u>	<u>\$ 101,313</u>	<u>\$ 7,953</u>	<u>\$ 2,034</u>	<u>\$ 52</u>	<u>\$ 165,515</u>	<u>\$ 73,621</u>

***Interest Rate Swap Agreement between UBS AG and the Jacksonville Airport Authority***

Pursuant to a confirmation executed on October 10, 2003, JAA entered into a \$41,350,000 19-year floating-to-fixed BMA forward interest rate swap agreement (the "Agreement") to modify interest rates on future outstanding debt. The Swap will serve as a hedge of JAA's future issuance of Series 2005 Refunding Bonds (the "Series 2005 Bonds"), which is contemplated to be issued as auction rate securities on August 26, 2005. The Series 2005 Bonds will be issued to refund JAA's Airport Revenue Bonds, Series 2000 (the "Series 2000 Bonds") with a maturity date of October 1, 2024. Based on the Agreement, JAA will pay UBS Financial Services, Inc. a fixed rate of 4.41% and in return will receive a payment based upon the floating BMA Index. JAA's obligations under the swap are insured by Financial Guaranty Insurance Company.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

***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, 2004, Special Purpose Facility Revenue Bonds outstanding aggregated approximately \$3.00 million with a final maturity of June 1, 2023.

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

Noncurrent liability activity for the year ended September 30, 2004 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within one year
Bonds payable, notes payable and capital leases:					
Revenue bonds	\$ 22,985	\$ -	(\$ 680)	\$ 22,305	\$ 890
Revenue refunding bonds	59,840	-	(1,225)	58,615	1,300
Capital leases	10,693	-	(883)	9,810	805
	93,518	-	(2,788)	90,730	2,995
Less original issue discounts and deferred loss on refunding	(4,587)	-	285	(4,302)	-
Total noncurrent liabilities	\$ 88,931	\$ -	(\$ 2,503)	\$ 86,428	\$ 2,995

Long-term debt and capital leases at September 30, 2004 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%. \$ 22,305

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%. 58,615

**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%. 9,810

Less current portion (2,995)  
Total \$ 87,735

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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.

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 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:		
2005	\$ 4,459	\$ 2,190
2006	4,340	2,425
2007	4,212	2,555
2008	4,074	2,700
2009	3,926	2,850
Thereafter	31,793	68,200
Total	<u>\$ 52,804</u>	<u>\$ 80,920</u>

The following is a schedule of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of September 30, 2004 (in thousands):

Years ending September 30:	
2005	\$ 1,216
2006	1,216
2007	1,216
2008	1,216
2009	1,216
Thereafter	<u>6,076</u>
Total minimum lease payments	12,156
Less: Amount representing interest	<u>(2,346)</u>
Present value of minimum lease payments	<u>\$ 9,810</u>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

**Advance Refunding of Revenue Bonds** - JPA defeased the Revenue Bonds, Series 1993 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 bonds were paid in full on November 1, 2003.

**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, 2004 are as follows (in thousands):

	<u>Principal Balance</u>	<u>Investment Balance with Escrow Agent</u>
Revenue Bonds, Series 2000	\$ 15,550	\$ 16,973

**P. 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 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, 2004 the underlying swap had a negative fair value of \$1,731,300, estimated using the zero-coupon method. This method calculated the future net settlement payments required by the swap, assuming that the current forward rates



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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, make a fixed payment to the counterparty for the term of the swap at 5.215 percent and receive a variable payment of 67 percent of LIBOR. If the option is exercised and the variable-rate bonds are 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. 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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**9. PENSION PLANS (continued)**

**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 \$238.5 million during the 2004 fiscal year, consisting of \$141.8 million City of Jacksonville payroll, \$92.8 million JEA payroll and \$3.9 million JHA payroll. The total 2004 payroll was \$332.6 million for the city, \$121.2 million for the JEA, \$8.1 million for JHA, \$7.9 million for JPA and \$10.7 million for JAA, for a total of \$480.5 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 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.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**9. PENSION PLANS (continued)  
 B. General Employees Pension Plan: (continued)**

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 3% on the April 1 nearest the fifth anniversary of the initial benefit commencement date, and on each April 1 thereafter. A monthly supplement is payable equal to \$5 times the number of years of creditable service to subsidize retiree's health insurance. However, only that portion of the increase in excess of the supplement is payable. Members who terminate covered employment with less than 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, 2004, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>4,749</u>
Current employees:	
Vested	2,695
Nonvested	<u>2,805</u>
Total Current Employees	<u>5,500</u>
Total Membership	<u>10,249</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.

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**9. PENSION PLANS (continued)  
B. General Employees Pension Plan: (continued)**

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 2004 totaled \$45.5 million. The city contributed \$2.0 million from the Past Excess Contributions account and \$23.8 million in cash. Employees paid \$19.7 million. Contributions during fiscal 2003 and 2002 were \$39.0 million and \$33.6 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, 2004:

<u>ASSETS</u>	
Equity in cash and investments	\$ 73,074
Receivables (net, where applicable, of allowances for uncollectible):	
Interest and dividends	5,738
Total receivables	<u>5,738</u>
Investments, at fair value:	
U.S. Government obligations	301,285
Municipal Bonds	888
Domestic corporate bonds	244,742
Commercial paper	25,672
Domestic stocks	682,330
International stocks	215,338
Real estate	1,117
Total investments	<u>1,471,372</u>
Capital assets:	
Other capital assets, net of depreciation	24
Net capital assets	<u>24</u>
<b>TOTAL ASSETS</b>	<u><u>1,550,208</u></u>
 <u>LIABILITIES</u>	
Accounts payable and accrued liabilities	2,413
Accrued Compensated Absences	9
GEPP Terminal Leave – Group Care	180
GEPP Terminal Leave – Pending	242
<b>TOTAL LIABILITIES</b>	<u><u>2,844</u></u>
 <b>NET ASSETS HELD IN TRUST FOR  PENSION BENEFITS</b>	 <u><u>\$ 1,547,364</u></u>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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, 2004:

**ADDITIONS**

Contributions:	
Employer	\$ 9,223
Plan Member	19,604
Total contributions	<u>28,827</u>
Other additions:	
Miscellaneous	1
Operating transfer in	14,602
Gain/Loss on Sale of Fixed Assets	(2)
Total other additions	<u>14,601</u>
Investment income:	
Net appreciation in fair value of investments	122,209
Interest	31,500
Dividends	9,866
Rebate of Commissions	162
Earnings other Miscellaneous	408
Total investment income	<u>164,145</u>
Less: investment expense	<u>(4,258)</u>
Net investment income	<u>159,887</u>
<b>TOTAL ADDITIONS</b>	<b><u>203,315</u></b>
<b><u>DEDUCTIONS</u></b>	
Benefits payments	88,932
Refunds of contributions	2,708
Administrative expenses	875
<b>TOTAL DEDUCTIONS</b>	<b><u>92,515</u></b>
Net change in net assets	110,800
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>1,436,564</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 1,547,364</u></b>

**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 \$118.5 million

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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, 2004, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>1,699</u>
DROP Participants	320
Active plan members	<u>2,347</u>
Total current employees	<u>2,667</u>
Total membership	<u>4,366</u>

- (2) The city is currently contributing 9.25% 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, 2004**

---

**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, 2004 (in thousands):

Combined Reserve Account <sup>(1)</sup>	\$ 18,960
Base benefits fund	720,416
Total net assets available for benefits	<u>\$ 739,376</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, 2004, 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 \$3.7 million during the fiscal year; the city's total payroll for all employees was \$332.6 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, 2004**

---

**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, 2004, 2003, and 2002, the city contributed \$543 thousand, \$362 thousand, and \$471 thousand, respectively, to the System for covered employees. For the fiscal year ended September 30, 2004, this contribution represented less than 1% of the total contributions required by all participating employers. Contributions in both fiscal 2003 and 2002 were less than 1% of the total contributions required by all participating employers which amounted to approximately \$1.8 billion in each year. 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, 2004, of 4.65% of the compensation for regular members, 14.90% for special risk members, and 10.75% 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, 2003 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 do not 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  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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 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>2004</u>	<u>2003</u>
Reported and known claims	\$ 32,325	\$ 29,423
Incurred but not reported and claims development	<u>23,072</u>	<u>23,575</u>
Total estimated liability for self insured losses	<u>\$ 55,397</u>	<u>\$ 52,998</u>

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

	<u>2004</u>	<u>2003</u>
Balance, October 1	\$ 52,998	\$ 53,587
Current-Year Claims and Changes in Estimates	15,734	14,112
Claim Payments	<u>(13,335)</u>	<u>(14,701)</u>
Balance, September 30	<u>\$ 55,397</u>	<u>\$ 52,998</u>

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

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

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

The following individual funds had a fund deficit at September 30, 2004, (in thousands):

	<u>Fund Balance/ Net Asset (Deficit)</u>
Major Governmental Fund:	
Better Jacksonville Plan Construction Project Fund	(\$103,793)
Major Enterprise Fund:	
Public Parking	(5,562)
Non-major Governmental Funds:	
Community Development Block Grant	(1,721)

The Better Jacksonville Plan Construction Project Fund construction budget was appropriated by City Council to allow contracts to be let and encumbered before revenue streams are realized. Revenue streams consist of monthly sales tax revenue and new debt from bond issues. The bonds are issued periodically when funds are needed. One of the revenue streams is realized before the reserved encumbrances need to be paid.

The Public Parking deficit is due to the transfer of the Daniel Building Parking Garage to the Adams Mark Hotel in 1999 as part of an economic development incentive given by the city. A loss of approximately \$9.6 million was recognized by the Public Parking Fund due to the net book value of the parking garage at the time of the transfer. It is anticipated that future revenues will eliminate this fund deficit.

The Community Development Block Grant is a reimburseable grant from the Federal Government. The budgets are appropriated by City Council which allow contracts to be let and encumbered and then reimbursement drawdowns are made. Additionally, cash has been placed in escrow and a corresponding reservation of fund balance has been made. The cash escrow is reviewed periodically and adjusted as appropriate.

The city had no funds with an excess of expenditures over appropriations for the year ended September 30, 2004.

**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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES**  
(continued)

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

professional consulting engineers' studies prepared annually pursuant to rules promulgated by EPA and FDEP. However, existing EPA and FDEP closure and postclosure regulations may change which might require the city to revise its MSWLF cost estimates used in the future.

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

The estimated liability for MSWLF closure and postclosure care costs at September 30, 2004, is (in thousands):

	Balance, October 1, 2003	Accrual of Costs	Payment of Costs	Balance, September 30, 2004
Closed Landfills -				
Postclosure care costs	\$ 12,497	\$ 2,211	(\$ -)	\$ 14,708
Operating Landfill -				
Postclosure care costs	11,117	4,248	-	15,365
Total Landfill Postclosure Care Costs	23,614	6,459	(-)	30,073
Waste Dump Site -				
Long Term Care Costs	1,110	(79)	-	1,031
Total Liability for Landfill Closure, Postclosure, Decontamination and Long Term Care Costs	<u>\$ 24,724</u>	<u>\$ 6,380</u>	<u>(\$ -)</u>	<u>\$ 31,104</u>

At September 30, 2004, the closure and postclosure care costs for the closed landfills (North and East sites) had been fully accrued as these two landfills both stopped accepting solid waste in April 1992. Of the total MSWLF closure and postclosure care cost liability, \$45.1 million had been paid for the cost of closure and \$6.4 million had been accrued for postclosure care costs through September 30, 2004.

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES**  
(continued)

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

Fund. Through fiscal 2003, \$33.6 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2004, \$2.0 million of this deferred charge was expensed to solid waste operations, resulting in a balance at September 30, 2004, of \$31.6 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 \$15.4 million. This total is based on the estimated capacity used of 54.42% or 9,546,559 tons used with a total estimated capacity of 17,542,735 tons. The city will recognize the remaining estimated cost of closure and postclosure costs of \$21.1 million as the remaining capacity is filled. These amounts are based upon what it would cost to perform all closure and postclosure care in 2004. The city expected to close the landfill in approximately eight 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, 2004, of \$1.0 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, 2004, this proof of financial responsibility has been met by the city under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$26.3 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, 2004 (in thousands):

	Trail Ridge	North	East	Total
Current cost of closure	\$ 8,599	\$ -	\$ -	\$ 8,599
Annual cost of postclosure care	-	786	336	1,122
Total estimated closure and postclosure care costs	<u>\$ 8,599</u>	<u>\$ 786</u>	<u>\$ 336</u>	<u>\$ 9,721</u>
Balance in escrow account	<u>\$ 25,196</u>	<u>\$ 786</u>	<u>\$ 336</u>	<u>\$ 26,318</u>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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.

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 \$53.1 million requested by the Jaguars over a thirty-year period with interest computed on a tax-exempt basis; inclusive of Amendment 7 executed May 27, 2004.

The lease generally permits the city to retain 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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**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.

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 \$1.2 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, 2004**

---

**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. At the request of USEPA, the PRPs conducted 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 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. The city has hired an environmental consultant who has completed an environmental overview of the site, and will be collecting soil, sediment and groundwater samples. Until the field work is

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

finished and the results are analyzed, the cost of remediation cannot be estimated. The city, however, anticipates that other PRPs will join in the work, either voluntarily or as the result of contribution action.

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, 2004, 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:

Approximately 1000 individuals have filed a complaint against the City of Jacksonville, the Duval County School Board and JEA. The claims allege facts relating to the existence of various incinerator ash sites presently under the jurisdiction of federal and state environmental agencies, and relate largely to actions taken by the City of Jacksonville. Under applicable law, the city is obligated to remedy the environmental issues created by the disposal of the ash. A motion to dismiss was filed on behalf of all the defendants raising various procedural and substantive objections as to all counts and was denied in January of 2004. The plaintiffs recently filed their fourth amended complaint, which names approximately 5,124 individual plaintiffs in addition to maintaining a count for class certification for medical monitoring. Defendants filed a motion to dismiss the fourth amended complaint. The parties have been through several mediations regarding this case. Further, the city is litigating with three insurers based on policies issued in the 1960s and 1980s. The insurers are presently providing a defense, although they attempted to create a reservation of rights, and have thus far not agreed to indemnity. The city has good and valid defenses and a vigorous defense will be provided. It is too early in the litigation, however, to provide an estimate of liability. The issues are not ready to be set for trial, and cannot be set for trial at this time without agreement due to the pending motion to dismiss. The court is likely to set a number of trial for late Fall, 2005.

There is also an eminent domain case, wherein the city acquired several parcels of land for the new Duval County Courthouse. The one remaining parcel to be settled is scheduled for trial March 21, 2005. The owner has demanded \$3,500,000 more than the city deposited at the order of taking hearing.

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.



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

**F. Construction Commitments:**

At September 30, 2004, the city had major construction contracts for the following projects:

Courthouse Improvements	\$151.7 million
Septic Tank Remediation	\$53.5 million
Countywide Drainage	\$38.4 million
Countywide Road Resurfacing	\$18.4 million
Main Library	\$11.0 million
Argyle Forest (Westport to East of Shindler) Road	\$8.6 million
Lenox Ave/Highway to Day	\$5.0 million

**G. Shipyards Project:**

In prior fiscal years, the city provided economic development grant monies to a developer totaling approximately \$36.5 million, which were funded by tax exempt bond proceeds (City of Jacksonville, Florida Excise Taxes Revenue Bonds, Series 2001B). The bond funded grant was provided to the developer for certain public improvements and infrastructure improvements related to an economic development project titled the "Shipyards Project." The original developer for this project did not complete the public projects contemplated in the bond official statement and it appears at this time that up to \$22.1 million may not have been expended for authorized projects. The city has terminated the agreement with the original developer for the Shipyards Project and is presently pursuing a similar agreement with a new developer; however, if a new agreement that ensures the originally contemplated bond financed projects will be completed at no additional cost to the city is not executed, there is a reasonable possibility that the city would be responsible for restoring project funds of up to \$22.1 million. It should also be noted that if such a new developer agreement is not reached, the city could exercise its mortgage rights to the Shipyard Project property and possibly realize a gain for the fair value of the subject land.

**16. CHANGES IN REPORTING ENTITY**

For the fiscal year ended September 30, 2004, the city had the following changes in reporting entity. City Ordinance 2003-1058 reorganized the Executive Branch of the Consolidated Government, creating the Jacksonville Housing Commission (JHC). The new commission was designated as the housing agency for Affordable Housing, State Housing Initiative Partnership funds, housing initiatives and all matters relating to housing, with the exception of those matters which fall within the responsibility of the Jacksonville Housing Authority. The city's Special Revenue beginning fund balances were restated as follows:

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**16. CHANGES IN REPORTING ENTITY (continued)**

	Housing Rehabilitation and Home Investment and Opportunity Grants Fund	State Housing Initiatives Partnership Fund	Community Development Block Grant Fund	Jacksonville Housing Commission	Totals
Fund Balances at September 30, 2003, as previously reported	\$ 12,103	\$ 5,547	\$ 214	\$ -	\$ 17,864
Creation of the Jacksonville Housing Commission	(12,103)	(5,547)	(57)	17,707	-
Fund Balances at September 30, 2003, as restated	\$ -	\$ -	\$ 157	\$ 17,707	\$ 17,864

**17. SUBSEQUENT EVENTS**

**A. City of Jacksonville Debt**

On November 4, 2004, the city closed on the sale of \$65,000,000 Commercial Paper Notes, Series A, with a true interest cost of 4.009%. The Notes carry initial coupon rates ranging from 1.80% to 1.83% with initial rollover dates ranging from January 20, 2005 to March 8, 2005. The proceeds will be used to fund short-term financing of the vehicle replacement fund, vendor contracts for equipment purchases, small capital projects, and other installment purchases. The creation of an internal service loan funds would substitute and eventually eliminate any outside vendor contracts to help reduce the higher interest rates agreed upon in the original contracts. The fund will also provide a uniform tracking system for services purchased under the program. The issuance provided net proceeds of \$64,808,000 (after payment of \$192,000 for costs of issuance) to fund short-term financing of capital projects.

**B. Hurricane Clean up**

In August and September, 2004, a series of hurricanes impacted the State of Florida. A state of emergency was declared in the city and in the months following the storms, the city incurred an estimated \$20 million in costs related to these storms. The city applied for 90% reimbursement of eligible expenses from the Federal Emergency Management Agency (FEMA) and 5% reimbursement from the State. The city recorded an accrual of \$5.9 million for the expenditures incurred in fiscal year 2004, with an additional \$2.5 million included in the General Fund's ending reserves for encumbrances. As a result of the timing of the storm costs, the actual amount available at year end reported on the city's Balance Sheet in fund balances as "Designated for next year's budget" is less than the estimated available carry forward funds adopted in the 2004-05 General Fund budget.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**17. SUBSEQUENT EVENTS (continued)**

**C. JEA – Subsequent Events**

The Board of JEA authorized a rate increase for certain water and sewer customers effective October 1, 2004. Additionally, a fuel increase went into effect on November 1, 2004, which is anticipated to generate \$50 million in additional revenues for the Electric System.

On November 3, 2004, JEA executed \$1 billion notional amount of floating to fixed interest rate swaps for a period of one year, maturing November 7, 2005. JEA pays a fixed average rate of 2.02% and receives the BMA weekly index. JEA executed five swaps, each having a notional amount of \$200 million; \$800 million was allocated to Electric System and \$200 million allocated to Water and Sewer System.

**18. SHORT-TERM DEBT**

Mayport Ferry, one of the city’s nonmajor enterprise funds, has a balance of \$98 thousand in Notes Payable at September 30, 2004. Short-term debt activity for the year ended September 30, 2004, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Note Payable	\$ 73	\$ 140	\$ 115	\$ 98

Mayport Ferry enters into short-term notes payable agreements to finance insurance premiums. At September 30, 2004, \$98 thousand was outstanding through May 2005 and bears interest at 6.12%.

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

**A. JEA/City of Jacksonville**

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

	<u>Revenues</u>	<u>Expenses</u>
Fiscal year 2004	\$ 16,977	\$ 12,265

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**19. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE (continued)**  
**A. JEA/City of Jacksonville (continued)**

For fiscal year 2004, the calculation of the city contribution was 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 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. There will also be a maximum annual assessment for the combined Electric System and Water and Sewer System.

Beginning in fiscal year 2004, the JEA Electric System was required to contribute annually to the General Fund of the city an amount not to exceed 5.5 mills per kilowatt hour delivered by JEA to retail users in JEA's service area, and to wholesale customers under firm contracts having an original term of more than one year, other than sales of energy to FPL from JEA's St. Johns River Power Park System. The contribution amounted to \$67,385 thousand for fiscal year 2004.

Beginning in fiscal year 2004, the JEA Water and Sewer System was required to contribute annually to the General Fund of the city an amount not to exceed 2.149 mills per cubic foot of potable water and sewer service provided, excluding reclaimed water service. The contribution amounts were \$15,802 thousand for fiscal year 2004.

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. JEA made principal and interest payments to the city of \$3,164 thousand in fiscal year 2004. The total remaining principal amount due the city, was \$9,979 thousand as of September 30, 2004, and is reflected in deferred credits and other liabilities on the balance sheets.

**Risk Management**

JEA insures its risks related to general liability, automobile liability, and workers' compensation through the city's self insurance program. The city's Director of Administration and Finance manages the self-insurance program, estimates the liabilities through actuarial and other methods, and assesses the user departments and agencies. JEA purchases property insurance separate from the city for its insurable assets.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

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

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

**Better Jacksonville Plan**

The city is providing funding for sewer improvements as a part of the Better Jacksonville Plan. The city receives sales tax revenues, a portion of which are used for capital contributions to JEA for sewer improvements. These contributions amounted to \$9,118 thousand in fiscal year 2004.

**B. JEA - Acquisitions:**

On October 15, 2003, JEA purchased for \$25,500 thousand from 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 additional approximately 5,600 water and 5,000 wastewater customers to JEA. JEA financed the purchase with the proceeds from Water and Sewer System Subordinated Revenue Bonds.

**C. JTA – Prior Period Adjustments:**

The beginning net asset amount for JTA's Proprietary funds reflects an adjustment in the amount of \$3,135,614, previously received from the primary government and other agencies, but remaining unearned at September 30, 2003. The amounts were previously included in revenues in prior years. The change in net assets for the year ended September 30, 2003 should have been reduced by \$867,268 and its prior year's beginning net assets, which were audited by other auditors, should have been reduced by \$2,378,118.

In addition, JTA's Proprietary fund reflects an error in deferred revenue in the amount of \$109,772. The error relates to periods prior to October 1, 2002, which were audited by other auditors. The beginning net assets for the year ended September 30, 2003 should have been increased by the entire \$109,772.

**REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF JACKSONVILLE, FLORIDA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

<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.....	\$ 329,464	\$ 331,319	\$ 338,758	\$ -	\$ 338,758	\$ 7,439
Utility service taxes.....	95,940	95,940	95,629	-	95,629	(311)
Sales and tourist taxes.....	-	-	-	-	-	-
Licenses and permits.....	8,523	8,523	8,524	-	8,524	1
Intergovernmental.....	129,137	129,137	130,041	-	130,041	904
Charges for services.....	56,585	60,267	57,735	-	57,735	(2,532)
Fines and forfeitures.....	7,470	7,470	8,294	-	8,294	824
Payment in lieu of taxes.....	83,187	83,187	83,188	-	83,188	1
Interest.....	3,163	3,163	15,601	-	15,601	12,438
Other.....	5,977	9,147	9,798	-	9,798	651
<b>Total Revenue.....</b>	<b>719,446</b>	<b>728,153</b>	<b>747,568</b>	<b>-</b>	<b>747,568</b>	<b>19,415</b>
<b>EXPENDITURES AND ENCUMBRANCES:</b>						
Administration and Finance.....	15,319	13,048	12,195	804	12,999	49
Agriculture.....	1,274	1,274	1,224	44	1,268	6
City Council.....	7,144	7,490	7,347	123	7,470	20
Clerk of the Courts.....	12,784	13,767	13,077	229	13,306	461
Courts.....	4,881	6,295	6,272	18	6,290	5
Community Services.....	27,606	30,780	30,212	229	30,441	339
Environmental Resource Management.....	10,639	9,430	8,844	298	9,142	288
Fire/Rescue.....	97,190	100,968	105,254	3,186	108,440	(7,472)
General Counsel.....	492	492	396	1	397	95
Health Administrator.....	3,473	3,533	3,384	135	3,519	14
Jacksonville Economic Development Commission.....	349	326	326	-	326	-
Jacksonville Human Rights Commission.....	-	1,023	933	29	962	61
Mayor.....	2,046	2,836	2,749	67	2,816	20
Mayor's Boards and Commissions.....	356	381	367	5	372	9
Medical Examiner.....	1,795	1,820	1,790	16	1,806	14
Metropolitan Planning Organization.....	14	14	-	14	14	-
Department of Neighborhoods.....	17,035	17,973	17,118	696	17,814	159
Property Appraiser.....	6,922	6,916	5,857	343	6,200	716
Public Defender.....	801	835	793	27	820	15
Planning and Development.....	8,305	7,812	6,399	1,195	7,594	218
Pension Funds.....	15	15	11	-	11	4
Public Libraries.....	25,838	25,786	24,854	864	25,718	68
Parks, Recreation and Entertainment.....	25,728	25,672	23,876	1,341	25,217	455
Procurement & Supplies.....	-	2,668	2,057	296	2,353	315
Public Works.....	61,425	61,327	59,067	1,850	60,917	410
State Attorney.....	2,209	2,215	2,072	6	2,078	137
Supervisor of Elections.....	6,714	6,725	6,065	103	6,168	557
Office of the Sheriff.....	226,657	230,146	226,241	2,419	228,660	1,486
Tax Collector.....	11,727	11,725	10,584	162	10,746	979
Federal Program Reserve.....	4,023	60	-	-	-	60
Contribution to Shands-Jacksonville.....	23,776	23,776	23,776	-	23,776	-
Cash Carryover Reserves.....	37,200	37,200	-	-	-	37,200
Budget Stabilization Reserves.....	6,092	6,092	-	-	-	6,092
Jacksonville Misc. Citywide Activities.....	35,566	30,257	26,538	2,590	29,128	1,129
<b>Total Expenditures.....</b>	<b>685,395</b>	<b>690,677</b>	<b>629,678</b>	<b>17,090</b>	<b>646,768</b>	<b>43,909</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>						
	<b>34,051</b>	<b>37,476</b>	<b>117,890</b>	<b>(17,090)</b>	<b>100,800</b>	<b>63,324</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in.....	38,848	38,848	38,848	-	38,848	-
Operating transfers out.....	(124,784)	(131,167)	(131,314)	-	(131,314)	(147)
<b>Total Other Financing Sources (Uses).....</b>	<b>(85,936)</b>	<b>(92,319)</b>	<b>(92,466)</b>	<b>-</b>	<b>(92,466)</b>	<b>(147)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>						
	<b>(51,885)</b>	<b>(54,843)</b>	<b>25,424</b>	<b>(17,090)</b>	<b>8,334</b>	<b>63,177</b>
<b>FUND BALANCES - BEGINNING.....</b>						
	<b>57,744</b>	<b>57,744</b>	<b>57,744</b>	<b>-</b>	<b>57,744</b>	<b>-</b>
Change in reserve for inventory of supplies.....	-	-	2	-	2	2
<b>FUND BALANCES - ENDING.....</b>	<b>\$ 5,859</b>	<b>\$ 2,901</b>	<b>\$ 83,170</b>	<b>(\$ 17,090)</b>	<b>\$ 66,080</b>	<b>\$ 63,179</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**1. BUDGETARY DATA**

The city uses the following procedures in establishing the budgetary data reflected in the financial statements.

**A.** The city adopts its budget in accordance with Chapters 129 and 200, Florida Statutes, the City Charter and Municipal Ordinance Code.

(1) The Mayor's Proposed Budget is presented to the City Council on the second Tuesday in July; the budget ordinance, millage levy ordinance, and related resolutions are introduced.

(2) During the first Council meeting in September, public hearings are held on both the budget and the millage rate. Following the public hearings, the Council adopts a tentative budget and tentative millage rate. A final budget and millage is adopted by full Council to be in effect on October 1.

The city presents a Budgetary Comparison Schedule as Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget. For the fiscal year 2004, no special revenue funds met the criteria to be reported as a major fund. The city has opted to make this presentation in the format and classifications of the budget document. These schedules report actual expenditures using generally accepted accounting principles as well as expenditures on the budgetary basis, which include amounts encumbered for future spending.

**B.** All funds of each governmental fund type with legally adopted annual budgets are included in the Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual.

**C.** The city adopts annual budgets for the General Fund, certain Special Revenue Funds, and Proprietary Funds. The city reports Budgetary Comparisons for its General Fund and Major Special Revenue Funds in the Required Supplementary Information section of 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, Job Training Partnership Act Grant, Maintenance, Parks and Recreation, Metropolitan Planning Organization, Other Federal, State and Local Grants, Better Jacksonville Trust Fund, Jacksonville Housing Commission 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.



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**1. BUDGETARY DATA (continued)**

- (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. The Fire and Rescue Department's expenditures and ending reserve for encumbrances exceeded appropriations by approximately \$7 million for the fiscal year. The city's legal level of control prohibits expenditures in excess of appropriations at the departmental level. However, the city's municipal code empowers the Mayor to "waive procedures and formalities otherwise required by the Charter or by law pertaining to...the appropriation and expenditure of public funds" under a declared state of emergency. Such a state of emergency was declared during the hurricanes of August and September, 2004 and the department's excess of expenditures over appropriations was authorized. The city recorded an accrual of \$5.9 million for the FY2004 expenditures and notes that \$2.5 million was included in Fire and Rescue Department's ending reserves for encumbrances due to the hurricanes' declared state of emergency. Reimbursement requests from the Federal Emergency Management Agency have been initiated.
- F. The FY2005 General Fund budget appropriations, not including hurricane related transactions noted in E. above, included \$72.2 million appropriated from the Fund Balance of the General Fund. Due to expenditures being greater than projected, the Fund Balance of the General Fund was over appropriated by \$4.6 million. The over appropriation will be addressed by the Administration in FY2005.
- G. Supplemental Appropriations - The City Council may, through passage of an ordinance, amend the budget in any manner permissible under State and Local Law, with one exception. Bond covenants, trust and agency agreements, and certain clauses of ordinances in effect may restrict certain budgetary items in terms of amount or use.
- In certain instances the city may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2004 Annual Budget Ordinance were made throughout the year, the effects of which were not material.
- H. 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.
- I. Formal budgetary integration is used as a management control device for all funds of the city, except certain Debt Service Funds as explained in Note to RSI 1.C.
- J. 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.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
GENERAL EMPLOYEES RETIREMENT SYSTEM  
SEPTEMBER 30, 2004**

(in thousands)

<b>Plan Year Ending September 30</b>	<b>Annual Required Contributions</b>	<b>City Cash Contributions</b>	<b>Allotted from Past Excess Contributions</b>	<b>Total Employer Contributions</b>	<b>Percentage Contributed</b>
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%
2004	25,775	23,773	2,002	25,775	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.

**CITY OF JACKSONVILLE, FLORIDA  
 REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 POLICE AND FIRE RETIREMENT SYSTEM  
 SEPTEMBER 30, 2004**

(in thousands)

<b>Plan Year Ending September 30</b>	<b>Annual Required Contribution (1)</b>	<b>City Cash Contributions</b>	<b>Alloted from Contribution Reserves</b>	<b>Court Fines and Premium-Tax Refunds (2)</b>	<b>Total Employer Contributions</b>	<b>Total Member Contributions</b>	<b>Percentage Contributed</b>
1999	\$ 30,002						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	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%
2004 (3)	39,295	22,098	769	7,654	30,521	8,774	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, 2004 was equal to the annual required contributions of \$39,295. The Plan has no net pension obligation.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
GENERAL EMPLOYEES RETIREMENT SYSTEM  
SEPTEMBER 30, 2004**

(in thousands)

<b>Valuation Date</b>	<b>Actuarial Value of Assets (2) (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>
09/30/99	\$ 1,324,735	\$ 1,321,083	(\$ 3,652)	100.28%	\$ 197,781	(1.8%)
09/30/00	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	1,446,209	1,611,958	165,749	89.72%	237,373	69.8%
09/30/04	1,496,315	1,810,451	314,136	82.65%	236,540	132.8%

(1) General Employees - Actuarial present values determined under the Entry Age Normal Cost Method.

Actuarial Assumptions:

Investment rate of return	8.4%
Projected salary increases	4.5% to 8.0%
Includes inflation at:	4%
Cost-of-living adjustments	1.00% and Def. 5yrs.
Amortization method	Level percent open
Remaining amortization period	25 to 30 years
Asset value method	5 year smoothing

(2) Net of the unassigned past-excess contributions separate account.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POLICE AND FIRE RETIREMENT SYSTEM  
SEPTEMBER 30, 2004**

(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>
09/30/99	\$ 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)	766,414	1,012,577	246,163	75.69%	96,199	255.89%
09/30/02	725,416	977,779	252,363	74.19%	101,698	248.15%
09/30/03	732,526	1,146,459	413,933	63.89%	109,637	377.55%
09/30/04	727,955	(3) 1,222,355	494,400	59.55%	118,510	417.18%

(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, 2004, the value of the City Budget Stabilization Account was \$13,203,620, and the Enhanced Benefit Account was \$5,756,064. These amounts are included in the actuarial value of assets as of September 30, 2004.

## **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 Transportation Fund** accounts for revenue from the City's six cent local option gas tax, the state shared 5th and 6th cent gas tax, and the one-half cent local option sales tax used to fund major road and related capital infrastructure construction and maintenance and the City's mass transit and automated skyway express system operations.

**The Budgeted General Government Fund** accounts for numerous smaller accounts whose revenues are dedicated to a variety of specific purposes.

**The Public Safety Fund** funds specific public safety programs through user fees and intergovernmental revenue for emergency management planning and disaster medical services provided by the Office of the Sheriff and the City Department of Fire and Rescue.

**The Emergency 9-1-1 Fund** receives revenues from a fee added to the telephone bill of telephone customers that may be used for system operations and improvements.

**The Tax Increment Districts Fund** receives a distribution of ad valorem tax revenue levied and collected in the City's four tax increment districts used to promote future commercial business development that expands property tax base values in the City's core downtown areas and the northwest region.

**The Jacksonville Children's Commission Fund** receives City funds, and various grants, to serve as the community coalition for children. The autonomous board has the ongoing responsibility of improving the lives of Jacksonville's children by serving as the central focus for the evaluation, planning and distribution of funds for children's services that are consistent with City programs and goals.

**The Community Development Block Grant Fund** receives monies from the federal government in the form of community development block grants made available to specific targeted areas of Jacksonville to assist in rehabilitation and revitalization in support of the area's future economic growth and stability.

**The Job Training Partnership Act Grant Fund** accounts for direct federal assistance to the Private Industry Council of Jacksonville in providing employment and training services to the economically disadvantaged and displaced citizens of Jacksonville through cooperative efforts with local private sector businesses.

**The Maintenance, Parks and Recreation Fund** receives revenues from user fees and charges from parks and recreation facilities that are dedicated to parks maintenance and improvements, and acquisition of new recreational facilities.

**The Metropolitan Planning Organization Fund** receives funds from the Federal Highway Department and the Federal Urban Mass Transportation Administration, and the Florida Department of Transportation for planning the future of Jacksonville's metropolitan area, principally in the area of transportation.

**The Other Federal, State and Local Grants Fund** records all other miscellaneous grants administered by the City from federal, state and local sources not specifically accounted for by other funds covering diverse programs such as: day care, adult homemaker, beach erosion, base conversion and redevelopment, economic capital development, aids treatment care, senior services and nutrition, crime prevention and drug abuse, teenage pregnancy and childhood development, foster grandparents, and waste tire disposal.

**The Better Jacksonville 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 Jacksonville Housing Commission** was designated as the housing agency for Affordable Housing, State Housing Initiative Partnership funds, and all other matters related to housing, with the exception of those matters which fall within the responsibility of the Jacksonville Housing Authority.

**The 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 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  
 SEPTEMBER 30, 2004  
 WITH COMPARATIVE TOTALS FOR 2003 (in thousands)

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.....	\$ 19,689	\$ 482	\$ 6,230
Cash in escrow and with fiscal agents.....	-	-	100
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts .....	-	-	295
Mortgages.....	-	-	-
Due from independent agencies and other governments.....	-	242	167
Prepaid items.....	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 19,689</u></b>	<b><u>\$ 724</u></b>	<b><u>\$ 6,792</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	\$ 254	\$ 44	\$ 1,420
Contracts payable.....	68	-	-
Due to other funds.....	-	-	-
Due to other governments.....	-	-	-
Due to individuals.....	-	-	-
Deposits.....	362	-	-
Deferred revenue.....	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>684</u></b>	<b><u>44</u></b>	<b><u>1,420</u></b>
<b>FUND BALANCES:</b>			
Reserved for:			
Encumbrances.....	1,390	5	2,153
Cash in escrow.....	-	-	100
Mortgages receivable.....	-	-	-
Debt service.....	-	-	-
Unreserved:			
Designated for capital projects.....	-	-	-
Designated for subsequent years' budget.....	-	-	-
Designated for changes in fair value of investments.....	20	-	6
Undesignated (deficit).....	17,595	675	3,113
Total Fund Balances.....	<u>19,005</u>	<u>680</u>	<u>5,372</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 19,689</u></b>	<b><u>\$ 724</u></b>	<b><u>\$ 6,792</u></b>

**SPECIAL REVENUE FUNDS**

<u>TRANSPORTATION FUND</u>	<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>
\$ 8,334	\$ 23,087	\$ 542	\$ 4,580	\$ 987	\$ 9,309
-	-	-	-	-	-
-	20	-	-	-	-
-	-	-	-	-	-
24,674	-	-	210	-	2,558
-	-	-	-	-	-
<u>\$ 33,008</u>	<u>\$ 23,107</u>	<u>\$ 542</u>	<u>\$ 4,790</u>	<u>\$ 987</u>	<u>\$ 11,867</u>
\$ 111	\$ 500	\$ 81	\$ 270	\$ 37	\$ 3,162
-	11	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	514	-	-	-	-
-	-	-	-	-	-
<u>111</u>	<u>1,025</u>	<u>81</u>	<u>270</u>	<u>37</u>	<u>3,162</u>
374	2,516	28	1,522	949	3,858
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	39	-	-
9	24	1	5	1	10
<u>32,514</u>	<u>19,542</u>	<u>432</u>	<u>2,954</u>	<u>-</u>	<u>4,837</u>
<u>32,897</u>	<u>22,082</u>	<u>461</u>	<u>4,520</u>	<u>950</u>	<u>8,705</u>
<u>\$ 33,008</u>	<u>\$ 23,107</u>	<u>\$ 542</u>	<u>\$ 4,790</u>	<u>\$ 987</u>	<u>\$ 11,867</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2004  
 WITH COMPARATIVE TOTALS FOR 2003 (in thousands; continued)

SPECIAL REVENUE FUNDS

<u>ASSETS</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>JOB TRAINING PARTNERSHIP ACT GRANT</u>	<u>MAINTENANCE, PARKS AND RECREATION</u>	<u>METROPOLITAN PLANNING ORGANIZATION</u>
Equity in cash and investments.....	\$ 222	\$ 512	\$ 3,501	\$ -
Cash in escrow and with fiscal agents.....	362	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	227	-
Mortgages.....	1,236	-	-	-
Due from independent agencies and other governments.....	-	-	-	974
Prepaid items.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 1,820</u></b>	<b><u>\$ 512</u></b>	<b><u>\$ 3,728</u></b>	<b><u>\$ 974</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 380	\$ -	\$ 160	\$ -
Contracts payable.....	45	-	4	-
Due to other funds.....	-	-	-	738
Due to other governments.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	6	-	-	-
Deferred revenue.....	1,200	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>1,631</u></b>	<b><u>-</u></b>	<b><u>164</u></b>	<b><u>738</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	1,512	-	292	73
Cash in escrow.....	362	-	-	-
Mortgages receivable.....	36	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	701	-
Designated for subsequent years' budget.....	-	-	-	-
Designated for changes in fair value of investments.....	-	1	4	-
Undesignated (deficit).....	(1,721)	511	2,567	163
Total Fund Balances.....	189	512	3,564	236
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 1,820</u></b>	<b><u>\$ 512</u></b>	<b><u>\$ 3,728</u></b>	<b><u>\$ 974</u></b>

**SPECIAL REVENUE FUNDS**

<b>OTHER FEDERAL, STATE AND LOCAL GRANTS</b>	<b>BETTER JACKSONVILLE PLAN TRUST</b>	<b>JACKSONVILLE HOUSING COMMISSION</b>	<b>NON-BUDGETED GENERAL GOVERNMENT</b>	<b>TOTALS</b>	
				<b>2004</b>	<b>2003</b>
\$ 8,142 40	\$ - -	\$ 8,044 2,123	\$ 6,017 1,319	\$ 99,678 3,944	\$ 92,925 4,265
-	-	-	2	544	223
-	-	9,133	-	10,369	13,649
3,151	15,360	1,913	-	49,249	46,078
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 11,333</u>	<u>\$ 15,360</u>	<u>\$ 21,213</u>	<u>\$ 7,338</u>	<u>\$ 163,784</u>	<u>\$ 157,140</u>
\$ 1,906	\$ -	\$ 1,151	\$ 150	\$ 9,626	\$ 10,094
-	-	-	-	128	326
-	-	-	-	738	2,296
-	-	-	-	-	3640
-	-	-	416	416	315
-	-	77	9	968	844
-	-	-	-	1,200	994
<u>1,906</u>	<u>-</u>	<u>1,228</u>	<u>575</u>	<u>13,076</u>	<u>18,509</u>
4,301	-	4,626	935	24,534	24,858
40	-	2,123	1,319	3,944	4,265
-	-	9,133	-	9,169	13,649
-	-	-	-	-	-
-	-	-	-	701	1,975
-	-	-	-	39	993
8	-	14	5	108	296
<u>5,078</u>	<u>15,360</u>	<u>4,089</u>	<u>4,504</u>	<u>112,213</u>	<u>92,595</u>
<u>9,427</u>	<u>15,360</u>	<u>19,985</u>	<u>6,763</u>	<u>150,708</u>	<u>138,631</u>
<u>\$ 11,333</u>	<u>\$ 15,360</u>	<u>\$ 21,213</u>	<u>\$ 7,338</u>	<u>\$ 163,784</u>	<u>\$ 157,140</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2004  
 WITH COMPARATIVE TOTALS FOR 2003 (in thousands; continued)**

	<b>DEBT SERVICE FUNDS</b>			
	<b>GENERAL BONDED DEBT OBLIGATIONS</b>	<b>OTHER NON-BONDED DEBT OBLIGATIONS</b>	<b>TOTALS</b>	
			<b>2004</b>	<b>2003</b>
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ -	\$ -	\$ -	\$ -
Cash in escrow and with fiscal agents.....	39	-	39	39
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	-	-
Mortgages.....	-	-	-	-
Due from independent agencies and other governments.....	-	-	-	-
Prepaid items.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 39</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 39</u></b>	<b><u>\$ 39</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 39	\$ -	\$ 39	\$ 39
Contracts payable.....	-	-	-	-
Due to other funds.....	-	-	-	-
Due to other governments.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	-	-	-	-
Deferred revenue.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>39</u></b>	<b><u>-</u></b>	<b><u>39</u></b>	<b><u>39</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	-	-	-	-
Cash in escrow.....	-	-	-	-
Mortgages receivable.....	-	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	-
Designated for subsequent years' budget.....	-	-	-	-
Designated for changes in fair value of investments.....	-	-	-	-
Undesignated (deficit).....	-	-	-	-
Total Fund Balances.....	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 39</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 39</u></b>	<b><u>\$ 39</u></b>

CAPITAL PROJECTS FUNDS				PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS		CEMETERY MAINTENANCE FUNDS		TOTALS	
		2004	2003	2004	2003	2004	2003
\$ 3,111 106	\$ 4,074 -	\$ 7,185 106	\$ 9,344 106	\$ 176 -	\$ 174 -	\$ 107,039 4,089	\$ 102,443 4,410
-	-	-	-	-	-	544	223
-	-	-	-	-	-	10,369	13,649
9,813	-	9,813	7,868	-	-	59,062	53,946
-	-	-	-	-	-	-	-
<u>\$ 13,030</u>	<u>\$ 4,074</u>	<u>\$ 17,104</u>	<u>\$ 17,318</u>	<u>\$ 176</u>	<u>\$ 174</u>	<u>\$ 181,103</u>	<u>\$ 174,671</u>
\$ 2,723 1,035	\$ 4 -	\$ 2,727 1,035	\$ 1,467 416	\$ - -	\$ - -	\$ 12,392 1,163	\$ 11,600 742
-	-	-	-	-	-	738	2,296
-	-	-	-	-	-	-	3,640
-	-	-	-	-	-	416	315
-	-	-	-	-	-	968	844
-	-	-	-	-	-	1,200	994
<u>3,758</u>	<u>4</u>	<u>3,762</u>	<u>1,883</u>	<u>-</u>	<u>-</u>	<u>16,877</u>	<u>20,431</u>
7,337 106	218 -	7,555 106	16,797 106	- -	- -	32,089 4,050	41,655 4,371
-	-	-	-	-	-	9,169	13,649
-	-	-	-	-	-	-	-
-	-	-	3,924	-	-	701	5,899
-	-	-	-	-	-	39	993
3	4	7	31	-	-	115	327
<u>1,826</u>	<u>3,848</u>	<u>5,674</u>	<u>(5,423)</u>	<u>176</u>	<u>174</u>	<u>118,063</u>	<u>87,346</u>
<u>9,272</u>	<u>4,070</u>	<u>13,342</u>	<u>15,435</u>	<u>176</u>	<u>174</u>	<u>164,226</u>	<u>154,240</u>
<u>\$ 13,030</u>	<u>\$ 4,074</u>	<u>\$ 17,104</u>	<u>\$ 17,318</u>	<u>\$ 176</u>	<u>\$ 174</u>	<u>\$ 181,103</u>	<u>\$ 174,671</u>

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<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.....	-	-	12,155
Intergovernmental.....	-	2,254	2,167
Charges for services.....	6,400	-	2,632
Fines and forfeitures.....	-	-	-
Interest.....	316	6	120
Other.....	-	-	3,233
Total Revenue.....	<u>6,716</u>	<u>2,260</u>	<u>20,307</u>
<b>EXPENDITURES:</b>			
Current:			
General government.....	232	-	-
Human services.....	-	-	-
Public safety.....	-	-	-
Culture and recreation.....	-	-	19,019
Transportation.....	2,294	-	-
Economic environment.....	-	-	3,847
Physical environment.....	-	2,392	-
Capital outlay.....	-	-	-
Debt service:			
Principal.....	-	-	-
Interest on fiscal charges.....	-	-	-
Total Expenditures.....	<u>2,526</u>	<u>2,392</u>	<u>22,866</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>4,190</u>	<u>(132)</u>	<u>(2,559)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in.....	125	400	15,115
Transfers out.....	(110)	(308)	(11,104)
Total Other Financing Sources (Uses).....	<u>15</u>	<u>92</u>	<u>4,011</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>4,205</u>	<u>(40)</u>	<u>1,452</u>
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED.....	<u>14,800</u>	<u>720</u>	<u>3,920</u>
<b>FUND BALANCES, END OF YEAR.....</b>	<u>\$ 19,005</u>	<u>\$ 680</u>	<u>\$ 5,372</u>

**SPECIAL REVENUE FUNDS**

<b>TRANSPORTATION FUND</b>	<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>
\$ -	\$ -	\$ -	\$ -	\$ 5,112	\$ -
90,820	-	-	-	-	-
7,089	1,846	378	-	-	36,791
-	11,878	-	3,711	-	-
-	2,345	-	-	-	-
242	506	9	78	-	153
-	3,942	-	-	228	140
<u>98,151</u>	<u>20,517</u>	<u>387</u>	<u>3,789</u>	<u>5,340</u>	<u>37,084</u>
-	4,263	-	-	-	-
-	859	-	-	-	23,032
-	8,145	232	4,303	-	-
-	-	-	-	-	-
92,654	-	-	-	-	-
-	-	-	-	3,156	27,128
-	4,385	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>92,654</u>	<u>17,652</u>	<u>232</u>	<u>4,303</u>	<u>3,156</u>	<u>50,160</u>
<u>5,497</u>	<u>2,865</u>	<u>155</u>	<u>(514)</u>	<u>2,184</u>	<u>(13,076)</u>
400	781	-	-	400	15,839
(3,969)	(2,460)	-	-	(3,243)	(225)
<u>(3,569)</u>	<u>(1,679)</u>	<u>-</u>	<u>-</u>	<u>(2,843)</u>	<u>15,614</u>
1,928	1,186	155	(514)	(659)	2,538
<u>30,969</u>	<u>20,896</u>	<u>306</u>	<u>5,034</u>	<u>1,609</u>	<u>6,167</u>
<u>\$ 32,897</u>	<u>\$ 22,082</u>	<u>\$ 461</u>	<u>\$ 4,520</u>	<u>\$ 950</u>	<u>\$ 8,705</u>

(continued)



**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
 WITH COMPARATIVE TOTALS FOR 2003 (in thousands; continued)**

	<b>SPECIAL REVENUE FUNDS</b>			
	<b>COMMUNITY DEVELOPMENT BLOCK GRANT</b>	<b>JOB TRAINING PARTNERSHIP ACT GRANT</b>	<b>MAINTENANCE, PARKS AND RECREATION</b>	<b>METROPOLITAN PLANNING ORGANIZATION</b>
<b>REVENUE:</b>				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	4,021	-	-	1,286
Charges for services.....	-	-	1,751	-
Fines and forfeitures.....	-	-	-	-
Interest.....	12	8	62	-
Other.....	654	-	301	-
<b>Total Revenue.....</b>	<b>4,687</b>	<b>8</b>	<b>2,114</b>	<b>1,286</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	-	-	1,320
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	3,234	-
Transportation.....	-	-	-	-
Economic environment.....	4,410	-	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
<b>Total Expenditures.....</b>	<b>4,410</b>	<b>-</b>	<b>3,234</b>	<b>1,320</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>277</b>	<b>8</b>	<b>(1,120)</b>	<b>(34)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in.....	75	-	1,749	-
Transfers out.....	(320)	-	(3,351)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>(245)</b>	<b>-</b>	<b>(1,602)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>32</b>	<b>8</b>	<b>(2,722)</b>	<b>(34)</b>
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED.....</b>	<b>157</b>	<b>504</b>	<b>6,286</b>	<b>270</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 189</b>	<b>\$ 512</b>	<b>\$ 3,564</b>	<b>\$ 236</b>

**SPECIAL REVENUE FUNDS**

<b>OTHER FEDERAL, STATE AND LOCAL GRANTS</b>	<b>BETTER JACKSONVILLE PLAN TRUST</b>	<b>JACKSONVILLE HOUSING COMMISSION</b>	<b>NON-BUDGETED GENERAL GOVERNMENT</b>	<b>TOTALS</b>	
				<b>2004</b>	<b>2003</b>
\$ -	\$ -	\$ -	\$ -	\$ 5,112	\$ 4,461
-	60,132	-	-	163,107	157,925
15,427	-	17,577	205	89,041	89,060
18	-	-	1,664	28,054	25,897
-	-	-	132	2,477	3,042
123	1,805	175	10	3,625	2,765
236	-	-	2,956	11,690	10,468
<u>15,804</u>	<u>61,937</u>	<u>17,752</u>	<u>4,967</u>	<u>303,106</u>	<u>293,618</u>
699	-	-	1,914	8,428	8,387
9,937	-	-	571	34,399	32,989
6,264	-	-	1,431	20,375	21,415
1,480	-	-	395	24,128	8,669
-	-	-	-	94,948	78,442
282	-	15,474	7	54,304	62,224
-	-	-	378	7,155	6,079
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,662</u>	<u>-</u>	<u>15,474</u>	<u>4,696</u>	<u>243,737</u>	<u>218,205</u>
<u>(2,858)</u>	<u>61,937</u>	<u>2,278</u>	<u>271</u>	<u>59,369</u>	<u>75,413</u>
3,942	-	-	132	38,958	23,529
(40)	(61,015)	-	(105)	(86,250)	(77,995)
<u>3,902</u>	<u>(61,015)</u>	<u>-</u>	<u>27</u>	<u>(47,292)</u>	<u>(54,466)</u>
1,044	922	2,278	298	12,077	20,947
<u>8,383</u>	<u>14,438</u>	<u>17,707</u>	<u>6,465</u>	<u>138,631</u>	<u>117,684</u>
<u>\$ 9,427</u>	<u>\$ 15,360</u>	<u>\$ 19,985</u>	<u>\$ 6,763</u>	<u>\$ 150,708</u>	<u>\$ 138,631</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands; continued)**

	<b>DEBT SERVICE FUNDS</b>			
	<b>GENERAL BONDED DEBT OBLIGATIONS</b>	<b>OTHER NON-BONDED DEBT OBLIGATIONS</b>	<b>TOTALS</b>	
			<b>2004</b>	<b>2003</b>
<b>REVENUE:</b>				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	-	-	-	-
Charges for services.....	-	-	-	-
Fines and forfeitures.....	-	-	-	-
Interest.....	-	-	-	4
Other.....	-	-	-	-
Total Revenue.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	-	-
Transportation.....	-	-	-	-
Economic environment.....	-	-	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	395	395	1,790
Interest on fiscal charges.....	-	707	707	1,117
Total Expenditures.....	<u>-</u>	<u>1,102</u>	<u>1,102</u>	<u>2,907</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>-</u>	<u>(1,102)</u>	<u>(1,102)</u>	<u>(2,903)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in.....	-	1,102	1,102	2,787
Transfers out.....	-	-	-	-
Total Other Financing Sources (Uses).....	<u>-</u>	<u>1,102</u>	<u>1,102</u>	<u>2,787</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(116)</u>
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED.....</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116</u>
<b>FUND BALANCES, END OF YEAR.....</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>CAPITAL PROJECTS FUNDS</b>				<b>PERMANENT FUND</b>		<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>	
<b>GRANT PROJECTS</b>	<b>RIVER CITY RENAISSANCE PROJECT</b>	<b>TOTALS</b>		<b>CEMETERY MAINTENANCE FUNDS</b>		<b>TOTALS</b>	
		<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,112	\$ 4,461
-	-	-	-	-	-	163,107	157,925
22,609	-	22,609	19,797	-	-	111,650	108,857
-	-	-	-	-	-	28,054	25,897
-	-	-	-	-	-	2,477	3,042
11	40	51	131	2	4	3,678	2,904
-	-	-	91	-	-	11,690	10,559
<u>22,620</u>	<u>40</u>	<u>22,660</u>	<u>20,019</u>	<u>2</u>	<u>4</u>	<u>325,768</u>	<u>313,645</u>
-	-	-	-	-	-	8,428	8,387
-	-	-	-	-	-	34,399	32,989
-	-	-	-	-	-	20,375	21,415
-	-	-	-	-	-	24,128	8,669
-	-	-	-	-	-	94,948	78,442
-	-	-	-	-	-	54,304	62,224
-	-	-	-	-	-	7,155	6,079
25,598	193	25,791	15,908	-	-	25,791	15,908
-	-	-	-	-	-	395	1,790
-	-	-	-	-	-	707	1,117
<u>25,598</u>	<u>193</u>	<u>25,791</u>	<u>15,908</u>	<u>-</u>	<u>-</u>	<u>270,630</u>	<u>237,020</u>
<u>(2,978)</u>	<u>(153)</u>	<u>(3,131)</u>	<u>4,111</u>	<u>2</u>	<u>4</u>	<u>55,138</u>	<u>76,625</u>
1,038	-	1,038	1,036	-	-	41,098	27,352
-	-	-	-	-	-	(86,250)	(77,995)
<u>1,038</u>	<u>-</u>	<u>1,038</u>	<u>1,036</u>	<u>-</u>	<u>-</u>	<u>(45,152)</u>	<u>(50,643)</u>
(1,940)	(153)	(2,093)	5,147	2	4	9,986	25,982
<u>11,212</u>	<u>4,223</u>	<u>15,435</u>	<u>10,288</u>	<u>174</u>	<u>170</u>	<u>154,240</u>	<u>128,258</u>
<u>\$ 9,272</u>	<u>\$ 4,070</u>	<u>\$ 13,342</u>	<u>\$ 15,435</u>	<u>\$ 176</u>	<u>\$ 174</u>	<u>\$ 164,226</u>	<u>\$ 154,240</u>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

<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.....	\$ 300	\$ 7,166	\$ 6,400	\$ -	\$ 6,400	(\$ 766)
Interest.....	51	51	316	-	316	265
Total Revenue.....	<u>351</u>	<u>7,217</u>	<u>6,716</u>	<u>-</u>	<u>6,716</u>	<u>(501)</u>
<b>EXPENDITURES:</b>						
Planning and development.....	3,060	9,798	173	25	198	9,600
Public works.....	8,155	8,409	2,353	1,365	3,718	4,691
Total Expenditures.....	<u>11,215</u>	<u>18,207</u>	<u>2,526</u>	<u>1,390</u>	<u>3,916</u>	<u>14,291</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES.....</b>						
	<u>(10,864)</u>	<u>(10,990)</u>	<u>4,190</u>	<u>(1,390)</u>	<u>2,800</u>	<u>13,790</u>
<b>OTHER FINANCING (USES):</b>						
Operating transfers in.....	125	125	125	-	125	-
Operating transfers out.....	(110)	(110)	(110)	-	(110)	-
Total Other Financing (Uses).....	<u>15</u>	<u>15</u>	<u>15</u>	<u>-</u>	<u>15</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(10,849)</b>	<b>(10,975)</b>	<b>4,205</b>	<b>(1,390)</b>	<b>2,815</b>	<b>13,790</b>
FUND BALANCE, BEGINNING.....	<u>14,800</u>	<u>14,800</u>	<u>14,800</u>	<u>-</u>	<u>14,800</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>	<b><u>\$ 3,951</u></b>	<b><u>\$ 3,825</u></b>	<b><u>\$ 19,005</u></b>	<b><u>(\$ 1,390)</u></b>	<b><u>\$ 17,615</u></b>	<b><u>\$ 13,790</u></b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

**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.....	\$ 1,526	\$ 3,063	\$ 2,254	\$ -	\$ 2,254	(\$ 809)
Interest.....	23	23	6	-	6	(17)
Total Revenue.....	<u>1,549</u>	<u>3,086</u>	<u>2,260</u>	<u>-</u>	<u>2,260</u>	<u>(826)</u>
<b>EXPENDITURES:</b>						
Environmental Resource Management.....	<u>3,237</u>	<u>3,812</u>	<u>2,392</u>	<u>5</u>	<u>2,397</u>	<u>1,415</u>
Total Expenditures.....	<u>3,237</u>	<u>3,812</u>	<u>2,392</u>	<u>5</u>	<u>2,397</u>	<u>1,415</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>(1,688)</u>	<u>(726)</u>	<u>(132)</u>	<u>(5)</u>	<u>(137)</u>	<u>589</u>
<b>OTHER FINANCING SOURCES:</b>						
Operating transfers in.....	400	400	400	-	400	-
Operating transfers out.....	<u>(308)</u>	<u>(308)</u>	<u>(308)</u>	<u>-</u>	<u>(308)</u>	<u>-</u>
Total Other Financing Sources.....	<u>92</u>	<u>92</u>	<u>92</u>	<u>-</u>	<u>92</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>(1,596)</u>	<u>(634)</u>	<u>(40)</u>	<u>(5)</u>	<u>(45)</u>	<u>589</u>
FUND BALANCE, BEGINNING.....	<u>720</u>	<u>720</u>	<u>720</u>	<u>-</u>	<u>720</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>	<u>(\$ 876)</u>	<u>\$ 86</u>	<u>\$ 680</u>	<u>(\$ 5)</u>	<u>\$ 675</u>	<u>\$ 589</u>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

**SPORTS, CONVENTION AND TOURISM DEVELOPMENT**

	<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>						
Sales and tourist taxes.....	\$ 13,644	\$ 11,644	\$ 12,155	\$ -	\$ 12,155	\$ 511
Intergovernmental.....	-	2,000	2,167	-	2,167	167
Charges for services.....	2,737	2,737	-	-	-	(2,737)
Charges for services.....	-	-	2,632	-	2,632	2,632
Interest.....	85	85	120	-	120	35
Other.....	2,904	3,891	3,233	-	3,233	(658)
<b>Total Revenue.....</b>	<b>19,370</b>	<b>20,357</b>	<b>20,307</b>	<b>-</b>	<b>20,307</b>	<b>(50)</b>
<b>EXPENDITURES:</b>						
City Council.....	7,916	7,730	3,847	1,600	5,447	2,283
Neighborhoods.....	181	1,250	371	70	441	809
Sports Complex.....	6,293	19,285	18,648	483	19,131	154
<b>Total Expenditures.....</b>	<b>14,390</b>	<b>28,265</b>	<b>22,866</b>	<b>2,153</b>	<b>25,019</b>	<b>3,246</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>4,980</b>	<b>(7,908)</b>	<b>(2,559)</b>	<b>(2,153)</b>	<b>(4,712)</b>	<b>3,196</b>
<b>OTHER FINANCING (USES):</b>						
Operating transfers in.....	2,115	15,115	15,115	-	15,115	-
Operating transfers out.....	(11,031)	(11,031)	(11,104)	-	(11,104)	73
<b>Total Other Financing (Uses).....</b>	<b>(8,916)</b>	<b>4,084</b>	<b>4,011</b>	<b>-</b>	<b>4,011</b>	<b>73</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(3,936)</b>	<b>(3,824)</b>	<b>1,452</b>	<b>(2,153)</b>	<b>(701)</b>	<b>3,269</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>3,920</b>	<b>3,920</b>	<b>3,920</b>	<b>-</b>	<b>3,920</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>(\$ 16)</b>	<b>\$ 96</b>	<b>\$ 5,372</b>	<b>(\$ 2,153)</b>	<b>\$ 3,219</b>	<b>\$ 3,269</b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

<b>TRANSPORTATION FUND</b>						
	<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.....	\$ 91,544	\$ 91,544	\$ 90,820	\$ -	\$ 90,820	(\$ 724)
Intergovernmental.....	6,368	6,368	7,089	-	7,089	721
Interest.....	552	552	242	-	242	(310)
<b>Total Revenue.....</b>	<b>98,464</b>	<b>98,464</b>	<b>98,151</b>	<b>-</b>	<b>98,151</b>	<b>(313)</b>
<b>EXPENDITURES:</b>						
Public Works.....	35,246	35,646	31,894	374	32,268	3,378
Jacksonville Misc. Citywide Activities.....	81,809	81,809	60,760	-	60,760	21,049
<b>Total Expenditures.....</b>	<b>117,055</b>	<b>117,455</b>	<b>92,654</b>	<b>374</b>	<b>93,028</b>	<b>24,427</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>(18,591)</b>	<b>(18,991)</b>	<b>5,497</b>	<b>(374)</b>	<b>5,123</b>	<b>24,114</b>
<b>OTHER FINANCING (USES):</b>						
Operating transfers in.....	-	400	400	-	400	-
Operating transfers out.....	(4,277)	(4,277)	(3,969)	-	(3,969)	(308)
<b>Total Other Financing (Uses).....</b>	<b>(4,277)</b>	<b>(3,877)</b>	<b>(3,569)</b>	<b>-</b>	<b>(3,569)</b>	<b>(308)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(22,868)</b>	<b>(22,868)</b>	<b>1,928</b>	<b>(374)</b>	<b>1,554</b>	<b>23,806</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>30,969</b>	<b>30,969</b>	<b>30,969</b>	<b>-</b>	<b>30,969</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 8,101</b>	<b>\$ 8,101</b>	<b>\$ 32,897</b>	<b>(\$ 374)</b>	<b>\$ 32,523</b>	<b>\$ 23,806</b>



**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

	<b>BUDGETED GENERAL GOVERNMENT</b>					<b>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</b>
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ 1,027	\$ 3,059	\$ 1,846	\$ -	\$ 1,846	(\$ 1,213)
Charges for services.....	10,218	10,321	11,878	-	11,878	1,557
Fines and forfeitures.....	1,959	925	2,345	-	2,345	1,420
Interest.....	617	76	506	-	506	430
Other.....	-	1,626	3,942	-	3,942	2,316
<b>Total Revenue.....</b>	<b>13,821</b>	<b>16,007</b>	<b>20,517</b>	<b>-</b>	<b>20,517</b>	<b>4,510</b>
<b>EXPENDITURES:</b>						
Courts.....	3,700	4,119	3,914	53	3,967	152
Community Services.....	1,059	1,137	1,042	(70)	972	165
Neighborhoods.....	152	152	129	(4)	125	27
Public Works.....	14,925	16,062	10,139	1,024	11,163	4,899
Environmental Resource Management.....	2,405	4,805	2,395	184	2,579	2,226
Tax Collector.....	30	176	33	17	50	126
<b>Total Expenditures.....</b>	<b>22,271</b>	<b>26,451</b>	<b>17,652</b>	<b>1,204</b>	<b>18,856</b>	<b>7,595</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>(8,450)</b>	<b>(10,444)</b>	<b>2,865</b>	<b>(1,204)</b>	<b>1,661</b>	<b>12,105</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in.....	1,344	781	781	-	781	-
Operating transfers out.....	-	(2,460)	(2,460)	-	(2,460)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>1,344</b>	<b>(1,679)</b>	<b>(1,679)</b>	<b>-</b>	<b>(1,679)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(7,106)</b>	<b>(12,123)</b>	<b>1,186</b>	<b>(1,204)</b>	<b>(18)</b>	<b>12,105</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>20,896</b>	<b>20,896</b>	<b>20,896</b>	<b>-</b>	<b>20,896</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 13,790</b>	<b>\$ 8,773</b>	<b>\$ 22,082</b>	<b>(\$ 1,204)</b>	<b>\$ 20,878</b>	<b>\$ 12,105</b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

<b>PUBLIC SAFETY</b>						
	<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.....	\$ -	\$ 378	\$ 378	\$ -	\$ 378	\$ -
Interest.....	-	-	9	-	9	9
<b>Total Revenue.....</b>	<b>-</b>	<b>378</b>	<b>387</b>	<b>-</b>	<b>387</b>	<b>9</b>
<b>EXPENDITURES:</b>						
Fire and Rescue.....	77	457	232	-	232	225
Jacksonville Misc. Citywide Activities.....	15	15	-	-	-	15
<b>Total Expenditures.....</b>	<b>92</b>	<b>472</b>	<b>232</b>	<b>-</b>	<b>232</b>	<b>15</b>
<b>EXCESS OF REVENUE (UNDER)</b>						
<b>EXPENDITURES.....</b>	<b>(92)</b>	<b>(94)</b>	<b>155</b>	<b>-</b>	<b>155</b>	<b>24</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(92)</b>	<b>(94)</b>	<b>155</b>	<b>-</b>	<b>155</b>	<b>24</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>306</b>	<b>306</b>	<b>306</b>	<b>-</b>	<b>306</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 214</b>	<b>\$ 212</b>	<b>\$ 461</b>	<b>\$ -</b>	<b>\$ 461</b>	<b>\$ 24</b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

	<u>EMERGENCY 9-1-1</u>				<b>BUDGETARY ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</b>
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>		
	<b>ORIGINAL</b>	<b>FINAL</b>				
<b>REVENUE:</b>						
Charges for services.....	\$ 3,656	\$ 3,656	\$ 3,711	\$ -	\$ 3,711	\$ 55
Interest.....	16	16	78	-	78	62
<b>Total Revenue.....</b>	<b>3,672</b>	<b>3,672</b>	<b>3,789</b>	<b>-</b>	<b>3,789</b>	<b>117</b>
<b>EXPENDITURES:</b>						
Office of the Sheriff.....	8,113	8,293	4,303	1,522	5,825	2,468
<b>Total Expenditures.....</b>	<b>8,113</b>	<b>8,293</b>	<b>4,303</b>	<b>1,522</b>	<b>5,825</b>	<b>2,468</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>(4,441)</b>	<b>(4,621)</b>	<b>(514)</b>	<b>(1,522)</b>	<b>(2,036)</b>	<b>2,585</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(4,441)</b>	<b>(4,621)</b>	<b>(514)</b>	<b>(1,522)</b>	<b>(2,036)</b>	<b>2,585</b>
FUND BALANCE, BEGINNING.....	5,034	5,034	5,034	-	5,034	-
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 593</b>	<b>\$ 413</b>	<b>\$ 4,520</b>	<b>(\$ 1,522)</b>	<b>\$ 2,998</b>	<b>\$ 2,585</b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

	<b>TAX INCREMENT DISTRICTS</b>					<b>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</b>
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>				
<b>REVENUE:</b>						
Property taxes.....	\$ 7,901	\$ 8,261	\$ 5,112	\$ -	\$ 5,112	(\$ 3,149)
Other.....	-	-	228	-	228	228
<b>Total Revenue.....</b>	<b>7,901</b>	<b>8,261</b>	<b>5,340</b>	<b>-</b>	<b>5,340</b>	<b>(2,921)</b>
<b>EXPENDITURES:</b>						
Jacksonville Citywide Activities.....	2,938	3,038	2,171	207	2,378	660
Jacksonville Economic Development Commission.....	3,244	4,003	985	742	1,727	2,276
<b>Total Expenditures.....</b>	<b>6,182</b>	<b>7,041</b>	<b>3,156</b>	<b>949</b>	<b>4,105</b>	<b>2,936</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES.....</b>	<b>1,719</b>	<b>1,220</b>	<b>2,184</b>	<b>(949)</b>	<b>1,235</b>	<b>15</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in.....	-	400	400	-	400	-
Operating transfers out.....	(3,228)	(3,228)	(3,243)	-	(3,243)	15
<b>Total Other Financing Sources (Uses).....</b>	<b>(3,228)</b>	<b>(2,828)</b>	<b>(2,843)</b>	<b>-</b>	<b>(2,843)</b>	<b>15</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(1,509)</b>	<b>(1,608)</b>	<b>(659)</b>	<b>(949)</b>	<b>(1,608)</b>	<b>30</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>1,609</b>	<b>1,609</b>	<b>1,609</b>	<b>-</b>	<b>1,609</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 100</b>	<b>\$ 1</b>	<b>\$ 950</b>	<b>(\$ 949)</b>	<b>\$ 1</b>	<b>\$ 30</b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

**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.....	\$ 32,358	\$ 41,676	\$ 36,791	\$ -	\$ 36,791	(\$ 4,885)
Interest.....	-	-	153	-	153	153
Other.....	5,698	-	140	-	140	140
<b>Total Revenue.....</b>	<b>38,056</b>	<b>41,676</b>	<b>37,084</b>	<b>-</b>	<b>37,084</b>	<b>(4,592)</b>
<b>EXPENDITURES:</b>						
Jacksonville Children's Commission.....	54,967	59,080	50,160	3,858	54,018	5,062
<b>Total Expenditures.....</b>	<b>54,967</b>	<b>59,080</b>	<b>50,160</b>	<b>3,858</b>	<b>54,018</b>	<b>5,062</b>
<b>EXCESS OF REVENUE (UNDER) EXPENDITURES.....</b>	<b>(16,911)</b>	<b>(17,404)</b>	<b>(13,076)</b>	<b>(3,858)</b>	<b>(16,934)</b>	<b>470</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in.....	15,839	15,839	15,839	-	15,839	-
Operating transfers out.....	(180)	(225)	(225)	-	(225)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>15,659</b>	<b>15,614</b>	<b>15,614</b>	<b>-</b>	<b>15,614</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(1,252)</b>	<b>(1,790)</b>	<b>2,538</b>	<b>(3,858)</b>	<b>(1,320)</b>	<b>470</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>6,167</b>	<b>6,167</b>	<b>6,167</b>	<b>-</b>	<b>6,167</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 4,915</b>	<b>\$ 4,377</b>	<b>\$ 8,705</b>	<b>(\$ 3,858)</b>	<b>\$ 4,847</b>	<b>\$ 470</b>

### **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  
SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

<u>ASSETS</u>	<u>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</u>	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>	<u>TOTALS</u>	
				<u>2004</u>	<u>2003</u>
<b>CURRENT ASSETS:</b>					
Equity in cash and investments.....	\$ 2,636	\$ 52	\$ 83	\$ 2,771	\$ 2,673
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts.....	1,264	34	-	1,298	860
Due from other governments.....	-	12	-	12	22
Inventories.....	-	10	-	10	4
Prepaid expenses and other assets.....	303	-	112	415	240
Total Current Assets.....	<u>4,203</u>	<u>108</u>	<u>195</u>	<u>4,506</u>	<u>3,799</u>
<b>NONCURRENT ASSETS:</b>					
Sinking fund cash and investments.....	1,662	-	-	1,662	784
Accounts and interest receivable.....	208	-	-	208	379
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	-	32	610	642	642
Other capital assets, net of depreciation.....	-	166	3,874	4,040	4,283
Total Noncurrent Assets.....	<u>1,870</u>	<u>198</u>	<u>4,484</u>	<u>6,552</u>	<u>6,088</u>
<b>TOTAL ASSETS.....</b>	<u><b>6,073</b></u>	<u><b>306</b></u>	<u><b>4,679</b></u>	<u><b>11,058</b></u>	<u><b>9,887</b></u>
<b><u>LIABILITIES</u></b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	3,477	6	230	3,713	2,749
Accrued compensated absences, current portion....	-	10	-	10	12
Deposits held for construction and events.....	1,870	-	-	1,870	1,162
Deferred revenue.....	407	-	21	428	249
Total Current Liabilities.....	<u>5,754</u>	<u>16</u>	<u>251</u>	<u>6,021</u>	<u>4,172</u>
<b>NONCURRENT LIABILITIES:</b>					
Notes payable .....	-	-	-	-	73
Accrued compensated absences.....	-	24	-	24	29
Total Noncurrent Liabilities.....	<u>-</u>	<u>24</u>	<u>-</u>	<u>24</u>	<u>102</u>
<b>TOTAL LIABILITIES.....</b>	<u><b>5,754</b></u>	<u><b>40</b></u>	<u><b>251</b></u>	<u><b>6,045</b></u>	<u><b>4,274</b></u>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	-	198	4,484	4,682	4,925
Restricted for debt service.....	-	-	-	-	-
Restricted - others.....	1,662	-	-	1,662	784
Unrestricted.....	(1,343)	68	(56)	(1,331)	(96)
<b>TOTAL NET ASSETS.....</b>	<u><b>\$ 319</b></u>	<u><b>\$ 266</b></u>	<u><b>\$ 4,428</b></u>	<u><b>\$ 5,013</b></u>	<u><b>\$ 5,613</b></u>

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF REVENUE, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
 WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2004	2003
<b>OPERATING REVENUE:</b>					
Charges for services.....	\$ 13,515	\$ 388	\$ 1,018	\$ 14,921	\$ 9,717
Total Operating Revenue.....	<u>13,515</u>	<u>388</u>	<u>1,018</u>	<u>14,921</u>	<u>9,717</u>
<b>OPERATING EXPENSES:</b>					
Personal services.....	10,568	285	892	11,745	8,957
Supplies and materials.....	3,459	4	148	3,611	2,268
Central services.....	-	11	-	11	15
Interdepartmental charges.....	1,147	-	-	1,147	776
Other services and charges.....	6,821	103	679	7,603	5,776
Depreciation and amortization.....	-	48	344	392	353
Total Operating Expenses.....	<u>21,995</u>	<u>451</u>	<u>2,063</u>	<u>24,509</u>	<u>18,145</u>
<b>OPERATING LOSS.....</b>	<u>(8,480)</u>	<u>(63)</u>	<u>(1,045)</u>	<u>(9,588)</u>	<u>(8,428)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>					
Interest revenue.....	-	1	4	5	22
Other.....	(19)	-	-	(19)	(24)
Total Non-Operating Revenue (Expenses).....	<u>(19)</u>	<u>1</u>	<u>4</u>	<u>(14)</u>	<u>(2)</u>
<b>LOSS BEFORE CONTRIBUTIONS AND TRANSFERS.....</b>	<u>(8,499)</u>	<u>(62)</u>	<u>(1,041)</u>	<u>(9,602)</u>	<u>(8,430)</u>
Transfers in.....	8,263	-	739	9,002	8,268
Transfers out.....	-	-	-	-	(221,892)
<b>CHANGES IN NET ASSETS.....</b>	<u>(236)</u>	<u>(62)</u>	<u>(302)</u>	<u>(600)</u>	<u>(222,054)</u>
<b>TOTAL NET ASSETS, BEGINNING OF YEAR.....</b>	<u>555</u>	<u>328</u>	<u>4,730</u>	<u>5,613</u>	<u>227,667</u>
<b>TOTAL NET ASSETS, END OF YEAR.....</b>	<u>\$ 319</u>	<u>\$ 266</u>	<u>\$ 4,428</u>	<u>\$ 5,013</u>	<u>\$ 5,613</u>



**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts to customers.....	\$ 13,083	\$ 381	\$ 1,034	\$ 14,498	\$ 11,247
Payments to suppliers.....	(9,426)	(122)	(719)	(10,267)	(8,412)
Payments to employees.....	(10,568)	(292)	(892)	(11,752)	(8,956)
Other receipts (expenses).....	(19)	-	-	(19)	(24)
Other operating cash payments.....	(1,147)	-	-	(1,147)	(776)
<b>NET CASH USED IN OPERATING ACTIVITIES.....</b>	<b>(8,077)</b>	<b>(33)</b>	<b>(577)</b>	<b>(8,687)</b>	<b>(6,921)</b>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash received through operating transfers from other funds....	8,263	-	739	9,002	8,268
Cash payments through operating transfers to other funds.....	-	-	-	-	(221,892)
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>8,263</b>	<b>-</b>	<b>739</b>	<b>9,002</b>	<b>(213,624)</b>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Additions to property, plant and equipment.....	-	(48)	(344)	(392)	(353)
Proceeds from sale of property, plant and equipment.....	-	48	195	243	220,343
Proceeds from notes payable.....	-	-	(73)	(73)	73
<b>NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>-</b>	<b>-</b>	<b>(222)</b>	<b>(222)</b>	<b>220,063</b>
<b>INVESTING ACTIVITIES:</b>					
Interest and dividends on investments.....	-	1	4	5	22
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES..</b>	<b>-</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>22</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>					
	186	(32)	(56)	98	(460)
Cash and cash equivalents at October 1.....	2,450	84	139	2,673	3,133
Cash and cash equivalents at September 30.....	\$ 2,636	\$ 52	\$ 83	\$ 2,771	\$ 2,673

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2004	2003
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS).....	(\$ 8,480)	(\$ 63)	(\$ 1,045)	(\$ 9,588)	(\$ 8,428)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:					
Depreciation and amortization.....	-	48	344	392	353
Other non-operating revenue/(expenses).....	(19)	-	-	(19)	(24)
Change in assets and liabilities:					
Decrease (increase) in receivables and other current assets, net.....	(436)	(17)	15	(438)	1,170
Increase (decrease) in due from other governments.....	-	10	-	10	181
Decrease (increase) in inventories.....	-	(6)	-	(6)	(1)
(Increase) in prepaid expenses.....	(173)	-	(1)	(174)	(16)
Increase in accounts payable and accrued expenses.....	854	2	108	964	(345)
Increase (decrease) in contracts payable.....	-	-	-	-	(7)
(Decrease) in deferred revenue.....	177	-	2	179	195
Increase in accrued compensated absences.....	-	(7)	-	(7)	1
TOTAL ADJUSTMENTS.....	403	30	468	901	1,507
NET CASH (USED IN) OPERATING ACTIVITIES.....	(\$ 8,077)	(\$ 33)	(\$ 577)	(\$ 8,687)	(\$ 6,921)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Change in the fair value of investments.....	(\$ 3)	\$ -	\$ -	(\$ 3)	\$ -
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	(\$ 3)	\$ -	\$ -	(\$ 3)	\$ -



**(This page is intentionally left blank.)**

## **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  
SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

<u>ASSETS</u>	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
<b>CURRENT ASSETS:</b>			
Equity in cash and investments.....	\$ 17,719	\$ 170	\$ 5,094
Accounts receivable.....	-	-	-
Other receivables.....	-	-	-
Due from other funds.....	-	-	-
Due from independent agencies and other governments.....	910	-	462
Advances to other funds.....	-	-	-
Inventories.....	1,071	-	373
Prepaid expenses and other assets.....	-	-	-
Total Current Assets.....	<u>19,700</u>	<u>170</u>	<u>5,929</u>
<b>NONCURRENT ASSETS:</b>			
Other receivables - noncurrent.....	-	-	-
Total Noncurrent Assets.....	<u>-</u>	<u>-</u>	<u>-</u>
<b>CAPITAL ASSETS AND INFRASTRUCTURE (Note 1)</b>			
Land and work in progress.....	36	-	22
Other capital assets, net of depreciation.....	45,411	-	16,242
Total Capital Assets, Net.....	<u>45,447</u>	<u>-</u>	<u>16,264</u>
<b>TOTAL ASSETS.....</b>	<b><u>65,147</u></b>	<b><u>170</u></b>	<b><u>22,193</u></b>
 <b><u>LIABILITIES</u></b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	5,562	42	2,310
Due to other funds.....	-	-	-
Due to independent agencies and other governments.....	-	-	-
Capitalized lease obligations, current portion.....	-	-	3,628
Deposits.....	-	-	-
Deferred revenue.....	-	-	-
Accrued compensated absences, current portion.....	255	13	333
Total Current Liabilities.....	<u>5,817</u>	<u>55</u>	<u>6,271</u>
<b>NONCURRENT LIABILITIES:</b>			
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	595	30	778
Capitalized lease obligations.....	-	-	13,639
Total Long-Term Liabilities.....	<u>595</u>	<u>30</u>	<u>14,417</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>6,412</u></b>	<b><u>85</u></b>	<b><u>20,688</u></b>
<b>NET ASSETS:</b>			
Invested in capital assets.....	45,447	-	16,264
Unrestricted (deficit).....	13,288	85	(14,759)
<b>TOTAL NET ASSETS.....</b>	<b><u>\$ 58,735</u></b>	<b><u>\$ 85</u></b>	<b><u>\$ 1,505</u></b>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>	
				<u>2004</u>	<u>2003</u>
\$ 1,797	\$ 30,033	\$ 5,043	\$ 345	\$ 60,201	\$ 114,818
-	93	-	-	93	183
-	2,312	24	-	2,336	2,618
-	1,706	-	1,321	3,027	3,812
539	1,198	1	-	3,110	5,421
-	11,548	-	-	11,548	12,082
-	-	-	-	1,444	1,415
-	306	-	2,143	2,449	1,543
<u>2,336</u>	<u>47,196</u>	<u>5,068</u>	<u>3,809</u>	<u>84,208</u>	<u>141,892</u>
-	16,159	-	-	16,159	16,465
-	16,159	-	-	16,159	16,465
-	-	-	-	58	58
63	9	8	7	61,740	63,277
<u>63</u>	<u>9</u>	<u>8</u>	<u>7</u>	<u>61,798</u>	<u>63,335</u>
<u>2,399</u>	<u>63,364</u>	<u>5,076</u>	<u>3,816</u>	<u>162,165</u>	<u>221,692</u>
130	153	4,526	7	12,730	8,090
-	-	-	-	-	158
-	426	-	-	426	1,059
-	-	-	-	3,628	3,566
-	-	2	-	2	2
-	-	-	982	982	1,694
265	11	19	8	904	919
<u>395</u>	<u>590</u>	<u>4,547</u>	<u>997</u>	<u>18,672</u>	<u>15,488</u>
-	55,397	-	-	55,397	52,998
619	25	45	20	2,112	2,141
-	-	-	-	13,639	15,889
<u>619</u>	<u>55,422</u>	<u>45</u>	<u>20</u>	<u>71,148</u>	<u>71,028</u>
<u>1,014</u>	<u>56,012</u>	<u>4,592</u>	<u>1,017</u>	<u>89,820</u>	<u>86,516</u>
63	9	8	7	61,798	63,335
<u>1,322</u>	<u>7,343</u>	<u>476</u>	<u>2,792</u>	<u>10,547</u>	<u>71,841</u>
<u>\$ 1,385</u>	<u>\$ 7,352</u>	<u>\$ 484</u>	<u>\$ 2,799</u>	<u>\$ 72,345</u>	<u>\$ 135,176</u>

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUE, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<b>FLEET MANAGEMENT</b>	<b>COPY CENTER</b>	<b>INFORMATION TECHNOLOGIES</b>
<b>OPERATING REVENUE:</b>			
Charges for services.....	\$ 20,724	\$ 1,152	\$ 29,869
Charges for services for independent authorities.....	6,594	1	2,532
Other.....	49	21	7
Total Operating Revenue.....	<u>27,367</u>	<u>1,174</u>	<u>32,408</u>
<b>OPERATING EXPENSES:</b>			
Personal services.....	7,420	201	8,952
Supplies and materials.....	13,340	631	1,586
Central services.....	446	36	1,505
Other services and charges.....	3,571	279	17,259
Depreciation.....	14,755	-	6,257
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	224	1	66
Total Operating Expenses.....	<u>39,756</u>	<u>1,148</u>	<u>35,625</u>
<b>OPERATING INCOME (LOSS).....</b>	<b><u>(12,389)</u></b>	<b><u>26</u></b>	<b><u>(3,217)</u></b>
<b>NON-OPERATING REVENUE (EXPENSES):</b>			
Interest revenue.....	123	-	91
Other.....	124	(79)	(955)
Total Non-Operating Revenue (Expenses) .....	<u>247</u>	<u>(79)</u>	<u>(864)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS.....</b>			
	(12,142)	(53)	(4,081)
Transfers in.....	171	-	1,300
Transfers out.....	(43,021)	-	(12,200)
<b>CHANGE IN NET ASSETS.....</b>	<b>(54,992)</b>	<b>(53)</b>	<b>(14,981)</b>
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<b>113,727</b>	<b>138</b>	<b>16,486</b>
<b>NET ASSETS, END OF YEAR.....</b>	<b><u>\$ 58,735</u></b>	<b><u>\$ 85</u></b>	<b><u>\$ 1,505</u></b>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>	
				<u>2004</u>	<u>2003</u>
\$ 6,322	\$ 18,128	\$ 56,459	\$ 6,548	\$ 139,202	\$ 141,879
1,901	6,270	-	-	17,298	17,160
<u>5</u>	<u>8</u>	<u>17</u>	<u>-</u>	<u>107</u>	<u>670</u>
<u>8,228</u>	<u>24,406</u>	<u>56,476</u>	<u>6,548</u>	<u>156,607</u>	<u>159,709</u>
5,397	528	672	309	23,479	23,500
98	78	36	7	15,776	13,009
433	1,253	343	42	4,058	4,043
925	4,617	423	303	27,377	26,607
22	2	5	21	21,062	20,897
25	-	-	-	25	25
-	15,735	-	-	15,735	14,112
<u>15</u>	<u>-</u>	<u>54,997</u>	<u>4,037</u>	<u>59,340</u>	<u>56,743</u>
<u>6,915</u>	<u>22,213</u>	<u>56,476</u>	<u>4,719</u>	<u>166,852</u>	<u>158,936</u>
<u>1,313</u>	<u>2,193</u>	<u>-</u>	<u>1,829</u>	<u>(10,245)</u>	<u>773</u>
19	1,104	84	-	1,421	2,274
(273)	(566)	(271)	500	(1,520)	(1,524)
<u>(254)</u>	<u>538</u>	<u>(187)</u>	<u>500</u>	<u>(99)</u>	<u>750</u>
1,059	2,731	(187)	2,329	(10,344)	1,523
-	1,072	206	30	2,779	5,458
<u>-</u>	<u>(30)</u>	<u>-</u>	<u>(15)</u>	<u>(55,266)</u>	<u>(9,265)</u>
1,059	3,773	19	2,344	(62,831)	(2,284)
<u>326</u>	<u>3,579</u>	<u>465</u>	<u>455</u>	<u>135,176</u>	<u>137,460</u>
<u>\$ 1,385</u>	<u>\$ 7,352</u>	<u>\$ 484</u>	<u>\$ 2,799</u>	<u>\$ 72,345</u>	<u>\$ 135,176</u>



**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers.....	\$ 27,630	\$ 1,174	\$ 32,327
Payments to suppliers.....	(13,266)	(956)	(19,580)
Payments to employees.....	(7,416)	(208)	(8,967)
Internal activity- payments to other funds.....	-	-	-
Other receipts.....	124	(79)	(955)
Other operating cash payments.....	<u>2</u>	<u>-</u>	<u>11</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>7,074</u>	<u>(69)</u>	<u>2,836</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash received through operating transfers from other funds.....	171	-	1,300
Cash payments through operating transfers to other funds.....	<u>(43,021)</u>	<u>-</u>	<u>(12,200)</u>
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	<u>(42,850)</u>	<u>-</u>	<u>(10,900)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Additions to property, plant and equipment.....	(17,622)	-	(1,872)
Increase in capitalized lease obligations.....	-	-	62
Principal paid on long-term obligations.....	<u>-</u>	<u>-</u>	<u>(2,250)</u>
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(17,622)</u>	<u>-</u>	<u>(4,060)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends.....	<u>123</u>	<u>-</u>	<u>91</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>123</u>	<u>-</u>	<u>91</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>			
	(53,275)	(69)	(12,033)
Cash and cash equivalents at October 1.....	<u>70,994</u>	<u>239</u>	<u>17,127</u>
Cash and cash equivalents at September 30.....	<u>\$ 17,719</u>	<u>\$ 170</u>	<u>\$ 5,094</u>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>	
				<u>2004</u>	<u>2003</u>
\$ 8,112	\$ 27,326	\$ 56,527	\$ 6,128	\$ 159,224	\$ 139,394
(1,464)	(6,041)	(55,539)	(5,119)	(101,965)	(100,608)
(5,382)	(536)	(704)	(310)	(23,523)	(23,389)
-	-	-	(158)	(158)	(2,286)
(273)	(566)	(271)	500	(1,520)	(1,524)
(486)	(12,711)	-	(712)	(13,896)	(10,683)
<u>507</u>	<u>7,472</u>	<u>13</u>	<u>329</u>	<u>18,162</u>	<u>904</u>
-	1,072	206	30	2,779	5,458
-	(30)	-	(15)	(55,266)	(9,265)
-	<u>1,042</u>	<u>206</u>	<u>15</u>	<u>(52,487)</u>	<u>(3,807)</u>
(28)	(7)	3	1	(19,525)	(20,401)
-	-	-	-	62	314
-	-	-	-	(2,250)	697
<u>(28)</u>	<u>(7)</u>	<u>3</u>	<u>1</u>	<u>(21,713)</u>	<u>(19,390)</u>
<u>19</u>	<u>1,104</u>	<u>84</u>	<u>-</u>	<u>1,421</u>	<u>2,274</u>
<u>19</u>	<u>1,104</u>	<u>84</u>	<u>-</u>	<u>1,421</u>	<u>2,274</u>
498	9,611	306	345	(54,617)	(20,019)
<u>1,299</u>	<u>20,422</u>	<u>4,737</u>	<u>-</u>	<u>114,818</u>	<u>134,837</u>
<u>\$ 1,797</u>	<u>\$ 30,033</u>	<u>\$ 5,043</u>	<u>\$ 345</u>	<u>\$ 60,201</u>	<u>\$ 114,818</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands; continued)**

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss) .....	(\$ 12,389)	\$ 26	(\$ 3,217)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	14,755	-	6,257
Other non-operating revenue/(expenses).....	124	(79)	(955)
Change in assets and liabilities:			
Decrease (increase) in receivables and other current assets, net.....	-	-	-
Decrease (increase) in due from other funds.....	2	-	11
Decrease (increase) in due from independent agencies and other governments.....	263	-	(81)
Decrease (increase) in inventories.....	(52)	-	23
(Increase) in receivables-non-current.....	-	-	-
Decrease (increase) in prepaid expenses.....	-	-	-
Increase (decrease) in accounts payable and accrued expenses.....	4,367	(9)	813
Increase (decrease) in due to other funds.....	-	-	-
Increase (decrease) in compensated absences.....	4	(7)	(15)
Increase in deposits .....	-	-	-
Increase in deferred revenue.....	-	-	-
(Decrease) in liability for self-insured losses.....	-	-	-
 TOTAL ADJUSTMENTS.....	 19,463	 (95)	 6,053
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	 \$ 7,074	 (\$ 69)	 \$ 2,836
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	(\$ 218)	(\$ 1)	(\$ 52)
 TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	 (\$ 218)	 (\$ 1)	 (\$ 52)

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>	
				<u>2004</u>	<u>2003</u>
<u>\$ 1,313</u>	<u>\$ 2,193</u>	<u>\$ -</u>	<u>\$ 1,829</u>	<u>(\$ 10,245)</u>	<u>\$ 773</u>
22	2	5	21	21,062	20,897
(273)	(566)	(271)	500	(1,520)	(1,524)
-	320	76	-	396	(2,557)
18	1,288	-	-	1,319	2,061
(116)	2,066	(1)	180	2,311	(2,320)
-	-	-	-	(29)	(9)
-	306	(24)	-	282	(16,465)
-	(306)	-	(600)	(906)	516
32	(93)	260	(730)	4,640	(174)
(504)	(129)	-	(158)	(791)	(1,747)
15	(8)	(32)	(1)	(44)	111
-	-	-	-	-	504
-	-	-	-	-	2
-	-	-	(712)	(712)	1,425
-	2,399	-	-	2,399	(589)
<u>(806)</u>	<u>5,279</u>	<u>13</u>	<u>(1,500)</u>	<u>28,407</u>	<u>131</u>
<u>\$ 507</u>	<u>\$ 7,472</u>	<u>\$ 13</u>	<u>\$ 329</u>	<u>\$ 18,162</u>	<u>\$ 904</u>
<u>(\$ 2)</u>	<u>(\$ 3)</u>	<u>(\$ 11)</u>	<u>\$ -</u>	<u>(\$ 287)</u>	<u>(\$ 155)</u>
<u>(\$ 2)</u>	<u>(\$ 3)</u>	<u>(\$ 11)</u>	<u>\$ -</u>	<u>(\$ 287)</u>	<u>(\$ 155)</u>



**(This page is intentionally left blank.)**

## 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.

**Plat Deposits Fund** accounts for the deposits placed with the City as collateral to insure the completion of improvements in the event of default by a developer or failure by the developer to complete improvements within the time specified by the ordinance approving the Final Plat.

**The Duval County School Readiness Coalition Fund** accounts for the assets and liabilities from revenues collected on behalf of the Duval County School Readiness Coalition from the State, pursuant to Florida Statute 411.01, to provide comprehensive programs of readiness services to children.

**The Florida Retirement System Fund** accounts for a multiple-employer, cost-sharing defined benefit plan for certain City employees who elected to remain with the State of Florida Retirement System.

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -  
PENSION TRUST FUNDS  
SEPTEMBER 30, 2004  
WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<b>PENSION TRUST FUNDS</b>			
	<b>GENERAL EMPLOYEES PENSION PLAN</b>	<b>POLICE AND FIRE PENSION PLAN</b>	<b>TOTALS</b>	
			<b>2004</b>	<b>2003</b>
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 73,074	\$ 35,889	\$ 108,963	\$ 41,821
Receivables (net, where applicable, of allowances for uncollectible):				
Interest and dividends.....	5,738	3,657	9,395	9,471
Accounts.....	-	238	238	24
Total receivables.....	<u>5,738</u>	<u>3,895</u>	<u>9,633</u>	<u>9,495</u>
Investments, at fair value:				
U.S. Government obligations.....	301,285	175,612	476,897	500,554
Municipal Bonds.....	888	1,668	2,556	4,982
Domestic corporate bonds.....	244,742	126,420	371,162	349,265
Commercial paper.....	25,672	-	25,672	-
Domestic stocks.....	682,330	463,028	1,145,358	1,190,919
International stocks.....	215,338	42,282	257,620	141,813
Real Estate.....	1,117	7,443	8,560	7,810
Total investments.....	<u>1,471,372</u>	<u>816,453</u>	<u>2,287,825</u>	<u>2,195,343</u>
Capital assets:				
Other capital assets, net of depreciation.....	24	151	175	209
Net capital assets.....	<u>24</u>	<u>151</u>	<u>175</u>	<u>209</u>
<b>TOTAL ASSETS.....</b>	<b><u>1,550,208</u></b>	<b><u>856,388</u></b>	<b><u>2,406,596</u></b>	<b><u>2,246,868</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	2,413	866	3,279	2,727
Accrued Compensated Absences.....	9	48	57	46
Terminal Leave - Group Care.....	180	432	612	-
Terminal Leave - Pending.....	242	-	242	-
Due to Drop Participants.....	-	115,666	115,666	103,462
<b>TOTAL LIABILITIES.....</b>	<b><u>2,844</u></b>	<b><u>117,012</u></b>	<b><u>119,856</u></b>	<b><u>106,235</u></b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS....</b>	<b><u>\$ 1,547,364</u></b>	<b><u>\$ 739,376</u></b>	<b><u>\$ 2,286,740</u></b>	<b><u>\$ 2,140,633</u></b>
(See schedule of funding progress on pages 155 - 156.)				

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004  
 WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

	<b>PENSION TRUST FUNDS</b>			
	<b>GENERAL EMPLOYEES PENSION PLAN</b>	<b>POLICE AND FIRE PENSION PLAN</b>	<b>TOTALS</b>	
			<b>2004</b>	<b>2003</b>
<b><u>ADDITIONS</u></b>				
Contributions:				
Employer.....	\$ 9,223	\$ 11,113	\$ 20,336	\$ 9,741
Plan Member.....	19,604	9,911	29,515	25,974
Total contributions.....	<u>28,827</u>	<u>21,024</u>	<u>49,851</u>	<u>35,715</u>
Other additions:				
State insurance contributions.....	-	6,655	6,655	5,855
Court fines & penalties.....	-	2,914	2,914	3,041
Parking revenues.....	-	156	156	132
Miscellaneous.....	1	46	47	38
Operating transfers in.....	14,602	10,985	25,587	-
Gain/Loss on Sale of Fixed Assets.....	(2)	-	(2)	(4)
Total other additions.....	<u>14,601</u>	<u>20,756</u>	<u>35,357</u>	<u>9,062</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments.....	122,209	53,231	175,440	258,388
Interest.....	31,500	14,509	46,009	46,779
Dividends.....	9,866	7,868	17,734	15,475
Rebate of Commissions.....	162	299	461	699
Rental Income.....	-	535	535	574
Earnings other Miscellaneous.....	408	321	729	979
Total investment income.....	<u>164,145</u>	<u>76,763</u>	<u>240,908</u>	<u>322,894</u>
Less investment expense.....	(4,258)	(3,486)	(7,744)	(7,614)
Less rental expense.....	-	(152)	(152)	(110)
Net investment income.....	<u>159,887</u>	<u>73,125</u>	<u>233,012</u>	<u>315,170</u>
<b>TOTAL ADDITIONS.....</b>	<b><u>203,315</u></b>	<b><u>114,905</u></b>	<b><u>318,220</u></b>	<b><u>359,947</u></b>
<b><u>DEDUCTIONS</u></b>				
Benefits payments.....	88,932	77,841	166,773	148,937
Refunds of contributions.....	2,708	416	3,124	2,772
Operating transfers out.....	-	-	-	106
Administrative expenses.....	875	1,341	2,216	1,977
<b>TOTAL DEDUCTIONS.....</b>	<b><u>92,515</u></b>	<b><u>79,598</u></b>	<b><u>172,113</u></b>	<b><u>153,792</u></b>
Net change in net assets.....	110,800	35,307	146,107	206,155
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<b><u>1,436,564</u></b>	<b><u>704,069</u></b>	<b><u>2,140,633</u></b>	<b><u>1,934,478</u></b>
<b>NET ASSETS, END OF YEAR.....</b>	<b><u>\$ 1,547,364</u></b>	<b><u>\$ 739,376</u></b>	<b><u>\$ 2,286,740</u></b>	<b><u>\$ 2,140,633</u></b>



**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2004**  
**WITH COMPARATIVE TOTALS FOR 2003 (in thousands)**

---

	<u>TREASURER</u>	<u>TAX COLLECTOR</u>
ASSETS:		
Equity in cash and investments.....	\$ 275	\$ 18,083
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts.....	<u>18</u>	<u>3,389</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$ 293</u></b>	<b><u>\$ 21,472</u></b>
LIABILITIES:		
Accounts payable and accrued liabilities.....	\$ 293	\$ -
Due to independent agencies and other governments.....	-	11,546
Due to individuals.....	-	740
Deposits held in escrow.....	<u>-</u>	<u>9,186</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 293</u></b>	<b><u>\$ 21,472</u></b>

---

<u>PLAT DEPOSITS</u>	<u>DUVAL CO SCHOOL READINESS COALITION</u>	<u>FLORIDA RETIREMENT SYSTEM</u>	<u>TOTALS</u>	
			<u>2004</u>	<u>2003</u>
\$ 360	\$ 22	\$ 27	\$ 18,767	\$ 29,523
<u>-</u>	<u>1</u>	<u>-</u>	<u>3,408</u>	<u>3,593</u>
<u>\$ 360</u>	<u>\$ 23</u>	<u>\$ 27</u>	<u>\$ 22,175</u>	<u>\$ 33,116</u>
\$ 2	\$ 23	\$ -	\$ 318	\$ 509
-	-	27	11,573	10,382
-	-	-	740	2,369
<u>358</u>	<u>-</u>	<u>-</u>	<u>9,544</u>	<u>19,856</u>
<u>\$ 360</u>	<u>\$ 23</u>	<u>\$ 27</u>	<u>\$ 22,175</u>	<u>\$ 33,116</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

	<u>BALANCE OCTOBER 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2004</u>
<b><u>TREASURER</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 393	\$ 586,511	\$ 586,629	\$ 275
Accounts receivable.....	93	245	320	18
<b>TOTAL ASSETS.....</b>	<b><u>486</u></b>	<b><u>586,756</u></b>	<b><u>586,949</u></b>	<b><u>293</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	\$ 486	\$ 757,423	\$ 757,616	\$ 293
<b>TOTAL LIABILITIES.....</b>	<b><u>486</u></b>	<b><u>757,423</u></b>	<b><u>757,616</u></b>	<b><u>293</u></b>
<b><u>TAX COLLECTOR</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 11,222	\$ 745,015	\$ 738,154	\$ 18,083
Accounts receivable.....	3,389	-	-	3,389
<b>TOTAL ASSETS.....</b>	<b><u>14,611</u></b>	<b><u>745,015</u></b>	<b><u>738,154</u></b>	<b><u>21,472</u></b>
<b><u>LIABILITIES</u></b>				
Due to independent agencies and other governments.....	\$ 4,604	\$ 8,075	\$ 1,133	\$ 11,546
Due to individuals.....	573	1,010	843	740
Deposits held in escrow.....	9,434	738,964	739,212	9,186
<b>TOTAL LIABILITIES.....</b>	<b><u>14,611</u></b>	<b><u>748,049</u></b>	<b><u>741,188</u></b>	<b><u>21,472</u></b>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2004</u>
<b><u>CLERK OF THE CIRCUIT COURT</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 17,490	\$ -	\$ 17,490	\$ -
Accounts receivable.....	110	-	110	-
TOTAL ASSETS.....	<u>\$ 17,600</u>	<u>\$ -</u>	<u>\$ 17,600</u>	<u>\$ -</u>
<b><u>LIABILITIES</u></b>				
Due to independent agencies and other governments.....	\$ 5,756	\$ -	\$ 5,756	\$ -
Due to individuals.....	1,796	-	1,796	-
Deposits held in escrow.....	10,048	-	10,048	-
TOTAL LIABILITIES.....	<u>\$ 17,600</u>	<u>\$ -</u>	<u>\$ 17,600</u>	<u>\$ -</u>
<b><u>PLAT DEPOSITS</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 374	\$ 111	\$ 125	\$ 360
TOTAL ASSETS.....	<u>\$ 374</u>	<u>\$ 111</u>	<u>\$ 125</u>	<u>\$ 360</u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	\$ -	\$ 122	\$ 120	\$ 2
Deposits held in escrow.....	374	111	127	358
TOTAL LIABILITIES.....	<u>\$ 374</u>	<u>\$ 233</u>	<u>\$ 247</u>	<u>\$ 360</u>
<b><u>DUVAL CO SCHOOL READINESS COALITION</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 22	\$ -	\$ -	\$ 22
Accounts receivable.....	1	-	-	1
TOTAL ASSETS.....	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	\$ 23	\$ -	\$ -	\$ 23
TOTAL LIABILITIES.....	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

	<u>BALANCE OCTOBER 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2004</u>
<b><u>FLORIDA RETIREMENT SYSTEM</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 22	\$ 560	\$ 555	\$ 27
TOTAL ASSETS.....	<u>\$ 22</u>	<u>\$ 560</u>	<u>\$ 555</u>	<u>\$ 27</u>
<b><u>LIABILITIES</u></b>				
Due to independent agencies and other governments....	\$ 22	\$ 539	\$ 534	\$ 27
TOTAL LIABILITIES.....	<u>\$ 22</u>	<u>\$ 539</u>	<u>\$ 534</u>	<u>\$ 27</u>
 <b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 29,523	\$ 1,332,197	\$ 1,342,953	\$ 18,767
Accounts receivable.....	3,593	245	430	3,408
TOTAL ASSETS.....	<u>\$ 33,116</u>	<u>\$ 1,332,442</u>	<u>\$ 1,343,383</u>	<u>\$ 22,175</u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	\$ 509	\$ 757,545	\$ 757,736	\$ 318
Due to independent agencies and other governments....	10,382	8,614	7,423	11,573
Due to individuals.....	2,369	1,010	2,639	740
Deposits held in escrow.....	19,856	739,075	749,387	9,544
TOTAL LIABILITIES.....	<u>\$ 33,116</u>	<u>\$ 1,506,244</u>	<u>\$ 1,517,185</u>	<u>\$ 22,175</u>

## COMPONENT UNITS

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

### NON-MAJOR COMPONENT UNITS:

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

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

**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 -**  
**NON MAJOR COMPONENT UNITS (in thousands)**  
**SEPTEMBER 30, 2004**

---

	<b>JACKSONVILLE HOUSING FINANCE AUTHORITY</b>	<b>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</b>	<b>DOWNTOWN VISION, INC.</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 5,785	\$ 12,399	\$ 563	\$ 18,747
Due from other governmental agencies.....	-	1,160	-	1,160
Accounts and interest receivable.....	-	-	604	604
Mortgage receivables.....	9,927	-	-	9,927
Other receivables.....	-	17,435	-	17,435
Other assets.....	3,961	-	3	3,964
Capital assets:				
Equipment.....	64	112	138	314
Less: accumulated depreciation.....	(45)	(97)	(80)	(222)
Total capital assets, net of depreciation.....	<u>19</u>	<u>15</u>	<u>58</u>	<u>92</u>
Total assets.....	<u>19,692</u>	<u>31,009</u>	<u>1,228</u>	<u>51,929</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses.....	3,971	1,324	28	5,323
Deposits.....	-	418	-	418
Deferred revenue.....	-	17,435	-	17,435
Total liabilities.....	<u>3,971</u>	<u>19,177</u>	<u>28</u>	<u>23,176</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	19	15	-	34
Unrestricted.....	15,702	11,817	1,200	28,719
Total Net Assets.....	<u>\$ 15,721</u>	<u>\$ 11,832</u>	<u>\$ 1,200</u>	<u>\$ 28,753</u>



**(This page is intentionally left blank.)**



**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF ACTIVITIES -  
 NON MAJOR GOVERNMENTAL COMPONENT UNITS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004**

---

**PROGRAM REVENUES**

---

	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
<b>NON MAJOR COMPONENT UNITS</b>				
Jacksonville Housing Finance Authority.....	\$ 1,070	\$ -	\$ 309	\$ -
Jacksonville Economic Development Commission.....	12,021	661	9,459	1,340
Downtown Vision, Inc.....	<u>1,163</u>	<u>821</u>	<u>-</u>	<u>299</u>
Total non-major component units.....	<u>\$ 14,254</u>	<u>\$ 1,482</u>	<u>\$ 9,768</u>	<u>\$ 1,639</u>

General revenues:

Unrestricted earnings on investments.....  
 Other non-tax general revenues.....

CHANGE IN NET ASSETS.....

BEGINNING NET ASSETS.....

ENDING NET ASSETS.....

---

**NET (EXPENSE) REVENUE AND  
CHANGES IN NET ASSETS**

---

<b>JACKSONVILLE HOUSING FINANCE AUTHORITY</b>	<b>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</b>	<b>DOWNTOWN VISION, INC.</b>	<b>TOTAL</b>
(\$ 761)	\$ -	\$ -	(\$ 761)
-	(561)	-	(561)
-	-	(43)	(43)
(761)	(561)	(43)	(1,365)
102	474	9	585
360	190	-	550
(299)	103	(34)	(230)
16,020	11,729	1,234	28,983
\$ 15,721	\$ 11,832	\$ 1,200	\$ 28,753



**(This page is intentionally left blank.)**

## **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, 2004**

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
<b>SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b>			
Excise Taxes Revenue Bonds, Series 1993.....	5.000-6.300%	4/1; 10/1	02/23/93
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 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
Excise Taxes Revenue Bonds, Series 2003A.....	3.000-4.500%	4/1; 10/1	12/29/03
Capital Project Revenue Bonds, Series 2002-1.....	7.588%	Monthly	09/21/04
<b>TOTAL PAYABLE FROM SPECIFIC REVENUE SOURCES.....</b>			
<b>SPECIAL OBLIGATION BONDS PAYABLE FROM OTHER SPECIFIC REVENUE 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
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	2.000-5.000%	4/1; 10/1	03/02/04
Transportation Revenue Bonds, Series 2004 (Auction Rate Securities).....	3.455% (1) 35 day ARS		09/30/04
<b>TOTAL PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES.....</b>			
<b>TOTAL SPECIAL OBLIGATION BONDS.....</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
- (8) Total authorization of \$94,000,000

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/20	\$ 43,605	\$ 43,605	\$ 36,060	\$ 7,545
10/01/19	74,995	74,995	33,790	41,205
09/15/06	10,075	9,825	7,865	1,960
10/01/25	27,855	27,855	2,295	25,560
10/01/05	100,000	100,000	92,420	7,580
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	6,545	9,400
10/01/18	65,640	65,640	56,915	8,725
10/01/06	4,055	4,055	2,550	1,505
10/01/25	8,285	8,285	990	7,295
10/01/17	99,000 (2)	30,000	4,720	25,280
10/01/22	N/A (2)	45,000	3,100	41,900
10/01/25	37,310	37,310	1,465	35,845
10/01/19	75,890	75,890	25,840	50,050
10/01/18	127,000	103,725	395	103,330
10/01/09	49,000	42,485	4,025	38,460
10/01/32	49,000	46,735	-	46,735
10/01/13	65,000	56,685	4,605	52,080
10/01/32	125,000	115,265	2,000	113,265
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	570	67,905
10/01/18	70,000	63,060	2,695	60,365
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
10/01/23	18,745	18,745	-	18,745
10/01/34	94,000 (8)	54,000	-	54,000
	<u>\$ 1,467,330</u>	<u>\$ 1,323,946</u>	<u>\$ 288,845</u>	<u>\$ 1,035,101</u>
10/01/31	\$ 750,000 (6)	\$ 179,280	\$ 2,325	\$ 176,955
10/01/30	1,500,000 (7)	218,430	9,030	209,400
10/01/30	N/A (7)	211,050	2,615	208,435
10/01/20	N/A (6)	47,775	1,365	46,410
10/01/32	N/A (6)	76,825	-	76,825
10/01/32	N/A (6)	76,800	-	76,800
10/01/30	N/A (7)	218,755	-	218,755
10/01/27	N/A (6)	80,275	-	80,275
	<u>2,250,000</u>	<u>1,109,190</u>	<u>15,335</u>	<u>1,093,855</u>
	<u>\$ 3,717,330</u>	<u>\$ 2,433,136</u>	<u>\$ 304,180</u>	<u>\$ 2,128,956</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)**  
**SEPTEMBER 30, 2004**

---

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
<b>PAYABLE FROM ENTERPRISE FUNDS:</b>			
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.....	4.000-5.500%	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 1995 (Coach).....	2.31 - 6.01 %	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
- (8) Total authorization of \$94,000,000

---

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/09	\$ 12,270	\$ 12,270	\$ 990	\$ 11,280
10/01/16	19,965	19,965	2,920	17,045
10/01/16	40,835	40,835	6,145	34,690
10/01/11	N/A (5)	9,094	-	9,094
	<u>\$ 73,070</u>	<u>\$ 82,164</u>	<u>\$ 10,055</u>	<u>\$ 72,109</u>
08/01/14	\$ 3,845	\$ 3,845	\$ 425	\$ 3,420
08/01/12	1,065	1,065	460	605
08/01/15	2,850	2,850	440	2,410
08/01/16	1,700	1,700	685	1,015
08/01/10	700	700	315	385
08/01/16	775	775	100	675
08/01/15	550	550	80	470
	<u>11,485</u>	<u>11,485</u>	<u>2,505</u>	<u>8,980</u>
	<u><u>\$ 3,801,885</u></u>	<u><u>\$ 2,526,785</u></u>	<u><u>\$ 316,740</u></u>	<u><u>\$ 2,210,045</u></u>

---



**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, 2004**

	<b>PRINCIPAL OUTSTANDING</b>
<b>Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Taxes:</b>	
Excise Taxes Revenue Bonds, Series 1993.....	\$ 7,545,140
Capital Improvement Revenue Bonds, Series 1994.....	41,205,000
Sunshine State Governmental Finance Commission Bonds, Series 1994.....	1,960,000
Capital Improvement Revenue Bonds, Series 1995.....	25,560,000
Sales Tax Revenue Bonds, Series 1995.....	7,580,000
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).....	9,400,000
Sales Taxes Revenue Bonds, Series 1996.....	8,725,000
Excise Taxes Revenue Bonds, Series 1996C.....	1,505,000
Capital Improvement Revenue Bonds, Series 1997.....	7,295,000
Capital Project Revenue Bonds, Series 1997-1.....	25,280,000
Capital Project Revenue Bonds, Series 1997-2.....	41,900,000
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	35,845,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	50,050,000
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	103,330,000
Excise Taxes Refunding Bonds, Series 2001A.....	38,460,000
Excise Taxes Revenue Bonds, Series 2001B.....	46,735,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	52,080,000
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	113,265,000
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.....	67,905,000
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	60,365,000
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
Excise Taxes Revenue Bonds, Series 2003A.....	18,745,000
Capital Project Revenue Bonds, Series 2002-1.....	54,000,000
Total.....	<u>1,035,101,300</u>
<b>Special Obligation Bonds Payable from Other Specific Revenue Source other than Ad Valorem Taxes:</b>	
Transportation Revenue Bonds, Series 2001.....	176,955,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	209,400,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	208,435,000
Transportation Revenue Bonds, Series 2003 (Auction Rate Securities).....	46,410,000
Transportation Revenue Bonds, Series 2003A (Auction Rate Securities).....	76,825,000
Transportation Revenue Bonds, Series 2003B (Auction Rate Securities).....	76,800,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	218,755,000
Transportation Revenue Bonds, Series 2004 (Auction Rate Securities).....	80,275,000
Total.....	<u>1,093,855,000</u>
<b>Payable from Enterprise Funds:</b>	
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	11,280,000
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	17,045,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	34,690,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	9,093,840
Total.....	<u>72,108,840</u>
<b>Other Long - Term Obligations:</b>	
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	3,420,000
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	605,000
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	2,410,000
U.S. Government Guaranteed Note Payable, Series 1997 (La Villa).....	1,015,000
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associaties).....	385,000
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	675,000
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	470,000
Total.....	<u>8,980,000</u>
Grand Total.....	<u>\$ 2,210,045,140</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>
\$ 18,784,859	\$ 26,329,999	\$ 540	\$ 26,329,459
22,328,098	63,533,098	1,905,745	61,627,353
271,860	2,231,860	209,959	2,021,901
20,343,994	45,903,994	1,203,044	44,700,950
402,900	7,982,900	3,898,988	4,083,912
1,654,129	9,234,129	189,591	9,044,538
1,942,166	10,992,166	719,014	10,273,152
4,992,187	14,392,187	910,430	13,481,757
2,714,310	11,439,310	2,675,009	8,764,301
109,701	1,614,701	552,213	1,062,488
4,935,986	12,230,986	377,885	11,853,101
16,350,745	41,630,745	1,728,255	39,902,490
50,184,852	92,084,852	1,526,614	90,558,238
30,624,036	66,469,036	1,007,971	65,461,065
12,810,916	62,860,916	8,843,651	54,017,265
45,964,014	149,294,014	2,734,832	146,559,182
6,430,750	44,890,750	5,586,961	39,303,789
42,597,813	89,332,813	1,190,591	88,142,222
13,039,400	65,119,400	6,194,505	58,924,895
100,093,137	213,358,137	4,767,717	208,590,420
62,716,472	116,851,472	1,320,652	115,530,820
20,208,316	62,378,316	957,191	61,421,125
17,575,781	44,495,781	604,329	43,891,452
43,312,572	111,217,572	3,462,962	107,754,610
27,513,844	87,878,844	3,722,248	84,156,596
2,680,087	20,651,247	2,837,385	17,813,862
25,152,859	59,692,859	1,206,997	58,485,862
33,626,517	57,626,517	372,271	57,254,246
9,752,052	28,497,052	2,269,082	26,227,970
107,548,013	161,548,013	22,129	161,525,884
<u>746,662,366</u>	<u>1,781,763,666</u>	<u>62,998,761</u>	<u>1,718,764,905</u>
193,912,751	370,867,751	6,775,048	364,092,703
181,580,802	390,980,802	8,867,468	382,113,334
170,891,087	379,326,087	9,024,826	370,301,261
20,995,057	67,405,057	2,322,889	65,082,168
79,874,259	156,699,259	1,847,641	154,851,618
79,836,380	156,636,380	1,847,040	154,789,340
154,722,320	373,477,320	4,888,517	368,588,803
40,247,224	120,522,224	7,578	120,514,646
<u>922,059,880</u>	<u>2,015,914,880</u>	<u>35,581,007</u>	<u>1,980,333,873</u>
2,229,256	13,509,256	740,299	12,768,957
6,073,200	23,118,200	1,403,699	21,714,501
13,564,443	48,254,443	2,901,726	45,352,717
1,356,188	10,450,028	1,435,785	9,014,243
<u>23,223,087</u>	<u>95,331,927</u>	<u>6,481,509</u>	<u>88,850,418</u>
1,064,706	4,484,706	-	4,484,706
189,267	794,267	-	794,267
1,151,294	3,561,294	-	3,561,294
548,429	1,563,429	-	1,563,429
101,063	486,063	-	486,063
357,550	1,032,550	-	1,032,550
229,988	699,988	-	699,988
<u>3,642,297</u>	<u>12,622,297</u>	<u>-</u>	<u>12,622,297</u>
<u>\$ 1,695,587,630</u>	<u>\$ 3,905,632,770</u>	<u>\$ 105,061,277</u>	<u>\$ 3,800,571,493</u>

**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, 2004**

Fiscal Year	Development of Third Terminal for Operation by the Jacksonville Port Authority		Superstructure Renovation of the ALLTEL Stadium		Construction of the Automated Skyway Express River Crossing Leg		Superstructure Renovation of the ALLTEL Stadium	
	Excise Taxes Revenue Bonds, Series 1993		Capital Improvement Revenue Bonds, Series 1994		Sunshine State Governmental Finance Commission Bonds, Series 1994		Capital Improvement Revenue Bonds, Series 1995	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005			\$ 940,000	\$ 2,258,365	\$ 965,000	\$ 180,320	\$ 460,000	\$ 1,468,604
2006			1,025,000	2,205,780	995,000	91,540	510,000	1,443,256
2007			1,625,000	2,133,418			560,000	1,415,029
2008			1,755,000	2,039,590			610,000	1,383,719
2009			1,890,000	1,936,585			670,000	1,348,824
2010	\$ 190,465	\$ 334,536	2,040,000	1,823,560			735,000	1,309,819
2011	1,076,112	2,103,888	2,200,000	1,699,775			805,000	1,266,296
2012	1,061,197	2,273,803	2,370,000	1,569,975			880,000	1,218,274
2013	1,352,429	3,167,570	2,545,000	1,434,812			955,000	1,165,738
2014	1,313,363	3,401,636	2,730,000	1,289,750			1,040,000	1,107,731
2015	1,288,056	3,631,944	2,930,000	1,134,100			1,130,000	1,043,988
2016	1,263,518	3,871,482	3,135,000	967,313			1,230,000	974,663
2017			3,615,000	781,687			1,320,000	899,756
2018			3,865,000	575,988			1,345,000	821,472
2019			4,130,000	356,125			1,370,000	741,719
2020			4,410,000	121,275			1,400,000	660,350
2021							1,430,000	577,219
2022							1,455,000	492,472
2023							1,485,000	406,109
2024							1,510,000	318,131
2025							2,210,000	208,856
2026							2,450,000	71,969
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
	<u>\$ 7,545,140</u>	<u>\$ 18,784,859</u>	<u>\$ 41,205,000</u>	<u>\$ 22,328,098</u>	<u>\$ 1,960,000</u>	<u>\$ 271,860</u>	<u>\$ 25,560,000</u>	<u>\$ 20,343,994</u>

Interest Rates: 5.00 - 6.30%

5.05 - 5.875%

Variable Rate  
Assumed at 9.20%

5.00 - 5.875%

River City Renaissance Projects		To Partially Refund Excise Taxes Revenue Refunding Bonds, Series 1988A		Closure of North Landfill		Expansion of Trail Ridge Landfill	
Sales Tax Revenue Bonds, Series 1995		Excise Taxes Revenue Refunding Bonds, Series 1995A		Sunshine State Governmental Finance Commission Bonds, Series 1995A		Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT)	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 3,680,000	\$ 305,400		\$ 379,182	\$ 670,000	\$ 464,045	\$ 450,000	\$ 525,875
3,900,000	97,500		379,181	1,180,000	415,683		514,625
			379,181	1,240,000	352,232		514,625
		\$ 2,850,000	309,713	1,310,000	287,828		514,625
		2,995,000	163,497	1,380,000	217,335		514,625
		1,735,000	43,375	1,460,000	140,097		514,625
				1,545,000	57,460		514,625
				265,000	7,486	1,370,000	475,237
						1,735,000	385,969
						1,835,000	283,331
						1,945,000	174,656
						2,065,000	59,369
<u>\$ 7,580,000</u>	<u>\$ 402,900</u>	<u>\$ 7,580,000</u>	<u>\$ 1,654,129</u>	<u>\$ 9,050,000</u>	<u>\$ 1,942,166</u>	<u>\$ 9,400,000</u>	<u>\$ 4,992,187</u>

5.00 - 6.00%

4.875 - 5.125%

4.75 - 5.65%

4.60 - 5.75%

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -**  
**SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES**  
**OTHER THAN AD VALOREM TAXES (continued)**  
**SEPTEMBER 30, 2004**

Purpose:	River City Renaissance Projects		Jacksonville Beach Downtown Revitalization		Superstructure Renovation of the ALLTEL Stadium		Drainage and General Capital Programs	
	Sales Tax Revenue Bonds, Series 1996		Excise Taxes Revenue Bonds Series 1996C		Capital Improvement Revenue Bonds, Series 1997		Capital Project Revenue Bonds Series 1997 - 1	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 2,455,000	\$ 366,881	\$ 485,000	\$ 60,241	\$ 190,000	\$ 369,827	\$ 1,305,000	\$ 1,976,186
2006	2,570,000	250,021	505,000	36,971	200,000	361,148	1,365,000	1,870,723
2007		189,625	515,000	12,489	210,000	351,817	1,430,000	1,765,841
2008		189,625			215,000	341,935	1,495,000	1,654,158
2009		189,625			230,000	331,363	1,565,000	1,538,814
2010		189,625			240,000	319,962	1,640,000	1,413,869
2011		189,625			250,000	307,833	1,720,000	1,287,088
2012		189,625			265,000	294,825	1,805,000	1,152,756
2013		189,625			275,000	280,986	1,895,000	1,012,717
2014		189,625			290,000	266,365	1,995,000	862,991
2015		189,625			305,000	250,819	2,095,000	707,977
2016	860,000	167,588			320,000	234,412	2,205,000	544,357
2017	900,000	122,488			340,000	217,087	2,320,000	372,489
2018	945,000	75,210			355,000	198,844	2,445,000	190,779
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								
2034								
2035								
	<u>\$ 8,725,000</u>	<u>\$ 2,714,310</u>	<u>\$ 1,505,000</u>	<u>\$ 109,701</u>	<u>\$ 7,295,000</u>	<u>\$ 4,935,986</u>	<u>\$ 25,280,000</u>	<u>\$ 16,350,745</u>

Interest Rates: 4.35 - 5.50%

4.35 - 4.85%

4.20 - 5.25%

Variable Rate  
Assumed at 7.81%

<b>Drainage and General Capital Programs</b>		<b>To Refund a Portion of Capital Improvement Revenue Bonds, Series 1994</b>		<b>To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1988A and 1991 and Preservation and Recreational Programs</b>		<b>To Refund a Portion of Sales Tax Revenue Bonds, Series 1995 and 1996</b>	
<b>Capital Project Revenue Bonds Series 1997 - 2</b>		<b>Capital Improvement and Refunding Revenue Bonds, Series 1998</b>		<b>Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A</b>		<b>Local Government Sales Tax Refunding Revenue Bonds, Series 2001</b>	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 900,000	\$ 3,728,340	\$ 160,000	\$ 1,696,462	\$ 7,690,000	\$ 2,066,890	\$ 165,000	\$ 5,204,073
900,000	3,641,544	165,000	1,689,718	8,075,000	1,721,215	175,000	5,197,954
1,000,000	3,564,890	175,000	1,682,577	7,385,000	1,383,165	6,965,000	5,064,210
1,000,000	3,475,990	180,000	1,675,078	3,670,000	1,125,140	7,230,000	4,743,829
1,100,000	3,390,209	190,000	1,667,167	3,815,000	975,440	7,600,000	4,402,041
1,100,000	3,286,271	195,000	1,658,793	1,410,000	870,940	7,905,000	4,087,001
1,200,000	3,191,510	205,000	1,649,890	1,465,000	811,608	8,230,000	3,751,130
1,200,000	3,084,830	215,000	1,640,332	1,530,000	747,965	8,580,000	3,342,350
1,300,000	2,980,892	225,000	1,630,100	1,590,000	680,473	9,050,000	2,857,525
1,400,000	2,859,944	235,000	1,619,231	1,665,000	608,030	9,545,000	2,346,162
1,400,000	2,738,120	245,000	1,607,525	1,740,000	530,548	10,075,000	1,806,613
1,500,000	2,613,660	260,000	1,594,900	1,820,000	447,758	6,405,000	1,353,413
1,600,000	2,482,594	270,000	1,581,650	1,905,000	359,744	6,760,000	991,375
1,700,000	2,335,917	285,000	1,567,775	1,995,000	264,625	7,125,000	609,538
4,400,000	2,186,940	300,000	1,553,150	2,095,000	162,375	7,520,000	206,800
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>\$ 41,900,000</u>	<u>\$ 50,184,852</u>	<u>\$ 35,845,000</u>	<u>\$ 30,624,036</u>	<u>\$ 50,050,000</u>	<u>\$ 12,810,916</u>	<u>\$ 103,330,000</u>	<u>\$ 45,964,014</u>

Variable Rate  
Assumed at 8.89%

3.90 - 5.00%

3.30 - 5.00%

3.00 - 5.00%

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -**  
**SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES**  
**OTHER THAN AD VALOREM TAXES (continued)**  
**SEPTEMBER 30, 2004**

Purpose:	To Refund a Portion Excise Taxes Revenue Bonds, Series 1996B		To Fund a Redevelopment Agreement with Trilegacy Group, LLC Riverfront Development Jacksonville Shipyards		To Refund Excise Taxes Revenue Refunding Bonds, Series 1992 and Animal Care and Control Facility		To Refund Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A and Various Other Projects	
	Excise Taxes Refunding Bonds, Series 2001A		Excise Taxes Revenue Bonds, Series 2001B		Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A		Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 4,615,000	\$ 1,807,625		\$ 2,300,773	\$ 4,845,000	\$ 2,547,725	\$ 2,060,000	\$ 5,360,362
2006	5,260,000	1,560,750	\$ 850,000	2,283,772	5,080,000	2,299,600	2,120,000	5,297,663
2007	5,950,000	1,280,500	880,000	2,249,173	5,335,000	2,039,225	2,185,000	5,233,087
2008	6,710,000	964,000	915,000	2,213,272	5,605,000	1,758,719	2,250,000	5,165,156
2009	7,530,000	608,000	955,000	2,175,395	5,895,000	1,486,319	2,320,000	5,089,400
2010	8,395,000	209,875	995,000	2,134,674	6,155,000	1,199,481	2,400,000	5,006,800
2011			1,035,000	2,091,277	6,465,000	868,206	2,485,000	4,918,206
2012			1,080,000	2,045,265	6,805,000	511,362	2,580,000	4,821,625
2013			1,130,000	1,996,080	2,865,000	245,438	2,680,000	4,718,038
2014			1,180,000	1,943,515	3,030,000	83,325	2,785,000	4,608,737
2015			1,235,000	1,887,353			2,895,000	4,493,328
2016			1,290,000	1,827,370			3,015,000	4,352,591
2017			1,355,000	1,763,212			3,180,000	4,186,100
2018			1,420,000	1,694,515			3,350,000	4,010,606
2019			1,490,000	1,621,765			3,530,000	3,825,706
2020			1,565,000	1,544,608			3,720,000	3,630,863
2021			1,645,000	1,462,547			3,920,000	3,425,537
2022			1,730,000	1,376,062			4,130,000	3,216,938
2023			1,815,000	1,285,222			4,335,000	3,005,312
2024			1,910,000	1,189,769			4,555,000	2,783,063
2025			2,010,000	1,089,319			4,780,000	2,549,687
2026			2,110,000	983,744			5,020,000	2,304,688
2027			2,220,000	872,787			5,270,000	2,047,438
2028			2,335,000	756,066			5,535,000	1,777,313
2029			2,450,000	633,450			5,810,000	1,491,375
2030			2,580,000	504,556			6,105,000	1,188,506
2031			2,710,000	369,000			6,415,000	869,756
2032			2,850,000	226,525			6,745,000	534,206
2033			2,995,000	76,747			7,090,000	181,050
2034								
2035								
	<u>\$ 38,460,000</u>	<u>\$ 6,430,750</u>	<u>\$ 46,735,000</u>	<u>\$ 42,597,813</u>	<u>\$ 52,080,000</u>	<u>\$ 13,039,400</u>	<u>\$ 113,265,000</u>	<u>\$ 100,093,137</u>

Interest Rates: 5.00%

4.000% - 5.125%

4.250% - 5.500%

3.000% - 5.375%

Capital Improvements at Alltel Stadium		To Crossover Refund Capital Improvement Revenue Bonds, Series 1994		To Crossover Refund Capital Improvement Revenue Bonds, Series 1995		To Fund a Grant to Shands Jacksonville Medical Center, Inc	
Capital Improvement Revenue Bonds, Series 2002A		Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B		Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C		Excise Taxes Revenue Bonds Series 2002B	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	\$ 2,641,304		\$ 1,914,381		\$ 1,208,658	\$ 1,910,000	\$ 3,060,866
	2,641,304	\$ 1,340,000	1,900,981		1,208,658	1,965,000	3,002,741
\$ 595,000	2,634,238	1,915,000	1,864,841	\$ 780,000	1,199,395	2,025,000	2,942,891
560,000	2,619,613	2,000,000	1,815,100	820,000	1,179,063	2,085,000	2,881,241
505,000	2,604,478	2,090,000	1,756,750	865,000	1,155,018	2,150,000	2,806,966
455,000	2,589,509	2,195,000	1,689,731	920,000	1,127,093	2,235,000	2,719,266
395,000	2,575,203	2,310,000	1,596,313	980,000	1,094,993	2,325,000	2,636,204
335,000	2,562,260	2,465,000	1,476,938	1,045,000	1,059,033	2,400,000	2,549,841
290,000	2,550,865	2,630,000	1,349,563	1,105,000	1,019,780	2,495,000	2,451,941
220,000	2,541,100	2,810,000	1,210,050	1,175,000	975,838	2,595,000	2,346,898
155,000	2,533,600	3,005,000	1,057,406	1,250,000	927,338	2,705,000	2,230,891
75,000	2,529,000	3,210,000	894,263	1,335,000	867,294	2,825,000	2,106,466
	2,527,500	3,685,000	717,875	1,425,000	796,625	2,955,000	1,965,238
	2,527,500	3,920,000	527,750	1,440,000	725,000	3,110,000	1,804,638
	2,527,500	4,165,000	325,625	1,460,000	652,500	3,275,000	1,634,629
	2,527,500	4,430,000	110,750	1,485,000	578,875	3,450,000	1,454,835
	2,527,500			1,505,000	504,125	3,635,000	1,264,426
	2,527,500			1,520,000	428,500	3,830,000	1,076,730
	2,527,500			1,540,000	352,000	4,010,000	891,488
	2,527,500			1,555,000	274,625	4,200,000	691,250
	2,527,500			2,245,000	179,625	4,410,000	476,000
945,000	2,503,875			2,470,000	61,750	4,630,000	250,000
8,975,000	2,255,875					2,685,000	67,125
9,425,000	1,795,875						
9,900,000	1,312,750						
10,395,000	805,375						
10,910,000	272,750						
<u>\$ 54,135,000</u>	<u>\$ 62,716,472</u>	<u>\$ 42,170,000</u>	<u>\$ 20,208,316</u>	<u>\$ 26,920,000</u>	<u>\$ 17,575,781</u>	<u>\$ 67,905,000</u>	<u>\$ 43,312,572</u>

2.375% - 5.000%

2.000% - 5.250%

2.375% - 5.250%

2.500% - 5.375%

(continued)



**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -**  
**SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES**  
**OTHER THAN AD VALOREM TAXES (continued)**  
**SEPTEMBER 30, 2004**

Fiscal Year	To Refund Commercial Paper Notes and to Fund Veterans Memorial Wall Plaza and Library Systems Improvements		To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1993A		To Refund Excise Taxes Revenue Bonds, Series 1993 (AMT)		Drainage and General Capital Programs	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 2,375,000	\$ 2,641,050	\$ 2,456,800	\$ 705,998	\$ 330,000	\$ 1,750,694		\$ 1,893,829
2006	2,440,000	2,568,825	2,533,160	605,817	360,000	1,743,794		1,896,000
2007	2,515,000	2,494,500	2,656,000	476,088	405,000	1,735,891		1,896,000
2008	2,585,000	2,418,000	2,785,480	367,906	435,000	1,726,150		1,898,171
2009	2,675,000	2,337,428	2,875,120	279,677	475,000	1,713,588		1,893,829
2010	2,755,000	2,249,141	2,971,400	158,945	15,000	1,706,219		1,896,000
2011	2,850,000	2,150,994	826,680	63,993	15,000	1,705,713	\$ 200,000	1,881,499
2012	2,950,000	2,041,806	866,520	21,663	15,000	1,705,150	500,000	1,846,055
2013	3,065,000	1,922,975			20,000	1,704,450	800,000	1,780,645
2014	3,195,000	1,797,775			20,000	1,703,638	700,000	1,726,745
2015	3,315,000	1,652,013			20,000	1,702,813	800,000	1,664,195
2016	6,845,000	1,387,803			20,000	1,701,963	700,000	1,610,082
2017	7,210,000	1,015,438			5,380,000	1,560,300	600,000	1,558,403
2018	7,595,000	624,403			5,895,000	1,264,331	600,000	1,512,796
2019	7,995,000	211,694			6,445,000	940,406	500,000	1,472,647
2020					7,030,000	586,688	400,000	1,442,044
2021					7,660,000	201,075	300,000	1,414,423
2022							200,000	1,399,599
2023								1,398,300
2024							5,700,000	986,097
2025							5,900,000	519,553
2026							6,100,000	39,608
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
	<u>\$ 60,365,000</u>	<u>\$ 27,513,844</u>	<u>\$ 17,971,160</u>	<u>\$ 2,680,087</u>	<u>\$ 34,540,000</u>	<u>\$ 25,152,859</u>	<u>\$ 24,000,000</u>	<u>\$ 33,626,517</u>

Interest Rates: 3.000% - 5.375%                      3.000% - 5.000%                      2.000% - 5.250%                      Variable Rate  
Maximum Assumed at 7.90%

**To Fund a Grant to  
Shands Jacksonville  
Medical Center, Inc.  
(Proton Beam)**

**Drainage and  
General Capital  
Programs**

<b>Excise Taxes Revenue Bonds Series 2003A</b>		<b>Capital Project Revenue Bonds Series 2002-1</b>		<b>Total Principal and Interest</b>
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
	\$ 546,017		\$ 111,947	\$ 88,648,719
	722,670		4,093,478	95,256,071
	722,670		4,097,250	96,020,848
\$ 300,000	722,670		4,097,250	94,933,021
880,000	713,670		4,101,022	96,047,183
905,000	687,270		4,093,478	92,506,819
935,000	660,120		4,097,250	82,688,488
960,000	632,070		4,097,250	82,910,492
990,000	600,870		4,101,022	79,220,502
1,025,000	566,220		4,093,478	79,215,477
1,065,000	529,320		4,097,250	76,189,477
1,105,000	489,915		4,097,250	76,176,429
1,145,000	447,925		4,101,022	74,413,507
1,190,000	403,270		4,093,478	74,408,435
1,235,000	355,670		4,097,250	74,357,678
1,285,000	305,035		4,097,250	57,293,490
1,340,000	251,065		4,101,022	50,451,368
1,400,000	194,115		4,093,478	42,266,579
1,460,000	132,865		4,097,250	41,826,796
1,525,000	68,625		4,097,250	41,042,567
			4,101,022	39,750,962
			4,093,478	39,302,644
		\$ 5,200,000	4,097,250	33,690,475
		5,400,000	3,702,700	30,726,954
		5,600,000	3,296,007	30,493,582
		5,800,000	2,865,434	30,243,871
		6,000,000	2,428,000	29,974,506
		6,200,000	1,972,750	18,528,481
		6,400,000	1,503,708	18,246,505
		6,600,000	1,015,789	7,615,789
		6,800,000	515,950	7,315,950
<b>\$ 18,745,000</b>	<b>\$ 9,752,052</b>	<b>\$ 54,000,000</b>	<b>\$ 107,548,013</b>	<b>\$ 1,781,763,665</b>

3.000% - 4.500%

Variable Rate  
Maximum Assumed at 7.588%



**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**

<b>Transportation Revenue Bonds, Series 2003 (Auction Rate Securities)</b>		<b>Transportation Revenue Bonds Series 2003A (Auction Rate Securities)</b>		<b>Transportation Revenue Bonds Series 2003B (Auction Rate Securities)</b>	
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
\$ -	\$ 1,888,409		\$ 3,695,283		\$ 3,694,080
1,420,000	1,832,570		3,695,282		3,694,080
1,475,000	1,774,525		3,695,283		3,694,080
1,540,000	1,714,075		3,695,282		3,694,080
1,610,000	1,650,917		3,695,283		3,694,080
1,670,000	1,585,153		3,695,282		3,694,080
1,745,000	1,516,682		3,695,283		3,694,080
1,810,000	1,445,405		3,695,282		3,694,080
1,890,000	1,371,220		3,695,283		3,694,080
2,300,000	1,287,210		3,695,282		3,694,080
2,385,000	1,193,276	\$ 2,375,000	3,638,164	\$ 2,375,000	3,636,961
2,495,000	1,095,432	2,500,000	3,520,920	2,500,000	3,519,718
4,990,000	945,358	2,100,000	3,410,290	2,100,000	3,409,088
5,190,000	741,249	2,125,000	3,308,679	2,125,000	3,306,875
5,405,000	528,819	2,225,000	3,204,061	2,225,000	3,201,055
5,135,000	317,492	2,550,000	3,089,223	2,550,000	3,086,216
5,350,000	107,268	2,625,000	2,964,764	2,625,000	2,962,359
		3,800,000	2,810,243	3,800,000	2,807,838
		3,925,000	2,624,456	3,925,000	2,622,051
		4,075,000	2,432,056	4,075,000	2,430,253
		4,225,000	2,232,441	4,225,000	2,231,840
		4,375,000	2,025,611	4,375,000	2,026,213
		4,500,000	1,812,168	4,500,000	1,812,769
		4,650,000	1,592,110	4,650,000	1,591,509
		4,825,000	1,364,236	4,825,000	1,363,034
		5,000,000	1,127,945	5,000,000	1,126,743
		5,175,000	883,236	5,175,000	882,034
		5,350,000	630,110	5,350,000	628,908
		10,425,000	250,721	10,400,000	250,120
<u>\$ 46,410,000</u>	<u>\$ 20,995,057</u>	<u>\$ 76,825,000</u>	<u>\$ 79,874,259</u>	<u>\$ 76,800,000</u>	<u>\$ 79,836,380</u>

Auction Rate Securities  
Assumed at 4.01%

Auction Rate Securities  
Assumed at 4.81%

Auction Rate Securities  
Assumed at 4.81%

(continued)





**(This page is intentionally left blank.)**

**CITY OF JACKSONVILLE, FLORIDA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
PAYABLE FROM ENTERPRISE FUNDS  
SEPTEMBER 30, 2004**

---

<b>Purpose:</b>	<b>To Refund Parking and Excise Taxes Revenue Refunding Bonds, Series 1987</b>		<b>To Partially Refund Excise Taxes Revenue Bonds, Series 1991A</b>	
	<b>Excise Taxes Revenue Refunding Bonds, Series 1995A</b>		<b>Excise Taxes Revenue Refunding Bonds, Series 1996A</b>	
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2005	\$ 460,000	\$ 545,950	\$ 970,000	\$ 822,987
2006	485,000	524,384	1,010,000	774,600
2007	1,500,000	477,544	1,065,000	717,538
2008	2,800,000	373,669	1,120,000	662,490
2009	2,935,000	230,209	1,175,000	609,117
2010	3,100,000	77,500	1,230,000	551,985
2011			1,285,000	490,983
2012			1,350,000	425,750
2013			1,420,000	356,500
2014			1,490,000	283,750
2015			1,565,000	207,375
2016			1,645,000	127,125
2017			1,720,000	43,000
	<u>\$ 11,280,000</u>	<u>\$ 2,229,256</u>	<u>\$ 17,045,000</u>	<u>\$ 6,073,200</u>

Interest Rates:                      4.25 - 5.125%                                      4.00 - 5.50%

<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>Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B</b>		<b>Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B</b>		<b>Total Principal And Interest</b>
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
\$ 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>\$ 34,690,000</u>	<u>\$ 13,564,443</u>	<u>\$ 9,093,840</u>	<u>\$ 1,356,188</u>	<u>\$ 95,331,927</u>

4.20 - 5.75%

3.00 - 5.00%





<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	\$ 25,452	\$ 30,000	\$ 46,160	\$ 20,000	\$ 32,003	\$ 991,157
50,000	22,246	30,000	44,237	20,000	30,721	1,032,820
50,000	19,017	35,000	42,299	25,000	29,429	1,114,634
55,000	15,771	40,000	40,027	40,000	27,806	1,175,165
85,000	12,136	45,000	37,384	40,000	25,163	1,244,353
95,000	6,441	55,000	34,368	45,000	22,482	1,301,045
		60,000	30,640	45,000	19,432	1,245,484
		65,000	26,541	50,000	16,358	1,269,508
		75,000	22,070	55,000	12,918	1,217,724
		80,000	16,872	65,000	9,106	1,175,248
		80,000	11,288	65,000	4,570	630,291
		80,000	5,664			224,868
<b>\$ 385,000</b>	<b>\$ 101,063</b>	<b>\$ 675,000</b>	<b>\$ 357,550</b>	<b>\$ 470,000</b>	<b>\$ 229,988</b>	<b>\$ 12,622,297</b>

6.23 - 6.78%  
(Taxable)

6.23 - 7.08%  
(Taxable)

6.23 - 7.03%  
(Taxable)

**CITY OF JACKSONVILLE, FLORIDA  
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE  
DISCLOSURE OBLIGATION  
SEPTEMBER 30, 2004**

**Pledged Revenue for the Fiscal Year Ended September 30,**

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 67,373,395	\$ 67,487,001	\$ 71,688,673
7th Cent Gasoline Tax:			
7th Cent Gasoline Tax	\$ 3,447,789	\$ 3,469,260	\$ 3,585,283
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	\$ 4,878,361	\$ 4,890,098	\$ 5,393,416
Peoples Gas	1,068,503	904,315	593,671
Telecommunications Tax (3)	23,894,566	26,267,409	2,165,646
Communications Services Taxes (3)	-	-	34,588,391
JEA (2)	40,965,363	43,336,805	42,857,680
Miscellaneous	<u>2,534,348</u>	<u>3,087,032</u>	<u>2,111,122</u>
Total Utilities Service Tax	73,341,141	78,485,659	87,709,926
Fuel Oil Tax	245,233	287,443	164,199
Occupational License Taxes	6,720,992	6,910,069	7,089,446
Total Excise Tax Pledged Revenues	<u>\$ 80,307,366</u>	<u>\$ 85,683,171</u>	<u>\$ 94,963,571</u>
Junior Lien Excise Taxes:			
Total Excise Taxes	\$ 80,307,366	\$ 85,683,171	\$ 94,963,571
Total Junior Lien Excise Tax Revenues	<u>\$ 80,307,366</u>	<u>\$ 85,683,171</u>	<u>\$ 94,963,571</u>
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	\$ 665,978	\$ 1,012,176	\$ 553,140
Southern Bell	3,405,328	3,524,759	1,180,053
Cable Television	3,127,769	3,309,345	1,029,768
Other Franchise Fees	-	-	-
Total Franchise Fees	<u>7,199,075</u>	<u>7,846,280</u>	<u>2,762,961</u>
Communications Services Taxes (4)	-	-	6,103,834
Sports Facility Sales Tax Rebate	1,999,944	1,833,292	2,000,004
Convention Development Tax (2%)	3,134,146	3,474,960	3,524,332
Sports Facility Tourist Development Tax (2%)	<u>3,365,147</u>	<u>3,737,587</u>	<u>3,780,078</u>
Total Sports Facility Capital Improvements Pledged Revenues	<u>\$ 15,698,312</u>	<u>\$ 16,892,119</u>	<u>\$ 18,171,209</u>
Infrastructure Improvements (Better Jacksonville Infrastructure):			
Infrastructure Sales Tax (5)	\$ -	\$ 38,496,315	\$ 55,324,038
Transportation Improvements (Better Jacksonville Transportation):			
Transportation Sales Tax (1)	\$ 56,745,904	\$ 57,496,406	\$ 57,471,472
Gas Tax (Constitutional Fuel Tax) (1)	<u>8,557,846</u>	<u>8,475,125</u>	<u>8,174,201</u>
Total Transportation Improvements Pledged Revenues	<u>\$ 65,303,750</u>	<u>\$ 65,971,531</u>	<u>\$ 65,645,673</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>2003</u>	<u>2004</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 73,677,299	\$ 76,155,237	\$ 17,399,950	4.39 x	1.35 x
\$ 3,688,755	\$ 3,870,166	\$ 1,206,800	3.32 x	1.50 x
\$ 5,659,797	\$ 6,161,879			
677,108	654,224			
145,230	-			
35,186,308	34,895,973			
45,981,688	45,740,236			
1,954,161	1,911,435			
<u>89,604,292</u>	<u>89,363,747</u>			
162,835	107,075			
7,492,991	7,319,694			
<u>\$ 97,260,118</u>	<u>\$ 96,790,516</u>	\$ 50,087,505	1.93 x	1.40 x
<u>\$ 97,260,118</u>	<u>\$ 96,790,516</u>	\$ 50,087,505	1.93 x	1.25 x
\$ 620,741	\$ 1,050,527			
-	-			
-	-			
304,963	101,083			
<u>925,704</u>	<u>1,151,610</u>			
6,209,348	6,158,113			
2,000,004	2,000,004			
3,610,819	3,846,824			
3,895,264	4,154,654			
<u>\$ 16,641,139</u>	<u>\$ 17,311,205</u>	\$ 11,705,488	1.48 x	1.35 x
\$ 57,970,655	\$ 60,132,294	\$ 27,919,586	2.14 x	1.35 x
\$ 60,379,055	\$ 61,649,656			
8,446,937	8,860,938			
<u>\$ 68,825,992</u>	<u>\$ 70,510,594</u>	\$ 44,075,158	1.59 x	1.35 x

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE**  
**DISCLOSURE OBLIGATION (continued)**  
**SEPTEMBER 30, 2004**

**Pledged Revenue for the Fiscal Year Ended September 30,**

	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Guaranteed Entitlement Revenues:</b>			
County Revenue Sharing:			
Cigarette Tax	\$ 673,724	\$ 596,894	\$ 579,774
Intangible Tax (1)	19,509,391	-	-
Sales Tax (1)	-	16,718,361	16,698,273
County Total	<u>\$ 20,183,115</u>	<u>\$ 17,315,255</u>	<u>\$ 17,278,047</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>10.10 x</u>	<u>8.66 x</u>	<u>8.65 x</u>
City Revenue Sharing:			
Cigarette Tax (2)	\$ 9,803,251	\$ -	\$ -
Sales and Use Tax (2)	-	10,404,649	10,663,344
City Total	<u>\$ 9,803,251</u>	<u>\$ 10,404,649</u>	<u>\$ 10,663,344</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>1.68 x</u>	<u>1.79 x</u>	<u>1.83 x</u>
Aggregate City / County Guaranteed	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>
Statewide Revenue Sharing - Counties:			
Intangible Tax (1)	\$ 355,976,483	\$ -	\$ -
Cigarette Tax	12,117,511	11,149,461	11,229,107
Sales Tax (1)	-	306,361,416	309,765,152
Total Receipts	<u>\$ 368,093,994</u>	<u>\$ 317,510,877</u>	<u>\$ 320,994,259</u>
Guaranteed Entitlement for all Florida Counties	<u>\$ 95,086,330</u>	<u>\$ 95,086,330</u>	<u>\$ 95,086,330</u>
Average Coverage - All Florida Counties	<u>3.88 x</u>	<u>3.34 x</u>	<u>3.38 x</u>
Statewide Revenue Sharing - Municipalities:			
Cigarette Tax (2)	\$ 123,878,513	\$ -	\$ -
8th Cent Motor Fuel Tax	80,870,856	80,474,387	82,184,764
Special Tax and Alternative Fuel User Decal Fee	1,028,891	1,060,517	953,804
Sales and Use Tax (2)	-	145,896,115	147,517,049
Total Receipts	<u>\$ 205,778,260</u>	<u>\$ 227,431,019</u>	<u>\$ 230,655,617</u>
Guaranteed Entitlement for all Florida Municipalities	<u>\$ 112,261,230</u>	<u>\$ 112,304,159</u>	<u>\$ 117,046,851</u>
Average Coverage - All Florida Municipalities	<u>1.84 x</u>	<u>2.03 x</u>	<u>1.97 x</u>
JEA Contribution:			
JEA Contribution - Electric Services	\$ 60,898,145	\$ 62,589,668	\$ 65,489,557
JEA Contribution - Water and Sewer	10,536,135	11,048,610	11,116,676
Total JEA Contribution	<u>\$ 71,434,280</u>	<u>\$ 73,638,278</u>	<u>\$ 76,606,233</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>2003</u>	<u>2004</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 566,791	\$ 723,084			
-	-			
17,072,235	18,666,179			
<u>\$ 17,639,026</u>	<u>\$ 19,389,263</u>			
\$ 1,999,042	\$ 1,999,042			
<u>8.83 x</u>	<u>9.70 x</u>			
\$ -	\$ -			
11,091,977	13,421,241			
<u>\$ 11,091,977</u>	<u>\$ 13,421,241</u>			
\$ 5,826,077	\$ 5,826,077			
<u>1.91 x</u>	<u>2.30 x</u>			
<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	\$ 7,452,100	1.05 x	1.05 x
\$ -	\$ -			
11,046,778	11,118,432			
318,054,685	346,145,856			
<u>\$ 329,101,463</u>	<u>\$ 357,264,288</u>			
\$ 95,086,330	\$ 95,086,330			
<u>3.47 x</u>	<u>3.76 x</u>			
\$ -	\$ -			
84,519,288	88,531,815			
1,135,259	1,393,234			
151,462,709	164,842,349			
<u>\$ 237,117,256</u>	<u>\$ 254,767,398</u>			
\$ 113,749,426	\$ 114,793,146			
<u>2.09 x</u>	<u>2.22 x</u>			
\$ 67,039,278	\$ 70,039,278			
11,456,781	13,148,260			
<u>\$ 78,496,059</u>	<u>\$ 83,187,538</u>	\$ 9,507,340	8.75 x	8.26 x



**(This page is intentionally left blank.)**

## **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)**

---

	<u>2004</u>	<u>%</u>	<u>2003</u>	<u>%</u>	<u>2002</u>	<u>%</u>	<u>2001</u>	<u>%</u>
<b><u>SOURCE</u></b>								
Taxes.....	\$ 602,606	52.41	\$ 581,289	53.85	\$ 558,090	54.32	\$ 507,253	58.63
Licenses and Permits.....	8,524	0.74	8,473	0.78	10,238	1.00	14,806	1.71
Intergovernmental.....	297,639	25.89	264,146	24.47	327,358	31.87	210,053	24.28
Charges for Services.....	85,789	7.46	84,424	7.82	74,309	7.23	68,394	7.91
Fines and Forfeitures.....	10,771	0.94	11,218	1.04	10,946	1.07	10,415	1.20
Payment in Lieu of Taxes.....	83,188	7.24	81,376	7.54	2,984	0.29	3,344	0.39
Interest.....	34,489	3.00	20,404	1.89	23,118	2.25	29,496	3.41
Other.....	<u>26,771</u>	<u>2.33</u>	<u>28,109</u>	<u>2.60</u>	<u>20,275</u>	<u>1.97</u>	<u>21,361</u>	<u>2.47</u>
Total General Governmental Revenue.....	<u>\$ 1,149,777</u>	<u>100.00</u>	<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>

Note: This schedule includes Revenues of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

---

---

<u>2000</u>	<u>%</u>	<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>
\$ 464,004	57.31	\$ 425,912	58.28	\$ 406,372	57.60	\$ 378,665	56.87	\$ 370,590	59.11	\$ 349,208	58.34
13,970	1.73	13,194	1.81	13,028	1.85	12,499	1.88	12,129	1.93	11,592	1.94
202,150	24.97	182,543	24.98	166,477	23.60	149,095	22.39	148,789	23.74	143,141	23.91
62,302	7.70	55,275	7.56	57,652	8.17	55,209	8.29	51,192	8.17	50,644	8.46
9,938	1.22	8,948	1.21	9,914	1.40	7,485	1.12	6,521	1.04	6,380	1.07
3,583	0.44	3,799	0.52	3,904	0.55	4,027	0.60	4,275	0.68	3,612	0.60
29,864	3.69	22,373	3.06	22,055	3.13	18,900	2.84	19,217	3.07	22,153	3.70
23,790	2.94	18,820	2.58	26,068	3.70	39,992	6.01	14,161	2.26	11,825	1.98
<u>\$ 809,601</u>	<u>100.00</u>	<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>

---

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
GENERAL GOVERNMENTAL EXPENDITURES  
LAST TEN FISCAL YEARS (in thousands)**

---

	<u>2004</u>	<u>%</u>	<u>2003</u>	<u>%</u>	<u>2002</u>	<u>%</u>	<u>2001</u>	<u>%</u>
<b><u>FUNCTIONAL AREA</u></b>								
General Government.....	\$ 117,428	8.75	\$ 109,494	7.41	\$ 102,169	8.81	\$ 100,232	10.59
Human Services.....	100,212	7.47	99,206	6.72	94,375	8.14	90,601	9.57
Public Safety.....	358,964	26.75	341,473	23.12	327,634	28.27	311,732	32.93
Culture and Recreation.....	78,392	5.84	59,538	4.03	49,592	4.28	44,018	4.65
Transportation.....	130,473	9.72	118,073	8.00	128,928	11.12	110,765	11.70
Economic Environment.....	68,675	5.12	74,242	5.03	78,241	6.75	57,411	6.06
Physical Environment.....	19,271	1.44	18,435	1.25	25,608	2.21	21,346	2.25
Debt Service.....	130,631	9.73	98,590	6.68	93,050	8.03	73,670	7.78
Capital Outlay.....	<u>337,896</u>	<u>25.18</u>	<u>557,727</u>	<u>37.77</u>	<u>259,486</u>	<u>22.39</u>	<u>136,910</u>	<u>14.46</u>
Total General Governmental Expenditures.....	<u>\$ 1,341,942</u>	<u>100.00</u>	<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>

Note: This schedule includes Expenditures of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

---

---

<u>2000</u>	<u>%</u>	<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>
\$ 92,281	11.03	\$ 85,213	11.07	\$ 85,213	11.51	\$ 75,064	9.37	\$ 69,054	9.45	\$ 69,527	8.42
81,451	9.73	75,358	9.79	71,290	9.63	63,071	7.88	59,991	8.21	53,866	6.53
298,131	35.61	276,361	35.88	267,017	36.04	257,565	32.17	243,139	33.26	232,820	28.20
40,725	4.87	38,350	4.98	36,202	4.89	36,413	4.55	33,854	4.63	34,263	4.15
119,741	14.31	110,019	14.29	106,854	14.43	106,943	13.36	103,606	14.17	102,145	12.37
43,296	5.17	44,555	5.79	40,663	5.49	43,215	5.40	39,899	5.46	40,937	4.96
15,352	1.83	13,891	1.80	11,812	1.60	15,220	1.90	15,937	2.18	16,180	1.96
70,451	8.42	64,443	8.37	59,147	7.99	104,298	13.03	58,145	7.95	78,635	9.53
75,548	9.03	61,826	8.03	62,330	8.42	98,830	12.34	107,370	14.69	197,118	23.88
<u>\$ 836,976</u>	<u>100.00</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>

---

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
TAX REVENUE BY SOURCE  
LAST TEN FISCAL YEARS**

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Ad Valorem Taxes (1)</b>				
General Services District.....	\$ 338,758,481	\$ 322,926,509	\$ 310,460,077	\$ 293,080,537
Urban Services District.....	-	-	-	-
Tax Increment District.....	5,112,267	4,460,821	2,090,966	6,251,919
<b>Total Ad Valorem Taxes.....</b>	<b>343,870,748</b>	<b>327,387,330</b>	<b>312,551,043</b>	<b>299,332,456</b>
<b>Utility Service Taxes</b>				
Fuel Oil Companies.....	107,075	162,639	164,199	287,443
City Water.....	6,161,879	5,659,797	5,393,416	4,890,098
People's Gas.....	654,224	677,108	593,671	904,315
Telecommunications.....	41,054,086	41,540,886	42,857,871	26,267,409
JEA.....	45,740,236	45,981,688	42,857,680	39,815,943
Others.....	1,911,435	1,954,161	2,111,122	3,087,032
<b>Total Utility Service Taxes.....</b>	<b>95,628,935</b>	<b>95,976,279</b>	<b>93,977,959</b>	<b>75,252,240</b>
Tourist Development Tax.....	8,308,635	7,790,503	7,559,593	7,477,106
Convention Development Tax.....	3,846,824	3,610,819	3,524,332	3,474,960
Local Option Gas Tax (2).....	29,169,856	28,174,024	27,681,053	25,723,304
Local Option Sales Tax - Transportation (3).....	61,649,656	60,379,055	57,471,472	57,496,406
Local Option Sales Tax - Infrastructure (4).....	60,132,294	57,970,655	55,324,038	38,496,315
<b>Total Tax Revenue.....</b>	<b>\$ 602,606,948</b>	<b>\$ 581,288,665</b>	<b>\$ 558,089,490</b>	<b>\$ 507,252,787</b>

- (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>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$ 278,501,775	\$ 266,765,762	\$ 255,789,300	\$ 231,645,388	\$ 225,044,088	\$ 215,496,848
-	24,024	1,887,009	1,735,471	1,794,848	1,727,718
<u>4,263,409</u>	<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>282,765,184</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>
245,233	232,255	237,661	212,660	366,168	330,737
4,878,361	4,633,183	4,408,512	4,136,209	3,833,754	3,202,330
1,068,503	1,120,391	1,135,414	1,091,841	1,390,202	1,282,169
23,894,566	23,013,614	19,370,288	17,387,934	16,689,932	13,452,383
44,486,956	36,255,365	36,068,367	37,217,093	39,975,747	37,649,886
<u>2,534,348</u>	<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>
77,107,967	68,018,930	64,437,915	63,229,619	65,585,279	58,892,762
6,729,490	6,570,683	6,189,018	5,478,886	4,853,878	4,022,243
3,134,146	3,058,553	2,883,981	2,542,967	2,253,466	1,991,297
27,408,778	24,055,882	22,948,341	24,228,183	22,508,967	21,847,527
66,858,197	51,976,595	48,240,640	45,235,670	44,193,979	40,565,755
-	-	-	-	-	-
<u>\$ 464,003,762</u>	<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>

---

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>
1995	General Fund - General Services District	\$ 224,122,401	\$ 212,579,284	94.8%
	General Fund - Urban Services District	<u>1,948,887</u>	<u>1,821,716</u>	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	<u>1,969,347</u>	<u>1,870,103</u>	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	<u>2,022,502</u>	<u>1,893,107</u>	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	<u>2,075,611</u>	<u>1,919,421</u>	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)	<u>-</u>	<u>-</u>	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)	<u>-</u>	<u>-</u>	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)	<u>-</u>	<u>-</u>	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)	<u>-</u>	<u>-</u>	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)	<u>-</u>	<u>-</u>	0.0%
	Totals	\$ 336,340,414	\$ 317,513,090	94.4%
2004	General Fund - General Services District	\$ 348,345,910	\$ 333,725,304	95.8%
	General Fund - Urban Services District (2)	<u>-</u>	<u>-</u>	0.0%
	Totals	\$ 348,345,910	\$ 333,725,304	95.8%

(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 2003 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>
\$ 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 %
\$ 11,071,028	\$ 344,796,332	99.0%	\$ 14,620,606	4.2 %
<u>3,857</u>	<u>3,857</u>	0.0%	<u>-</u>	0.0 %
\$ 11,074,885	\$ 344,800,189	99.0%	\$ 14,620,606	4.2 %



**CITY OF JACKSONVILLE, FLORIDA**  
**ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS (in thousands)**

---

<u>Year</u>	<u>Assessed Taxable Values</u>			<u>Total Taxable Property</u>	<u>Estimated Actual Values (4)</u>	<u>Ratio of Assessed to Actual Values</u>
	<u>Real Property (1)</u>	<u>Personal Property (2)</u>	<u>Centrally Assessed Property (3)</u>			
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%
2004	35,752,946	4,690,592	207,378	40,650,916	61,676,160	65.91%

- (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

**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			FIND (Note 3)	Combined Millage Total
	District (Note 1)	Operations	Debt Service	Total	Schools	Water Management District		
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	9.0510	0.4620	0.0385	19.3913
2004	GSD (4)	9.6879	0.0000	9.6879	8.5650	0.4620	0.0385	18.7534

(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**

---

Year	Population (1)	Assessed Value (2)	Gross General Obligation Bonded Debt (3)	Less Respective Debt Service Funds	Net General Obligation Bonded Debt		
					Amount	Ratio to Assessed Value	Per Capita
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
2004	837,037	40,650,916,000	-	-	-	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.

---

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT  
 SEPTEMBER 30, 2004**

---

<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	56,410,000	100%	<u>56,410,000</u>
			<u>\$ 56,410,000</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.

---

**CITY OF JACKSONVILLE, FLORIDA  
 LEGAL DEBT LIMIT  
 SEPTEMBER 30, 2004**

---

Neither the City of Jacksonville charter or code nor the Florida State Statutes limits the amount of debt the City of Jacksonville can issue.

**CITY OF JACKSONVILLE, FLORIDA  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL  
OBLIGATION BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES  
LAST TEN FISCAL YEARS**

---

<u>Year</u>	<u>General Obligation Debt</u>			<u>Total General Governmental Expenditures (1) (in thousands)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
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%
2004	-	-	-	1,341,942	0.00%

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

---

Unaudited - see accompanying independent auditors' report.



**(This page is intentionally left blank.)**

**CITY OF JACKSONVILLE, FLORIDA  
REVENUE BOND COVERAGE - PARKING SYSTEM  
LAST TEN FISCAL YEARS**

---

<u>Year</u>	<u>Revenue (1)</u>	<u>Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>
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
2004	4,570,000	3,187,000	1,383,000

(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.

---

<b>Debt Service Requirements</b>			
<u>Principal</u>	<u>Interest</u>	<u>Totals</u>	<u>Coverage (3)</u>
\$ 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
4,125,000	3,584,831	7,709,831	0.18

---

Unaudited - see accompanying independent auditors' report.



**CITY OF JACKSONVILLE, FLORIDA**  
**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS**  
**LAST TEN FISCAL YEARS (in thousands)**

---

Year	New Construction (1)			Bank Deposits (2)	Real Property (3)		
	Residential	Commercial	Alterations (1)		Commercial	Residential	Nontaxable
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
2004	1,227,575	372,373	547,300	16,240,346	13,431,483,203	34,800,076,676	4,956,996,404

Source (1) Building and Zoning Division

(2) Florida Bankers Association

(3) The Property Appraiser's Office

---

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
 DEMOGRAPHIC STATISTICS  
 SEPTEMBER 30, 2004**

---

<b>POPULATION</b>		
<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)
2004	792,260 (1)(2)	837,037 (2)

(1) After Consolidation  
 (2) As of April 1

<b>POPULATION PROJECTIONS (3)</b>		
<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

<b>POPULATION DISTRIBUTION BY AGE*</b>		
<u>AGE</u>	<u>DUVAL COUNTY</u>	<u>STATE OF FLORIDA</u>
0-04	07.23%	05.97%
5-17	19.01%	16.63%
18-34	24.40%	21.13%
35-54	30.07%	28.34%
55-64	8.88%	10.76%
65+	10.41%	17.18%

Source: University of Florida, Bureau of Economic and Business Research, Population Program  
 Florida Population Studies, July 2004, Volume 37, No 3, Bulletin No. 139.

\*April 1, 2002 Estimates

**CITY OF JACKSONVILLE, FLORIDA  
TEN LARGEST TAXPAYERS  
SEPTEMBER 30, 2004**

---

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Valuation</u>	<u>Percentage</u>
Bell South/Jacksonville MSA Limited.....	Communications	\$ 398,576,581	1.06%
Anheuser-Busch/Metal Container Corp.....	Manufacturing	281,165,116	0.75%
Flagler Development Company.....	Real Estate Management/Development	202,071,722	0.54%
Blue Cross & Blue Shield.....	Insurance	194,848,730	0.52%
Vistakon/Johnson & Johnson Vision.....	Manufacturing	193,267,145	0.52%
Gate Petroleum/Maritime /Lands.....	Petroleum	190,316,456	0.51%
Liberty Property Limited Partnership.....	Real Estate Management/Development	185,188,293	0.49%
Cedar Bay Generating Co.....	Utilities	173,781,092	0.46%
CSX Railroad.....	Transportation	157,416,517	0.42%
Comcast Cable.....	Communications	<u>153,027,514</u>	<u>0.41%</u>
Total Taxable Assessed Value of 10 Largest Taxpayers		2,129,659,166	5.69%
Total Taxable Assessed Value of Other Taxpayers		<u>35,309,442,924</u>	<u>94.31%</u>
Total Taxable Assessed Value of All Taxpayers		<u><u>\$ 37,439,102,090</u></u>	<u><u>100.00%</u></u>

Source: Tax Collector's Office

---

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
 MISCELLANEOUS STATISTICAL DATA  
 SEPTEMBER 30, 2004**

---

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:	3,449.5
Streets - Paved	3,445.4
Streets - Unpaved	4.1
State Maintained Primary	371.0
Interstate	95.1
Wastewater System:	
Number of Treatment Plants	13
Total Miles of Sewer Lines	3,180
Fire Protection:	
Stations	50
Marine Based Stations	2
Volunteer Stations	3
Employees -Full-time	1285
Employees - Volunteers	30
Fire Rescue:	
Rescue units in Fire Stations	29
Police Protection:	
Employees - Sworn	1,617
Employees - Civilian	1,057
Vehicular Patrol Units - Patrol Cars	1,208
Motorcycles	16
Other Vehicles	241
Unmarked	345
Horse Patrol	6
Electric Utility Customers	363,053
Water Utility Customers	200,276
Sewer Utility Customers	148,388
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

---

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA  
FUND CONVERSION TABLE  
SEPTEMBER 30, 2004**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<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
	Clerk of the Court	016
	<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
	2003A ETR S/F	229
	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
	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

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2004**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
<b>Major Governmental Funds (continued)</b>	<b>Debt Service Funds (continued)</b>	
	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
	<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 Evenue 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
	ETR Bond Loan Fund	362
	ETR 2004	363

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2004**

<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
	BJP Accounting for GASB 34	356
<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 Garbage Can Trust Fund	44E
<b>Nonmajor Governmental Funds</b>	<b>Special Revenue Funds</b>	
	Concurrency Management	
	Concurrency Management System	112
	Concurrency Management Traffic Data	113
	Fair Share Sector Areas Transportation Improvement	114
	Gate Parkway Extension	115
	Fair Share Specific Projects	116

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2004**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
<b>Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)</b>		
	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
	Transportation Fund	
	Streets & Highways 5-Year Road Program	141
	Local Option 1/2 Cent Transportation	142
	Local Option Gas Tax	143
	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, 2004**

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
	Court Innovations	15Q
	Legal Aide	15R
	Clerk-Technology Recording Fees	15S
	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
	Job Training Partnership Act Grant Fund	
	JTPA Title II ABC & III	1C1
	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
	103rd Street Go Kart Track Trust	1DB
	Cecil Gym Capital Improvement Trust	1DC
	Cecil Equestrian Center Capital Improvement Trust	1DD

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2004**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
<b>Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)</b>		
	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
	Better Jacksonville Plan Trust Fund	1I1
	Jacksonville Housing Commission	
	Housing Services	1N1
	Housing Opportunities for Persons with AIDS	1N4
	Home Investment Program	1N5
	Emergency Shelter Grant	1N6
	State Housing Initiative Partnership	1N7
	Rehabilitation Loan Program	1N8
	Hope Program	1N9
	Housing UDAG	1NA
	Rental Rehabilitation	1NB
	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
	Police Athletic League (PAL)	1HB
	Choose Life Trust Fund	1J1
	Derelict Vessel Removal Fund	1K1
	Special Assessment Fund	1L1

**CITY OF JACKSONVILLE, FLORIDA  
FUND CONVERSION TABLE  
SEPTEMBER 30, 2004**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<b>Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)</b>		
	General Government Fund (Non-Budgeted) (continued)	
	Mayor's Hispanic Advisory Board Trust Fund	1M1
	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
	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

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2004**

<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 (continued)	
	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
	Equesterian 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
	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

**CITY OF JACKSONVILLE, FLORIDA  
 FUND CONVERSION TABLE  
 SEPTEMBER 30, 2004**

<b>CATEGORY</b>	<b>FINANCIAL STATEMENT FUND TITLE</b>	<b>SUBFUND NUMBERS</b>
<b>Internal Service Funds (continued)</b>	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
	Florida Retirement System	6A1
	Duval Co School Readiness Coalition, Inc	6B1
	<b>Discretely Presented Component Units</b>	
	Jacksonville Housing Finance Authority	
	Jacksonville Housing Finance Commission	1N2
Housing Tax Credit MF Rental	1N3	
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	

