

CITY OF JACKSONVILLE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005



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, 2005

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LETTERS OF TRANSMITTAL



OFFICE OF THE MAYOR

John Peyton, Mayor

April 17, 2006

To the Citizens of Jacksonville:

It is a pleasure to present you with the City of Jacksonville's Comprehensive Annual Financial Report for Fiscal Year 2004/2005.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "John Peyton".

John Peyton
Mayor





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April 24, 2006

The Honorable Mayor
Members of the City Council
And Citizens of the City of Jacksonville

INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) of the City of Jacksonville, Florida (the city), for the fiscal year ended September 30, 2005 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. Management believes the data, as presented, is accurate in all material respects and is presented in a manner designed to set forth fairly the financial position and the results of operations of the city on a government-wide and fund basis. Disclosure necessary to enable the reader to gain an understanding of the city's financial activities have been included.

The city, which was founded in 1832, was consolidated with Duval County in 1968, has an estimated population of 840,474 living within an area of 840.1 square miles. Within Duval County there are four separate municipalities (the Cities of Jacksonville Beach, Neptune Beach and Atlantic Beach and the Town of Baldwin) which represent a population of 42,151 within 15.9 square miles. The city is the doorway to Florida (along the Atlantic coast) and the center of the five county Jacksonville Metropolitan Statistical Area (MSA) which has an estimated population of 1,224,700. The city operates under a charter adopted October 1, 1968 and a Mayor/Council form of government.

The following discussion is intended to demonstrate the growth and vitality of the city (and the MSA) and to address the challenges and concerns of the near future.

ECONOMIC CONDITIONS

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

The city's major challenges are to provide the infrastructure and both city and county services needed to maintain the quality of life, which has attracted considerable growth to our community. History has proven that significant emphases on support systems such as transportation, stormwater management, potable water, wastewater and electric capacity must be balanced carefully with the quality of life amenities which include parks, recreation, sports, entertainment and cultural

opportunities to maintain the natural beauty and attractiveness of a community. For the city, these natural attributes take shape as they relate to water (the St. Johns River and its tributaries, the intercoastal waterway and the Atlantic Ocean), a tree canopy, and lush vegetation, which provide the unique atmosphere/environment of Jacksonville MSA living.

Growth

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

ECONOMIC GROWTH									
ACTUAL/ESTIMATES AND AVERAGE % GROWTH									
ANNUAL AND THREE, FIVE AND TEN YEAR PERSPECTIVES									
	2005	2004	2003	2002	2000	1995	Average % Growth		
							Last 3	Last 5	Last 10
Population (in thousands)									
City/County	840.5	837.0	827.0	807.0	791.5	732.0	1.4%	1.2%	1.5%
MSA	1,224.7	1,204.6	1,170.8	1,134.8	1,100.4	986.5	2.6%	2.3%	2.4%
Assessed Value (in billions)									
City/County	45.6	40.7	37.6	35.1	30.4	21.5	10.0%	10.0%	11.2%
MSA	76.1	66.8	60.8	55.7	46.3	31.2	12.2%	12.9%	14.4%
Dollar Value of Building Permits (in millions)									
City/County	3,654	2,147	1,971	1,797	1,716	908	N/A	N/A	N/A
MSA	6,174	4,082	3,547	3,025	2,680	1,443	N/A	N/A	N/A
Building Permits (in thousands of Units)									
City/County	104.7	94.0	89.1	42.9	75.7	78.3	N/A	N/A	N/A
MSA	123.3	109.2	101.4	53.7	85.4	85.8	N/A	N/A	N/A
Employment MSA (in thousands)									
Selected Segments:									
Manufacturing & Construction	102.6	97.4	91.6	88.1	90.5	80.7	5.5%	2.7%	2.7%
Wholesale & Retail	127.6	125.1	122.7	120.4	125.9	114.5	2.0%	0.3%	1.1%
Service	260.0	259.2	252.9	257.5	256.0	204.3	0.3%	0.3%	2.7%
Government	73.9	72.7	71.6	70.5	69.3	68.0	1.6%	1.3%	0.9%
Other	27.5	26.6	25.7	24.9	23.8	19.9	3.5%	3.1%	3.8%
Total	591.6	581.0	564.5	561.4	565.5	487.4	1.8%	0.9%	2.1%
Retail Sales in MSA (in billions)	16.9	15.5	14.5	14.6	14.8	9.4	5.3%	2.8%	8.0%
Chamber/Job Recruitment									
New Jobs (1)	10,572	9,674	8,035	10,165	16,928	N/A	1.3%	-7.5%	N/A
Corporate (2)	3,761	4,177	3,273	3,415	4,728	N/A	3.4%	-4.1%	N/A
Port (JPA) Activity									
Cruise Passengers (in thousands)	86.0	50.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A
Tons of Freight (in millions)	8.4	7.7	7.3	7.1	7.5	5.7	6.1%	2.4%	4.7%
Airport (JAA) Activity									
Passengers (in millions)	5.7	5.1	4.9	4.8	5.2	3.7	6.3%	1.9%	5.4%
Tons of Airfreight (in thousands)	85.1	83.2	76.2	74.5	68.9	57.3	4.7%	4.7%	4.9%

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

(2) New jobs - high wage

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

Limitation on Flexibility-State View

The State of Florida is the fourth largest state with over 17 million residents and is one of the fastest growing, yet least taxed major state in the country. Local government revenue sources are restricted to property taxes and a limited array of permissive additional revenue opportunities. Because a personal income tax is constitutionally prohibited in Florida, state and local governments are continually seeking new and broader revenue opportunities to meet the service delivery and infrastructure requirements of our current and future population.

In 1985, the State Legislature passed significant growth management legislation, which requires state and local governments to develop five-year financeable capital infrastructure and minimum standard service level programs. The State, in an attempt to enhance the planning for the future, which is projecting Florida to continue its recent growth patterns through the year 2010 and beyond, was attempting through 1985 legislation to ensure that the quality of life is maintained and that infrastructure and service delivery issues are reasonably addressed. The 1985 Legislature knowingly failed to address new revenue flexibility that would have allowed the State and local governments to develop financing for these five-year planning programs. Subsequently, the State legislature has been preoccupied with other issues, principally the need for state involvement and help to improve the quality of education in Florida. Currently, state budget balancing issues and citizen-initiated referendum (e.g., court system funding, K-12 class size reduction, etc.) are obviously requiring legislative primary attention and focus. As a result, other local governments' (city and county) enhanced revenue flexibility has not been adequately addressed.

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

Limitation on Flexibility- City/County View

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

In 2000, the city initiated and the voters approved, by referendum the \$2.25 billion Better Jacksonville Plan (BJP). The BJP program proposed to address \$1.5 billion roadway system improvements and \$750.0 million in vertical construction and other improvements. The program proposed to (a) use excess capacity in a ½ cent sales tax previously approved to eliminate tolls in

the city and to provide a recurring funding source for mass transit (bus and other) to fund \$750.0 million in road projects, (b) authorize a second ½ cent (\$1.5 billion in project) split equally between road/transportation projects and vertical and other initiatives, (c) to separate the funding into an unique and self contained accountability process and (d) to provide for citizen advisor committee oversight.

Although the State has not addressed significant broadening of local government latitude, over the last ten years the growth of the State and the city/county and related impact on revenue, has allowed for a questionably inadequate effort to meet the demands of growth.

To understand the city, an observer must first understand the framework under which this government operates.

Framework

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

The city operates under a strong Mayor/City Council form of government. The 19 member City Council is made up of 14 districts and 5 at large Councilmen/women. The 20 city elected officials stand for election every 4 years (having no mid-term elections) and are subject to a 2 term limitation.

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

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

JEA (electric, water and wastewater utilities)

Jacksonville Port Authority

Jacksonville Aviation Authority

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

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

Jacksonville Children's Commission*

Jacksonville Library Commission*

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

*Presented as part of the Mayor budget submission to City Council.

CHALLENGES/CONCERNS

As the city addresses the various demands of growth, it is equally important that it identify the challenges, which will face the community over the next 3 to 5 years.

Balancing the Budget

In 1993, the city by advisor referendum established a target to limit the growth in property tax revenue, separate from new construction, to 3.0 % annually. While the General Counsel has determined that the vote was advisory and not mandatory, each Mayor and City Council (from 1993 through 2005) have abided by the rollback. The collective impact of this initiative has had a \$226 million impact (revenue reduction) on the 2004-2005 fiscal year.

Over the last 15 years, the city has experienced a recurring and growing use of one-time money (reserves in various funds) to meet both one-time and recurring capital and/or operating cost.

The use of one-time moneys have come in several forms:

- Appropriations of reserves in the General Fund or other funds/sub-funds.
- Transfers to the General Fund or transfers to other funds in lieu of traditional General Funds provided transfers
- Use of Pension Excess Contributions (PEC) as provided for in Florida statute, in lieu of General or other operating fund contributions to either Pension Retirement System (General Employee and/or Police and Fire).

The use of one-time money to address recurring operating costs (or a pay-as-you-go commitment to capital) which should normally be addressed with recurring revenues tends to compound the next and subsequent years budget balancing challenge. This type of structural imbalance (recurring expenditures exceeding recurring revenues), while unfortunate, has been rather common across the country over the last 3 to 5 years and must be addressed and eliminated in an orderly and timely fashion.

Concurrent with the Mayor's submission of the 2005-2006 budget to City Council the Mayor proposed and the City Council agreed to:

- Not comply with the 3.0% local property tax growth limitation (to reduce the millage by 0.03 instead of 0.61) and thereby saving \$23.3 million.
- Reduce the number of budgeted positions by 48 full time equivalents (FTE).
- Reduce the planned use of one-time money from \$68.8 million in 2004-2005 to \$25.0 million in 2005-2006.

In addition, the Mayor proposal and the City Council agreed (approved the Ordinance changes) to:

- Require for 2006-2007 to balance the budget using only related year revenues.
- Establish a separate \$40.0 million emergency reserve and a related special revenue (trust) fund prior to use of the reserve, for the Mayor to declare and define the emergency and a two-thirds vote of City Council to concur therein.
- Require an annual actuarial report for each pension plan (and thereby eliminating PEC) as well as requiring a minimum 90% funded status prior to consideration of benefit enhancements.

- Restructure of the city's Capital Improvement Plan to require a financially feasible program which equally address/estimates the resultant operating cost impact at the point of initial planning.

Ash Settlement

During 2004-2005 the city was able to settle a long standing class action suit regarding land value diminution and personal injury arising out of a practice prior to the early 1970's use of Solid Waste incinerator produced ash as a fill when mixed with soil in low lying areas prior to development. The city agreed to pay \$25.0 million and to allow the plaintiffs to pursue the city's then insurance providers related thereto. The city will issue debt and amortize the \$25.0 million over a forward period not to exceed 25 years.

Related thereto, the city is also in negotiations with the U.S. Environmental Protection Agency (EPA) regarding clean up which may involve removing 2 feet of soil around the homes and related park land, putting down a mesh and replacing the removed top cover with new soil on an area of 1,300 or more homes. The preliminary estimate is between \$63 to \$252 million, of which \$63 million was accrued. The initial \$21.0 million will be provided by the BJP non-transportation related authorized uses, but additional funding will need to be identified for the remainder. The EPA has not responded to the city's proposal.

Capital Improvement Program (CIP)

The intent of financially feasible CIP is to develop a multiple year planning agenda which can assist the Planning, Public Works and User Department in scheduling both required and desired capital projects. Theoretically, there should be a mix of recurring pay-as-you-go funding combined with periodic borrowing related thereto. The process should allow for (a) the natural progression of a project's construction phase from year 3 to year 2 and so forth, (b) the breaking down of an individual project into its elements (e.g. land and environmental consideration, conceptual design, final design and construction), which can be funded incrementally over the scheduling period and (c) an annual revisiting of the project capital and related operating coast as part of the planning/prioritization effort.

The city's current 5 year CIP program focuses almost exclusively on the 1st year of the period. The city has set forth an agenda to substantially restructure its 5 year CIP process and program as a preferred business practice. Equally and separately, the State legislature, during the 2005 session set forth a new requirement for local governments to develop a financially feasible 5 year CIP program which must be in place no later than December 1, 2007.

Growth Management

As previously discussed, the State has adopted the Growth Management Planning Act which requires local governments to develop a five-year plan, to install infrastructure support systems needed for growth and to maintain the types and quality of services presently being provided. The alternatives are to (a) adjust the service deliver standard or (b) implement a mandatory moratorium on the issuance of new building permits. Each community is allowed to establish and periodically revisit its infrastructure and service delivery standards and Jacksonville is considered to be in a comparably attractive economic position to address this demand. However, the concept of a financeable five-year plan for both capital and service delivery projections, which will not involve periodically diminished standards, may require additional (statutorily authorized) flexibility in local

revenue options and a constructive atmosphere of state and local government cooperation/collective effort.

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

Transportation

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

State and Federal Imposed Mandates

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

On November 6, 1990, the voters of Florida passed an amendment to the Constitution to limit the state legislature's ability to pass unfounded mandates imposing burdens upon local governments. An extraordinary 2/3 majority of both chambers is necessary to approve an unfounded mandate. Since the amendment, and at least partially as a result of these initiatives, there have been no clearly identifiable new mandates placed directly on local government. Continued concern exists regarding unfounded mandates (both state and federal), which come in various forms and their financial implications.

During the 1999 legislative session, in response to the efforts of statewide Police and Firefighters unions the State, by an overwhelming vote, imposed significant changes/enhancements to the State identified "minimum" for local Police and Firefighters Pension benefits. The State collects insurance premiums to partially fund Police and Firefighter benefits and has determined that these new enhancements are only required to be implemented as incremental premium dollars become available. Local governments have continually argued that since pension benefits are, by statute, a subject of negotiations with the bargaining unit, it is inappropriate for the State as a third party to enhance pension benefits. While the city's benefits, in aggregate, are substantially better than the State identified minimums, this form of indirect mandate and state bureaucratic interpretation continues to be troubling.

MAJOR INNIATIVES/PROGRAMS:

Mayor John Peyton's Six Guiding Principles

To be the best possible steward of the taxpayers' dollars, Mayor John Peyton developed six guiding principles for operating and improving city government. The mayor and his administration are committed to following these principles in order to provide Jacksonville's citizens with the best service at the lowest cost, and to help Jacksonville reach its full potential on every level.

1) Increasing economic opportunity and jobs, including full support for our military and minority business ownership

Growing the economy and increasing jobs is one of Mayor Peyton's top priorities. The City of Jacksonville actively works with the Jacksonville Regional Chamber of Commerce, the Jacksonville Economic Development Commission and other organizations and individuals to grow businesses and attract and retain high-paying jobs in Jacksonville.

In 2005, Jacksonville hosted Super Bowl XXXIX, which the NFL estimates brought an estimated \$250 to \$300 million into the local economy, showcased Jacksonville to 133 million viewers around the world, and put the city in the minds of thousands of corporate decision-makers across the nation as an option for relocation or expansion. Since the city hosted the big game, 20 companies have relocated to or expanded their existing businesses in Jacksonville. These moves have resulted in a \$200 million capital investment and the creation of 5,000 new jobs, 80 percent of which pay higher than the Florida average wage.

The city has also worked diligently to preserve and enhance the local military presence, which contributes in excess of \$8 billion to the local economy and is an important part of the nation's defense. In addition to historic outreach to the military community, Mayor Peyton has supported infrastructure enhancements to benefit local military facilities. The mayor also worked closely with local, state and national military and civilian leaders to ensure the city's success in the 2005 round of the Base Realignment and Closure (BRAC) process, which will bring an additional 2,700 military personnel to Jacksonville.

Small business is big in Jacksonville. In fact, an estimated 96 percent of businesses with employees in Duval County are small businesses. In order to help these businesses succeed and to strengthen the local economy, Mayor Peyton worked with community leaders to create the Jacksonville Small and Emerging Business (JSEB) program. This initiative helps small businesses grow by leveling the playing field for applying for city contracts, providing additional access to capital and bonding capacity, and pairing large businesses and corporations with small businesses in a mentoring relationship. Since its creation, the program has certified 294 companies, 261 of which are minority-owned, to do business with the City of Jacksonville. In its first year, the program awarded nearly 50 formal and informal contracts to JSEBs, totaling more than \$80 million. In the first quarter of 2006, 31 percent of formal contracts have gone to certified small or emerging businesses.

The mayor also established a five-year commitment to the Blueprint for Prosperity, a collaboration between the City of Jacksonville, the Jacksonville Regional Chamber of Commerce and WorkSource to raise per capita income across the board in Jacksonville. The Blueprint process is identifying ways to increase earnings and to attract and retain high income jobs and workers. It will

help decrease the racial and ethnic income gap and address education, poverty, crime and other issues that affect the city's people and tax base.

2) Increasing public safety, including homeland security and emergency preparedness

Mayor Peyton made a historic commitment to public safety through the Safety First Initiative, a three-year plan to provide increased funding for the Jacksonville Sheriff's Office, the Jacksonville Fire and Rescue Department and the Medical Examiner's Office. Initiatives include modernizing and replacing fire stations, replacing public safety equipment and vehicles to improve response time, and providing equipment and personnel to the Medical Examiner to speed crime solving.

As a result of efforts to improve connectivity between emergency responders and other proactive emergency planning strategies, Jacksonville was one of the first municipalities in the nation to receive emergency management accreditation.

3) Increasing early literacy

By some measurements, Jacksonville has an adult functional illiteracy rate as high as 47 percent, a situation that adversely affects both individual success and regional economic development prospects. In light of the vast body of research showing that early literacy is the greatest single predictor of school success – and the awareness that the global economy is becoming more knowledge-driven by the day – Mayor Peyton has implemented *RALLY Jacksonville!*, a communitywide early literacy initiative.

The program's goal is to reach out to the children of Jacksonville one year before they enter kindergarten and provide them with the pre-literacy skills they need to read and succeed when they enter school. *RALLY* uses a four-point approach: making reading a core value of the community through advocacy, improving school readiness through intensive intervention in childcare centers, developing neighborhood pilot projects in the city's highest-risk areas, and measuring and reporting results. The initiative has already reached thousands of children and families, including more than 16,000 children who have participated in the Mayor's Book Club and nearly 8,500 children in childcare centers. The initiative also incorporates a million-book giveaway to economically challenged families and a concerted effort to improve the training of childcare workers.

4) Enhancing quality of life, including transportation, planning and parks

Mayor Peyton is committed to enhancing Northeast Florida's exceptional quality of life by taking Jacksonville's park system from the biggest in the nation to the best, continuing the good work of the infrastructure-building Better Jacksonville Plan (BJP), and increasing materials, programming and access at Jacksonville's libraries.

Following a year-long study of parks in Jacksonville and across the country, the mayor restructured the city's parks department to include a conservation program, empanel a parks advisory board to raise money for maintenance and improvements, and create a security division to coordinate with the Jacksonville Sheriff's Office. Under the city's FY 2005-06 budget, the mayor also modified a previous bond issue to fund four new parks and upgrade nearly 60 percent of the city's parks listed in poor condition.

Six years ago, the citizens of Jacksonville approved the BJP, a growth management strategy aimed at improving the city's public facilities and infrastructure. Some of the plan's early successes include the construction of the Jacksonville Memorial Arena, the Baseball Grounds of Jacksonville and the Equestrian Center. To date, more than 1,600 miles of road have been paved through the \$1.5 billion countywide road improvement plan. Although the plan faces significant challenges as a result of rising fuel and construction costs, Mayor Peyton and the City Council created a plan solution to these issues while adhering to the vision of the BJP. In 2006, the city will begin construction on 22 roads, and projects will continue in 2007 and 2008.

The last year has seen the completion of renovations at 12 branch libraries, construction of six new libraries and the opening of a new Main Library - the largest in the state of Florida - downtown. Now that the bricks and mortar of the library system are in place, Mayor Peyton has committed to provide increased access to the city's libraries. He has added Sunday hours at more locations than ever before, offering citizens 1,100 hours of access to the libraries on a weekly basis. The mayor is also working with the library to invest in additional books and materials, launch a volunteer recruitment program, enhance technologies available to patrons and develop a virtual branch library that will be accessible 24 hours a day.

5) Increasing infill housing

Mayor Peyton has charged the Jacksonville Housing Commission with developing a strategic plan for eliminating substandard housing in Jacksonville over the next 20 years. In the last fiscal year, the commission assisted 118 people in buying their first home, created 98 infill housing units and funded an additional 208 units through unique partnerships with nonprofits, replaced failing septic systems in 95 homes and made repairs to 103 homes. The commission will continue its mission of creating affordable housing and eradicating substandard housing to develop and maintain healthy communities.

The mayor has also turned his attention to the revitalization of downtown Jacksonville, and increasing the housing population in the urban core is a key part of that effort. Currently residents occupy 1,432 units downtown. This number is on the rise, with 690 units under construction and 2,874 additional units anticipated. Recent developments include Southbank projects The Strand and The Peninsula and The Carling on the Northbank. The JEDC has refocused its efforts on downtown, and they and the City Council have approved a number of projects that will soon be reaching fruition, including the relocation of Macquarie Mortgages USA, which will move its U.S. headquarters from Memphis and employ 50 people in the Downtown Enterprise Zone. In addition, Fidelity National Financial has committed to its second major investment in the community, which will add 800 new jobs and \$23 million in private capital investment.

6) Streamlining government to facilitate business growth

Mayor Peyton is committed to providing citizens with top-notch customer service and making it easier and more enjoyable to live, work and do business in Jacksonville. The mayor has brought a business mentality to city government and instituted a number of best practices to streamline its operations.

Capitalizing on the latest technologies allows the city to save taxpayers millions of dollars. Implementation of the Citrix Initiative, which transfers the processing workload of computers to centrally located servers, makes it easier and more cost-effective to deploy new computer programs

as they become available. It can also cut the cost of replacing computers in half. Citrix is saving money and improving the city's ability to continue operating during emergencies, giving employees access to files from any location at any time. The city is also using technology to allow citizens to complete an ever-increasing number of transactions online, including permitting, paying tickets, checking out books, reserving park facilities and playing fields, applying for jobs and requesting city services.

In keeping with his business-oriented approach to government, Mayor Peyton has also initiated a citywide organizational effectiveness review. This comprehensive assessment builds upon previous steps taken to make city government more effective and efficient, identifying ways to do business better while reducing recurring annual expenditures and putting more of the taxpayers' money into providing services rather than supporting administrative costs. The review of the Jacksonville Children's Commission (JCC), for example, yielded an estimated savings of \$787,000, which will be reinvested in programs serving Jacksonville's children.

The organizational effectiveness review will also help to implement the financial policy changes the mayor initiated in the 2005-06 budget: balancing the budget out of current-year revenues; establishing operating and emergency reserves; carefully managing pension funds and creating a financially feasible Capital Improvement Plan each year. These practices will provide for the long-term financial stability and predictability for Jacksonville.

Better Jacksonville Plan – Update

During 2004-2005 substantial progress was made on various components of the program. The following three topics demonstrate where significant emphasis was placed.

Restructuring Project Priorities within the Road Project Portion of the Program

During 2004-2005 the city, lead by the Mayor and the Public Works Department (a) reevaluated the \$1.5 billion project list, proposed project changes and/or substitutions (b) determined that the cost estimates for the total program project list, if constructed, would be \$800 million over the original forecast. Since the \$1.5 billion program budget was a hard cap, clearly some reprioritization would be required. When addressing the list of planned but yet uninitiated projects there were two categories, (a) city road project(s) which the city would need to build now or later, regardless, and (b) state road project(s) where the program was designed to accelerate road projects on state roads which, if unaddressed by BJP, would eventually become a part of the state road(s) construction program. After a reprioritization to insure that city road projects were addressed, it was projected that the BJP agenda could address approximately 25 to 30% of the remaining state road projects. The city therefore proposed a partnering proposal with the State on projects for the residual BJP project agenda.

In addition, based on revenue estimates it appears that the Jacksonville Transportation Authority (JTA) ½ cent might provide for an addition \$100.0 million of borrowing capacity (the initial JTA ½ cent referendum is not limited by time or amount), in approximately 2011. At the city's request, the JTA placed on its future agenda the possibility of the additional \$100 million borrowing to be used within the BJP project agenda. The JTA ongoing concern is its ability to support its bus and other mass transit initiatives.

Courthouse Project Budget Constraints

The original BJP vertical and other \$750.0 million agenda project for the Courthouse was budgeted at \$190.0 million. Additionally the non-road agenda included \$35.0 million in contingency. The project was initially increased by \$21.0 million to \$211.0 million as part of the \$35.0 million contingency distribution. A second proposal change increased the project budget (including non-BJP dollars) to \$230.0 million. At the point of an additional proposal (a \$32.0 million increase), Mayor Peyton pulled the plug, proposed to dismiss the outside project manager and architect and to effectively start over.

Having already spent \$57.8 million on land, site demolition, environmental issue and design, the Mayor proposed to build what the available BJP project budget would allow (within the \$211.0 million authorized). At this point, the Administration initiated an on-going dialogue with the interested parties, convened a special task force (involving the interested parties) and after the conclusion thereof continuing discussion with the Chief Judge.

The Task Force list of available solutions, within the Mayor's charge to stay within the budget, focus primarily on building a new Criminal Court Building, limited rehab to the existing courthouse to serve as the Civic Court building and limited initial planning for a eventual new Civic Court building adjacent to the Criminal Court building with the possibility of a common core element address elevation and other central support functions.

As of November 30, 2005 the latest proposal would be a \$261.5 million project (using the \$211.0 million BJP funding and some additional Court related revenue short terms on a pay-as-you-go basis and eventually including related borrowing) to build the Criminal Court, some existing building (current Court House) rehab and substantial conceptual plans for the second Civic Court building (including designed for both building to use a common core component). A request for qualification will be initiated by the Public Works Director which could lead to construction commencing by August 2007 and a targeted open by August 2010.

Library Component of the BJP program

The original library component of the BJP program provided for \$95.0 million for a new main Library (downtown) and \$35.6 million for six new branch libraries and renovation to 11 of the current branch libraries. Fiscal year 2004-2005 saw the opening of each of the six branch libraries, completed renovation to all branch libraries and substantial completion of the new 297,000 sq ft downtown Mail Library. On November 12, 2005 the city held the grand opening of its new Main Library and the related 600 space parking garage.

To complete the Main (Downtown) Library initiative, the city needed to find an additional \$6.3 million (reallocated within the Autumn bond program).

Autumn Bonds

During 2004-2005 the Mayor and City Council developed the \$141,251,200 Autumn Bond initiative, with projects reallocated in October 2005, are briefly summarized as follows:

- Building consolidation and renovation - \$25,850,000
- Main Library - \$6,300,000
- LaVilla/Brooklyn District Reserve - \$15,000,000
- Council Discretionary - \$14,000,000
- Urban Area Traffic Improvements and Community Development - \$14,165,000
- Replacement, construction and renovations of fire stations - \$9,262,200
- Improvement to the corrections facilities and jail facilities, including construction of a forensic lab - \$6,852,000
- Water Resource Development Projects - \$9,083,000
- St. Johns River Bulkhead and Riverwalk Repair - \$900,000
- Sidewalk repair and replacement - \$6,790,000
- Improvements to the equestrian center- \$2,000,000
- Jacksonville Zoo improvements - \$5,000,000
- Senior Citizen centers expansion and land acquisition - \$1,000,000
- Parks and playground upgrades - \$13,200,000
- Miscellaneous other projects - \$10,514,000
- Contingency - \$1,335,000

BUSINESS ACTIVITIES

In addition to the Major Business Units (Parking System and Solid Waste) the following schedule reflect the level of activities, operations and debt service picture for the city, cultural and entertainment facilities which are presented in part in several special revenue funds (Alltel Stadium Revenue, Sports Complex Trust Fund, Convention Development, Entertainment Facilities Trust Fund, and Cecil Field Commerce Center) and in part in a non-major enterprise fund (business unit – Sports Management Group (SMG)).

Event Related Facility Operations Summary Information for Fiscal Year ending September 30, 2005.

	<u>Alltel Stadium</u>	<u>Memorial Arena</u>	<u>Baseball Stadium</u>	<u>Performing Arts</u>	<u>Convention Center</u>
Seating capacity	75,000	15,000	10,000	4,000	4,000
Number of events	167	98	93	297	257
Attendees	999,175	431,840	414,001	315,814	233,517
Revenues					
Rent & Naming Rights	\$2,706,907	\$ 667,282	\$ 52,500	\$ 503,300	\$ 589,559
Commission	259,806	1,093,920	57,444	224,641	361,127
Event related reimbursement	2,199,015	5,998,401	1,137,760	1,801,896	1,195,793
Other	<u>76,285</u>	<u>35,491</u>	<u>9,517</u>	<u>44,210</u>	<u>51,071</u>
Operating Total Rev	\$5,242,013	\$7,795,094	\$1,257,221	\$2,574,047	\$2,197,550
Expenses					
Event Related	\$2,003,350	\$3,469,799	\$ 402,413	\$1,079,240	\$ 580,256
Operating (excl. depreciation)	<u>9,959,166</u>	<u>4,090,951</u>	<u>729,750</u>	<u>1,784,138</u>	<u>3,265,555</u>
Operating Total Exp	\$11,962,516	\$7,560,750	\$1,132,163	\$2,863,378	\$3,845,811
Net General Fund					
Operating subsidy	\$6,720,503	\$ 0	\$ 0	\$ 289,331	\$1,648,261 *
Debt Service (D/S)					
Expenses (P&I)	\$7,611,855	\$8,159,963	\$2,161,976	\$1,823,562	\$3,555,356
Revenues					
Tourist Dev. Tax	\$5,107,721				
Convention Dev. Tax					\$4,799,870
BJP sales tax		\$8,159,963	\$2,161,976		
State sales tax recapture	<u>2,000,004</u>				
Total Revenue	\$7,107,725	\$8,159,963	\$2,161,976	\$ 0	\$4,799,870
Net General Fund					
D/S subsidy	<u>\$ 504,130</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,823,562</u>	<u>(\$1,244,514)</u>
Operating and					
Debt Service subsidy	<u>\$7,224,633</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$2,112,893</u>	<u>\$ 403,747</u>
Total subsidy					<u>\$ 9,741,273</u>

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

OTHER FINANCIAL INFORMATION:

Debt Administration

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

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
<u>General Government</u>			
Excise Tax Revenue Bonds	Aa3	A+	AA
Local Government Half-cent Sales Tax Bonds	Aa3	AA-	AA
Guaranteed Entitlement Revenue Bonds	A2	A	AA
Capital Improvement Revenue Bonds	A1	N/A	AA-
Capital Projects Revenue Bonds	N/A	N/A	AA-
<u>Special Program</u>			
Better Jacksonville Plan			
Sales Tax Bonds	Aa3	A+	AA
Transportation Bonds	Aa3	A	AA
<u>Components Units</u>			
JEA			
Electric	Aa2	AA-	AA-
Water & Sewer	Aa3	AA-	AA
St. John's River Power Park (SJRPP)	Aa2	AA-	AA-
JAA	A2	N/A	A
JPA	A2	N/A	N/A

Cash Management

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. These investments are stated at fair value. Cash, investments, and the city collateralizing process are further explained in Note 3 of the Notes to Financial Statements.

Pension Plans

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.

	Jacksonville		Police & Fire Retirement System
	Retirement System		
	<u>Gen. Employees</u>	<u>Correction</u>	
Active	5,078	577	2,731
Retired	4,338	12	1,765
Assets (in millions)	\$1,566	\$61	\$924
Earning Percentage			
Market	9.34%	9.34%	11.30%
Actuarial	8.21%	8.38%	11.15%
Contribution (in millions)	\$33.4	\$5.2	\$36.7
Benefits (in millions)	\$95.8	\$0.1	\$82.9

In addition, certain city employees (less than 1% of total payroll) and elected officials participate in the State of Florida Retirement System.

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

Accounting

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

Budgeting

Detailed provisions regulating the city's budget, tax levies, and appropriations are set in 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 Entity

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

Report Format

The Comprehensive Annual Financial Report is presented in three sections: (1) the Introductory Section includes general information about the city and summarizes financial activity for the fiscal year; (2) the Financial Section includes the Independent Certified Public Accountants Report on the city's Basic Financial Statements, Management's Discussion and Analysis, the Basic Financial Statements, Notes to Financial Statements, Required Supplementary Information, and the Combining and Individual Fund Financial Statements and Schedules; and (3) the Statistical Section, containing 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.

Independent Audit

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

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jacksonville for its comprehensive annual financial report for the fiscal year ended September 30, 2004. 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-five consecutive years (fiscal years 1980 through 2004). 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-seventh (1969 - 2005) 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 judgments about the government's financial position and changes in financial position.

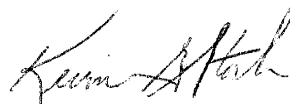
The 2005 Comprehensive Annual Financial Report represents our commitment to this goal and could not have been prepared without the efficient and dedicated efforts of the entire staff of the Department of Administration and Finance - Accounting Division and Treasury Division, who devoted many hours in 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 Kevin Hyde, and Councilperson Daniel Davis, 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,



G. Michael Miller, CPA, CGFO,
CIA, CGFM
Director, Department of
Administration and Finance



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



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jacksonville,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

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

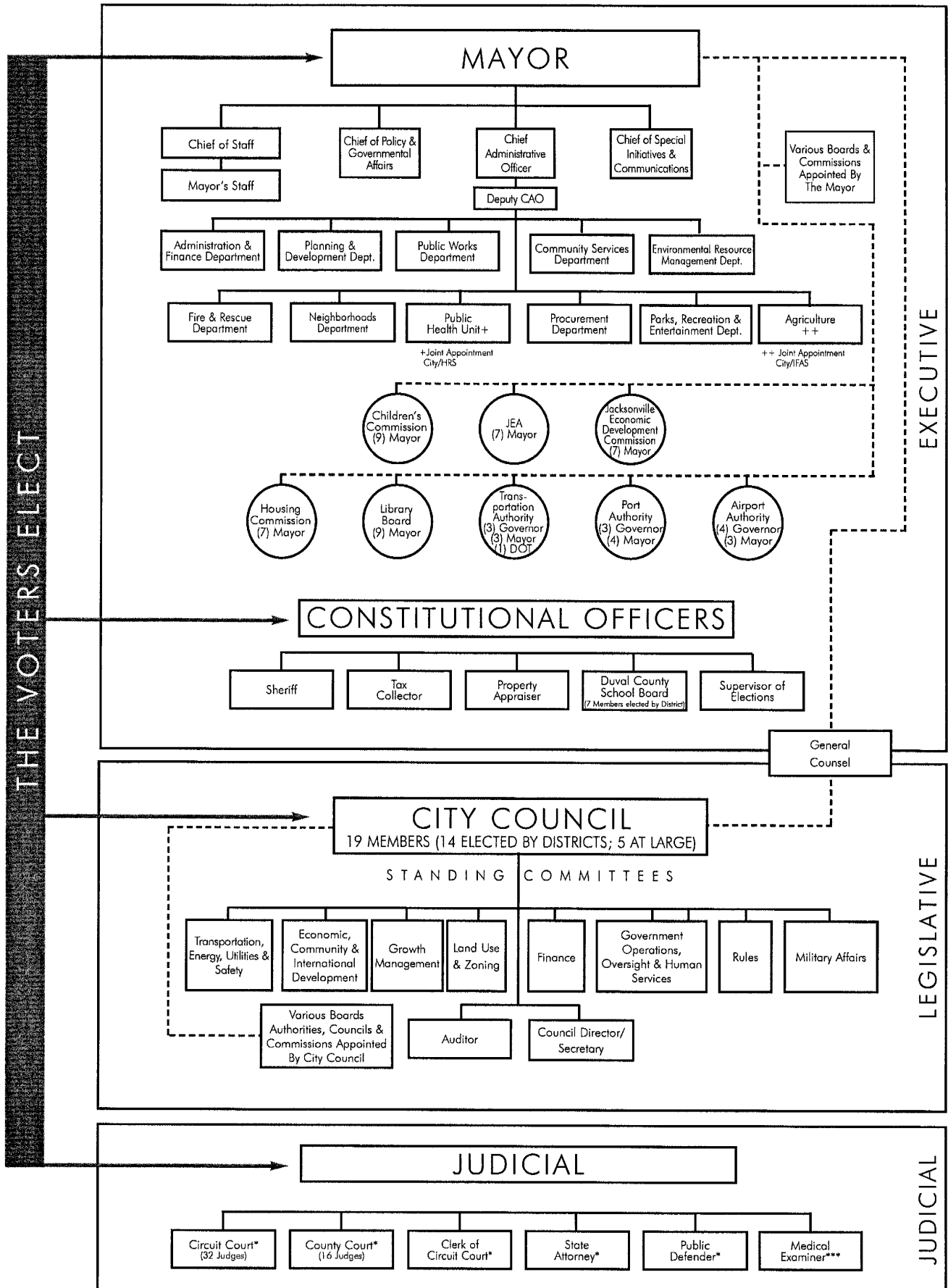
President

Jeffrey R. Egan

Executive Director

Organizational Chart

City of Jacksonville, Florida



City of Jacksonville, Florida

City Officers and Constitutional Officeholders

John Peyton, Mayor

City Officers

Steve Diebenow, Esq.....	Chief of Staff
Daniel Kleman.....	Chief Administrative Officer
Adam Hollingsworth.....	Chief of Policy & Governmental Affairs
Pete Jackson.....	Executive Director of Faith and Community Based Office
Susie Wiles.....	Chief of Special Initiatives and Communications
Rick Mullaney, Esq.....	General Counsel
G. Michael Miller, CPA, CGFO, CGFM, CIA.....	Director, Dept. of Admn. 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.....	Deputy Chief Administrative Officer
John Culbreth.....	Director, Department of Parks, Recreation, and Entertainment
Kerri Stewart.....	Interim 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
Michael R. Givens, 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
Jerry Holland.....	Supervisor of Elections
Mike Hogan.....	Tax Collector

City of Jacksonville, Florida

City Council Officials and Staff

City Council

President of Council.....Kevin Hyde
Vice President of CouncilMichael Corrigan

District 1 — Lake Ray	District 8 — Gwen Yates
District 2 — Lynette Self	District 9 — Reggie Fullwood
District 3 — Richard Clark	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 — Ronnie Fussell
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

Kirk Sherman, CPA.....Council Auditor
Cheryl BrownDirector/Council Secretary
Kristi SikesChief of Administrative Services
Dana FarrisChief of Legislative Services
Jeff Clements.....Chief of Research



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Report of Independent Certified Public Accountants

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the Jacksonville Retirement System fund and the aggregate remaining fund information of the City of Jacksonville, Florida (the City), as of and for the year ended September 30, 2005, 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 12 percent, 35 percent, and 4 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 33 percent of the assets and net assets of the pension trust funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units and the pension trust fund, are based solely on the reports of the other auditors. The prior year summarized comparative information has been derived from the City's 2004 financial statements and, in our report dated December 30, 2004 which refers to the reports of other auditors, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the City's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.



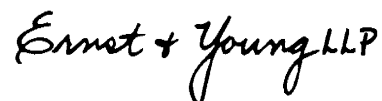
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In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the Jacksonville Retirement System fund and the aggregate remaining fund information of the City as of September 30, 2005, and the respective changes in financial position and, where applicable, cash flows 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 29, 2005 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 fund, 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information presented in the introductory and statistical sections has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on it.



December 29, 2005



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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Financial Highlights

- General Fund revenues and transfers in completed the year at \$804.2 million as compared to \$806.8 million budgeted, exclusive of transfers from fund balance. This resulted in a negative variance of \$2.6 million. Earnings on investments under performed budget by \$14.5 million. This was partially offset by positive variances in property taxes of \$11.2 million and Intergovernmental revenues of \$3.1 million. For the tenth consecutive year the Ad Valorem millage rate was decreased.
- General Fund expenditures, and transfers out completed the year at \$830.4 million (excludes encumbrances and carryforwards) as compared to \$851.5 million budgeted (excludes \$40 million cash reserve), resulting in a positive \$21.1 million variance.
- Capital assets were \$2.3 billion at September 30, 2005, resulting in a \$175 million, 8.3% increase over last fiscal year.
- The City of Jacksonville's total net assets at the close of the 2005 fiscal year decreased by \$91 million from the prior fiscal year primarily due to increases in Solid Waste expense for increased closure/postclosure liability at the landfill of \$12.9 million, a \$25 million ash settlement and an initial \$63.0 million estimate of a related cleanup. The city was able to settle a long standing class action suit regarding land value diminution and personal injury arising out of a practice prior to the early 1970's of using Solid Waste incinerator produced ash as a fill when mixed with soil in low lying areas prior to development. The city is also in negotiations with the U.S. Environmental Protection Agency (EPA) regarding clean up. A preliminary minimum of the range estimate of \$63.0 million was accrued at year end. Additional information regarding this pollution remediation may be found in Note 15 D Litigation, Contingencies, and Commitments – Environmental Matters of these statements.

City Highlights

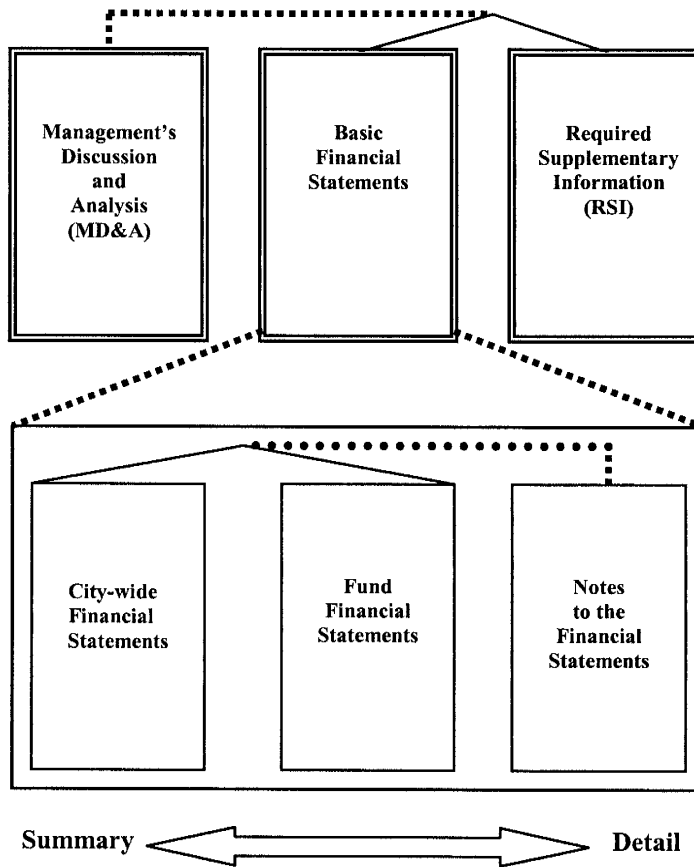
- The city continued to implement the Better Jacksonville Plan (BJP) 2000 initiative. The initiative provided for \$1.5 billion in transportation improvements and \$750 million in vertical and other projects. The citizen referendum approved a second ½ cent sales tax and additional uses of an earlier approved ½ cent sales tax. During 2005 in addition to working on a number of road projects, the city completed renovations on a number of existing libraries, opened six new regional libraries and in November 2005, opened the new 297,000 square foot main library downtown.
- In February 2005 Jacksonville hosted the National Football League's (NFL) Superbowl XXXIX. The city spent \$5.5 million on security, sanitation, and clean up. During the Superbowl, Fire and Rescue Department reported zero injuries or fires in commercial structures due to Superbowl preparations or activities.

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: the Jacksonville Electric Authority, Jacksonville Transportation Authority, Jacksonville Aviation Authority, Jacksonville Port Authority, Water Sewer Expansion Authority, Jacksonville Housing Finance Authority, Downtown Vision, Inc. and Jacksonville Economic Development Commission. The Jacksonville Electric Authority, Jacksonville Transportation Authority, Jacksonville Aviation Authority, Jacksonville Port Authority and 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, 2005, the City of Jacksonville is able to report positive balances in overall net assets (See Table A-1)

Table A-1
Summary Statement of Net Assets
(In Thousands)
as of September 30, 2005 and September 30, 2004

	Governmental Activities		Business Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Cash and Investments	\$ 729,916	\$ 924,176	\$ 54,317	\$ 52,400	784,233	\$ 976,576
Other Current Assets	182,533	176,609	34,728	36,701	217,261	213,310
Capital Assets	2,235,368	2,055,728	47,555	51,947	2,282,923	2,107,675
Total assets	<u>3,147,817</u>	<u>3,156,513</u>	<u>136,600</u>	<u>141,048</u>	<u>3,284,417</u>	<u>3,297,561</u>
Current Liabilities	161,986	151,064	38,649	13,309	200,635	164,373
Long-term obligations	2,241,747	2,272,098	173,412	101,320	2,415,159	2,373,418
Total liabilities	<u>2,403,733</u>	<u>2,423,162</u>	<u>212,061</u>	<u>114,629</u>	<u>2,615,794</u>	<u>2,537,791</u>
Net assets						
Invested in capital assets, net of related debt	641,558	575,598	13,742	12,289	655,300	587,887
Restricted	194,929	182,608	15,497	13,591	210,426	196,199
Unrestricted	(92,403)	(24,855)	(104,700)	539	(197,103)	(24,316)
Total net assets (deficit)	<u>\$ 744,084</u>	<u>\$ 733,351</u>	<u>\$ (75,461)</u>	<u>\$ 26,419</u>	<u>668,623</u>	<u>\$ 759,770</u>

Note: FY2004 Net Assets are restated to provide for comparability to the FY2005 Net Asset categorization. See Note 20 for additional information.

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.

The negative unrestricted net assets in the governmental activities is primarily due to non-asset related debt issued for various capital projects that belong to other entities, but the debt is a liability of the City.

The decrease of unrestricted net assets in the business type activities is primarily due to a \$25 million liability for an ash site settlement, a \$63 million accrual for additional ash site liability (see Note 15 D for further discussion) and a \$12.9 million increase in liability for landfill closure costs.

Governmental activities: The city's general governmental revenues increased to \$1.3 billion (see Table A-2). More than half of the city's revenue comes from taxes. Utility service tax revenues increased by \$4 million and Ad Valorem tax revenues increased by \$22 million in 2005. Over a quarter of the revenues come from program revenues, the largest being the contribution from the JEA. Intergovernmental revenues from the State provide a major portion of the remainder. In fiscal year 2004 Article V required separation of court operations revenues, in fiscal year 2005 these revenues were required to be reported and are reflected as \$24 million of the total fines and charges for services. Cash accumulations and supplemental rent revenue from the Jacksonville Jaguars resulted in an increase in miscellaneous revenues.

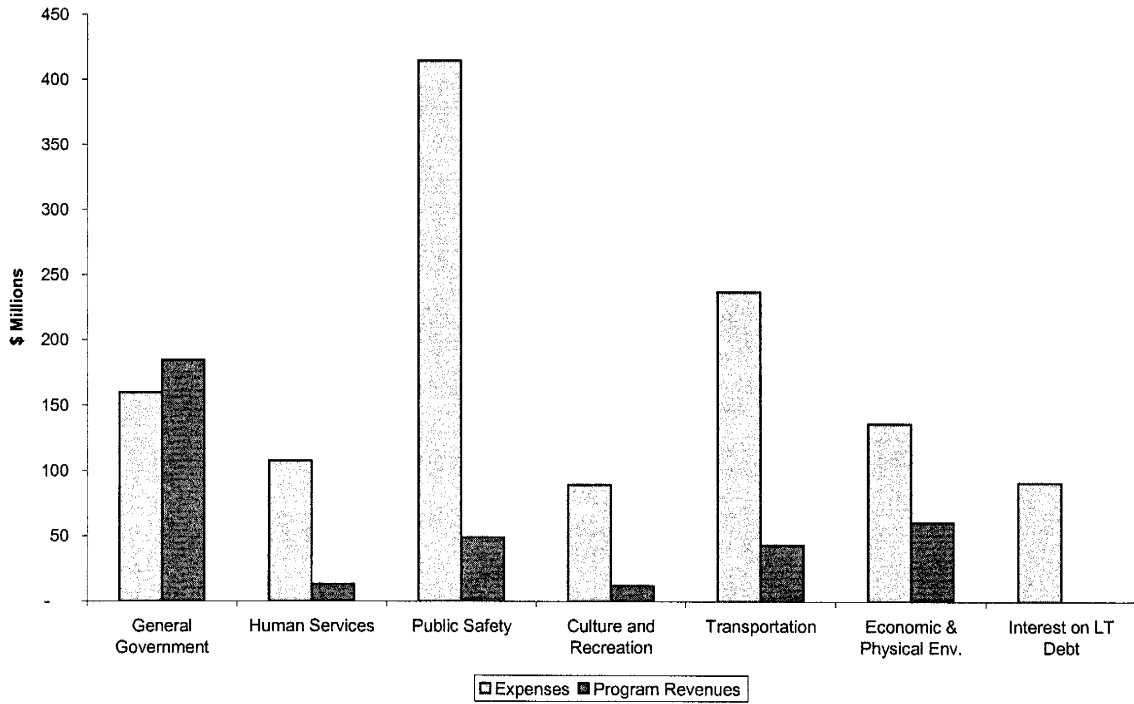
Total expenses increased \$193 million for services provided for the citizens. Increases in Public Safety at both the Jacksonville Sheriff's Office and Fire Rescue Department accounted for \$47 million of the increase. The city entered into an agreement with JTA to pay 1/12 of the annual Sales Tax Subsidy for Mass Transit operation costs. Additionally, an agreement between BJP and JTA to fund widening and expansion projects for State owned street construction projects located within the City of Jacksonville in the amount of \$67 million was completed in fiscal year 2005.

The following Table A-2 provides a summary comparison of the city's operations for the 2004 and 2005 fiscal year ends.

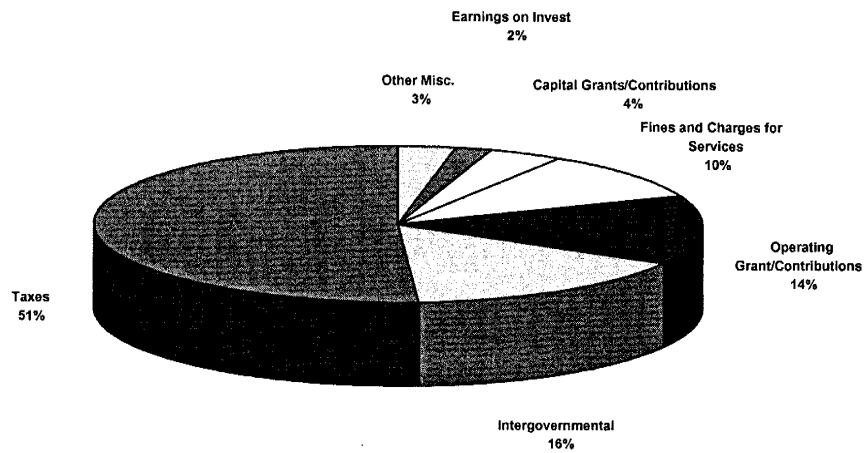
(In Thousands)
as of September 30, 2005 and September 30, 2004

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Primary Government</u>	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Fines & Charges for services	\$ 136,273	\$ 105,084	\$ 62,166	\$ 57,472	\$ 198,439	\$ 162,556
Operating grants/contributions	175,722	166,837	-	220	175,722	167,057
Capital grants/contributions	50,241	67,970	-	-	50,241	67,970
General revenues:						
Property/utility service/sales taxes	649,091	602,606	-	-	649,091	602,606
Intergovernmental	202,510	190,917	-	-	202,510	190,917
Unrestricted earnings on investments	23,759	33,741	3,368	2,594	27,127	36,335
Miscellaneous	43,610	26,771	1,488	2,132	45,098	28,903
Total Revenues	1,281,206	1,193,926	67,022	62,418	1,348,228	1,256,344
Expenses						
General government	160,341	191,705	-	-	160,341	191,705
Human Services	107,588	100,120	-	-	107,588	100,120
Public safety	414,490	367,308	-	-	414,490	367,308
Cultural and recreational	88,875	60,955	-	-	88,875	60,955
Transportation	236,998	129,734	-	-	236,998	129,734
Economic & physical environment	135,929	119,621	-	-	135,929	119,621
Interest on long term debt	90,738	92,477	-	-	90,738	92,477
Parking system	-	-	5,116	4,298	5,116	4,298
Sports complex	-	-	25,088	21,995	25,088	21,995
Motor vehicle inspections	-	-	555	451	555	451
Solid Waste	-	-	83,506	77,588	83,506	77,588
Ferry	-	-	1,943	2,063	1,943	2,063
Total Expenses	1,234,959	1,061,920	116,208	106,395	1,351,167	1,168,315
Increases (decreases) in net assets before special items and transfers	46,247	132,006	(49,186)	(43,977)	(2,939)	88,029
Special item-refunded state bonds	-	(79,218)	-	-	-	(79,218)
Special item-environmental settlement & remediation	-	-	(87,995)	-	(87,995)	-
Transfers	(35,301)	(25,723)	35,301	25,723	-	-
Change in net assets	10,946	27,065	(101,880)	(18,254)	(90,934)	8,811
Net assets, beginning of year - restated	733,138	706,286	26,419	44,673	759,557	750,959
Net assets, end of year	\$ 744,084	\$ 733,351	\$ (75,461)	\$ 26,419	\$ 668,623	\$ 759,770

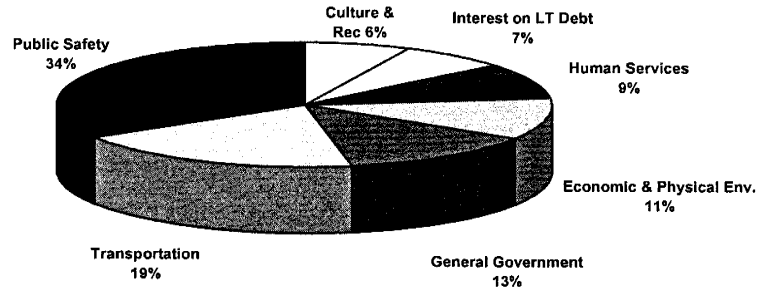
Expenses and Program Revenues - Governmental Activities



Revenues - Governmental Activities

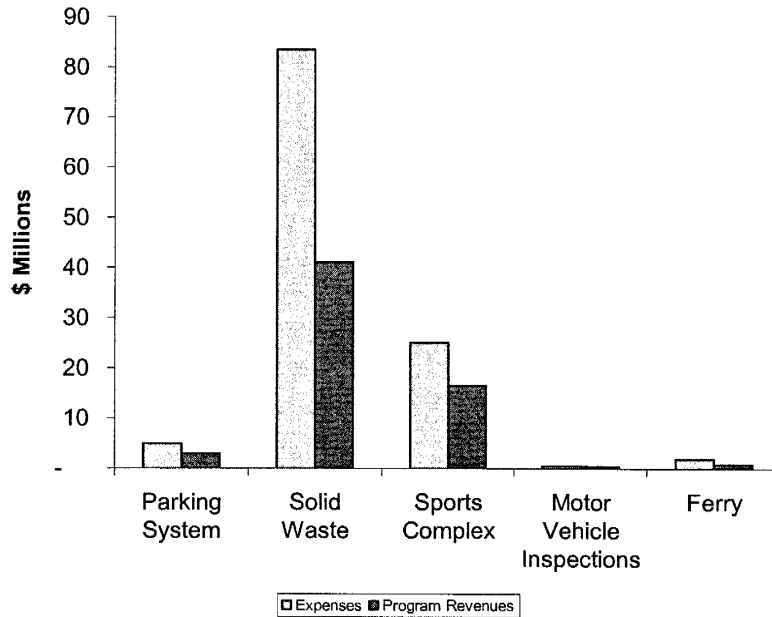


Expenses - Governmental Activities



Business-type activities: Operations were stable except for the following items: the \$25 million ash site settlement and \$63 million ash site remediation noted above is recorded as a special item – environmental settlement & remediation in the Business Type Activities and an additional \$12.9 million expense was recognized for closure/post closure liability at the landfill.

Expenses and Program Revenues - Business-Type Activities



FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

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

Governmental Funds: The focus of the City of Jacksonville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2005. 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 \$708 million. Approximately 34.6% of this total amount constitutes unreserved fund 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.

The General Fund is the chief operating fund of the City of Jacksonville. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$48.3 million, with \$40 million designated by City Council as an emergency reserve in next year's budget. The General Fund's total fund balance is \$63 million.

Key factors affecting the general fund's fiscal 2004/2005 operations are as follows:

- Property taxes account for 47.7%, almost half of the general fund revenue and increased 6.4% over the previous year. The Ad Valorem millage rate was reduced for the tenth consecutive year of millage cuts, resulting in a 1.53 mill decrease over the ten years. This represents savings to taxpayers of approximately \$59.9 million in the fiscal year 2005 and cumulative savings of \$226.1 million over the ten-year period.
- 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.
- The city continued its commitment to Public Safety by increasing funding by \$22 million for 45 new positions for on-scene firefighting capability and support staff, as well as to staff the newly opened Station #18. The Jacksonville Sheriff's Office received 62 new positions for the Corrections Division (13), Investigations and Homeland Security Division (12), Police Operations (19), Personal and Professional Standards Division (11), and Administration Division (7). Additionally, 38 part-time positions were converted to permanent full-time positions. Funding was also provided for a replacement helicopter, automated fingerprint machine, and other technological equipment.
- The new main public library was completed in fiscal year 2005, along with six new branch libraries at a total cost of approximately \$130 million. Additional funding for 129 new library positions was appropriated by Council.
- The early literacy program managed by the Jacksonville Children's Commission began and provided \$5 million in services.
- Aging computer systems at the Tax Collector, Property Appraiser, and Clerk of the Courts were replaced with new systems. Additional positions (25) for these County Constitutional operations were funded.

Proprietary Funds: The City of Jacksonville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Public Parking continues its progress towards having positive net assets with a positive change of \$923 thousand this year, although ending year net assets are negative \$4.6 million. The other major proprietary fund is Solid Waste. Factors concerning this fund have already been addressed in the discussion of the City of Jacksonville's business-type activities.

General Fund Budgetary Highlights: 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 13th, and completed its review and made final recommendations on September 20th. 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 1st.

The City Council amends and supplements the budget appropriations throughout the year. Major supplemental appropriations were made to fund the Fire Department for FEMA related reimbursed costs (\$9.1 million) from the four hurricanes that struck in the late summer of 2004 and to fund the Office of the Sheriff for \$1.1 million for SuperBowl related costs.

The budget has a final amendment called the Omnibus BT, which aligns departmental budgets with departmental expenditures, and is a zero sum expenditure appropriation.

The actual charges to appropriations (expenditures, transfers out, and carryover encumbrances) were \$6.3 million below the final budgeted amount. This does not include the \$40 million budgeted, but not used, cash carry forward emergency reserve.

Resources available for appropriations were \$1.9 million below the final budgeted amount. Actual interest revenue was \$14.5 million below budget. In June 2005, the city elected to reverse the \$450 million in invested swaps (with a remaining life of 3.5 years) at a cost of \$4.2 million. Over the 18 months the swaps were in place, the city experienced a net gain of \$9.7 million. Due to rising interest rates any attempt to reverse the swaps later would have been increasingly more expensive.

Positive variances occurred with \$11.2 million additional property tax revenue and \$3.1 intergovernmental Communication Service Tax revenue.

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, 2005, amounts to \$2.3 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, infrastructure, and construction in progress (see Table A-3). Additional information on the City of Jacksonville's capital assets can be found in Notes to the Financial Statement, Footnote 6 of this report.

Table A-3
Capital Assets
Net of Accumulated Depreciation
(In Thousands)
as of September 30, 2005 and September 30, 2004

	Governmental Activities		Business Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 278,944	\$ 270,698	\$ 7,074	\$ 7,074	\$ 286,018	\$ 277,772
Buildings and improvements	938,080	847,172	74,483	74,137	1,012,563	921,309
Furniture & Equipment	65,467	55,960	8,137	9,173	73,604	65,133
Construction in progress	117,573	143,692	-	-	117,573	143,692
Infrastructure	1,195,888	1,074,057	-	-	1,195,888	1,074,057
Capital assets reported in Internal Service Funds, net	80,739	61,798	-	-	80,739	61,798
Less accumulated depreciation	(441,323)	(397,649)	(42,139)	(38,437)	(483,462)	(436,086)
Total	<u>\$ 2,235,368</u>	<u>\$ 2,055,728</u>	<u>\$ 47,555</u>	<u>\$ 51,947</u>	<u>\$ 2,282,923</u>	<u>\$ 2,107,675</u>

Major project costs in fiscal year 2005 included the following:

Library Projects	\$ 32.2 million
Public Works Road Projects	20.3 million
Countrywide Resurfacing	7.7 million
Drainage Projects	7.4 million
Infrastructure Projects	4.5 million
Park Department Projects	4.3 million
Building Projects	3.9 million
Fire Department Projects	3.4 million
Shipyards Project	2.5 million
Septic Tank Remediation	2.3 million
Courthouse Project	2.2 million
Miscellaneous Projects	1.7 million

Debt Administration

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

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

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

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

At year-end the city had \$2.2 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
Bonds and Notes Payable
Outstanding Debt at Year End
(In Thousands)

	Governmental Activities		Business Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Special Obligation Bonds	\$ 955,206	\$ 1,035,101	\$ -	\$ -	\$ 955,206	\$ 1,035,101
Special Obligation-BJP	1,081,805	1,093,855			1,081,805	1,093,855
Revenue Bonds Payable	-	-	67,990	72,109	67,990	72,109
Notes Payable	67,085	8,980	-	-	67,085	8,980
Notes Payable-BJP	18,319	-	-	-	18,319	-
Deferred Amounts	5,237	6,095	(2,343)	(2,644)	2,894	3,451
Total	\$ 2,127,652	\$ 2,144,031	\$ 65,647	\$ 69,465	\$ 2,193,299	\$ 2,213,496

The City of Jacksonville's debt decreased by \$20 million as compared to fiscal year 2004. The decrease was primarily due to \$99 million in debt reduction and \$83 million in new debt. The new debt included \$65 million of commercial paper issued to support an internal loan pool and \$18.3 million borrowed from the state to support the Better Jacksonville Plan projects. The city anticipates future debt activity to continue funding the Better Jacksonville Plan, refinancing various bonds, and additional needs for drainage and park improvements.

New indebtedness of the City of Jacksonville consists of;

Closing Date	Par Amount	Lien	Primary Use
Nov 2004	\$65,000,000	Excise Local Government	Internal Loan Pool
Feb 2005	\$18,319,000	SIB-Infra ½ Cent Sales Tax	BJP roadwork projects

At September 30, 2005, the City of Jacksonville had \$955 million 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), \$68 million in bonds payable from Enterprise Funds, and \$8.5 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, 2005.

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.

The FY2006 General Fund budget appropriations include \$46.5 million appropriated from the Fund Balance of the General Fund, of which \$40 million will be put in to an emergency reserve fund. The emergency reserve shall not be used except as initiated by the Mayor through written communication to City Council, explaining the emergency, and subsequent approval by two-thirds vote of all City Council members.

Other Economic Factors:

- The unemployment rate for the City of Jacksonville is less than 3.5%. This compares favorably to the state's average unemployment rate (3.5%) and the national average unemployment rate (5.1%).
- 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.
- Jacksonville has a major port, home to the National Football League's (NFL) Jacksonville Jaguars, is the insurance and financial center of Florida, and is the site of key U.S. Navy bases.

Budget Highlights for fiscal 2005-2006:

- Ad Valorem millage rate was reduced for the eleventh consecutive year of millage cuts, resulting in a 1.67 mill decrease over the eleven years. This represents savings to taxpayers of approximately \$63.4 million in the current year and cumulative savings of \$289.4 million over the eleven-year period. This is the lowest ad valorem millage rate for a major combined city/county in Florida.
- General Fund revenues are up \$55.9 million excluding transfers, which represents an 8.19% increase.
- A separate fund (Emergency Reserve) was established. The initial goal for the Emergency Reserve is \$40 million. The goal of this Reserve is equal to approximately 7% of the total General Fund/General Services District budgeted expenditures. All other one time reserves and General Fund revenues in excess of expenditures in subsequent fiscal years shall be set aside in a reserve account until the reserve is equal to 5% of the total General Fund/General Services District budgeted expenditures.
- Established a budget stabilization reserve of \$5 million.
- Funding to the Jacksonville Children's Commission for \$21.5 million includes \$5.13 million for the Mayor's Early Literacy Initiative. The Commission provides all local governmental services to children.
- The contribution to Shands Hospital/Jacksonville in support of indigent care is \$23.8 million.
- Funded the Cultural Council with \$3.75 million.
- The Office of the Sheriff received additional funding for overtime of approximately \$3.2 million as well as \$2.7 million for inmate health care and food service contract increases. Thirty positions were transferred from COPS Ahead grant funding into the General Fund-GSD at a cost of approximately \$1.2 million.
- The Supervisor of Elections received \$480,000 for staffing at early voting sites used prior to the election. Additional monies totaling \$300,000 was provided for warehouse improvements needed for storage of equipment as well as \$271,000 to bring all polling locations into HAVA compliance.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the city's finances and to demonstrate the city's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Department of 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, 2005
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS		COMPONENT UNITS
			2005	2004	
ASSETS:					
Equity in cash and investments.....	\$ 661,695	\$ 54,317	\$ 716,012	\$ 872,156	\$ 1,001,833
Cash in escrow and with fiscal agents.....	68,221	-	68,221	104,420	-
Securities lending.....	16,305	-	16,305	-	-
Receivables, net.....	40,295	4,507	44,802	42,667	251,194
Due from independent agencies and other governments.....	104,326	20	104,346	116,715	52,392
Inventories.....	3,354	5	3,359	2,724	130,663
Prepaid expenses and other assets.....	18,253	309	18,562	15,316	380,804
Deferred charge - landfill related costs.....	-	29,463	29,463	31,592	-
Other deferred charges.....	-	424	424	4,296	-
CAPITAL ASSETS:					
Land and work in progress.....	397,930	7,074	405,004	421,522	1,500,359
Other capital assets, net of depreciation.....	1,837,438	40,481	1,877,919	1,686,153	5,587,260
TOTAL ASSETS.....	3,147,817	136,600	3,284,417	3,297,561	8,904,505
LIABILITIES:					
Accounts payable and accrued liabilities.....	53,647	31,774	85,421	88,744	154,036
Contracts payable.....	5,315	1,341	6,656	10,723	-
Due to component units.....	-	-	-	2,200	-
Due to independent agencies and other governments.....	30,068	-	30,068	597	27
Deposits.....	1,689	3,518	5,207	3,590	25,317
Accrued interest payable.....	46,969	1,682	48,651	51,339	92,375
Unearned revenue.....	7,993	334	8,327	7,180	26,361
Securities lending.....	16,305	-	16,305	-	-
Liabilities payable from restricted assets.....	-	-	-	-	12,682
Other current liabilities.....	-	-	-	-	92,633
NONCURRENT LIABILITIES:					
Due within one year.....	89,935	4,756	94,691	81,698	121,819
Due in more than one year.....	2,151,812	168,656	2,320,468	2,291,720	5,665,198
TOTAL LIABILITIES.....	2,403,733	212,061	2,615,794	2,537,791	6,190,448
NET ASSETS:					
Invested in capital assets, net of related debt.....	641,558	13,742	655,300	587,887	1,930,215
Restricted for:					
Debt service.....	74,106	-	74,106	64,384	7,213
Capital projects.....	120,700	12,170	132,870	130,030	88,517
Permanent fund, non-expendable.....	123	-	123	123	-
Other purposes.....	-	3,327	3,327	1,662	309,341
Unrestricted.....	(92,403)	(104,700)	(197,103)	(24,316)	378,771
TOTAL NET ASSETS (deficit).....	\$ 744,084	\$ (75,461)	\$ 668,623	\$ 759,770	\$ 2,714,057

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF ACTIVITIES -
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT		TOTALS		COMPONENT UNITS
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2005	2004	
PRIMARY GOVERNMENT:									
Governmental activities:									
General government.....	\$ 160,341	\$ 87,297	\$ 97,262	\$ -	\$ 24,218		\$ 24,218	(\$ 50,684)	
Human services.....	107,588	1,367	11,696	-	(94,525)		(94,525)	(82,741)	
Public safety.....	414,490	40,517	8,283	164	(365,526)		(365,526)	(317,196)	
Culture and recreation.....	88,875	5,550	3,555	2,748	(77,022)		(77,022)	(49,496)	
Transportation.....	236,998	220	-	43,021	(193,757)		(193,757)	(80,336)	
Economic environment.....	83,832	-	51,298	4,269	(28,265)		(28,265)	(8,861)	
Physical environment.....	52,097	1,322	3,628	39	(47,108)		(47,108)	(40,238)	
Interest on long term debt.....	90,738	-	-	-	(90,738)		(90,738)	(92,477)	
Total governmental activities....	<u>1,234,959</u>	<u>136,273</u>	<u>175,722</u>	<u>50,241</u>	<u>(872,723)</u>		<u>(872,723)</u>	<u>(722,029)</u>	
Business-type activities:									
Parking system.....	5,116	3,013	-	-	-	(2,103)	(2,103)	(1,650)	
Sports complex.....	25,088	16,605	-	-	-	(8,483)	(8,483)	(8,480)	
Motor vehicle inspections.....	555	481	-	-	-	(74)	(74)	(63)	
Solid Waste.....	83,506	41,120	-	-	-	(42,386)	(42,386)	(37,465)	
Ferry.....	1,943	947	-	-	-	(996)	(996)	(1,045)	
Total business-type activities....	<u>116,208</u>	<u>62,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,042)</u>	<u>(54,042)</u>	<u>(48,703)</u>	
Total primary government.....	\$ 1,351,167	\$ 198,439	\$ 175,722	\$ 50,241	(872,723)	(54,042)	(926,765)	(770,732)	
COMPONENT UNITS:									
Governmental activities.....	\$ 76,780	\$ 1,516	\$ 10,640	\$ 60,553					(\$ 4,071)
Business-type activities.....	1,534,170	1,310,978	59,917	6,745					(156,530)
Total component units.....	<u>\$ 1,610,950</u>	<u>\$ 1,312,494</u>	<u>\$ 70,557</u>	<u>\$ 67,298</u>					<u>(160,601)</u>
General revenues:									
Property taxes.....					365,456	-	365,456	343,870	-
Utility service taxes.....					99,463	-	99,463	95,629	-
Sales and tourist taxes.....					184,172	-	184,172	163,107	71,717
Intergovernmental - unrestricted.....					202,510	-	202,510	190,917	-
Unrestricted earnings on investments.....					23,759	3,368	27,127	36,335	37,364
Gain on disposition of fixed assets.....					-	-	-	-	1,020
Miscellaneous.....					43,610	1,488	45,098	28,903	55,640
Special item - refunded state bonds.....					-	-	-	(79,218)	-
Special item - environmental settlements and remediations.....					-	(87,995)	(87,995)	-	-
Transfers.....					(35,301)	35,301	-	-	-
Total general revenues, special items, and transfers.....					<u>883,669</u>	<u>(47,838)</u>	<u>835,831</u>	<u>779,543</u>	<u>165,741</u>
Change in net assets.....					<u>10,946</u>	<u>(101,880)</u>	<u>(90,934)</u>	<u>8,811</u>	<u>5,140</u>
Net assets, beginning of year.....					<u>733,351</u>	<u>26,419</u>	<u>759,770</u>	<u>750,959</u>	<u>2,707,267</u>
Prior period adjustment.....					<u>(213)</u>	<u>-</u>	<u>(213)</u>	<u>-</u>	<u>1,650</u>
Net assets, beginning of year, as restated.....					<u>733,138</u>	<u>26,419</u>	<u>759,557</u>	<u>750,959</u>	<u>2,708,917</u>
Net assets (deficit), end of year.....					<u>\$ 744,084</u>	<u>(\$ 75,461)</u>	<u>\$ 668,623</u>	<u>\$ 759,770</u>	<u>\$ 2,714,057</u>

See accompanying notes.



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**FUND FINANCIAL
STATEMENTS**



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MAJOR GOVERNMENTAL FUNDS:

GENERAL FUND

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

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

CAPITAL PROJECTS FUNDS

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

CITY OF JACKSONVILLE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	GENERAL FUND	SPECIAL BONDED DEBT OBLIGATIONS	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	BOND PROJECTS
ASSETS:				
Equity in cash and investments.....	\$ 30,298	\$ 68,376	\$ 60,611	\$ 63,421
Cash in escrow and with fiscal agents.....	329	25,650	34,355	276
Receivables (net, where applicable, of allowances for uncollectibles):				
Taxes.....	-	-	-	-
Accounts and interest.....	7,176	-	-	-
Mortgages.....	43	-	-	-
Other.....	1,314	-	-	-
Due from other funds.....	-	-	-	-
Due from independent agencies and other governments.....	55,424	-	-	-
Inventories.....	1,439	-	-	-
Prepaid items.....	-	-	-	-
TOTAL ASSETS.....	\$ 96,023	\$ 94,026	\$ 94,966	\$ 63,697
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 23,852	\$ -	\$ -	\$ 3,200
Contracts payable.....	7	-	-	2,567
Due to other funds.....	-	-	-	968
Due to component units.....	-	-	-	-
Due to independent agencies and other governments.....	3,938	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	640	-	-	-
Unearned revenue.....	4,591	-	-	-
Advances from other funds.....	-	-	-	-
TOTAL LIABILITIES.....	33,028	-	-	6,735
FUND BALANCES:				
Reserved for:				
Encumbrances.....	12,917	-	-	19,042
Imprest cash and cash in escrow.....	329	25,650	34,355	276
Mortgages receivable.....	43	-	-	-
Inventories.....	1,439	-	-	-
Debt service.....	-	68,376	60,611	-
Unreserved:				
Designated for capital projects.....	5,059	-	-	37,644
Reported in nonmajor special revenue funds.....	-	-	-	-
Designated for subsequent years' budget				
Reported in nonmajor special revenue funds.....	-	-	-	-
Designated for changes in fair value of investments.....	-	-	-	-
Reported in nonmajor special revenue funds.....	-	-	-	-
Reported in nonmajor capital projects funds.....	-	-	-	-
Designated for next year's budget appropriation.....	41,490	-	-	-
Undesignated (deficit).....	1,718	-	-	-
Unreserved, reported in nonmajor:				
Special revenue funds.....	-	-	-	-
Capital projects funds.....	-	-	-	-
Permanent fund.....	-	-	-	-
TOTAL FUND BALANCES.....	62,995	94,026	94,966	56,962
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 96,023	\$ 94,026	\$ 94,966	\$ 63,697

See accompanying notes.

GENERAL PROJECTS	BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
			2005	2004
\$ 24,277	\$ 199,848	\$ 145,261	\$ 592,092	\$ 759,555
-	-	7,611	68,221	104,420
-	-	-	-	28
-	-	2,974	10,150	6,913
-	-	10,650	10,693	10,413
-	-	-	1,314	2,618
629	-	-	629	-
-	-	45,615	101,039	113,483
-	-	66	1,505	1,270
-	-	-	-	1,384
<u>\$ 24,906</u>	<u>\$ 199,848</u>	<u>\$ 212,177</u>	<u>\$ 785,643</u>	<u>\$ 1,000,084</u>
\$ 1,868	\$ 6,934	\$ 11,024	\$ 46,878	\$ 66,024
364	2,183	194	5,315	9,395
-	-	629	1,597	3,027
-	-	-	-	2,200
-	-	1,044	4,982	164
-	-	270	270	416
-	-	1,047	1,687	1,563
-	-	1,505	6,096	5,770
<u>10,991</u>	<u>-</u>	<u>-</u>	<u>10,991</u>	<u>11,548</u>
<u>13,223</u>	<u>9,117</u>	<u>15,713</u>	<u>77,816</u>	<u>100,107</u>
5,124	190,731	31,983	259,797	456,517
-	-	2,717	63,327	104,710
-	-	9,525	9,568	9,213
-	-	-	1,439	1,270
-	-	146	129,133	143,457
6,559	-	-	49,262	104,358
-	-	878	878	701
-	-	34	34	39
-	-	-	-	282
-	-	-	-	108
-	-	-	-	7
-	-	-	41,490	65,045
-	-	-	1,718	(103,793)
-	-	147,142	147,142	112,213
-	-	3,861	3,861	5,674
-	-	178	178	176
<u>11,683</u>	<u>190,731</u>	<u>196,464</u>	<u>707,827</u>	<u>899,977</u>
<u>\$ 24,906</u>	<u>\$ 199,848</u>	<u>\$ 212,177</u>	<u>\$ 785,643</u>	<u>\$ 1,000,084</u>



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City of Jacksonville, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2005
(in thousands)

Total fund balances- governmental funds		\$ 707,827
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		2,154,629
Long term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:		
Bonds and notes payable	(2,064,619)	
Unamortized bond discounts	3,783	
Unamortized bond premium	(14,560)	
Unamortized loss on advance refunding of debt	5,540	
Total bonds and notes payable	(2,069,856)	(2,069,856)
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)		(51,526)
Interest payable		(46,969)
Unamortized bond issuance costs		14,205
Excess funds distribution to component unit		(22,459)
Estimated settlement for Shipyards project		(2,500)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. This amount represents net assets of the internal service funds.		60,733
Net assets of governmental activities		\$ 744,084

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, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	<u>GENERAL FUND</u>	<u>SPECIAL BONDED DEBT OBLIGATIONS</u>	<u>SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS</u>	<u>BOND PROJECTS</u>
REVENUE:				
Property taxes.....	\$ 360,768	\$ -	\$ -	\$ -
Utility Service taxes.....	99,463	-	-	-
Sales and tourist taxes.....	-	-	-	-
Licenses and permits.....	9,045	-	-	-
Intergovernmental.....	152,249	-	10,810	-
Charges for services.....	55,257	-	-	-
Fines and forfeitures.....	5,135	-	-	-
Payment in lieu of taxes.....	85,938	-	-	-
Interest.....	5,049	2,878	3,919	1,458
Other.....	15,756	-	-	-
Total Revenue.....	<u>788,660</u>	<u>2,878</u>	<u>14,729</u>	<u>1,458</u>
EXPENDITURES:				
Current:				
General government.....	107,987	-	-	1,846
Human services.....	73,454	-	-	-
Public safety.....	385,310	-	-	-
Culture and recreation.....	68,546	-	-	-
Transportation.....	35,259	-	-	-
Economic environment.....	18,477	-	-	-
Physical environment.....	12,990	-	-	-
Capital outlay.....	-	-	-	48,615
Debt service:				
Principal.....	-	40,810	12,050	-
Interest and fiscal charges.....	-	44,514	48,016	-
Other - cost of issuance.....	-	-	-	487
Total Expenditures.....	<u>702,023</u>	<u>85,324</u>	<u>60,066</u>	<u>50,948</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	<u>86,637</u>	<u>(82,446)</u>	<u>(45,337)</u>	<u>(49,490)</u>
OTHER FINANCING SOURCES (USES):				
Long term debt issued.....	-	-	-	-
Discount on special obligation bonds payable.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	(40,668)	-	-
Transfers in.....	15,588	78,018	35,840	-
Transfers out.....	(128,339)	-	-	-
Total Other Financing Sources (Uses).....	<u>(112,751)</u>	<u>37,350</u>	<u>35,840</u>	<u>-</u>
SPECIAL ITEM:				
Payment to escrow agent - refunded state bonds.....	-	-	-	-
NET CHANGES IN FUND BALANCES.....	(26,114)	(45,096)	(9,497)	(49,490)
FUND BALANCES, BEGINNING OF YEAR, as restated.....				
	89,109	139,122	104,463	106,452
Change in reserve for inventory of supplies.....	-	-	-	-
FUND BALANCES, END OF YEAR.....	<u>\$ 62,995</u>	<u>\$ 94,026</u>	<u>\$ 94,966</u>	<u>\$ 56,962</u>

See accompanying notes.

GENERAL PROJECTS	BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
			2005	2004
\$ -	\$ -	\$ 4,688	\$ 365,456	\$ 343,870
-	-	-	99,463	95,629
-	-	184,172	184,172	163,107
-	-	-	9,045	8,524
1,104	41,215	96,835	302,213	297,639
-	-	65,779	121,036	85,789
-	-	1,057	6,192	10,771
-	-	-	85,938	83,188
558	4,665	3,149	21,676	34,489
3,650	280	23,923	43,609	26,771
<u>5,312</u>	<u>46,160</u>	<u>379,603</u>	<u>1,238,800</u>	<u>1,149,777</u>
-	-	29,259	139,092	117,428
-	-	33,650	107,104	100,212
-	-	26,744	412,054	358,964
-	-	9,520	78,066	78,392
-	-	105,936	141,195	130,473
-	-	59,846	78,323	68,675
-	-	8,225	21,215	19,271
14,317	185,615	10,531	259,078	337,896
-	-	460	53,320	47,415
-	-	544	93,074	79,183
-	1,286	-	1,773	4,033
<u>14,317</u>	<u>186,901</u>	<u>284,715</u>	<u>1,384,294</u>	<u>1,341,942</u>
<u>(9,005)</u>	<u>(140,741)</u>	<u>94,888</u>	<u>(145,494)</u>	<u>(192,165)</u>
-	18,319	-	18,319	371,775
-	-	-	-	(2,778)
-	-	-	(40,668)	-
893	42,923	34,853	208,115	232,249
(6,580)	-	(97,290)	(232,209)	(232,721)
<u>(5,687)</u>	<u>61,242</u>	<u>(62,437)</u>	<u>(46,443)</u>	<u>368,525</u>
-	-	-	-	(79,218)
(14,692)	(79,499)	32,451	(191,937)	97,142
26,375	270,230	164,013	899,764	802,833
-	-	-	-	2
<u>\$ 11,683</u>	<u>\$ 190,731</u>	<u>\$ 196,464</u>	<u>\$ 707,827</u>	<u>\$ 899,977</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, 2005
(in thousands)

Net change in fund balances- total governmental funds: \$ (191,937)

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	175,017	
Capital assets contributed by developers	40,322	
Capital assets transferred from proprietary funds of the city	178	
Current year depreciation	(53,578)	
Loss on disposition of assets	(2,306)	
		159,633

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.

Payment to escrow agent	40,668	
Amortization of issuance costs	(696)	
Amortization of bond discounts	(155)	
Additional current year interest expense, bond premiums	1,019	
Amortization - loss on refunding	(409)	
		40,427

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

Long term debt issued	(18,319)	
Principal repayment	54,052	
		35,733

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	2,577	
Reduction in accrued interest receivable	(8)	
Increases in compensated absences payable	(754)	
Arbitrage rebate payable	1,846	
Excess funds distribution to component unit	(22,459)	
Estimated settlement for Shipyards project	(2,500)	
		54,862

Changes in reserves for inventory -

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	2,091	
Other operating expenses	(4,554)	
Loss from operations	2,235	
Transfers out	(11,384)	
		(11,612)

Change in Net Assets - Governmental Activities \$ 10,946

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, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	ENTERPRISE FUNDS					
	PUBLIC PARKING SYSTEM	SOLID WASTE DISPOSAL	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
				2005	2004	
ASSETS:						
Equity in cash and investments.....	\$ 1,558	\$ 35,336	\$ 1,025	\$ 37,919	\$ 37,481	\$ 69,603
Receivables (net, where applicable, of allowances for uncollectibles):						
Accounts.....	23	1,924	2,297	4,244	3,891	83
Other.....	-	-	-	-	-	2,221
Due from other funds.....	-	-	-	-	-	968
Due from independent agencies and other governments..	-	8	12	20	122	3,287
Advances to other funds.....	-	-	-	-	-	10,991
Inventories.....	-	-	5	5	10	1,849
Prepaid expenses and other assets.....	-	-	309	309	415	4,048
Total Current Assets.....	1,581	37,268	3,648	42,497	41,919	93,050
NONCURRENT ASSETS:						
Sinking fund cash and investments.....	-	-	3,064	3,064	1,662	-
Construction fund cash and investments.....	-	13,334	-	13,334	13,257	-
Accounts and interest receivable.....	-	-	263	263	208	-
Other receivables.....	-	-	-	-	-	15,834
CAPITAL ASSETS:						
Land and work in progress.....	4,573	1,859	642	7,074	7,074	1,413
Other capital assets, net of depreciation.....	8,088	28,433	3,960	40,481	44,873	79,326
Deferred charge - Landfill related costs.....	-	29,463	-	29,463	31,592	-
Other deferred charges.....	-	424	-	424	463	-
Total Noncurrent Assets.....	12,661	73,513	7,929	94,103	99,129	96,573
TOTAL ASSETS.....	\$ 14,242	\$ 110,781	\$ 11,577	\$ 136,600	\$ 141,048	\$ 189,623

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

ENTERPRISE FUNDS

	PUBLIC PARKING SYSTEM	SOLID WASTE DISPOSAL	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
				2005	2004	
LIABILITIES:						
Accounts payable and accrued liabilities.....	\$ 117	\$ 28,574	\$ 3,083	\$ 31,774	\$ 7,728	\$ 6,500
Contracts payable.....	-	1,341	-	1,341	1,328	-
Due to independent agencies and other governments.....	-	-	-	-	7	127
Capitalized lease obligations, current portion.....	-	-	-	-	-	78
Deposits.....	87	104	3,327	3,518	2,025	2
Accrued interest payable.....	417	1,265	-	1,682	1,793	-
Current portion of bonds payable.....	1,460	3,065	-	4,525	4,643	-
Deferred revenue.....	-	-	334	334	428	1,897
Accrued compensated absences, current portion.....	41	178	12	231	225	895
Total Current Liabilities.....	2,122	34,527	6,756	43,405	18,177	9,499
NONCURRENT LIABILITIES:						
Estimated liability for self-insured losses.....	-	-	-	-	-	58,595
Estimated liability for ash sites remediations.....	-	62,995	-	62,995	-	-
Liability for landfill closure and postclosure care.....	-	44,003	-	44,003	31,104	-
Accrued compensated absences.....	95	414	27	536	526	2,088
Capitalized lease obligations.....	-	-	-	-	-	143
Notes payable.....	-	-	-	-	-	58,565
Bonds Payable.....	16,723	44,399	-	61,122	64,822	-
Total Noncurrent Liabilities.....	16,818	151,811	27	168,656	96,452	119,391
TOTAL LIABILITIES.....	18,940	186,338	6,783	212,061	114,629	128,890
NET ASSETS:						
Invested in capital assets, net of related debt.....	6,364	2,776	4,602	13,742	12,289	46,715
Restricted for:						
Capital.....	880	11,290	-	12,170	11,929	-
Restricted - others.....	-	-	3,327	3,327	1,662	-
Unrestricted.....	(11,942)	(89,623)	(3,135)	(104,700)	539	14,018
TOTAL NET ASSETS (deficit).....	\$ (4,698)	\$ (75,557)	\$ 4,794	\$ (75,461)	\$ 26,419	\$ 60,733



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CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	ENTERPRISE FUNDS					
	PUBLIC PARKING SYSTEM	SOLID WASTE DISPOSAL	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
				2005	2004	
OPERATING REVENUE:						
Charges for services.....	\$ 3,013	\$ 41,120	\$ 18,033	\$ 62,166	\$ 57,472	\$ 179,082
Charges for services for independent authorities....	-	-	-	-	-	13,702
Other.....	-	-	-	-	-	5,152
Total Operating Revenue.....	<u>3,013</u>	<u>41,120</u>	<u>18,033</u>	<u>62,166</u>	<u>57,472</u>	<u>197,936</u>
OPERATING EXPENSES:						
Personal services.....	1,485	6,528	13,506	21,519	19,824	27,321
Supplies and materials.....	65	1,453	3,712	5,230	4,700	18,431
Central services.....	922	1,828	301	3,051	2,102	4,613
Interdepartmental charges.....	57	331	1,819	2,207	1,646	-
Other services and charges.....	1,388	66,766	7,885	76,039	70,163	29,403
Depreciation and amortization.....	366	4,070	363	4,799	4,559	23,114
Court reporter services.....	-	-	-	-	-	50
Claims and losses.....	-	-	-	-	-	21,817
Insurance premiums and participant dividends.....	-	-	-	-	-	70,952
Total Operating Expenses.....	<u>4,283</u>	<u>80,976</u>	<u>27,586</u>	<u>112,845</u>	<u>102,994</u>	<u>195,701</u>
OPERATING INCOME (LOSS).....	<u>(1,270)</u>	<u>(39,856)</u>	<u>(9,553)</u>	<u>(50,679)</u>	<u>(45,522)</u>	<u>2,235</u>
NON-OPERATING REVENUE (EXPENSES):						
Interest revenue.....	2,611	735	22	3,368	2,594	2,091
Interest expense.....	(833)	(2,530)	-	(3,363)	(3,401)	-
Operating grants.....	-	-	-	-	220	-
Other.....	8	1,480	-	1,488	2,132	(4,554)
Total Non-Operating Revenue (Expenses).....	<u>1,786</u>	<u>(315)</u>	<u>22</u>	<u>1,493</u>	<u>1,545</u>	<u>(2,463)</u>
INCOME (LOSS) BEFORE TRANSFERS.....	516	(40,171)	(9,531)	(49,186)	(43,977)	(228)
TRANSFERS:						
Transfers in.....	1,369	25,825	9,312	36,506	40,683	4,266
Transfers out.....	(1,021)	(184)	-	(1,205)	(14,960)	(15,650)
Total Transfers	<u>348</u>	<u>25,641</u>	<u>9,312</u>	<u>35,301</u>	<u>25,723</u>	<u>(11,384)</u>
SPECIAL ITEMS:						
Environmental settlements and remediations.....	-	(87,995)	-	(87,995)	-	-
CHANGES IN NET ASSETS.....	<u>864</u>	<u>(102,525)</u>	<u>(219)</u>	<u>(101,880)</u>	<u>(18,254)</u>	<u>(11,612)</u>
NET ASSETS (DEFICIT),						
BEGINNING OF YEAR.....	<u>(5,562)</u>	<u>26,968</u>	<u>5,013</u>	<u>26,419</u>	<u>44,673</u>	<u>72,345</u>
NET ASSETS (DEFICIT),						
END OF YEAR.....	<u>(\$ 4,698)</u>	<u>(\$ 75,557)</u>	<u>\$ 4,794</u>	<u>(\$ 75,461)</u>	<u>\$ 26,419</u>	<u>\$ 60,733</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

ENTERPRISE FUNDS

**PUBLIC
PARKING
SYSTEM**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers.....	\$ 2,990
Payments to suppliers.....	(2,357)
Payments to employees	(1,485)
Internal activity- payments to other funds.....	-
Other receipts (expenses).....	8
Other operating cash payments.....	(302)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(1,146)
NONCAPITAL FINANCING ACTIVITIES:	
Operating grants received.....	-
Cash received through transfers from other funds.....	1,369
Cash received from capital contributions.....	-
Cash payments through transfers to other funds.....	(1,021)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	348
CAPITAL AND RELATED FINANCING ACTIVITIES:	
Additions to property, plant and equipment.....	(366)
Additions to land & improvements.....	-
Proceeds from sale of property, plant and equipment.....	263
Increase in construction fund cash and investments.....	-
Principal paid on long-term obligations.....	(756)
Increase in capitalized lease obligations.....	(1)
Proceeds from notes payable.....	-
Interest and payments to refunded bond escrow agent.....	(833)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,693)
INVESTING ACTIVITIES:	
Interest and dividends on investments.....	2,611
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	2,611
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	120
Cash and cash equivalents at October 1, 2004.....	1,438
Cash and cash equivalents at September 30, 2005.....	\$ 1,558

ENTERPRISE FUNDS

<u>SOLID WASTE DISPOSAL</u>	<u>NON MAJOR ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
		<u>2005</u>	<u>2004</u>	
\$ 41,892	\$ 16,991	\$ 61,873	\$ 56,795	\$ 197,167
(45,487)	(9,196)	(57,040)	(75,211)	(130,101)
(6,516)	(13,501)	(21,502)	(19,892)	(27,354)
(1)	-	(1)	-	-
1,480	-	1,488	2,132	(4,554)
<u>(12,276)</u>	<u>(3,689)</u>	<u>(16,267)</u>	<u>5,268</u>	<u>(15,944)</u>
<u>(20,908)</u>	<u>(9,395)</u>	<u>(31,449)</u>	<u>(30,908)</u>	<u>19,214</u>
-	-	-	220	-
25,825	9,312	36,506	40,683	4,266
-	-	-	-	-
<u>(184)</u>	<u>-</u>	<u>(1,205)</u>	<u>(14,960)</u>	<u>(15,650)</u>
<u>25,641</u>	<u>9,312</u>	<u>35,301</u>	<u>25,943</u>	<u>(11,384)</u>
(4,070)	(363)	(4,799)	(4,559)	(40,700)
-	-	-	-	(1,355)
6,217	80	6,560	6,566	-
(77)	(1,402)	(1,479)	(69)	-
(2,944)	-	(3,700)	(4,343)	(13,479)
-	-	(1)	96	(3,550)
-	-	-	(73)	58,565
<u>(2,530)</u>	<u>-</u>	<u>(3,363)</u>	<u>(3,401)</u>	<u>-</u>
<u>(3,404)</u>	<u>(1,685)</u>	<u>(6,782)</u>	<u>(5,783)</u>	<u>(519)</u>
<u>735</u>	<u>22</u>	<u>3,368</u>	<u>2,594</u>	<u>2,091</u>
<u>735</u>	<u>22</u>	<u>3,368</u>	<u>2,594</u>	<u>2,091</u>
2,064	(1,746)	438	(8,154)	9,402
<u>33,272</u>	<u>2,771</u>	<u>37,481</u>	<u>45,635</u>	<u>60,201</u>
<u>\$ 35,336</u>	<u>\$ 1,025</u>	<u>\$ 37,919</u>	<u>\$ 37,481</u>	<u>\$ 69,603</u>

(continued)

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (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).....	<u>(\$ 1,270)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization.....	366
Other non-operating revenue/(expenses).....	8
Change in assets and liabilities:	
Decrease (increase) in receivables and other current assets, net.....	(23)
Decrease in due from other funds.....	-
Decrease (increase) in due from independent agencies and other governments...	-
Decrease in due from other governments.....	-
Decrease (Increase) in inventories.....	-
(Increase) in receivables-non-current.....	-
Decrease (increase) in prepaid expenses.....	-
Increase (decrease) in accounts payable and accrued expenses.....	65
(Decrease) in due to other funds.....	-
Increase (decrease) in contracts payable.....	-
Increase (decrease) in due to independent agencies and other governments.....	(7)
Increase in deposits.....	5
(Decrease) in interest payable.....	(47)
Increase in current portion of bond payables.....	(243)
Increase (decrease) in deferred revenue.....	-
Increase in estimated liability for ash sites remediations	-
Increase in liability for landfill closure and postclosure care.....	-
(Decrease) in liability for self-insured losses.....	-
Increase (decrease) in accrued compensated absences.....	-
TOTAL ADJUSTMENTS.....	<u>124</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u><u>(\$ 1,146)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Change in the fair value of investments.....	(\$ 14)
Change in capital lease obligations.....	<u>-</u>
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u><u>(\$ 14)</u></u>

ENTERPRISE FUNDS

<u>SOLID WASTE DISPOSAL</u>	<u>NON MAJOR ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
		<u>2005</u>	<u>2004</u>	
<u>(\$ 39,856)</u>	<u>(\$ 9,553)</u>	<u>(\$ 50,679)</u>	<u>(\$ 45,522)</u>	<u>\$ 2,235</u>
4,070	363	4,799	4,559	23,114
(86,515)	-	(86,507)	2,132	(4,554)
669	(1,054)	(408)	(843)	101
(1)	-	(1)	-	2,616
103	-	103	151	(177)
-	-	-	10	-
-	5	5	(6)	(405)
-	-	-	-	349
-	106	106	(174)	(1,599)
24,611	2,697	27,373	1,576	(6,247)
-	-	-	-	(346)
13	-	13	68	-
-	-	(7)	1	47
31	(1,870)	(1,834)	15	-
(64)	-	(111)	116	-
125	-	(118)	518	-
-	(94)	(94)	179	915
62,995	-	62,995	-	-
12,899	-	12,899	6,380	-
-	-	-	-	3,198
12	5	17	(68)	(33)
<u>18,948</u>	<u>158</u>	<u>19,230</u>	<u>14,614</u>	<u>16,979</u>
<u>(\$ 20,908)</u>	<u>(\$ 9,395)</u>	<u>(\$ 31,449)</u>	<u>(\$ 30,908)</u>	<u>\$ 19,214</u>
(\$ 323)	(\$ 6)	(\$ 343)	(\$ 111)	(\$ 270)
-	-	-	-	(17,047)
<u>(\$ 323)</u>	<u>(\$ 6)</u>	<u>(\$ 343)</u>	<u>(\$ 111)</u>	<u>(\$ 17,317)</u>

See accompanying notes.



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FIDUCIARY FUND LEVEL STATEMENTS

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

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

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

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST FUND		AGENCY FUNDS	
	2005	2004	2005	2004	2005	2004
ASSETS						
CURRENT ASSETS:						
Equity in cash and investments.....	\$ 152,422	\$ 108,963	\$ 212	\$ 210	\$ 38,602	\$ 18,767
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends.....	8,541	9,395	-	-	-	-
Accounts.....	164	238	-	-	3,993	3,408
Total receivables.....	8,705	9,633	-	-	3,993	3,408
Investments, at fair value:						
U.S. Government obligations.....	533,006	476,897	-	-	-	-
Municipal Bonds.....	7,310	2,556	-	-	-	-
Domestic corporate bonds.....	332,401	371,162	-	-	-	-
Commercial paper.....	37,999	25,672	-	-	-	-
Domestic stocks.....	1,200,970	1,145,358	-	-	-	-
International stocks.....	222,479	257,620	-	-	-	-
Real Estate.....	61,900	8,560	-	-	-	-
Total investments.....	2,396,065	2,287,825	-	-	-	-
TOTAL CURRENT ASSETS.....	2,557,192	2,406,421	212	210	42,595	22,175
CAPITAL ASSETS						
Other capital assets, net of depreciation.....	161	175	-	-	-	-
TOTAL CAPITAL ASSETS, Net.....	161	175	-	-	-	-
Securities Lending Collateral.....	236,285	-	-	-	-	-
TOTAL ASSETS.....	2,793,638	2,406,596	212	210	\$ 42,595	\$ 22,175
LIABILITIES						
CURRENT LIABILITIES:						
Obligations Under Securities Lending Agreement.....	236,285	-	-	-	-	-
Accounts payable and accrued liabilities.....	5,401	3,279	-	-	64	318
Due to independent agencies and other governments...	-	-	-	-	20,702	11,573
Due to individuals.....	-	-	-	-	2,382	740
Deposits held in escrow.....	-	-	-	-	19,447	9,544
Total Current Liabilities.....	241,686	3,279	-	-	42,595	22,175
NONCURRENT LIABILITIES:						
Accrued compensated absences.....	32	57	-	-	-	-
Terminal Leave - Group Care.....	909	612	-	-	-	-
Terminal Leave - Pending.....	250	242	-	-	-	-
Due to Drop participants.....	127,555	115,666	-	-	-	-
TOTAL LIABILITIES.....	370,432	119,856	-	-	\$ 42,595	\$ 22,175
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....	\$ 2,423,206	\$ 2,286,740	\$ 212	\$ 210		

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST	
	2005	2004	2005	2004
ADDITIONS				
Contributions:				
Employer.....	\$ 40,764	\$ 20,336	\$ -	\$ -
Plan members.....	32,813	29,515	-	-
Total contributions.....	<u>73,577</u>	<u>49,851</u>	<u>-</u>	<u>-</u>
Other additions:				
State insurance contributions.....	7,187	6,655	-	-
Court fines & penalties.....	1,663	2,914	-	-
Parking revenues.....	-	156	-	-
Miscellaneous.....	4,080	47	-	-
Operating transfer in.....	-	25,587	3	5
Loss on sale of fixed assets.....	-	(2)	-	-
Total other additions.....	<u>12,930</u>	<u>35,357</u>	<u>3</u>	<u>5</u>
Investment income:				
Net appreciation				
in fair value of investments.....	172,491	175,440	-	-
Interest.....	44,865	46,009	5	4
Dividends.....	22,273	17,734	-	-
Rebate of commissions.....	2,144	461	-	-
Rental income.....	809	535	-	-
Other miscellaneous.....	369	729	-	-
Total investment income.....	<u>242,951</u>	<u>240,908</u>	<u>5</u>	<u>4</u>
Less investment expense.....	(9,953)	(7,744)	-	-
Less rental expense.....	(648)	(152)	-	-
Net investment income.....	<u>232,350</u>	<u>233,012</u>	<u>5</u>	<u>4</u>
From Securities Lending Activities:				
Securities Lending.....	5,579	-	-	-
Securities Lending Expenses.....				
Interest Expense (returned to borrower).....	(4,931)	-	-	-
Agent Fees.....	(163)	-	-	-
Total securities lending activities.....	<u>485</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ADDITIONS.....	<u>319,342</u>	<u>318,220</u>	<u>8</u>	<u>9</u>
DEDUCTIONS				
Benefits payments.....	177,127	166,773	-	-
Refunds of contributions.....	3,317	3,124	-	-
Transfers out.....	-	-	-	-
Administrative expenses.....	2,432	2,216	-	-
Operating expenses.....	-	-	6	3
TOTAL DEDUCTIONS.....	<u>182,876</u>	<u>172,113</u>	<u>6</u>	<u>3</u>
CHANGE IN NET ASSETS.....	136,466	146,107	2	6
NET ASSETS, BEGINNING OF YEAR.....	<u>2,286,740</u>	<u>2,140,633</u>	<u>210</u>	<u>204</u>
NET ASSETS, END OF YEAR.....	<u>\$ 2,423,206</u>	<u>\$ 2,286,740</u>	<u>\$ 212</u>	<u>\$ 210</u>

See accompanying notes.



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COMPONENT UNITS

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

MAJOR COMPONENT UNITS:

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS -
COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2005**

	MAJOR COMPONENT UNITS	
	JEA	JACKSONVILLE TRANSPORTATION AUTHORITY
ASSETS		
Cash and cash equivalents.....	\$ 428,247	\$ 33,937
Investments.....	316,698	106,587
Due from other governmental agencies.....	-	45,887
Accounts and interest receivable.....	195,669	1,694
Mortgages receivable.....	-	-
Other receivables.....	-	174
Inventories.....	126,300	2,343
Other assets.....	371,460	507
Bond issuance costs, net.....	-	-
Capital assets:		
Land and construction in progress.....	900,866	332,835
Buildings and improvements.....	-	82,411
Vehicles.....	-	38,622
Equipment.....	-	31,853
Utility plant in service.....	7,323,713	-
Other capital assets.....	-	-
Less: accumulated depreciation.....	(2,406,780)	-
Total capital assets, net of depreciation.....	<u>5,817,799</u>	<u>485,721</u>
Total assets.....	<u>7,256,173</u>	<u>676,850</u>
LIABILITIES		
Accounts payable and accrued expenses.....	134,707	4,422
Deposits.....	24,767	-
Deferred revenue.....	-	4,020
Due to other governmental agencies.....	-	27
Interest payable.....	90,271	-
Other current liabilities.....	90,000	-
Other noncurrent liabilities.....	131,835	-
Liabilities payable with restricted assets.....	-	12,682
Long-term liabilities:		
Due within one year:		
Estimated liability for injury and damage claims.....	-	944
Bonds, notes payable, capital leases and contracts.....	104,880	-
Compensated absences.....	-	68
Due in more than one year:		
Estimated liability for injury and damage claims.....	-	4,495
Bonds, capital leases and commercial paper.....	5,296,634	-
Compensated absences.....	-	764
Total liabilities.....	<u>5,873,094</u>	<u>27,422</u>
NET ASSETS		
Invested in capital assets, net of related debt.....	884,796	485,722
Restricted for:		
Capital projects and grants.....	-	88,517
Debt service.....	-	-
Other purposes.....	267,696	3,765
Unrestricted.....	230,587	71,424
Total Net Assets.....	<u>\$ 1,383,079</u>	<u>\$ 649,428</u>

See accompanying notes.

MAJOR COMPONENT UNITS

JACKSONVILLE AVIATION AUTHORITY	JACKSONVILLE PORT AUTHORITY	NON MAJOR COMPONENT UNITS	TOTAL
\$ 49,312	\$ 18,094	\$ 21,839	\$ 551,429
25,602	1,517	-	450,404
-	5,841	664	52,392
4,857	3,438	594	206,252
-	-	10,407	10,407
13,262	3,994	17,105	34,535
741	1,279	-	130,663
3,164	2,796	1,016	378,943
-	1,861	-	1,861
123,562	142,503	593	1,500,359
488,397	296,128	-	866,936
-	-	-	38,622
-	98,405	351	130,609
-	-	-	7,323,713
1,510	-	-	1,510
(185,229)	(181,842)	(279)	(2,774,130)
<u>428,240</u>	<u>355,194</u>	<u>665</u>	<u>7,087,619</u>
<u>525,178</u>	<u>394,014</u>	<u>52,290</u>	<u>8,904,505</u>
9,280	4,101	1,526	154,036
-	-	550	25,317
-	5,237	17,104	26,361
-	-	-	27
2,104	-	-	92,375
-	2,633	-	92,633
691	-	-	132,526
-	-	-	12,682
-	-	-	944
9,331	6,596	-	120,807
-	-	-	68
-	200	-	4,695
150,127	80,452	-	5,527,213
-	-	-	764
<u>171,533</u>	<u>99,219</u>	<u>19,180</u>	<u>6,190,448</u>
289,098	269,974	625	1,930,215
-	-	-	88,517
-	7,213	-	7,213
37,668	212	-	309,341
26,879	17,396	32,485	378,771
<u>\$ 353,645</u>	<u>\$ 294,795</u>	<u>\$ 33,110</u>	<u>\$ 2,714,057</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES -
 GOVERNMENTAL COMPONENT UNITS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>PROGRAM REVENUES</u>			
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
MAJOR COMPONENT UNIT				
Jacksonville Transportation Authority.....	\$ 62,983	\$ -	\$ 1,542	\$ 59,544
NON MAJOR COMPONENT UNITS.....	<u>13,797</u>	<u>1,516</u>	<u>9,098</u>	<u>1,009</u>
Total component units - governmental activities.....	<u>\$ 76,780</u>	<u>\$ 1,516</u>	<u>\$ 10,640</u>	<u>\$ 60,553</u>
			General revenues:	
			Sales taxes.....	
			Unrestricted earnings on investments.....	
			Other non-tax general revenues.....	
			CHANGE IN NET ASSETS.....	
			BEGINNING NET ASSETS.....	
			ENDING NET ASSETS.....	

See accompanying notes.

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

JACKSONVILLE TRANSPORTATION AUTHORITY	NON MAJOR COMPONENT UNITS	TOTAL
(\$ 1,897)	\$ -	(\$ 1,897)
-	(2,174)	(2,174)
(1,897)	(2,174)	(4,071)
71,717	-	71,717
2,187	652	2,839
153	5,283	5,436
72,160	3,761	75,921
376,990	28,753	405,743
\$ 449,150	\$ 32,514	\$ 481,664

(continued)

**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, 2005**

	<u>MAJOR COMPONENT UNITS</u>	
	<u>JEA</u>	<u>JACKSONVILLE TRANSPORTATION AUTHORITY</u>
OPERATING REVENUE:		
Charges for services.....	\$ 1,199,883	\$ 21,960
Other.....	-	-
Total Operating Revenue.....	<u>1,199,883</u>	<u>21,960</u>
OPERATING EXPENSES:		
Personal services.....	-	38,947
Supplies and materials.....	671,677	9,402
Other services and charges.....	95,934	30,489
Depreciation and amortization.....	322,672	15,359
Total Operating Expenses.....	<u>1,090,283</u>	<u>94,197</u>
OPERATING GAIN (LOSS).....	<u>109,600</u>	<u>(72,237)</u>
NON-OPERATING REVENUE (EXPENSES):		
Interest revenue.....	31,842	387
Interest expense.....	(239,700)	-
Payments (to) from other governments.....	-	55,617
Contributions (to) from other governments.....	-	-
Gain (Loss) on sales of assets.....	-	-
Other.....	34,335	-
Total Non-Operating Revenue (Expenses).....	<u>(173,523)</u>	<u>56,004</u>
GAIN (LOSS) BEFORE CONTRIBUTIONS.....	<u>(63,923)</u>	<u>(16,233)</u>
Contributions.....	<u>(27,312)</u>	<u>13,942</u>
CHANGES IN NET ASSETS.....	<u>(91,235)</u>	<u>(2,291)</u>
TOTAL NET ASSETS, BEGINNING OF YEAR.....	<u>1,474,314</u>	<u>202,569</u>
Prior Period Adjustment.....	-	-
TOTAL NET ASSETS, BEGINNING OF YEAR, AS RESTATED.....	<u>1,474,314</u>	<u>202,569</u>
TOTAL NET ASSETS, END OF YEAR.....	<u>\$ 1,383,079</u>	<u>\$ 200,278</u>

See accompanying notes.

<u>MAJOR COMPONENT UNITS</u>			
<u>JACKSONVILLE AVIATION AUTHORITY</u>	<u>JACKSONVILLE PORT AUTHORITY</u>	<u>NON MAJOR COMPONENT UNITS</u>	<u>TOTAL</u>
\$ 56,115	\$ 33,020	\$ -	\$ 1,310,978
1,686	2,952	2	4,640
<u>57,801</u>	<u>35,972</u>	<u>2</u>	<u>1,315,618</u>
16,598	11,997	238	67,780
11,728	3,237	5	696,049
8,238	9,814	59	144,534
21,726	14,552	-	374,309
<u>58,290</u>	<u>39,600</u>	<u>302</u>	<u>1,282,672</u>
<u>(489)</u>	<u>(3,628)</u>	<u>(300)</u>	<u>32,946</u>
1,784	512	-	34,525
(6,989)	(4,809)	-	(251,498)
318	3,982	-	59,917
116	-	-	116
-	1,020	-	1,020
11,482	(369)	-	45,448
<u>6,711</u>	<u>336</u>	<u>-</u>	<u>(110,472)</u>
<u>6,222</u>	<u>(3,292)</u>	<u>(300)</u>	<u>(77,526)</u>
<u>17,172</u>	<u>2,047</u>	<u>896</u>	<u>6,745</u>
23,394	(1,245)	596	(70,781)
<u>330,251</u>	<u>294,390</u>	<u>-</u>	<u>2,301,524</u>
-	1,650	-	1,650
<u>330,251</u>	<u>296,040</u>	<u>-</u>	<u>2,303,174</u>
<u>\$ 353,645</u>	<u>\$ 294,795</u>	<u>\$ 596</u>	<u>\$ 2,232,393</u>

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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 Administrative Officer, services to approximately 840,000 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, 2005

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, 2005

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 Aviation Authority (JAA)** was created by Resolution 2000-1104-A, which abolished what was the former Jacksonville Port Authority (JPA). The former JPA was created in 1963 by Chapter 63-1447 of the Laws of Florida, to own and operate marine and aviation facilities in the Consolidated City/County Government of Jacksonville/Duval County. These state laws were repealed and separate seaport and airport authorities were established. The governing body of the JAA consists of seven members, four of whom are appointed by the Governor, and three of whom are appointed by the Mayor and confirmed by the City Council. The JAA is fiscally dependent upon the city because the City Council approves and modifies the JAA budget. The JAA engages only in business-type activities and issues separate financial statements, 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, 2005

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.G. 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, 2005

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, 14th 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.

The **Water and Sewer Expansion Authority (WSEA)** was created by City Ordinance 2003-586-E to allow property owners an opportunity to finance water and/or sewer infrastructure in their existing developed neighborhoods on a voluntary basis. The governing body of the WSEA consists of seven members

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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

appointed by the Mayor and confirmed by the City Council. The city has the ability to impose its will on the WSEA principally through the Mayor's ability to remove board members with two-thirds approval vote from the City Council, and the City Councils authority to review and approve the WSEA annual budget. The WSEA engages only in business-type activities and issues separate financial statements, which may be obtained from its administrative office 21 West Church Street, T - 16 Jacksonville, Florida 32202.

Related Organizations

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

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

Jointly Governed Organization

The Jacksonville Metropolitan Planning Organization (MPO) was previously reported by the city as a blended component unit. An Interlocal Agreement was entered into on February 27, 2004, by and between the Florida Department of Transportation, the Counties of Clay, Duval, and St. Johns, the Cities of Jacksonville, Atlantic Beach, Jacksonville Beach, Neptune Beach and Saint Augustine, the Jacksonville Aviation 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

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 2005.

C. Basic Financial Statements:

The basic financial statements include both city-wide and fund level statements. The city, as the primary government, is reported separately from its component units. The city-wide statements report on all of the activities of the city and its component units except those that are fiduciary in nature. Statements for fiduciary activities, such as employee pension plans, are presented in a separate section of this report. Both the city-wide and fund level statements classify primary activities of the city as either governmental activities, which are primarily supported by taxes and intergovernmental revenues, or business type activities, which are primarily supported by user fees and charges.

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

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

Capital 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure: (continued)

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.

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

In addition, the city reports the following fund types:

Internal Service Funds - These funds account for services provided primarily to various departments of the city and to other governmental agencies. Since these funds principally service city departments, internal service fund statements are consolidated into the governmental activities column in the city-wide presentations. These activities are fleet management, copy center, data processing, legal, various risk management activities and internal loan pool. 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure: (continued)

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

Agency Funds - These funds account for monies held as an agent for other governmental units or individuals.

E. Basis of Accounting:

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting: (continued)

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

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

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

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

F. Cash, Cash Equivalents, and Investments:

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Receivables:

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based on past collection experience and current economic conditions, except for mortgages receivable which are reported as a reservation of fund balance because they are not considered a current financial resource available for expenditure. Types of receivables include amounts that are principally due from the State of Florida for state-shared revenues. Receivables in other funds have arisen in the ordinary course of business.

H. Inventories:

Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems stated at cost, which approximates market, using the average weighted costing method. 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:

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Contributions:

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

K. Interfund Activity:

Interfund activity within and among the city's three fund categories (governmental, proprietary, and fiduciary) are classified as reciprocal interfund activity and nonreciprocal interfund activity.

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

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

L. Restricted Assets:

Assets are reported as restricted in the city-wide Statement of Net Assets and the enterprise fund level statements when constraints are placed on net asset use. The constraints are either: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law or through constitutional provisions or enabling legislation.

M. Compensated Absences:

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Risk Financing:

The City is self-insured for general and automobile liability and up to \$1.2 million per occurrence for workers compensation. The liability for self-insured losses is based on individual case estimates for reported claims, historical loss data and valuations performed by independent actuaries at September 30, 2005, 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. The City has an excess liability policy which provides coverage for general liability at limits of \$1 million per occurrence and \$3 million in the aggregate, subject to a \$5 million self-insured retention; and employers liability at limits of \$1 million per occurrence and \$3 million in the aggregate subject to a \$1.2 million self-insured retention.

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 engineer's estimates. The City Council establishes rates that are designed to recover costs and believes it is reasonable to assume that such rates, which will recover the costs, can be charged to and collected from customers. Accordingly, the provisions of FAS 71 are applied. The city intends to recover these MSWLF costs through future operating revenues of the Solid Waste Disposal Enterprise Fund. Accordingly, MSWLF costs are recognized as expense each year to match the flow of revenue and bonds principal payments, thereby reducing the deferred charge. Expenses for closure and postclosure care costs are recorded each year and the liability is adjusted to the engineer's estimate. MSWLF closure and postclosure care costs incurred for landfills accepting solid waste after final implementation of the 1988 Act and EPA regulations are recognized as an

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Non Assets Bonds are created when the city issues debt and either (a) constructs an asset which will become the asset of another entity (e.g. State of Florida), (b) contributes proceeds to another entity (e.g. Shands Jacksonville Hospital) to participate in a construction project, or (c) provides an economic incentive to a development or redevelopment project. Part of the Better Jacksonville Plan (BJP) referendum was to make improvements to state roads and/or interchanges with/between state roads. While these projects enhance traffic movements in and around Jacksonville, the constructed assets and the future maintenance responsibility are transferred to the Florida Department of Transportation. Additionally, under the BJP program, the city provided for non-capital expenditures, such as septic tank remediation and ash clean up, from debt proceeds, which will not result in a capital asset of the city. The city has also provided grants to Shands Jacksonville Hospital, a provider of health care for indigents, from debt proceeds. The city and/or its Community Redevelopment Authority (CRA) districts, to encourage target development, will enter into incentive agreements (including grants and loans) which are in some instances designed to be repaid by either the CRA's tax increment revenues and/or the developer.

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

expenditures.

Explanations of significant designations include:

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Use of Estimates: (continued)

statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

V. Reclassification:

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

W. 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, 2004, 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, 2005, the city's cash on deposit in its bank accounts was \$182.1 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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

3. CASH, INVESTMENTS AND SECURITIES LENDING

B. Cash on Deposit: (continued)

\$508 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 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.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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

As of September 30, 2005, the city's investment portfolio consisted of the following: (in thousands):

	In-house Management		External Managers	
	Fair Value	Weighted Average Maturity (Years)	Fair Value	Weighted Average Maturity (Years)
US Treasuries			\$ 15,944	7.56
US Agencies	143,559	2.36	18,558	5.68
Corporate			41,653	5.11
Mortgage Backed Securities			61,970	3.63
Asset Backed Securities			10,643	1.91
Other (Yankee) 1			604	12.42
Non-Corporate Credit 2			539	8.57
Other (US Agencies DUS - Delegated Underwriting & Servicing)			568	3.20
Other (CMBS - Commercial Mortgage Backed Securities)			7,348	4.20
Other (Non-US Govt/Agency)			692	5.80
Other (Mortgage) 3			431	4.80
Total Fair Value	\$ 143,559		\$ 158,950	
Portfolio Weighted Average to Maturity		2.36		4.62

¹: Foreign bonds denominated in U.S. dollars and issued in the United States by foreign banks and corporations.

²: Includes securities issued by supranationals, sovereigns, foreign agencies and regional governments.

³: Includes TBA contracts for the purchase or sale of an MBS to be delivered at an agreed-upon future date that is recorded as cash.

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**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices: (continued)

Cash Management Pool / Portfolio Characteristics

As of September 30, 2005, the City's investment portfolio consisted of the following: (in thousands)

	Total Portfolio		In-House Management	External Managers
	Actual Year End Value	Actual Year End	Actual Year End %	Actual Year End %
US Treasuries	\$ 15,944	5.21%	0.00%	5.21%
US Agencies	162,117	52.99%	46.92%	6.07%
Corporate	41,653	13.61%	0.00%	13.61%
Mortgage Backed Securities	61,970	20.25%	0.00%	20.25%
ABS	10,643	3.48%	0.00%	3.48%
Other (Yankee) 1	604	0.20%	0.00%	0.20%
Non-Corporate Credit 2	539	0.18%	0.00%	0.18%
Other (US Agencies DUS)	568	0.19%	0.00%	0.19%
Other (CMBS)	7,348	2.40%	0.00%	2.40%
Other (Non-US Govt/Agencies)	692	0.23%	0.00%	0.23%
Other (Mortgage) 3	431	0.14%	0.00%	0.14%
Other Cash	3,453	1.13%	0.00%	1.13%
Total Fair Value	<u>\$ 305,962</u>	100.00%	46.92%	53.08%

¹: Foreign bonds denominated in U.S. dollars and issued in the United States by foreign banks and corporations.

²: Includes securities issued by supranationals, sovereigns, foreign agencies and regional governments.

³: Includes TBA contracts for the purchase or sale of an MBS to be delivered at an agreed-upon future date that is recorded as cash.

Credit Risk: City codes and investment policy limit investments to certain categories of credit quality ratings. The following shows the credit quality ratings by active investment category as of September 30, 2005.

Credit Quality

Rating	Total Portfolio	In-House Management	External Managers
US US Treasuries	4.90%	0.00%	9.33%
US Agencies	59.22%	84.40%	36.45%
Aaa	19.57%	15.60%	23.17%
Aa	1.95%	0.00%	3.71%
A	12.26%	0.00%	23.34%
Baa	2.10%	0.00%	4.01%

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices: (continued)

Operating Portfolio by Manager

As of September 30, 2005, the City's investment portfolio consisted of the following: (in thousands)

<u>In-House Management</u>	<u>Year End Value</u>	<u>Year End %</u>	<u>Max During Year</u>	<u>Effective Duration</u>
US Agency	\$ 143,559	100%	100%	2.36
Total Fair Value	\$ 143,559			2.36
<u>Money Manager 1</u>	<u>Year End Value</u>	<u>Year End %</u>	<u>Max During Year</u>	<u>Effective Duration</u>
US Treasuries	\$ 3,565	7.20%	7.30%	7.30
US Agencies	10,824	22.00%	22.60%	5.13
Corporate	19,355	39.30%	41.40%	4.30
Mortgage Backed Securities	12,488	25.40%	27.80%	3.97
Other (Yankee) ¹	261	0.50%	0.60%	11.88
Total Fair Value	\$ 46,493			4.41
<u>Money Manager 1 (Landfill)</u>	<u>Year End Value</u>	<u>Year End %</u>	<u>Max During Year</u>	<u>Effective Duration</u>
US Treasuries	\$ 885	7.60%	9.50%	7.17
US Agencies	2,904	24.90%	25.10%	2.60
Corporate	4,104	35.10%	38.80%	4.00
Mortgage Backed Securities	2,757	23.60%	26.20%	4.13
Other (Yankee) ¹	343	2.90%	3.10%	12.95
Total Fair Value	\$ 10,993			3.95
<u>Money Manager 2</u>	<u>Year End Value</u>	<u>Year End %</u>	<u>Max During Year</u>	<u>Effective Duration</u>
US Treasuries	\$ 5,079	10.00%	13.00%	9.70
US Agencies	2,777	6.00%	10.00%	5.00
Corporate	8,630	17.00%	20.00%	5.50
Mortgage Backed Securities	21,284	42.00%	45.00%	3.20
ABS	3,773	8.00%	8.00%	2.40
Other (US Agencies DUS)	568	1.00%	1.00%	3.20
Other (CMBS)	7,348	15.00%	15.00%	4.20
Other (Non-US Govt/US Agencies)	692	1.00%	1.00%	5.80
Total Fair Value	\$ 50,152			4.46
<u>Money Manager 3</u>	<u>Year End Value</u>	<u>Year End %</u>	<u>Max During Year</u>	<u>Effective Duration</u>
US Treasuries	\$ 6,414	12.50%	12.50%	6.08
US Agencies	2,052	4.00%	5.28%	10.00
Corporate	9,565	18.64%	22.99%	6.65
Mortgage Backed Securities	25,440	49.58%	52.19%	3.21
ABS	6,871	13.39%	14.30%	1.42
Non-Corporate Credit ²	539	1.05%	1.20%	8.57
Other (Mortgage) ³	431	0.84%	6.06%	4.76
Total Fair Value	\$ 51,312			4.31

¹: Foreign bonds denominated in U.S. dollars and issued in the United States by foreign banks and corporations.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices: (continued)

Interest rate risk: In accordance with the city's investment policy, the city manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments to less than six years.

Custodial Credit Risk: Investments are subject to custodial credit risk if the securities are uninsured, not registered in the city's name, are held by the party that either sells to or buys for the city. During the year, investments in overnight reverse purchase agreements exposed the city to custodial credit risk. No investments held at year end were subject to custodial credit risk.

D. Securities Lending: As of September 30, 2005, the City of Jacksonville Retirement System participates in securities lending transactions through a contract for a custodial relationship with The Northern Trust Company. Additionally, the city's general government participates in securities lending transactions through a contract for a custodial relationship with Dresdner Kleinwort and Wasserstein. 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 Jacksonville Retirement System securities on loan against cash collateral and non cash collateral at September 30, 2005 was \$209,659,225, and \$26,626,158, respectively. The total market value of securities on loan was \$236,285,383. The market value of city general government securities on loan against non cash collateral at September 30, 2005 was \$16,304,641.

All securities loans can be terminated on demand by either the lender or the borrower, although the average term of the overall loans as of September 30, 2005 was approximately 118 days. Cash open collateral is invested in a short term investment pool, which had an average weighted maturity of 30 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, 2005, the plan received net income of \$.5 million from securities lending activities for its pension portfolio.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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, 2005.

<u>Fund</u>	<u>Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount Shown on Balance Sheet</u>
General Fund	\$21,630	(\$14,454)	\$7,176
Non-Major Special Revenue Funds:			
Sports, Convention & Tourism Develop.	7	(3)	4
Budgeted General Government	1,510	(25)	1,485
Major Enterprise Fund:			
Solid Waste Disposal	1,946	(22)	1,924
Non-Major Enterprise Funds:			
Sports Complex, Convention Center	2,329	(63)	2,266

<u>Fund</u>	<u>Mortgages Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount Shown on Balance Sheet</u>
Non-Major Special Revenue Funds:			
Community Development Block Grant	3,311	(1,915)	1,396
Jacksonville Housing Commission	12,447	(5,956)	6,491
State Initiative Housing Program	4,380	(1,617)	2,763

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 9.6879 for the fiscal year ended September 30, 2005.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

5. PROPERTY TAXES (continued)

B. Property Tax Calendar:

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

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

6. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended September 30, 2005, was as follows (in thousands):

Primary Government

	Beginning Balance October 1, 2004	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2005
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 270,698	\$ 8,315	(\$ 69)	\$ 278,944
Construction in progress	143,692	26,107	(52,226)	117,573
Land reported in Internal Service Funds	58	1,355	-	1,413
Total capital assets not being depreciated	<u>414,448</u>	<u>35,777</u>	<u>(52,295)</u>	<u>397,930</u>
Capital assets being depreciated:				
Buildings	732,250	70,258	(3,729)	798,779
Furniture and equipment and Library books	55,960	17,919	(8,412)	65,467
Improvements	114,922	24,379	-	139,301
Infrastructure	1,074,057	121,831	-	1,195,888
Capital assets reported in Internal Service Funds, net	61,740	31,636	(14,050)	79,326
Total assets being depreciated	<u>2,038,929</u>	<u>266,023</u>	<u>(26,191)</u>	<u>2,278,761</u>
Less accumulated depreciation for:				
Buildings	176,119	14,844	(3,530)	187,433
Furniture and equipment	43,258	30,231	(6,374)	67,115
Improvements	20,243	3,616	-	23,859
Infrastructure	158,029	4,887	-	162,916
Total accumulated depreciation	<u>397,649</u>	<u>53,578</u>	<u>(9,904)</u>	<u>441,323</u>
Total capital assets being depreciated, net	<u>1,641,280</u>	<u>212,445</u>	<u>(16,287)</u>	<u>1,837,438</u>
Governmental activities capital assets, net	<u>\$ 2,055,728</u>	<u>\$ 248,222</u>	<u>(\$ 68,582)</u>	<u>\$ 2,235,368</u>

Primary Government

	Beginning Balance October 1, 2004	Increases	Decreases	Ending Balance September 30, 2005
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 7,074	\$ -	\$ -	\$ 7,074
Total capital assets not being depreciated	<u>7,074</u>	<u>-</u>	<u>-</u>	<u>7,074</u>
Capital assets being depreciated:				
Buildings and improvements	74,137	346		74,483
Furniture and equipment	9,173	65	(1,101)	8,137
Total assets being depreciated	<u>83,310</u>	<u>411</u>	<u>(1,101)</u>	<u>82,620</u>
Less accumulated depreciation for:				
Buildings and improvements	31,941	4,520		36,461
Furniture and equipment	6,496	279	(1,097)	5,678
Total accumulated depreciation	<u>38,437</u>	<u>4,799</u>	<u>(1,097)</u>	<u>42,139</u>
Total capital assets being depreciated, net	<u>44,873</u>	<u>(4,388)</u>	<u>(4)</u>	<u>40,481</u>
Business-type activities capital assets, net	<u>\$ 51,947</u>	<u>(\$ 4,388)</u>	<u>(\$ 4)</u>	<u>\$ 47,555</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

6. CAPITAL ASSET ACTIVITY (continued)

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

Governmental activities:

General government	\$ 2,373
Human services	788
Public Safety	5,088
Culture and recreation	14,587
Transportation	87
Economic environment	52
Physical environment	30,603
Total depreciation expense - governmental activities	<u>\$ 53,578</u>

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

Business-type activities:

Parking system	\$ 366
Sports Complex, Convention Center and Auditorium	1
Motor vehicle inspections	48
Solid waste	4,070
Ferry	314
Total depreciation expense - business-type activities	<u>\$ 4,799</u>

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**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

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>
MAJOR FUNDS:			
Capital Projects			
Bond Projects	\$ 968	Self Insurance	Temporary interfund loan
Building Inspection	<u>629</u>	General Projects	Temporary interfund loan
TOTAL	<u>\$ 1,597</u>		

<u>ADVANCES FROM OTHER FUNDS</u>	<u>AMOUNT</u>	<u>ADVANCES TO OTHER FUNDS</u>	
MAJOR FUNDS:			
Capital Projects			
General Projects	\$ 10,991	Self Insurance	Interfund loan for Redevelopment Agreement
TOTAL	<u>\$ 10,991</u>		

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>
MAJOR FUNDS:		
General Fund		
General Fund	\$ 66	Air Pollution Control and Monitoring
General Fund	109	General Government - Budgeted
General Fund	1,580	General Capital Projects
General Fund	6,146	Self Insurance
General Fund	137	Community Development Block Grant
General Fund	300	Maintenance, Parks and Recreation
General Fund	232	Grant Capital Improvement Projects
General Fund	1,500	Information Technologies
General Fund	<u>5,518</u>	Fleet Management/Motor Pool
Total	<u>15,588</u>	
Debt Service		
Special Bonded Debt Obligations	63,818	General Fund
Special Bonded Debt Obligations	11,167	Sports, Convention and Tourism
Special Bonded Debt Obligations	2,012	Tax Increment Districts
Special Bonded Debt Obligations	1,021	Public Parking System
Special Bonded Debt Obligations-BJP	<u>35,840</u>	Better Jacksonville Plan Trust Fund
Total	<u>113,858</u>	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
MAJOR FUNDS: (continued)		
Capital Projects		
General Projects	388	General Fund
General Projects	503	Sports, Convention & Tourism Dev
General Projects	2	General Government-Non Budgeted
Better Jax Construction Project Trust Fund	5,086	Transportation
Better Jax Construction Project Trust Fund	<u>37,837</u>	Better Jacksonville Plan Trust Fund
Total	<u>43,816</u>	
Enterprise Funds		
Public Parking System	1,369	General Fund
Solid Waste Disposal	<u>25,825</u>	General Fund
	<u>27,194</u>	
NON-MAJOR FUNDS:		
Special Revenue		
Concurrency Management	3	General Fund
Air Pollution Control and Monitoring	409	General Fund
General Government - Budgeted	201	General Fund
Tax Increment Districts	600	General Fund
Jacksonville Children's Commission	16,839	General Fund
Community Development Block Grant	9	General Fund
Community Development Block Grant	75	Tax Increment Districts
Maintenance, Parks and Recreation	1,612	General Fund
Other Federal, State & Local Grant Funds	5,288	General Fund
Other Federal, State & Local Grant Funds	129	Jacksonville Children's Commission
Other Federal, State & Local Grant Funds	18	General Government-Non Budgeted
Other Federal, State & Local Grant Funds	2	Fleet Management/Motor Pool
General Government - Non-Budgeted	17	General Fund
General Government - Non-Budgeted	106	General Fund
Jacksonville Housing Commission	510	General Fund
Jacksonville Housing Commission	1,692	Community Development Block Grant
Jacksonville Housing Commission	<u>5,000</u>	General Projects
Total	<u>32,510</u>	
Debt Service		
Other Non-Bonded Debt Obligations	86	General Fund
Other Non-Bonded Debt Obligations	<u>1,064</u>	Tax Increment Districts
Total	<u>1,150</u>	
Capital Projects		
Grant Capital Improvement Projects	<u>1,193</u>	General Fund
Total	<u>1,193</u>	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
NON-MAJOR FUNDS: (continued)		
Enterprise Funds		
Sports Complex, Convention Center and Auditorium	7,578	General Fund
Sports Complex, Convention Center and Auditorium	845	Sports, Convention and Tourism Development
Sports Complex, Convention Center and Auditorium	150	Maintenance, Parks and Recreation
Mayport Ferry	739	General Fund
Total	9,312	
Internal Service Funds		
Fleet Management	\$ 112	General Fund
Fleet Management	23	Other Federal, State and Local Grants
Fleet Management	6	Solid Waste Disposal
Purchasing	3	General Fund
Information Technology	525	General Fund
Legal	30	General Fund
Self Insurance	1,077	General Fund
Self Insurance	500	Group Health
Self Insurance	1,858	Insured Programs
Group Health	4	General Fund
Group Health	126	Insured Programs
Insured Programs	2	General Fund
Total	4,266	
Fiduciary Funds		
Private Purpose Trust	3	General Government - Non-Budgeted
Total	3	
TOTAL	\$ 248,890	

In the fund financial statements, total transfers out are greater than total transfers in by \$178. 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 \$27 and \$151, respectively. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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 \$10,990,535 at September 30, 2005.

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, 2005 was \$16,158,956.

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, 2005 was \$17,103,717.

During fiscal year 2005, 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 annual contributions from JEA 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, 2005, revenues dedicated for the support of debt service

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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, 2005 the JEA contributed \$68,676,624.

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, 2005 the JEA contributed \$17,260,920.

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 \$85,938,000.

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, 2005**

**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 2003C. For the fiscal year ended September 30, 2005, 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 2003C Bonds by the amount of \$3.7 million. In FY 04/05, \$2.3 million was distributed to the JPA. \$3.5 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, 2005, the cumulative balance after the distribution to JPA is \$4.9 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, 2005

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 \$71.7 million in fiscal 2005. 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 \$71.7 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.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS

A. Long-term Obligations at September 30, 2005, are comprised of the following (in thousands):

SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:	<u>INTEREST RATES</u>	<u>PRINCIPAL</u>
Excise Taxes Revenue Bonds, Series 1993 payable in semi-annual installments to 2016	5.00 - 6.30%	\$ 7,545
Sunshine State Governmental Financing Commission, Series 1994 payable in monthly installments to 2006	Variable Rate Assumed at 9.20%	995
Capital Improvement Revenue Bonds, Series 1995 payable in semi-annual installments to 2026	5.00 - 5.875%	25,100
Sales Tax Revenue Bonds, Series 1995 payable in semi-annual installments to 2006	5.00 - 6.00%	3,900
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%	8,380
Sunshine State Governmental Financing Commission, Series 1995B (AMT) payable in semi-annual installments to 2016	4.60 - 5.75%	8,950
Sales Tax Revenue Bonds, Series 1996 payable in semi-annual installments to 2019	4.35 - 5.50%	6,270
Excise Taxes Revenue Bonds, Series 1996C payable in semi-annual installments to 2007	4.35 - 4.85%	1,020
Capital Improvement Revenue Bonds, Series 1997 payable in semi-annual installments to 2026	4.20 - 5.25%	7,105
Capital Project Revenue Bonds, Series 1997-1 payable in monthly installments to 2018	Variable Rate Assumed at 7.81%	23,975
Capital Project Revenue Bonds, Series 1997-2 payable in monthly installments to 2023	Variable Rate Assumed at 8.89%	41,000

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2005: (continued)

SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES (continued)	INTEREST RATES	PRINCIPAL
Capital Improvement and Revenue Refunding Bonds, Series 1998 payable in semi-annual installments to 2026	3.90 - 5.00%	\$ 35,685
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A payable in semi-annual installments to 2020	3.30 - 5.00%	42,360
Local Government Sales Tax Refunding Revenue Bonds, Series 2001 payable in semi-annual installments to 2019	3.00 - 5.00%	103,165
Excise Taxes Refunding Bonds, Series 2001A payable in semi-annual installments to 2010	5.00%	33,845
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%	47,235
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002 payable in semi-annual installments to 2033	3.000% - 5.375%	111,205
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%	65,995
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002 payable in semi-annual installments to 2019	3.000% - 5.375%	57,990
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B payable in semi-annual installments to 2012	3.000% - 5.000%	14,990

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2005: (continued)

SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES (continued)	<u>INTEREST RATES</u>	<u>PRINCIPAL</u>
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT) payable in semi-annual installments to 2021	2.000% - 5.250%	\$ 34,210
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%	18,746
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>\$ 955,206</u>
Add: Deferred amounts on Special Obligation Bonds		<u>5,237</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes, plus deferred amounts		<u>\$ 960,443</u>

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

Transportation Revenue Bonds, Series 2001 payable in semi-annual installments to 2032	3.00 - 5.25%	\$ 174,590
Better Jacksonville Sales Tax Revenue Bonds, Series 2001 payable in semi-annual installments to 2031	3.00 - 5.50%	205,845
Better Jacksonville Sales Tax Revenue Bonds, Series 2003 payable in semi-annual installments to 2031	2.00 - 5.25%	204,125
Transportation Revenue Bonds, Series 2003 interest is reset and payable every 35 days to 2021	Auction Rate Securities Assumed at 4.01%	44,990
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, 2005

8. LONG-TERM OBLIGATIONS(continued)
A. Long-term Obligations at September 30, 2005: (continued)

SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN: (continued)	INTEREST RATES	PRINCIPAL
Transportation Revenue Bonds, Series 2004 interest is reset and payable every 35 days to 2027	Auction Rate Securities Assumed at 3.455%	<u>\$ 79,875</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan		<u>\$ 1,081,805</u>
TOTAL SPECIAL OBLIGATIONS BONDS		<u>\$ 2,042,248</u>

BONDS PAYABLE FROM ENTERPRISE FUNDS:

Excise Taxes Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.25 - 5.125%	10,820
Excise Taxes Revenue Refunding Bonds, Series 1996A payable in semi-annual installments to 2017	4.00 - 5.50%	16,075
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B payable in semi-annual installments to 2017	4.20 - 5.75%	32,720
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B payable in semi-annual installments to 2012	3.00 - 5.00%	<u>8,375</u>
TOTAL BONDS PAYABLE FROM ENTERPRISE FUNDS		<u>\$ 67,990</u>

TOTAL BONDS PAYABLE		<u>\$ 2,110,238</u>
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NOTES PAYABLE FROM GENERAL REVENUE:

U.S. Government Guaranteed Note Payable, Series 1995 (Coach) payable in semi-annual installments to 2014	3.09 - 5.19 (Taxa (Taxable))	\$ 3,270
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty) payable in semi-annual installments to 2012	6.46-6.88% (Taxable)	540
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton Hotel) payable in semi-annual installments to 2015	6.46-7.03% (Taxable)	2,305
U.S. Government Guaranteed Note Payable, Series 1997 (Lavilla) payable in semi-annual installments to 2016	6.46-7.08% (Taxable)	975
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates) payable in semi-annual installments to 2010	6.46-6.78% (Taxable)	335

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS(continued)

A. Long-term Obligations at September 30, 2005: (continued)

NOTES PAYABLE FROM GENERAL REVENUE: (continued)

U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings) payable in semi-annual installments to 2016	6.46-7.08% (Taxable)	\$ 645
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns) payable in semi-annual installments to 2015	6.46-7.03% (Taxable)	<u>450</u>
TOTAL NOTES PAYABLE FROM GENERAL REVENUE		<u>\$ 8,520</u>

NOTES PAYABLE FROM BJP REVENUE:

State of Florida Infrastructure Bank payable in semi-annual installments to 2024	2.00%	\$ 18,319
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NOTES PAYABLE FROM INTERNAL SERVICE OPERATIONS:

Commercial Paper Notes with interest rates ranging from 2.45% to 2.70%, maturing no later than 270 days after date of issuance, and in no event later than December 31, 2034; renewable annually, at the city's option, per credit agreement dated November 4, 2004.		58,565
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TOTAL BONDED INDEBTEDNESS		<u>\$ 2,195,642</u>
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CAPITALIZED LEASE OBLIGATIONS:

General Fund:

Installment lease purchase of office equipment with lease maturity 2008 with effective interest rates ranging from 4.00 to 5.00%		\$ 771
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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%		<u>220</u>
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Total Capitalized Lease Obligations		<u>\$ 991</u>
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ACCRUED COMPENSATED ABSENCES:

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

Governmental and Internal Service Funds	\$ 54,509
Business-type Funds	<u>767</u>
(Fiduciary - Pension Funds have compensated absences of \$ 57 which are not presented on the City-wide Statements)	

Total Accrued Compensated Absences	<u>\$ 55,276</u>
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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

8. LONG-TERM OBLIGATIONS(continued)
A. Long-term Obligations at September 30, 2005: (continued)

OTHER LONG-TERM DEBT:

Estimated Liability for Self-Insured Losses	\$ 58,595
Liability for Landfill Closure and Postclosure Care	<u>44,003</u>
Total Other Long-Term Debt	<u>\$ 102,598</u>
TOTAL LONG-TERM OBLIGATIONS	<u>\$ 2,354,507</u>
Less Unamortized Discount/Premium and Deferred Loss on Advance Refunding	<u>(2,343)</u>
Total, less Unamortized Discount/Premium and Deferred Loss on Advance Refunding	<u><u>\$ 2,352,164</u></u>

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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, 2005, 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					
2006	\$ 42,795	\$ 49,322	\$ 15,720	\$ 48,753	\$ 4,525	\$ 3,302	\$ 14,637	\$ 1,922	\$ 180,976
2007	44,870	47,297	18,100	48,212	5,905	3,089	14,477	1,865	183,815
2008	45,775	45,273	18,600	47,623	7,410	2,778	14,616	1,487	183,562
2009	49,000	43,168	21,615	46,941	7,680	2,429	14,765	1,100	186,698
2010	47,315	41,343	19,470	46,242	7,990	2,047	14,914	707	180,028
2011 - 2015	185,966	191,279	122,950	218,233	24,130	5,956	11,785	1,195	761,494
2016 - 2020	204,839	128,109	167,970	187,119	10,350	567	210	15	699,179
2021 - 2025	138,375	75,564	224,765	143,198	-	-	-	-	581,902
2026 - 2030	124,555	39,903	306,500	79,502	-	-	-	-	550,460
2031 - 2035	71,716	9,966	166,115	7,744	-	-	-	-	255,541
Total Principal and Interest	955,206	671,224	1,081,805	873,567	67,990	20,168	85,404	8,291	3,763,655
Less: Interest to be paid	-	(671,224)	-	(873,567)	-	(20,168)	-	(8,291)	(1,573,250)
Total Principal	955,206	-	1,081,805	-	67,990	-	85,404	-	2,190,405
Deferred amounts	5,237	-	-	-	-	-	-	-	5,237
Unamortized Discount/Premium and Deferred Loss on Advance Refunding (1)	-	-	-	-	(2,343)	-	-	-	(2,343)
Totals	\$ 960,443	\$ -	\$ 1,081,805	\$ -	\$ 65,647	\$ -	\$ 85,404	\$ -	\$ 2,193,299
Long-Term Obligations Not Included Above:									
Accrued Compensated Absences									55,276
Capitalized Lease Obligations									991
Estimated Liability for Self-Insured Losses									58,595
Liability for Landfill Closure and Postclosure Care									44,003
TOTAL LONG-TERM OBLIGATIONS									\$ 2,352,164

(1) Public Parking System \$ 1,012 and Solid Waste Disposal \$1,331

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)

C. Changes in Long-Term Liabilities:

Changes in long-term liabilities for the fiscal year ended September 30, 2005, are summarized as follows (in thousands):

	Balance October 1, 2004	Additions	Reductions	Balance September 30, 2005	Due within one year
Governmental activities:					
General long-term obligations:					
Special Obligation Bonds	\$ 1,035,101	\$ -	\$ 79,895	\$ 955,206	\$ 42,795
Special Obligation -BJP	1,093,855	-	12,050	1,081,805	15,720
Notes Payable- BJP	-	18,319	-	18,319	2,399
Notes Payable	8,980	-	460	8,520	525
Notes Payable - Loan Pool Program	-	65,000	6,435	58,565	11,713
Deferred amounts:					
Loss on Advance Refunding	(5,546)	-	(6)	(5,540)	-
Issuance premiums	15,579	-	1,019	14,560	-
Issuance discounts	(3,938)	-	(155)	(3,783)	-
Total bonds and notes payable	<u>2,144,031</u>	<u>83,319</u>	<u>99,698</u>	<u>2,127,652</u>	<u>73,152</u>
Accrued Compensated Absences	53,788	30,894	30,173	54,509	16,352
Capitalized Lease Obligations	18,882	771	18,662	991	431
Estimated Liability for Self-Insured Losses	<u>55,397</u>	<u>21,817</u>	<u>18,619</u>	<u>58,595</u>	<u>-</u>
Governmental activity long-term obligations	<u>2,272,098</u>	<u>136,801</u>	<u>167,152</u>	<u>2,241,747</u>	<u>89,935</u>
Business-type activities:					
Revenue Bonds	72,109	-	4,119	67,990	4,525
Less: Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	<u>(2,644)</u>	<u>-</u>	<u>(301)</u>	<u>(2,343)</u>	<u>-</u>
Total Revenue Bonds, less Unamortized Discount/Premium and, Deferred					
Loss on Advance Refunding	69,465	-	3,818	65,647	-
Accrued Compensated Absences	751	56	40	767	231
Liability for Landfill Closure and Postclosure Care	<u>31,104</u>	<u>12,899</u>	<u>-</u>	<u>44,003</u>	<u>-</u>
Business-type activity long-term liabilities	<u>101,320</u>	<u>12,955</u>	<u>3,858</u>	<u>110,417</u>	<u>4,756</u>
TOTAL LONG-TERM LIABILITIES	<u><u>\$ 2,373,418</u></u>	<u><u>\$ 149,756</u></u>	<u><u>\$ 171,010</u></u>	<u><u>\$ 2,352,164</u></u>	<u><u>\$ 94,691</u></u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of \$2,983 for compensated absences payable and \$220 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, 2005

8. LONG-TERM OBLIGATIONS (continued)

D. New Indebtedness and Refundings Issued by the City:

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 \$64,808,000.00 (after payment of \$192,000.00 for costs of issuance) to fund short-term financing of capital projects.

On February 25, 2005, the City entered into a loan agreement with the State of Florida Department of Transportation for the state funded State Infrastructure Bank loan program. The total amount of the loan will be \$40,000,000 with an interest amount of 2%. The proceeds will be used to finance or refinance the construction and improvements of transportation facilities that are a part of the State Highway System currently associated with the Better Jacksonville Infrastructure Program. The proceeds will be issued on a reimbursement basis as projects progress through completion.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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, 2005</u>	<u>INVESTMENT BALANCE WITH ESCROW AGENT AT SEPTEMBER 30, 2005 (b)</u>
Excise Taxes Revenue Refunding Bonds, Series 1977	1984 C Excise Tax Revenue Refunding Bonds	\$ 14,400	\$ 14,858
Sales Tax Revenue Bonds, Series 1995 & Series 1996	2001 Local Government Sales Tax Revenue Refunding Bonds	103,980	105,916

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

(b) Source: Escrow Agent's Records

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)

F. Lease Obligations:

At September 30, 2005, 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 computers which were acquired through a capital lease (recorded in the General Fund for the Library). Depreciation was \$295 thousand in fiscal year 2005.

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 \$879 thousand in fiscal year 2005 and was included in depreciation expense of capital assets.

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

Asset:	<u>General Fund</u>	<u>Internal Service Fund - Information Technologies</u>
Furniture and Equipment	\$ 1,066	\$ 1,099
Less: Accumulated Depreciation	(295)	(879)
Total	<u>\$ 771</u>	<u>\$ 220</u>

The future minimum lease obligations as of September 30, 2005, were as follows (in thousands):

<u>Fiscal Year Ending September 30,</u>	<u>General Fund</u>	<u>Information Technologies Internal Service Fund</u>
2006	\$ 380	\$ 85
2007	380	85
2008	49	64
2009		
Total minimum lease payments	<u>809</u>	<u>234</u>
Less: Amount representing interest	(38)	(13)
Present value of minimum lease Payments	<u>\$ 771</u>	<u>\$ 220</u>
Classified as:		
Current	\$ 353	\$ 77
Non-current	418	143
Total	<u>\$ 771</u>	<u>\$ 220</u>

The city does not have any material operating leases.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)

G. 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, 2005, the city had authorized \$1,776,178,120 in IDB's and PAB's, of which \$1,377,286,902 have been issued. From time to time, certain of such conduit debt may be in default or under investigation as to tax-exempt status of interest on such debt, however, this has no effect on the city's financial position.

As of September 30, 2005, the city has authorized a total of \$644,371,000 Jacksonville Housing Finance Authority (JHoFA), formerly Duval County Housing Finance Authority (DCHFA), Single Family and Multi-Family Bonds of which \$483,356,142 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$480,000,000 and \$329,876,142, respectively, with a total amount outstanding of \$86,415,222. The amount of Multi-Family Housing Bonds authorized and issued is \$164,371,000 and \$153,480,000, respectively, with a total amount outstanding of \$135,765,000. There were no Single Family Housing Revenue Bonds authorized or issued during the fiscal year ended 2005. However, there were \$125,000,000 of Homeowner Revenue Notes authorized for the preservation of single family bond allocation, of which \$15,000,000 have been issued to date. The amount of Multi-Family Housing Bonds both authorized and issued during the fiscal year ended 2005 is \$14,300,000. Refundings of previous issues make up \$68,595,000 of the total amount authorized, \$68,350,000 of the total amount issued, and \$36,455,222 of the total amount outstanding.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)

G. Conduit Debt: (continued)

As of September 30, 2005, the city has authorized \$681,765,000 of Jacksonville Health Facilities Authority (JHFA) Bonds, of which \$605,446,184 have been issued. In 2005, the Jacksonville Health Facilities Authority issued \$50,000,000 of revenue bonds for a Baptist Medical Center project. 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.

H. Interest Rate Swaps with Better Jacksonville Plan:

Terms - 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 swap as of September 30, 2005 was \$46,410,000 and has a termination date of October 1, 2020. There were no payments at the initiation of the swap. The city receives a floating rate of the BMA Index and pays a fixed rate of 4.01%. 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 occurs. 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, 2005, the underlying swaps had a fair value of \$(1,576,824). This fair value was obtained by the counter-parties' mark to market reports submitted to the City.

On September 30, 2004, the City of Jacksonville entered into a 23-year floating-to-fixed interest rate swap with Wachovia Bank rated Aa2/A+. The notional amount of the swap as of September 30, 2005 was \$80,275,000 and has a termination date of October 1, 2027. There were no payments at the initiation of the swap. The City pays Wachovia a fixed rate of 3.455% and receives floating based on 67% of 1-month LIBOR, which could result in a basis risk if there are changes in the tax laws. The swap is related to the \$80,275,000 Transportation Revenue Bonds, Series 2004A (Auction Rate Securities). 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 occurs. The threshold for posting collateral is when the market value

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

8. LONG-TERM OBLIGATIONS (continued)

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

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, 2005, the underlying swaps had a fair value of \$(2,551,963). This fair value was obtained by the counter-parties' mark to market reports submitted to the city.

Credit Risk- As of September 30, 2005, the city was not exposed to credit risk (the risk of economic loss due to a counterparty default on the swap agreements) because each had a negative fair value. However, should interest rates change and the fair values of the swaps become positive, the city would then be exposed to credit risk in the amount of the swap's fair value.

Basis Risk- As of September 30, 2005, the swaps expose the city to basis risk. The agreement dated July 1, 2003 calls for the city to pay a fixed rate and receive a variable payment based on the BMA index. The city will pay or receive the difference between the fixed rate and the BMA index. If the fixed rate is greater than the rates on the BMA index the city will be liable for the difference. The agreement dated September 30, 2004 calls for the city to pay a fixed rate and receive a variable payment based on the one month LIBOR. The city will pay or receive the difference between the fixed rate and variable rate. If the fixed rate is greater than the rates on the LIBOR index the city will be liable for the difference.

Termination Risk- The city or the counterparty may terminate the swap if the other party fails to perform under the terms of the respective contracts. If at the time of the termination the swap has a negative value, as each does at September 30, 2005, the city would be liable to the counterparty for a payment equal to the swaps' fair value.

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

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 have the right to terminate this transaction unless a termination event occurs. The threshold for posting collateral is when the market value of the swap exceeds \$25

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)

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

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 June 2, 2005 the city terminated this swap and realized a gain of \$220,000.

Swap Payments and Associated Debt

Using rates as of September 30, 2005, debt service requirements of the variable-rate bonds and the swap payments, assuming current interest rates remain the same for their term, were as follows.

Fiscal Year Ending Sept. 30	Variable-Rate Bonds			Net Swap	
	Principal	Interest	Total	Payments/ (Receipts)	Total
2006	\$ 1,875	\$ 3,099	\$ 4,974	\$ 1,427	\$ 6,401
2007	1,940	3,053	4,993	1,401	\$ 6,394
2008	4,385	3,005	7,390	1,369	\$ 8,759
2009	4,495	2,896	7,391	1,324	\$ 8,715
2010	4,695	2,785	7,480	1,272	\$ 8,752
2011-2015	27,330	12,061	39,391	5,490	\$ 44,881
2016-2020	45,745	7,744	53,489	3,369	\$ 56,858
2021-2025	23,600	3,164	26,764	1,196	\$ 27,960
2026-2027	10,800	408	11,208	154	\$ 11,362
	\$ 124,865	\$ 38,215	\$ 163,080	\$ 17,001	\$ 180,081

City of Jacksonville \$47,775,000 Transportation Revenue Bonds, Series 2003

The Auction Rate Securities (ARS) 35-day rate as of September 30, 2005 was 2.45%

The BMA rate for swap payments received as of September 30, 2005 was 2.519%

City of Jacksonville \$80,275,000 Transportation Revenue Refunding Bonds, Series 2004A

The Auction Rate Securities (ARS) 7-day rate as of September 30, 2005 was 2.5%

The 67% of LIBOR rate for payments received as of September 30, 2005 was 2.4744%

I. Interest Expense:

Total interest expense for the fiscal year ended September 30, 2005 was \$103.8 million for governmental activities and \$3.4 million for business-type activities.

J. JEA - Long-Term Debt:

The Electric System, SJRPP, Water and Sewer System and District Energy 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 and District Energy System bonds are each governed by a single bond resolution. In accordance with the bond resolutions of each

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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

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

Long-term debt activity for the year ended September 30, 2005 was as follows (in thousands):

	Bonds and Commercial Paper Payable September 30, 2004	Par Amount of Bonds Issued	Par Amount of Bonds Refunded or Defeased	Principal Payments	Accretion of SJRPP Issue 2 Series 7 Capital Appreciation Bonds	Bonds and Commercial Paper Payable September 30, 2005	Current Portion September 30, 2005
Electric System Revenue Bonds and Commercial Paper	\$ 2,181,966	\$ 601,810	\$ (416,330)	\$ (6,455)	\$ -	\$ 2,360,991	\$ 16,320
SJRPP System Revenue Bonds	1,382,738	-	-	(78,610)	1,981	1,306,109	79,440
Water and Sewer System Revenue Bonds	1,634,895	477,215	(228,090)	(93,875)	-	1,790,145	9,120
District Energy System	-	47,800	-	-	-	47,800	-
Total	\$ 5,199,599	\$ 1,126,825	\$ (644,420)	\$ (178,940)	\$ 1,981	\$ 5,505,045	\$ 104,880

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)

K. JAA - Long-Term Indebtedness:

A summary of noncurrent liability activity for the year ended September 30, 2005 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Revenue bonds	\$ 81,870	-	(\$ 42,645)	\$ 39,225	\$ 790
Revenue refunding bonds	75,065	41,815	(4,265)	112,615	4,355
Revenue notes	6,655	-	(259)	6,396	276
Notes payable	1,875	-	(1,275)	600	600
Line of credit	50	-	-	50	50
Total	165,515	41,815	(48,444)	158,886	\$ 6,071
Unamortized deferred loss on bond refunding	(6,672)	(1,587)	521	(7,738)	
Unamortized bond discount	(240)	(68)	240	(68)	
Unamortized bond premium	5,544	-	(426)	5,118	
Total bonds and notes payable	\$ 164,147	\$ 40,160	(\$ 48,109)	\$ 156,198	

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

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

A summary of noncurrent liability activity for the year ended September 30, 2005 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	\$ 22,305	\$ -	(\$ 890)	\$ 21,415	\$ 1,045
Revenue refunding bonds	58,615	-	(1,301)	57,314	1,380
Capital leases	9,810	-	(805)	9,005	840
	90,730	-	(2,996)	87,734	3,265
Less original issue discounts and deferred loss on refunding	(4,302)	-	285	(4,017)	-
Total noncurrent liabilities	\$ 86,428	\$ -	(\$ 2,711)	\$ 83,717	\$ 3,265

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

8. LONG-TERM OBLIGATIONS (continued)

M. JTA – Long-Term Debt:

Accrued compensated absences at September 30, 2005 consisted of the following (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental					
Activities:					
Compensated					
absences	\$ 214	\$ 221	\$ (153)	\$ 282	\$ 23
Business-type					
Activities:					
Compensated					
absences	\$ 649	\$ 1,028	\$ (1,127)	\$ 550	\$ 45

9. PENSION PLANS

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

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

Under both the City of Jacksonville Retirement System and Police and Fire Pension Plans, the State of Florida requires Plan contributions be made based upon an actuarial valuation and any contribution shortfalls are the responsibility of the city to fund.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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. City of Jacksonville Retirement System:

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

The payroll for members covered by the System was \$253.1 million during the 2005 fiscal year, consisting of \$149.1 million City of Jacksonville payroll, \$98.7 million JEA payroll and \$3.9 million JHA payroll. The total 2005 payroll was \$372.4 million for the city, \$108.3 million for the JEA, \$8.2 million for JHA, \$8.2 million for JPA and \$12.7 million for JAA, for a total of \$509.8 million.

The City of Jacksonville Retirement System provides for retirement, survivor, death and disability benefits. Under normal retirement provisions, a member may retire after reaching the age of 55 with 20 years of credited service or at 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, 2005

9. PENSION PLANS (continued)

B. City of Jacksonville Retirement System: (continued)

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

At September 30, 2005, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>General Employee</u>	<u>Corrections Officer</u>	<u>Total</u>
	4,338	12	4,350
Current employees:			
Vested	3,481	449	3,930
Nonvested	1,597	128	1,725
Total Current Employees	5,078	577	5,655
Total Membership	9,416	589	10,005

- (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 OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

9. PENSION PLANS

B. City of Jacksonville Retirement System: (continued)

City contribution requirements are, as part of the funding policy, met through two sources; cash payments from the city, and allocations from the Past Excess Contribution account, maintained as part of the pension fund in accordance with State requirements to track prior payments made in excess of the actuarially required amounts. Contributions from all sources during fiscal year 2005 totaled \$38.5 million. The city contributed \$14.5 million from the Past Excess Contributions account and \$16.3 million in cash. Employees paid \$21.9 million. Contributions during fiscal 2004 and 2003 were \$45.5 million and \$39.0 million, respectively. These contributions were made in accordance with contribution requirements determined through an actuarial valuation performed March 2005. 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. The Schedule of Funding Progress – Actuarial Assumptions for this pension plan are as follows:

(4)

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

Investment rate of return	8.4%
Projected salary increases	4.0% to 7.5%
Includes inflation at:	3.5%
Cost-of-living adjustments	1.00% and Def. 5yrs.
Amortization method	Level percent open
Remaining amortization period	25 to 30 years
Asset value method	5 year smoothing

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

9. PENSION PLANS (continued)

B. City of Jacksonville Retirement System: (continued)

(4) The Statement of Fiduciary Net Assets – General Employees Pension Plan is as follows (in thousands) at September 30, 2005:

<u>ASSETS</u>	
Equity in cash and investments	\$ 126,965
Receivables (net, where applicable, of allowances for uncollectible):	
Interest and dividends	5,391
Total receivables	<u>132,356</u>
Investments, at fair value:	
U.S. Government obligations	362,421
Municipal Bonds	4,106
Domestic corporate bonds	223,706
Commercial paper	37,999
Domestic stocks	649,851
International stocks	222,479
Total investments	<u>1,500,562</u>
Capital assets:	
Other capital assets, net of depreciation	18
Net capital assets	<u>18</u>
Securities Lending Collateral	236,285
TOTAL ASSETS	<u><u>1,869,221</u></u>
<u>LIABILITIES</u>	
Accounts payable and accrued liabilities	5,097
Obligations Under Securities Lending Agreement	236,285
TOTAL LIABILITIES	<u><u>241,382</u></u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 1,627,839</u></u>

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

9. **PENSION PLANS** (continued)

B. City of Jacksonville Retirement System: (continued)

(5) The Statement of Changes in Fiduciary Net Assets – Jacksonville Retirement System is as follows (in thousands) at September 30, 2005:

ADDITIONS

Contributions:

Employer	\$ 14,913
Plan Member	21,929
Total contributions	<u>36,842</u>

Other additions:

Miscellaneous	338
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Investment income:

Net appreciation in fair value of investments	
Interest and Dividends	<u>141,730</u>

TOTAL ADDITIONS	<u>178,910</u>
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DEDUCTIONS

Benefits payments	94,416
Refunds of contributions	3,137
Administrative expenses	<u>882</u>

TOTAL DEDUCTIONS	<u>98,435</u>
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Net change in net assets	80,475
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NET ASSETS, BEGINNING OF YEAR	<u>1,547,364</u>
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NET ASSETS, END OF YEAR	<u>\$ 1,627,839</u>
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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 \$130.4 million 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 24.5 years remaining in its' amortization period.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

9. PENSION PLANS (continued)
C. Police and Fire Pension Plan: (continued)

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, 2005, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	1,765
DROP Participants	281
Active plan members	<u>2,450</u>
Total current employees	<u>2,731</u>
Total membership	<u>4,496</u>

- (2) The city is currently contributing 18.55% 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, 2003. The City Council has the authority to amend its contribution to the Plan to not less than the minimum state requirement.

- (3) Net Assets Available for Benefits - Net assets available for benefits are designated pursuant to an agreement between the Police and Fire Pension Plan Board of Trustees and the city effective April 1, 2000, consisting of the following actuarially computed components as of September 30, 2005 (in thousands):

Combined Reserve Account ⁽¹⁾	\$ 12,610
Base benefits fund	<u>782,757</u>
Total net assets available for benefits	<u><u>\$ 795,367</u></u>

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

9. PENSION PLANS (continued)
C. Police and Fire Pension Plan: (continued)

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, 2005, 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. The Schedules of Funding Progress – Actuarial Assumptions for this pension plan are as follows:

Actuarial Accrued Liability - Present values are determined under the Entry Age Normal Actuarial Cost Method for the October 1, 2005 valuation.

Net investment rate of return	8.4%
Projected salary increases	5.0%
Includes inflation at:	3.5%
Cost-of-living adjustments	3.0%

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 \$3.3 million during the fiscal year; the city's total payroll for all employees was \$402.3 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 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

9. PENSION PLANS (continued)

D. Florida Retirement System:

- (2) Contributions - During the years ended September 30, 2005, 2004, and 2003, the city contributed \$499 thousand, \$543 thousand, and \$362 thousand, respectively, to the System for covered employees. For the fiscal year ended September 30, 2005, this contribution represented less than 1% of the total contributions required by all participating employers. Contributions in both fiscal 2004 and 2003 were less than 1% of the total contributions required by all participating employers, which amounted to approximately \$1.9 and \$1.8 billion per 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, 2005, of 7.83% of the compensation for regular members, 18.53% for special risk members, 15.23% for elected county officials, 10.45% for senior management and 9.33% for DROP Plan members.
- (3) Trend Information - Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2004 annual financial report. The report may be obtained from the State of Florida, Department of Management Services, Division of Retirement at 1317 Winewood Blvd., Bldg. 8, Tallahassee, Florida 3315-9000.

10. DEFERRED COMPENSATION PROGRAM AND 401A PLAN

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

The city also provides a defined contribution plan under the Internal Revenue Code, Section 401(a). The plan provides an employer-paid, pre-tax allowance for employees under certain union contracts, managerial and confidential, and some appointed personnel. It also allows employees to participate on a post-tax basis. This benefit does not replace a pension plan, or serve in lieu of a qualified pension plan. For the year ended September 30, 2005, the city contributed \$156,842 for 401A plan benefits.

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, 2005

12. RISK FINANCING

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

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

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

<u>Retention Level</u>	<u>Coverage</u>	<u>Policy Limit</u>
\$5,000,000	General Liability	\$1,000,000 ⁽¹⁾
\$1,200,000	Employer’s Liability	\$1,000,000 ⁽¹⁾
\$1,200,000	Workers’ Compensation	Statutory
\$100,000	Property (Real & Personal)	\$300,000,000 ⁽²⁾
\$50,000	Employee Dishonesty Bond (includes computer fraud)	\$3,000,000

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

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

The retention level for named windstorm losses is equal to 2% of total values of the locations involved in the occurrence and subject to a minimum retention of \$500,000 and a maximum of \$15,000,000 each and every occurrence.

The Division performs all loss prevention and workers’ compensation claims management activities. General Liability and Automobile Liability claims management activities are conducted by a third party administrator under the supervision of the Division.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

12. RISK FINANCING (continued)

Estimated Risk Management Liability ⁽¹⁾
(in thousands)

	<u>Discounted ⁽²⁾</u>	<u>Undiscounted</u>
Low	\$45,385,071	\$52,533,464
Middle	\$50,623,290	\$58,577,897
High	\$55,861,509	\$64,622,330

⁽¹⁾ Actuarial projection excludes property liability.

⁽²⁾ 5 % yield on investments assumption

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

The city maintains separate fiscal year accounting, which allows any excess revenues available to be returned to the city itself and component units. As of September 30, 2005, the city has available net assets in the Self-Insurance fund of \$5,319 (in thousands). In the Supplemental Section of the city's Comprehensive Annual Financial Report, is a trend information schedule for general/auto liability and workers' compensation, entitled "Schedule of Self-Insurance Ten Year Claims Development Information," which reflects the claims paid and liability projection development of each of the most recent ten years as of September 30, 2005.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

12. RISK FINANCING (continued)

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

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

	<u>General/Auto Liability</u>		<u>Workers Compensation</u>		<u>Totals</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Unpaid claims and claims adjustment expenses at beginning of fiscal year	\$ 8,862	\$ 9,067	\$ 46,535	\$ 43,931	\$ 55,397	\$ 52,998
Incurred claims and claim adjustment expenses:						
Provisions for insured events of the current fiscal year	3,480	2,030	7,065	5,934	10,545	7,964
Increases (decreases) in provision for insured events of prior fiscal years	<u>1,987</u>	<u>410</u>	<u>9,285</u>	<u>7,360</u>	<u>11,272</u>	<u>7,770</u>
Total incurred claims and claim adjustment Expenses	<u>5,467</u>	<u>2,440</u>	<u>16,350</u>	<u>13,294</u>	<u>21,817</u>	<u>15,734</u>
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,148	735	3,260	2,332	4,408	3,067
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	<u>3,849</u>	<u>1,910</u>	<u>10,362</u>	<u>8,358</u>	<u>14,211</u>	<u>10,268</u>
Total Payments	<u>4,997</u>	<u>2,645</u>	<u>13,622</u>	<u>10,690</u>	<u>18,619</u>	<u>13,335</u>
Total unpaid claims and claim adjustment expenses at end of fiscal year	\$ <u>9,332</u>	\$ <u>8,862</u>	\$ <u>49,263</u>	\$ <u>46,535</u>	\$ <u>58,595</u>	\$ <u>55,397</u>

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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, 2005, (in thousands):

	<u>Fund Balance/ Net Asset</u>
Major Enterprise Fund:	
Public Parking	\$ (4,698)
Solid Waste Disposal	\$ (75,557)
Non-Major Internal Service Fund:	
Group Health	\$ (50)

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 Solid Waste Disposal fund deficit is partially due to the increase of closure construction cost estimates associated with the Trail Ridge Landfill. It is anticipated that future revenues will eliminate the deficit. The remaining deficit is due to the \$25 million liability for ash site settlement and the \$63 million accrual for remediation. Bonds will be issued to return adequate cash to the fund and rate revenue or transfer from the General Fund will be made annually to pay principal and interest. The deficit will eventually be eliminated over the life of the bonds.

The Group Health deficit is due to increased health care premiums. This deficit will be corrected in fiscal year 2006.

The city had no funds with an excess of expenditures over appropriations for the year ended September 30, 2005.

C. Landfill Closure and Postclosure Care Costs:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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

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

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, 2005, is (in thousands):

	Balance, October 1, 2004	Accrual of Costs	Payment of Costs	Balance, September 30, 2005
Closed Landfills -				
Postclosure care costs	\$ 14,708	(\$ 851)	\$ -	\$ 13,857
Operating Landfill -				
Closure and Postclosure care costs	<u>15,365</u>	<u>13,839</u>	<u>-</u>	<u>29,204</u>
Total Landfill Postclosure Care Costs	30,073	12,988	-	43,061
Waste Dump Site -				
Long Term Care Costs	<u>1,031</u>	<u>(89)</u>	<u>-</u>	<u>942</u>
Total Liability for Landfill Closure, Postclosure, Decontamination and Long Term Care Costs	<u>\$ 31,104</u>	<u>\$ 12,899</u>	<u>\$ -</u>	<u>\$ 44,003</u>

At September 30, 2005, 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 \$12.9 million had been accrued for postclosure care costs through September 30, 2005.

Funding MSWLF costs for these two closed landfills will be provided from future operating revenues of Solid Waste Disposal Enterprise Fund activities. As discussed in Note 1.P., after adjustments for the current year change in estimate, the \$61.2 million in MSWLF closure and postclosure care costs recorded for the city's two closed landfills, North and East, and the \$9.1 million in Waste Dump Site decontamination costs has been capitalized and recorded as a deferred charge in the Solid Waste Disposal Enterprise Fund. Through fiscal 2004, \$31.6 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2005, \$2.1 million of this deferred charge was expensed to solid waste operations, resulting in a balance at

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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

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

September 30, 2005, of \$29.5 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 \$29.2 million. This total is based on the estimated capacity used of 60.184% or 10,557,916 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 \$28 million as the remaining capacity is filled. These amounts are based upon what it would cost to perform all closure and postclosure care in 2005. The city expected to close the landfill in approximately seven 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, 2005, of \$0.9 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, 2005, this proof of financial responsibility has been met by the city under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$25.8 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, 2005 (in thousands):

	<u>Trail Ridge</u>	<u>North</u>	<u>East</u>	<u>Total</u>
Current cost of closure	\$ 22,504	\$ -	\$ -	\$ 22,504
Annual cost of postclosure care	-	802	343	1,145
Total estimated closure and postclosure care costs	<u>\$ 22,504</u>	<u>\$ 802</u>	<u>\$ 343</u>	<u>\$ 23,649</u>
Balance in escrow account	<u>\$ 24,632</u>	<u>\$ 802</u>	<u>\$ 343</u>	<u>\$ 25,777</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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. However, amendment 8, executed January 2006, reduces the Jaguars rent obligations by six equal installments of \$1,433,333 (\$8,600,000) beginning with the yearly scheduled November 2005 payment through the June 2008 payment. Amendment 8 also reduces supplemental lease obligations, with the city's acceptance of payment from the Jaguars in the amount of \$10,197,891 for the full satisfaction of amounts due for Super Bowl net revenues. Rents from years 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 revenues from city events at the stadium, with some exceptions. Amendment 8 outlines provisions for advertising revenue generated from electronic signage for different stadium functions. The city is required to provide electricity, water and sewer services for the stadium at its expense. The city must maintain the Stadium and all leasehold improvements. Per amendment 8, the City agreed to provide \$1,000,000 for additional electronic signs. The city is required to pay for game day personnel, excluding concessions, on the days of Jaguar games. Amendment 8 gives the Jaguars the responsibility to provide concessions to all events within the concessions area. The Jaguars retain all net revenues from concessions and similar sales on NFL game days. The lease obligates the Jaguars to maintain its franchise at the Stadium in Jacksonville and to not relocate unless it pays the city certain guaranteed amounts.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

14. LESSOR OPERATING LEASE (continued)

B. Shands Jacksonville

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

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation:

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

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). The Division administers the public liability (general liability and automobile liability) and workers' compensation self-insurance program covering the activities of the city general government, JEA, Jacksonville Housing Authority, Jacksonville Port Authority, and Jacksonville Aviation Authority under the

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

C. Self-Insurance: (continued)

City's Ordinance Code Chapter 128. The city purchases commercial insurance for workers' compensation claims in excess of \$1.2 million. Under the laws of the State of Florida, the city has 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 claims and 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:

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.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

D. Environmental Matters: (continued)

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 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, 2005, 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.

Incinerator Ash Site Pollution Remediation: The City has identified four sites that were used for incinerator ash waste. The common practice during the 1950s and 1960s was to incinerate garbage and then mix the residual ash waste with other soil and use it as fill dirt. The city and the U. S. Environmental Protection Agency (EPA) signed an agreement in 1999 to develop a plan to remediate the four sites. In order to make the sites and surrounding areas safe from a variety of residual pollutants, the city has proposed to the EPA a plan to clean up the areas by removing the top two feet of soil, placing a barrier, and then replacing the topsoil with untainted dirt. The project is estimated to take several years to complete once started and an order of magnitude cost estimate based on similar remediation sites resulted in a range of \$63 million - \$251 million. The lower of the range estimate of \$63 million has been accrued per FASB Interpretation/FIN#14. The final plan has not been approved by the EPA. The Better Jacksonville Plan contains \$21 million for Ash Sites, but other sources of funds will need to be identified for the amounts above the \$21 million.

E. Shipyards Project:

In previous fiscal years, the city provided economic development grant monies to a developer totaling approximately \$36.5 million, funded by tax exempt bond proceeds (City of Jacksonville, Florida Excise Tax Revenue Bonds, Series 2001B). The grant was to provide for certain public improvements related to a project titled "Shipyards". The original developer did not complete the improvements anticipated in the public offering, and a city review of the project determined that the developer had inappropriately spent city grant proceeds (financed by the bonds) on private use elements of the overall project and/or business expenditures not related to the project, and therefore was in default under the Redevelopment Agreement. The city also determined that the original developer's default resulted in the private use portion of the bond proceeds exceeding

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

E. Shipyards Project: (continued)

limits allowed by the tax code. On June 28, 2005 the city reached agreement with a new replacement developer to provide the anticipated public improvements with some modifications.

The city anticipates this agreement over time will preserve the tax exempt status of interest on the bond issue. To the extent the replacement developer does not provide the modified public improvements, the city will be required to make additional public improvements from public funds other than tax exempt bond proceeds. The city elected to notify the Internal Revenue Service of the problem and enter into voluntary negotiations intended to preserve the tax exempt status of interest on the bonds and provide for a city settlement payment. The settlement is anticipated to address the time period between the point of misuse and the substitution of appropriate public uses, and the incremental cost between tax exempt and taxable debt. The city estimates that the eventual settlement payment could be as much as \$3 million. The arrangement with the replacement developer provides for an eventual repayment of this amount from excess tax increment revenues after certain priority uses thereof.

F. Other Litigation:

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

The city is involved in an eminent domain case, in which the city took 19.1 acres of property to build a retention pond. The city valued the property at \$760,000, which has already been deposited, and the owner's appraiser valued the property at \$3,400,000. A proposed settlement, pending council approval, would require the city to pay an additional \$1.44 million to the owner. Council could vote on this settlement as soon as the end of February 2006. Although it is possible that a jury will agree with the owner's appraiser, a more likely result at trial would be a verdict requiring the City to pay an additional estimated \$1.5 - \$1.9 million. Trial is set for mid January 2006. There is an additional excessive force / civil rights claim by a prisoner of the jail who became violent and was restrained by jail personnel and subsequently went into respiratory arrest. Liability is possible, exposure is \$1,000,000.

A threatened litigation with exposure to the city includes a police negligence, excessive force and civil rights claim. Exposure is estimated at \$800,000.

There are a number of small dollar value litigation claims in which City General Counsel believes a liability is probable or a settlement is likely. While individually, the estimated dollar value of possible liability is minor, ranging from \$100,000 - \$200,000, the aggregate amount of estimated exposure for these claims is approximately \$1 million.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

E. Other Litigation: (continued)

In accordance with FAS 5, no accrual has been made in the accompanying financial statements for these cases because relevant criteria has not been met. Funding for these payments, if any, will be from general revenue sources and earnings.

F. Construction Commitments:

At September 30, 2005, the city had major construction appropriations for the following projects:

Courthouse Improvements	\$155.2 million
Septic Tank Remediation	\$51.1 million
Countywide Drainage	\$37.4 million
Countywide Road Resurfacing	\$13.3 million
Main Library	\$7.2 million
Fire Stations Renovations & Replacements	\$12.9 million
Collins/Rampart to Blanding	\$12.3 million
McDuff Ave/Beaver to Edgewood	\$10.2 million
Spring Park Rd./Emerson St. to University	\$8.3 million
Hood Rd/Sunbeam to St. Augustine	\$8.8 million
Lenox Ave/Lane to Normandy	\$6.7 million
Old Middleburg/103 rd -- Branan Field	\$6.6 million
St. Augustine Rd/SR 13 to I-95	\$6.2 million
Morse Ave/Shindler -- Ricker	\$5.8 million
Cahoon Rd./Normandy Blvd to Beaver St.	\$5.5 million
Greenland Rd/Coastal Lane to US 1	\$5.2 million
New Animal Control Center	\$9.7 million
Clerk of the Courts Records Center	\$3.5 million

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

16. CHANGES IN REPORTING ENTITY

Changes in reporting entity- restatement of beginning net assets/fund balances

The city determined that certain operations of the Clerk of Courts, previously omitted from the city's financial statements should be reported as a special revenue fund. Also, it was determined that the Public Records Modernization special revenue fund should be included in the Clerk of Courts fund. The Public Records Modernization Fund had previously been reported in the General Government Non-Budgeted special revenue fund.

As a result, city-wide net assets and governmental fund balances as of September 30, 2004 have been restated as follows:

	<u>City-wide Net Assets</u>	<u>Total Governmental Fund Balances</u>
Net assets/fund balances as reported at September 30, 2004	\$ 733,351	\$ 899,977
Clerk of Courts net assets/fund balances	(213)	(213)
Beginning net assets/fund balances as restated	<u>\$ 733,138</u>	<u>\$ 899,764</u>

Clerk of Court Special Revenue Fund

Fund balances as reported at September 30, 2004	-
Reclassification Public Record Modernization fund balance	1,319
Clerk of Courts net assets/fund balances	(213)
Beginning fund balance as restated	<u>\$ 1,106</u>

Non-Budgeted General Government Special Revenue Fund

Fund balances as reported at September 30, 2004	6,763
Reclassification Public Record Modernization fund balance	(1,319)
Beginning fund balance as restated	<u>\$ 5,444</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

17. SUBSEQUENT EVENTS

A. City of Jacksonville Debt

Subsequent to year end, the City closed on the sale of \$44,820,000 Excise Taxes Revenue Bonds, Series 2005A with a true interest cost of 4.747%. The 2005A bonds carry coupon rates ranging from 3.5% to 5% with maturity dates ranging from October 1, 2009 through October 1, 2032. The proceeds of the 2005A Bonds will be used to fund capital improvements within the City and to fund the RAMCO Jacksonville, LLC Airport Center Drive road and utility improvements. The issuance provided net proceeds of \$44,707,933.14 (after payment of \$734,261.46 for underwriter's discounts, insurance, and costs of issuance) to fund construction and capitalized interest.

Subsequent to year end, the City closed on the sale of \$36,540,000 Excise Taxes Revenue Refunding Bonds, Series 2006A with a true interest cost of 4.559%. The 2006A bonds carry coupon rates ranging from 3.75% to 5% with maturity dates ranging from October 1, 2011 through October 1, 2032. The proceeds of the 2006A Bonds will be used to fund capital improvements, the acquisition of the Ed Ball Building and to refund the city's outstanding Sunshine State Governmental Financing Commission, Tax-Exempt Revenue Bonds, Series 1995A. The issuance provided net proceeds of \$37,234,542.31 (which includes a net premium of \$1,147,999.45 less the payment of \$453,457.14 for underwriter's discounts, insurance, and costs of issuance) to fund improvements, acquisitions and the escrow deposit. As a result of the refunding, an economic gain was realized (difference between the present values of the old and new debt service payments) of \$362,141.69 or 5.03% as a percentage of bonds refunded.

Subsequent to year end, the city closed on the sale of \$9,255,000 Excise Taxes Revenue Refunding Bonds, Series 2006B with a true interest cost of 4.169%. The 2006B bonds carry coupon rates ranging from 3.625% to 4% with maturity dates ranging from October 1, 2011 through October 1, 2015. The proceeds of the 2006B Bonds will be used to refund the city's outstanding Sunshine State Governmental Financing Commission, Tax-Exempt Revenue Bonds (AMT), Series 1995B. The issuance provided net proceeds of \$9,047,657.19 (after payment of \$207,343.41 for original issue discount, underwriter's discounts, insurance, and costs of issuance) to the escrow deposit. As a result of the refunding, an economic gain was realized of \$782,858.94 or 8.75% as a percentage of bonds refunded.

Subsequent to year end, the City closed on the sale of \$23,555,000 Excise Taxes Revenue Bonds (Taxable), Series 2006C with a true interest cost of 5.228%. The 2006C bonds carry coupon rates ranging from 4.88% to 5.22% with maturity dates ranging from October 1, 2011 through October 1, 2019. The proceeds of the 2006C Bonds will be used to fund taxable capital improvements, including the Carling Hotel Project. The issuance provided net proceeds of \$23,263,335.59 (after payment of \$291,664 for underwriter's discounts, insurance, and costs of issuance) to fund the taxable improvements.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

17. SUBSEQUENT EVENTS (continued)

B. Interlocal Agreement with JTA

On December 19, 2005 the city amended its Interlocal Agreement with JTA for funding of the Better Jacksonville Plan, eliminating the sharing of excess revenues between the city and JTA. As of September 30, 2005 the excess revenues of \$40,117,983 were to be distributed \$22,458,931 to JTA (reported on the city-wide financial statements), \$15,774,584 to be retained by the city, and \$1,884,468 to be paid into an escrow account and held in reserve. The amended agreement calls for JTA to receive all excess revenues, eliminating the reserve requirement. As a result, the city will distribute an additional \$17,659,052 in excess revenues to JTA in fiscal year 2006.

18. SHORT-TERM DEBT

Mayport Ferry, one of the city’s nonmajor enterprise funds, had a balance of \$98 thousand in Notes Payable at September 30, 2004. This debt was retired. Short-term debt activity for the year ended September 30, 2005, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Note Payable	\$ 98	\$ -	\$ 98	\$ -

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 2005	\$ 19,866	\$ 13,669
Fiscal year 2004	\$ 16,987	\$ 12,165

For fiscal year 2004, the calculation of the city contribution was reconsidered. The approved calculation formula 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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

A. JEA/City of Jacksonville (continued)

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 contributions for fiscal years 2005 and 2004 amounted to \$68,677 thousand and \$67,385 thousand.

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 for fiscal years 2005 and 2004 amounted to \$17,261 thousand and \$15,802 thousand respectively.

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

In addition to the contributions described above, JEA is also obligated to make semi-annual payments with respect to a portion of the debt service for the city's Excise Tax Revenue Bonds, Series 1999A and 1995A through fiscal year 2009. In fiscal years 2005 and 2004, JEA made principal and interest payments to the city of \$3,156 thousand and \$3,164 thousand respectively. The total remaining principal amounts due to the city as of September 30, 2005 and 2004 was \$7,077 thousand and \$9,979 thousand.

Risk Management

JEA insures its risks related to general liability, automobile liability, and workers' compensation through the city's self insurance program. The city's Director of Administration and Finance manages the self-insurance program, estimates the liabilities through actuarial and other methods, and assesses the user departments and agencies. JEA purchases property insurance separate from the city for its insurable assets. In addition, JEA purchases property, liability and workers' compensation insurance for its St. Johns River Power Park facility, including ownership interest of Florida Power and Light Company, as an additional insured.

Better Jacksonville Plan

The city is providing funding for sewer improvements as a part of the Better Jacksonville Plan. The city receives sales tax revenues, a portion of which are used for capital contributions to JEA for sewer improvements. These contributions amounted to \$385 thousand and \$9,118 thousand in fiscal years 2005 and 2004.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

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

B. JPA – Prior Period Adjustments:

In 2005, a \$1,108,000 calculation error was discovered which resulted in the understatement of Shared revenue from primary government for the periods 1997 through 2004. The most significant year was 2004, which comprised \$677,000 of the total. The 2004 Shared revenue from primary government and Due from primary government accounts have been restated to reflect the increased amount due from the city of Jacksonville.

Additionally, 2004 amounts have been restated by approximately \$542,000 due to the reversal of estimated land remediation expenditures recorded in error. This decrease has been reflected in the Statement of Revenues, Expenses and Changes in Net Assets in the Services and supplies and related accrued expenses accounts.

20. REALLOCATION OF NET ASSETS:

The presentation of fiscal year 2004 net assets amounts were reallocated for comparability purposes with fiscal year 2005 net asset amounts. Changes for fiscal year 2004 net assets presented on the 2005 Statement of Net Assets are as follows (000s):

	<u>Reallocation</u> <u>Net Assets</u>	<u>Original</u> <u>Net Assets</u>	<u>Change</u>
FY2004 Net Assets(000s)			
Invested in capital assets, net of related debt.....	\$587,887	\$250,776	\$ 337,111
Restricted for:			
Debt service.....	64,384	176,987	(112,603)
Capital projects.....			
Capital projects.....	130,030	130,030	-
Permanent Fund, Non-expendable.....	123	-	123
Other purposes.....	1,662	1,662	-
Unrestricted.....	<u>(24,316)</u>	<u>200,315</u>	<u>(224,631)</u>
Net Reallocation.....	<u><u>\$759,770</u></u>	<u><u>\$759,770</u></u>	<u><u>\$ -</u></u>

The government –wide and business-type Fund Financial Statements utilizes a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

Invested in Capital Assets (nets of related debt) - is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Assets – are liquid assets (generated from revenues and not bond proceeds),

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

20. REALLOCATION OF NET ASSETS: (continued)

which have third-party (statutory, bond covenant or granting agency) limitations on their use. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use there of to a future project or replacement equipment acquisition.

Unrestricted Net Assets – typically represents unrestricted liquid assets. While City management may have categorized and segmented portions for various purposes, the City Council has authority to revisit or alter these managerial decisions.

While the Unrestricted Net Assets balance is a single number in accordance with GASB Statement 34, the impact of non-asset debt will appear to reduce the year-end discretionary balance available to the government. However, in the City’s case, given that a portion of these non-asset bonds/loans reported in the Governmental Activities column have a dedicated revenue source (to amortize the debt over time) the year-end available portion of the Net Assets to the city is greater than is apparent. The following schedule illustrates these differences (000s):

Governmental Unrestricted Net Assets (per statement – page 22)	\$ (92,403)
Impact of Better Jacksonville Plan’s (BJP) bond financed capital expenditures incurred by component units and other entities. Includes refinancing of state held debt for associated component unit.	190,763
	<u>98,360</u>
Economic Incentives to be repaid by TIF revenue and/or Developer	34,000
Governmental - Unrestricted Net Assets (adjusted for dedicated revenue funded portions)	<u>\$ 132,360</u>

Because the BJP program has dedicated sales tax revenue sources which will be used to repay the related debt service and either the CRA’s tax increment financing (TIF) revenue or the Developer repayments are anticipated to address the related debt service principal and all or a portion of the interest, the Government Unrestricted Net Assets (adjusted for dedicate revenue funded portions of non-assets debt) more truly reflect the General Government’s available (although partially tentatively targeted) portion of net assets.

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, 2005

	GENERAL FUND					VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	BUDGETED AMOUNTS			ENCUMBRANCES	BUDGETARY ACTUAL	
	ORIGINAL	FINAL	ACTUAL			
REVENUE:						
Property taxes.....	\$ 349,522	\$ 349,522	\$ 360,768	\$ -	\$ 360,768	\$ 11,246
Utility service taxes.....	99,429	99,429	99,463	-	99,463	34
Licenses and permits.....	9,336	9,336	9,045	-	9,045	(291)
Intergovernmental.....	139,654	149,118	152,249	-	152,249	3,131
Charges for services.....	52,440	54,507	55,257	-	55,257	750
Fines and forfeitures.....	5,867	5,867	5,135	-	5,135	(732)
Payment in lieu of taxes.....	85,938	85,938	85,938	-	85,938	-
Interest.....	19,587	19,587	5,049	-	5,049	(14,538)
Other.....	16,064	17,220	15,756	-	15,756	(1,464)
Total Revenue.....	777,837	790,524	788,660	-	788,660	(1,864)
EXPENDITURES AND ENCUMBRANCES:						
Administration and Finance.....	13,335	12,620	11,677	861	12,538	82
Agriculture.....	1,512	1,353	1,316	35	1,351	2
City Council.....	7,972	7,950	7,738	150	7,888	62
Clerk of the Courts.....	3,719	4,654	4,543	2	4,545	109
Courts.....	2,488	2,462	2,332	114	2,446	16
Community Services.....	32,243	37,900	37,612	209	37,821	79
Environmental Resource Management.....	9,975	9,766	9,187	405	9,592	174
Fire/Rescue.....	115,021	124,372	124,066	306	124,372	-
General Counsel.....	332	363	363	-	363	-
Health Administrator.....	3,556	3,380	3,379	-	3,379	1
Jacksonville Economic Development Commission.....	8,349	8,447	8,446	-	8,446	-
Jacksonville Human Rights Commission.....	1,205	1,157	1,118	39	1,157	-
Mayor.....	2,580	3,267	3,189	13	3,202	65
Mayor's Boards and Commissions.....	430	493	489	2	491	2
Medical Examiner.....	2,253	2,098	2,037	31	2,068	30
Metropolitan Planning Organization.....	14	14	-	14	14	-
Department of Neighborhoods.....	21,183	20,655	19,361	1,236	20,597	58
Property Appraiser.....	8,294	8,373	7,243	207	7,450	923
Public Defender.....	849	802	797	5	802	-
Planning and Development.....	7,466	6,682	5,733	713	6,446	236
Pension Funds.....	15	15	10	-	10	5
Public Libraries.....	32,141	31,430	30,946	460	31,406	24
Parks, Recreation and Entertainment.....	28,081	28,204	25,298	2,629	27,927	277
Procurement & Supplies.....	5,055	4,555	3,269	423	3,692	863
Public Works.....	65,991	63,657	61,594	1,819	63,413	244
State Attorney.....	2,090	849	844	2	846	3
Supervisor of Elections.....	5,100	7,311	7,195	116	7,311	-
Office of the Sheriff.....	250,366	255,862	254,191	1,480	255,671	191
Tax Collector.....	13,678	13,092	12,701	149	12,850	242
Federal Program Reserve.....	4,023	526	-	-	-	526
Contribution to Shands-Jacksonville.....	23,776	23,776	23,776	-	23,776	-
Cash Carryover Reserves.....	40,000	40,000	-	-	-	40,000
Jacksonville Misc. Citywide Activities.....	39,362	35,542	31,573	1,497	33,070	2,472
Total Expenditures.....	752,454	761,627	702,023	12,917	714,940	46,687
EXCESS OF REVENUE OVER (UNDER)						
EXPENDITURES.....	25,383	28,897	86,637	(12,917)	73,720	44,823
OTHER FINANCING SOURCES (USES):						
Operating transfers in.....	9,776	16,246	15,588	-	15,588	(658)
Operating transfers out.....	(128,200)	(129,919)	(128,339)	-	(128,339)	1,580
Total Other Financing Sources (Uses).....	(118,424)	(113,673)	(112,751)	-	(112,751)	922
EXCESS (DEFICIENCY) OF REVENUES						
OVER (UNDER) EXPENDITURES	(93,041)	(84,776)	(26,114)	(12,917)	(39,031)	45,745
FUND BALANCES - BEGINNING.....	89,109	89,109	89,109	-	89,109	-
Change in reserve for inventory of supplies.....	-	-	-	-	-	-
FUND BALANCES - ENDING.....	(\$ 3,932)	\$ 4,333	\$ 62,995	(\$ 12,917)	\$ 50,078	\$ 45,745

CITY OF JACKSONVILLE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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 2005, 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, 2005

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 FY2006 General Fund budget appropriations included \$41.5 million appropriated from the Fund Balance of the General Fund, which includes \$40 million appropriated to an emergency reserve fund. Due to revenue shortfalls, the fiscal year 2005 General Fund was originally over appropriated by \$3.9 million. The over appropriation was addressed and corrected later in fiscal year 2005.
- F.** 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 2005 Annual Budget Ordinance were made throughout the year, the effects of which were not material.
- G.** 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.
- H.** 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.
- I.** 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.

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**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
SEPTEMBER 30, 2005**

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Annual Required Contributions</u>	<u>City Cash Contributions</u>	<u>Allotted from Past Excess Contributions</u>	<u>Total Employer Contributions</u>	<u>Percentage Contributed</u>
1999	\$ 17,673	\$ 16,081	\$ 1,592	\$ 17,673	100%
2000	12,429	11,681	748	12,429	100%
2001	12,235	125	12,110	12,235	100%
2002	12,724	-	12,724	12,724	100%
2003	19,003	8	18,995	19,003	100%
2004	25,775	23,773	2,002	25,775	100%
2005	30,957	16,394	14,563	30,957	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, 2005**

(in thousands)

Plan Year Ending September 30	Annual Required Contribution (1)	City Cash Contributions	Alloted from Contribution Reserves	Court Fines and Premium-Tax Refunds (2)	Total Employer Contributions	Total Member Contributions	Percentage Contributed
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	39,295	22,098	769	7,654	30,521	8,774	100%
2005 (3)	50,727	25,851	8,753	6,541	41,145	9,582	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, 2005 was equal to the annual required contributions of \$50,727. The Plan has no net pension obligation.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
SEPTEMBER 30, 2005**

(in thousands)

Valuation Date	Actuarial Value of Assets (2) (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
* 09/30/99	\$ 1,324,736	\$ 1,321,083	(\$ 3,653)	100.28%	\$ 197,781	N/A
09/30/00	1,426,926	1,426,745	(181)	100.01%	202,321	N/A
* 09/30/01	1,459,649	1,511,829	52,180	96.55%	234,684	22.2%
09/30/02	1,425,708	1,528,742	103,034	93.26%	243,446	42.3%
* 09/30/03	1,426,783	1,611,958	185,175	88.51%	237,373	78.0%
09/30/04	1,496,315	1,810,451	314,136	82.65%	236,540	132.8%
09/30/05	1,569,816	1,810,148	240,332	86.72%	253,074	95.0%

(1) Actuarial Assumptions provided in the notes to the financial statements

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

* Minor adjustments made for consistency

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
POLICE AND FIRE RETIREMENT SYSTEM
SEPTEMBER 30, 2005**

(in thousands)

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
09/30/00	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	1,222,355	494,400	59.55%	118,510	417.18%
09/30/05	765,180 (3)	1,314,424	549,244	58.21%	130,392	421.23%

(1) Actuarial Assumptions provided in the notes to the financial statements

(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, 2005, the value of the City Budget Stabilization Account was \$4,219,482, and the Enhanced Benefit Account was \$8,390,505. These amounts are not included in the actuarial value of assets as of September 30, 2005.

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 Clerk of the Circuit Court Fund receives revenue collected on behalf of the state and city by the courts system for various judgments, fines, bonds, fees and licenses, and other miscellaneous amounts.

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

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

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

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

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

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

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

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

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

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

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

The Better Jacksonville Plan Trust Fund receives revenue from the half-cent infrastructure sales tax. All monies placed into this trust are appropriated for Debt Service requirements and contributions to the Better Jacksonville Capital Projects Fund.

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 State Housing Initiative Partnership Fund accounts for revenue collected by the Clerk of the Circuit Court on certain property transactions in Duval county passed from the State earmarked for housing assistance and financial incentive programs to increase the availability of affordable housing in Jacksonville including down payment assistance, home owner repair and rehabilitation and acquisition of existing single family dwellings for home ownership.

The Non-Budgeted General Government Fund accounts for 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, 2005
 WITH COMPARATIVE TOTALS FOR 2004 (in thousands)**

	SPECIAL REVENUE FUNDS			
ASSETS	CONCURRENCY MANAGEMENT	AIR POLLUTION CONTROL AND MONITORING	SPORTS, CONVENTION AND TOURISM DEVELOPMENT	CLERK OF THE COURT
Equity in cash and investments.....	\$ 29,065	\$ 497	\$ 16,792	\$ -
Cash in escrow and with fiscal agents.....	-	-	100	4,855
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	4	1,045
Mortgages.....	-	-	-	-
Due from independent agencies and other governments.....	-	332	250	-
Assets held for resale.....	-	-	-	-
TOTAL ASSETS.....	<u>\$ 29,065</u>	<u>\$ 829</u>	<u>\$ 17,146</u>	<u>\$ 5,900</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 50	\$ 34	\$ 767	\$ 897
Contracts payable.....	4	-	-	-
Due to other funds.....	-	-	-	-
Due to other governments.....	-	-	-	1,044
Due to individuals.....	-	-	-	-
Deposits.....	362	-	-	-
Deferred revenue.....	-	-	-	-
TOTAL LIABILITIES.....	<u>416</u>	<u>34</u>	<u>767</u>	<u>1,941</u>
FUND BALANCES:				
Reserved for:				
Encumbrances.....	465	7	2,037	103
Cash in escrow.....	-	-	100	-
Mortgages receivable.....	-	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	-
Designated for subsequent years' budget.....	30	-	-	-
Designated for changes in fair value of investments.....	-	-	-	-
Undesignated	28,154	788	14,242	3,856
Total Fund Balances.....	28,649	795	16,379	3,959
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 29,065</u>	<u>\$ 829</u>	<u>\$ 17,146</u>	<u>\$ 5,900</u>

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>
\$ 15,192	\$ 26,348	\$ 522	\$ 4,412	\$ 439	\$ 4,410
-	-	-	-	-	-
-	1,485	-	-	-	-
-	-	-	-	-	-
16,728	610	-	204	-	4,488
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 31,920</u>	<u>\$ 28,443</u>	<u>\$ 522</u>	<u>\$ 4,616</u>	<u>\$ 439</u>	<u>\$ 8,898</u>
\$ 556	\$ 946	\$ 46	\$ 144	\$ 157	\$ 2,322
-	-	-	-	12	-
-	629	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	572	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>556</u>	<u>2,147</u>	<u>46</u>	<u>144</u>	<u>169</u>	<u>2,322</u>
1,440	2,151	28	576	270	3,527
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4	-	-	-	-
-	-	-	-	-	-
<u>29,924</u>	<u>24,141</u>	<u>448</u>	<u>3,896</u>	<u>-</u>	<u>3,049</u>
<u>31,364</u>	<u>26,296</u>	<u>476</u>	<u>4,472</u>	<u>270</u>	<u>6,576</u>
<u>\$ 31,920</u>	<u>\$ 28,443</u>	<u>\$ 522</u>	<u>\$ 4,616</u>	<u>\$ 439</u>	<u>\$ 8,898</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2005
 WITH COMPARATIVE TOTALS FOR 2004 (in thousands; continued)**

	SPECIAL REVENUE FUNDS			
ASSETS	COMMUNITY DEVELOPMENT BLOCK GRANT	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION	METROPOLITAN PLANNING ORGANIZATION
Equity in cash and investments.....	\$ 596	\$ 521	\$ 3,299	\$ 130
Cash in escrow and with fiscal agents.....	369	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	-	-
Mortgages.....	1,396	-	-	-
Due from independent agencies and other governments.....	-	-	78	24
Assets held for resale.....	-	-	-	-
TOTAL ASSETS.....	<u>\$ 2,361</u>	<u>\$ 521</u>	<u>\$ 3,377</u>	<u>\$ 154</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 506	\$ -	\$ 130	\$ -
Contracts payable.....	45	-	-	-
Due to other funds.....	-	-	-	-
Due to other governments.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	6	-	-	-
Deferred revenue.....	1,125	-	-	-
TOTAL LIABILITIES.....	<u>1,682</u>	<u>-</u>	<u>130</u>	<u>-</u>
FUND BALANCES:				
Reserved for:				
Encumbrances.....	39	-	384	78
Cash in escrow.....	369	-	-	-
Mortgages receivable.....	271	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	878	-
Designated for subsequent years' budget.....	-	-	-	-
Designated for changes in fair value of investments.....	-	-	-	-
Undesignated	-	521	1,985	76
Total Fund Balances.....	<u>679</u>	<u>521</u>	<u>3,247</u>	<u>154</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 2,361</u>	<u>\$ 521</u>	<u>\$ 3,377</u>	<u>\$ 154</u>

SPECIAL REVENUE FUNDS

<u>OTHER FEDERAL, STATE AND LOCAL GRANTS</u>	<u>BETTER JACKSONVILLE PLAN TRUST</u>	<u>JACKSONVILLE HOUSING COMMISSION</u>	<u>STATE HOUSING INITIATIVE PROGRAM</u>	<u>NON-BUDGETED GENERAL GOVERNMENT</u>	<u>TOTALS</u>	
					<u>2005</u>	<u>2004</u>
\$ 9,689 40	\$ - -	\$ 7,157 2,102	\$ 11,564 -	\$ 7,419 -	\$ 138,052 7,466	\$ 99,678 3,944
- -	- -	- 6,491	- 2,763	440 -	2,974 10,650	544 10,369
2,475 -	12,205 -	789 -	- 66	202 -	38,385 66	49,249 -
<u>\$ 12,204</u>	<u>\$ 12,205</u>	<u>\$ 16,539</u>	<u>\$ 14,393</u>	<u>\$ 8,061</u>	<u>\$ 197,593</u>	<u>\$ 163,784</u>
\$ 1,626 - - - - -	\$ - - - - - -	\$ 1,594 - - - 76 -	\$ 86 - - - - -	\$ 521 - - - 270 31 380	\$ 10,382 61 629 1,044 270 1,047 1,505	\$ 9,626 128 738 - 416 968 1,200
<u>1,626</u>	<u>-</u>	<u>1,670</u>	<u>86</u>	<u>1,202</u>	<u>14,938</u>	<u>13,076</u>
4,394 40 - - - -	- - - - - -	5,967 2,102 6,491 - - -	971 - 2,763 - - -	28 - - - - -	22,465 2,611 9,525 - 878 34 -	24,534 3,944 9,169 - 701 39 108
<u>6,144</u>	<u>12,205</u>	<u>309</u>	<u>10,573</u>	<u>6,831</u>	<u>147,142</u>	<u>112,213</u>
<u>10,578</u>	<u>12,205</u>	<u>14,869</u>	<u>14,307</u>	<u>6,859</u>	<u>182,655</u>	<u>150,708</u>
<u>\$ 12,204</u>	<u>\$ 12,205</u>	<u>\$ 16,539</u>	<u>\$ 14,393</u>	<u>\$ 8,061</u>	<u>\$ 197,593</u>	<u>\$ 163,784</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2005
 WITH COMPARATIVE TOTALS FOR 2004 (in thousands; continued)

	DEBT SERVICE FUNDS			
	GENERAL BONDED DEBT OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	TOTALS	
			2005	2004
ASSETS				
Equity in cash and investments.....	\$ -	\$ 146	\$ 146	\$ -
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.....	-	-	-	-
Assets held for resale.....	-	-	-	-
TOTAL ASSETS.....	\$ 39	\$ 146	\$ 185	\$ 39
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 39	\$ -	\$ 39	\$ 39
Contracts payable.....	-	-	-	-
Due to other funds.....	-	-	-	-
Due to other governments.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	-	-	-	-
Deferred revenue.....	-	-	-	-
TOTAL LIABILITIES.....	39	-	39	39
FUND BALANCES:				
Reserved for:				
Encumbrances.....	-	-	-	-
Cash in escrow.....	-	-	-	-
Mortgages receivable.....	-	-	-	-
Debt service.....	-	146	146	-
Unreserved:				
Designated for capital projects.....	-	-	-	-
Designated for subsequent years' budget.....	-	-	-	-
Designated for changes in fair value of investments.....	-	-	-	-
Undesignated	-	-	-	-
Total Fund Balances.....	-	146	146	-
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 39	\$ 146	\$ 185	\$ 39

CAPITAL PROJECTS FUNDS				PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS		CEMETERY MAINTENANCE FUNDS		TOTALS	
		2005	2004	2005	2004	2005	2004
\$ 3,006	\$ 3,879	\$ 6,885	\$ 7,185	\$ 178	\$ 176	\$ 145,261	\$ 107,039
106	-	106	106	-	-	7,611	4,089
-	-	-	-	-	-	2,974	544
-	-	-	-	-	-	10,650	10,369
7,230	-	7,230	9,813	-	-	45,615	59,062
-	-	-	-	-	-	66	-
<u>\$ 10,342</u>	<u>\$ 3,879</u>	<u>\$ 14,221</u>	<u>\$ 17,104</u>	<u>\$ 178</u>	<u>\$ 176</u>	<u>\$ 212,177</u>	<u>\$ 181,103</u>
\$ 598	\$ 5	\$ 603	\$ 2,727	\$ -	\$ -	\$ 11,024	\$ 12,392
133	-	133	1,035	-	-	194	1,163
-	-	-	-	-	-	629	738
-	-	-	-	-	-	1,044	-
-	-	-	-	-	-	270	416
-	-	-	-	-	-	1,047	968
-	-	-	-	-	-	1,505	1,200
<u>731</u>	<u>5</u>	<u>736</u>	<u>3,762</u>	<u>-</u>	<u>-</u>	<u>15,713</u>	<u>16,877</u>
9,505	13	9,518	7,555	-	-	31,983	32,089
106	-	106	106	-	-	2,717	4,050
-	-	-	-	-	-	9,525	9,169
-	-	-	-	-	-	146	-
-	-	-	-	-	-	878	701
-	-	-	-	-	-	34	39
-	-	-	7	-	-	-	115
-	3,861	3,861	5,674	178	176	151,181	118,063
<u>9,611</u>	<u>3,874</u>	<u>13,485</u>	<u>13,342</u>	<u>178</u>	<u>176</u>	<u>196,464</u>	<u>164,226</u>
<u>\$ 10,342</u>	<u>\$ 3,879</u>	<u>\$ 14,221</u>	<u>\$ 17,104</u>	<u>\$ 178</u>	<u>\$ 176</u>	<u>\$ 212,177</u>	<u>\$ 181,103</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, 2005
 WITH COMPARATIVE TOTALS FOR 2004 (in thousands)**

	SPECIAL REVENUE FUNDS			
	CONCURRENCY MANAGEMENT	AIR POLLUTION CONTROL AND MONITORING	SPORTS, CONVENTION AND TOURISM DEVELOPMENT	CLERK OF THE COURT
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	15,015	-
Intergovernmental.....	-	2,341	2,000	-
Charges for services.....	12,251	-	2,316	24,215
Fines and forfeitures.....	-	-	-	-
Interest.....	442	7	85	-
Other.....	-	-	13,338	476
Total Revenue.....	12,693	2,348	32,754	24,691
EXPENDITURES:				
Current:				
General government.....	1,087	-	-	21,838
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	4,022	-
Transportation.....	1,965	-	-	-
Economic environment.....	-	-	5,210	-
Physical environment.....	-	2,576	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
Total Expenditures.....	3,052	2,576	9,232	21,838
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	9,641	(228)	23,522	2,853
OTHER FINANCING SOURCES (USES):				
Transfers in.....	3	409	-	-
Transfers out.....	-	(66)	(12,515)	-
Total Other Financing Sources (Uses).....	3	343	(12,515)	-
NET CHANGE IN FUND BALANCES.....	9,644	115	11,007	2,853
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	19,005	680	5,372	1,106
FUND BALANCES, END OF YEAR.....	\$ 28,649	\$ 795	\$ 16,379	\$ 3,959

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>
\$ -	\$ -	\$ -	\$ -	\$ 4,688	\$ -
99,820	-	-	-	-	-
7,424	1,263	308	-	-	34,603
-	19,340	-	3,883	-	39
-	824	-	-	-	-
280	335	9	67	-	190
-	2,522	-	-	255	308
<u>107,524</u>	<u>24,284</u>	<u>317</u>	<u>3,950</u>	<u>4,943</u>	<u>35,140</u>
-	4,323	-	-	-	-
-	1,101	-	-	-	22,391
-	10,657	302	3,998	-	-
-	-	-	-	-	-
103,971	-	-	-	-	-
-	-	-	-	3,071	31,588
-	4,081	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>103,971</u>	<u>20,162</u>	<u>302</u>	<u>3,998</u>	<u>3,071</u>	<u>53,979</u>
<u>3,553</u>	<u>4,122</u>	<u>15</u>	<u>(48)</u>	<u>1,872</u>	<u>(18,839)</u>
-	201	-	-	600	16,839
<u>(5,086)</u>	<u>(109)</u>	<u>-</u>	<u>-</u>	<u>(3,152)</u>	<u>(129)</u>
<u>(5,086)</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>(2,552)</u>	<u>16,710</u>
(1,533)	4,214	15	(48)	(680)	(2,129)
<u>32,897</u>	<u>22,082</u>	<u>461</u>	<u>4,520</u>	<u>950</u>	<u>8,705</u>
<u>\$ 31,364</u>	<u>\$ 26,296</u>	<u>\$ 476</u>	<u>\$ 4,472</u>	<u>\$ 270</u>	<u>\$ 6,576</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, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands; continued)**

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION	METROPOLITAN PLANNING ORGANIZATION
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	5,745	-	-	-
Charges for services.....	-	-	1,686	-
Fines and forfeitures.....	-	-	-	-
Interest.....	2	9	58	-
Other.....	1,360	-	349	-
Total Revenue.....	7,107	9	2,093	-
EXPENDITURES:				
Current:				
General government.....	-	-	-	82
Human services.....	-	-	-	-
Public safety.....	-	-	30	-
Culture and recreation.....	-	-	3,542	-
Transportation.....	-	-	-	-
Economic environment.....	4,872	-	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
Total Expenditures.....	4,872	-	3,572	82
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....				
	2,235	9	(1,479)	(82)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	84	-	1,612	-
Transfers out.....	(1,829)	-	(450)	-
Total Other Financing Sources (Uses).....	(1,745)	-	1,162	-
NET CHANGE IN FUND BALANCES.....	490	9	(317)	(82)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED....	189	512	3,564	236
FUND BALANCES, END OF YEAR.....	\$ 679	\$ 521	\$ 3,247	\$ 154

SPECIAL REVENUE FUNDS

<u>OTHER FEDERAL, STATE AND LOCAL GRANTS</u>	<u>BETTER JACKSONVILLE PLAN TRUST</u>	<u>JACKSONVILLE HOUSING COMMISSION</u>	<u>STATE HOUSING INITIATIVE PARTNERSHIP</u>	<u>NON-BUDGETED GENERAL GOVERNMENT</u>	<u>TOTALS</u>	
					<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,688	\$ 5,112
-	69,337	-	-	-	184,172	163,107
18,271	-	6,898	8,188	209	87,250	89,041
-	-	-	-	2,049	65,779	28,054
-	-	-	-	233	1,057	2,477
60	1,185	272	-	18	3,019	3,625
160	-	474	875	3,806	23,923	11,690
<u>18,491</u>	<u>70,522</u>	<u>7,644</u>	<u>9,063</u>	<u>6,315</u>	<u>369,888</u>	<u>303,106</u>
291	-	-	-	1,638	29,259	8,428
9,607	-	-	-	551	33,650	34,399
9,558	-	-	-	2,199	26,744	20,375
1,356	-	-	-	600	9,520	24,128
-	-	-	-	-	105,936	94,948
381	-	9,714	5,004	6	59,846	54,304
1,561	-	-	-	7	8,225	7,155
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>22,754</u>	<u>-</u>	<u>9,714</u>	<u>5,004</u>	<u>5,001</u>	<u>273,180</u>	<u>243,737</u>
<u>(4,263)</u>	<u>70,522</u>	<u>(2,070)</u>	<u>4,059</u>	<u>1,314</u>	<u>96,708</u>	<u>59,369</u>
5,437	-	7,202	-	123	32,510	38,958
<u>(23)</u>	<u>(73,677)</u>	<u>-</u>	<u>-</u>	<u>(22)</u>	<u>(97,058)</u>	<u>(86,250)</u>
<u>5,414</u>	<u>(73,677)</u>	<u>7,202</u>	<u>-</u>	<u>101</u>	<u>(64,548)</u>	<u>(47,292)</u>
1,151	(3,155)	5,132	4,059	1,415	32,160	12,077
<u>9,427</u>	<u>15,360</u>	<u>9,737</u>	<u>10,248</u>	<u>5,444</u>	<u>150,495</u>	<u>138,631</u>
<u>\$ 10,578</u>	<u>\$ 12,205</u>	<u>\$ 14,869</u>	<u>\$ 14,307</u>	<u>\$ 6,859</u>	<u>\$ 182,655</u>	<u>\$ 150,708</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, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands; continued)**

	DEBT SERVICE FUNDS			
	GENERAL BONDED DEBT OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	TOTALS	
			2005	2004
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	-	-	-	-
Charges for services.....	-	-	-	-
Fines and forfeitures.....	-	-	-	-
Interest.....	-	-	-	-
Other.....	-	-	-	-
Total Revenue.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	-	-
Transportation.....	-	-	-	-
Economic environment.....	-	-	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	460	460	395
Interest on fiscal charges.....	-	544	544	707
Total Expenditures.....	<u>-</u>	<u>1,004</u>	<u>1,004</u>	<u>1,102</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	<u>-</u>	<u>(1,004)</u>	<u>(1,004)</u>	<u>(1,102)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	1,150	1,150	1,102
Transfers out.....	-	-	-	-
Total Other Financing Sources (Uses).....	<u>-</u>	<u>1,150</u>	<u>1,150</u>	<u>1,102</u>
NET CHANGE IN FUND BALANCES.....	<u>-</u>	<u>146</u>	<u>146</u>	<u>-</u>
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR.....	<u>\$ -</u>	<u>\$ 146</u>	<u>\$ 146</u>	<u>\$ -</u>

<u>CAPITAL PROJECTS FUNDS</u>				<u>PERMANENT FUND</u>		<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>	
<u>GRANT PROJECTS</u>	<u>RIVER CITY RENAISSANCE PROJECT</u>	<u>TOTALS</u>		<u>CEMETERY MAINTENANCE FUNDS</u>		<u>TOTALS</u>	
		<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,688	\$ 5,112
-	-	-	-	-	-	184,172	163,107
9,585	-	9,585	22,609	-	-	96,835	111,650
-	-	-	-	-	-	65,779	28,054
-	-	-	-	-	-	1,057	2,477
58	70	128	51	2	2	3,149	3,678
-	-	-	-	-	-	23,923	11,690
<u>9,643</u>	<u>70</u>	<u>9,713</u>	<u>22,660</u>	<u>2</u>	<u>2</u>	<u>379,603</u>	<u>325,768</u>
-	-	-	-	-	-	29,259	8,428
-	-	-	-	-	-	33,650	34,399
-	-	-	-	-	-	26,744	20,375
-	-	-	-	-	-	9,520	24,128
-	-	-	-	-	-	105,936	94,948
-	-	-	-	-	-	59,846	54,304
-	-	-	-	-	-	8,225	7,155
10,265	266	10,531	25,791	-	-	10,531	25,791
-	-	-	-	-	-	460	395
-	-	-	-	-	-	544	707
<u>10,265</u>	<u>266</u>	<u>10,531</u>	<u>25,791</u>	<u>-</u>	<u>-</u>	<u>284,715</u>	<u>270,630</u>
<u>(622)</u>	<u>(196)</u>	<u>(818)</u>	<u>(3,131)</u>	<u>2</u>	<u>2</u>	<u>94,888</u>	<u>55,138</u>
1,193	-	1,193	1,038	-	-	34,853	41,098
<u>(232)</u>	<u>-</u>	<u>(232)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,290)</u>	<u>(86,250)</u>
<u>961</u>	<u>-</u>	<u>961</u>	<u>1,038</u>	<u>-</u>	<u>-</u>	<u>(62,437)</u>	<u>(45,152)</u>
339	(196)	143	(2,093)	2	2	32,451	9,986
<u>9,272</u>	<u>4,070</u>	<u>13,342</u>	<u>15,435</u>	<u>176</u>	<u>174</u>	<u>164,013</u>	<u>154,240</u>
<u>\$ 9,611</u>	<u>\$ 3,874</u>	<u>\$ 13,485</u>	<u>\$ 13,342</u>	<u>\$ 178</u>	<u>\$ 176</u>	<u>\$ 196,464</u>	<u>\$ 164,226</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

CONCURRENCY MANAGEMENT

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				<u>FINAL BUDGET -</u>
REVENUE:						
Charges for services.....	\$ 500	\$ 12,096	\$ 12,251	\$ -	\$ 12,251	\$ 155
Interest.....	32	34	442	-	442	408
Total Revenue.....	532	12,130	12,693	-	12,693	563
EXPENDITURES:						
Planning and development.....	10,265	21,862	450	53	503	21,359
Public works.....	6,055	6,058	2,602	412	3,014	3,044
Total Expenditures.....	16,320	27,920	3,052	465	3,517	24,403
EXCESS (DEFICIENCY) OF REVENUE						
OVER (UNDER) EXPENDITURES.....	(15,788)	(15,790)	9,641	(465)	9,176	24,966
OTHER FINANCING (USES):						
Transfers in.....	3	3	3	-	3	-
Transfers out.....	-	-	-	-	-	-
Total Other Financing (Uses).....	3	3	3	-	3	-
NET CHANGE IN FUND BALANCES.....	(15,785)	(15,787)	9,644	(465)	9,179	24,966
FUND BALANCE, BEGINNING.....	19,005	19,005	19,005	-	19,005	-
FUND BALANCE, ENDING.....	<u>\$ 3,220</u>	<u>\$ 3,218</u>	<u>\$ 28,649</u>	<u>(\$ 465)</u>	<u>\$ 28,184</u>	<u>\$ 24,966</u>

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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>				
REVENUE:						
Intergovernmental.....	\$ 3,007	\$ 3,228	\$ 2,341	\$ -	\$ 2,341	(\$ 887)
Interest.....	<u>8</u>	<u>8</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>(1)</u>
Total Revenue.....	<u>3,015</u>	<u>3,236</u>	<u>2,348</u>	<u>-</u>	<u>2,348</u>	<u>(888)</u>
EXPENDITURES:						
Environmental Resource Management.....	<u>3,907</u>	<u>3,914</u>	<u>2,576</u>	<u>7</u>	<u>2,583</u>	<u>1,331</u>
Total Expenditures.....	<u>3,907</u>	<u>3,914</u>	<u>2,576</u>	<u>7</u>	<u>2,583</u>	<u>1,331</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	<u>(892)</u>	<u>(678)</u>	<u>(228)</u>	<u>(7)</u>	<u>(235)</u>	<u>443</u>
OTHER FINANCING SOURCES:						
Transfers in.....	409	409	409	-	409	-
Transfers out.....	<u>(114)</u>	<u>(114)</u>	<u>(66)</u>	<u>-</u>	<u>(66)</u>	<u>(48)</u>
Total Other Financing Sources.....	<u>295</u>	<u>295</u>	<u>343</u>	<u>-</u>	<u>343</u>	<u>(48)</u>
NET CHANGE IN FUND BALANCES.....	<u>(597)</u>	<u>(383)</u>	<u>115</u>	<u>(7)</u>	<u>108</u>	<u>395</u>
FUND BALANCE, BEGINNING.....	<u>680</u>	<u>680</u>	<u>680</u>	<u>-</u>	<u>680</u>	<u>-</u>
FUND BALANCE, ENDING.....	<u>\$ 83</u>	<u>\$ 297</u>	<u>\$ 795</u>	<u>(\$ 7)</u>	<u>\$ 788</u>	<u>\$ 395</u>

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

SPORTS, CONVENTION AND TOURISM DEVELOPMENT

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUE:						
Sales and tourist taxes.....	\$ 12,302	\$ 13,500	\$ 15,015	\$ -	\$ 15,015	\$ 1,515
Intergovernmental.....	2,000	2,000	2,000	-	2,000	-
Charges for services.....	2,688	2,688	2,316	-	2,316	(372)
Interest.....	82	129	85	-	85	(44)
Other.....	2,441	3,046	13,338	-	13,338	10,292
Total Revenue.....	19,513	21,363	32,754	-	32,754	11,391
EXPENDITURES:						
City Council.....	8,147	7,949	4,611	1,655	6,266	1,683
Neighborhoods.....	924	1,576	481	21	502	1,074
Sports Complex.....	3,907	4,530	4,140	361	4,501	29
Total Expenditures.....	12,978	14,055	9,232	2,037	11,269	2,786
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....						
	6,535	7,308	23,522	(2,037)	21,485	14,177
OTHER FINANCING (USES):						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	(12,515)	(12,515)	(12,515)	-	(12,515)	-
Total Other Financing (Uses).....	(12,515)	(12,515)	(12,515)	-	(12,515)	-
NET CHANGE IN FUND BALANCES.....	(5,980)	(5,207)	11,007	(2,037)	8,970	14,177
FUND BALANCE, BEGINNING.....	5,372	5,372	5,372	-	5,372	-
FUND BALANCE, ENDING.....	(\$ 608)	\$ 165	\$ 16,379	(\$ 2,037)	\$ 14,342	\$ 14,177

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

TRANSPORTATION FUND

	<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>				
REVENUE:						
Sales and tourist taxes.....	\$ 100,693	\$ 100,693	\$ 99,820	\$ -	\$ 99,820	(\$ 873)
Intergovernmental.....	6,831	6,831	7,424	-	7,424	593
Interest.....	243	243	280	-	280	37
Total Revenue.....	107,767	107,767	107,524	-	107,524	(243)
EXPENDITURES:						
Public Works.....	36,806	36,806	29,049	1,440	30,489	6,317
Jacksonville Misc. Citywide Activities.....	92,377	92,377	74,922	-	74,922	17,455
Total Expenditures.....	129,183	129,183	103,971	1,440	105,411	23,772
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(21,416)	(21,416)	3,553	(1,440)	2,113	23,529
OTHER FINANCING (USES):						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	(6,513)	(6,513)	(5,086)	-	(5,086)	(1,427)
Total Other Financing (Uses).....	(6,513)	(6,513)	(5,086)	-	(5,086)	(1,427)
NET CHANGE IN FUND BALANCES.....	(27,929)	(27,929)	(1,533)	(1,440)	(2,973)	22,102
FUND BALANCE, BEGINNING.....	32,897	32,897	32,897	-	32,897	-
FUND BALANCE, ENDING.....	\$ 4,968	\$ 4,968	\$ 31,364	(\$ 1,440)	\$ 29,924	\$ 22,102

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

BUDGETED GENERAL GOVERNMENT

	<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>				
REVENUE:						
Intergovernmental.....	\$ 1,125	\$ 3,178	\$ 1,263	\$ -	\$ 1,263	(\$ 1,915)
Charges for services.....	14,781	16,003	19,340	-	19,340	3,337
Fines and forfeitures.....	522	655	824	-	824	169
Interest.....	39	99	335	-	335	236
Other.....	108	114	2,522	-	2,522	2,408
Total Revenue.....	16,575	20,049	24,284	-	24,284	4,235
EXPENDITURES:						
Clerk of the Courts.....	944	1,458	878	-	878	580
Court Administration.....	2,423	2,699	1,898	336	2,234	465
Community Services.....	1,164	1,696	1,180	96	1,276	420
Environmental Resource Management.....	2,642	4,539	2,234	154	2,388	2,151
Fire / Rescue.....	-	396	326	2	328	68
Mayor Board.....	-	6	4	-	4	2
Neighborhoods.....	126	126	93	-	93	33
Public Defender.....	-	64	53	-	53	11
Parks, Recreation & Entertainment.....	-	30	30	-	30	-
Public Works.....	17,984	17,620	12,148	2,202	14,350	3,270
State Attorney.....	-	1,267	1,233	-	1,233	34
Tax Collector.....	143	143	85	7	92	51
Total Expenditures.....	25,426	30,044	20,162	2,797	22,959	7,085
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....						
	(8,851)	(9,995)	4,122	(2,797)	1,325	11,320
OTHER FINANCING SOURCES (USES):						
Transfers in.....	201	201	201	-	201	-
Transfers out.....	(16)	(109)	(109)	-	(109)	-
Total Other Financing Sources (Uses).....	185	92	92	-	92	-
NET CHANGE IN FUND BALANCES.....	(8,666)	(9,903)	4,214	(2,797)	1,417	11,320
FUND BALANCE, BEGINNING.....	22,082	22,082	22,082	-	22,082	-
FUND BALANCE, ENDING.....	\$ 13,416	\$ 12,179	\$ 26,296	(\$ 2,797)	\$ 23,499	\$ 11,320

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

PUBLIC SAFETY

	<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>				
REVENUE:						
Intergovernmental.....	\$ -	\$ 308	\$ 308	\$ -	\$ 308	\$ -
Interest.....	-	-	9	-	9	9
Total Revenue.....	-	308	317	-	317	9
EXPENDITURES:						
Fire and Rescue.....	234	549	302	28	330	219
Jacksonville Misc. Citywide Activities.....	-	-	-	-	-	-
Total Expenditures.....	234	549	302	28	330	219
EXCESS OF REVENUE (UNDER) EXPENDITURES.....	(234)	(241)	15	(28)	(13)	228
NET CHANGE IN FUND BALANCES.....	(234)	(241)	15	(28)	(13)	228
FUND BALANCE, BEGINNING.....	461	461	461	-	461	-
FUND BALANCE, ENDING.....	\$ 227	\$ 220	\$ 476	(\$ 28)	\$ 448	\$ 228

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

	<u>EMERGENCY 9-1-1</u>					
	<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>				
REVENUE:						
Charges for services.....	\$ 3,698	\$ 3,698	\$ 3,883	\$ -	\$ 3,883	\$ 185
Interest.....	14	14	67	-	67	53
Total Revenue.....	<u>3,712</u>	<u>3,712</u>	<u>3,950</u>	<u>-</u>	<u>3,950</u>	<u>238</u>
EXPENDITURES:						
Office of the Sheriff.....	7,241	7,241	3,998	576	4,574	2,667
Total Expenditures.....	<u>7,241</u>	<u>7,241</u>	<u>3,998</u>	<u>576</u>	<u>4,574</u>	<u>2,667</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	<u>(3,529)</u>	<u>(3,529)</u>	<u>(48)</u>	<u>(576)</u>	<u>(624)</u>	<u>2,905</u>
NET CHANGE IN FUND BALANCES.....	(3,529)	(3,529)	(48)	(576)	(624)	2,905
FUND BALANCE, BEGINNING.....	<u>4,520</u>	<u>4,520</u>	<u>4,520</u>	<u>-</u>	<u>4,520</u>	<u>-</u>
FUND BALANCE, ENDING.....	<u>\$ 991</u>	<u>\$ 991</u>	<u>\$ 4,472</u>	<u>(\$ 576)</u>	<u>\$ 3,896</u>	<u>\$ 2,905</u>

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

TAX INCREMENT DISTRICTS

	<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>				
REVENUE:						
Property taxes.....	\$ 8,995	\$ 8,995	\$ 4,688	\$ -	\$ 4,688	(\$ 4,307)
Other.....	-	-	255	-	255	255
Total Revenue.....	8,995	8,995	4,943	-	4,943	(4,052)
EXPENDITURES:						
Jacksonville Citywide Activities.....	2,944	2,944	2,009	20	2,029	915
Jacksonville Economic Development Commission.....	3,659	4,241	1,062	250	1,312	2,929
Total Expenditures.....	6,603	7,185	3,071	270	3,341	3,844
EXCESS OF REVENUE OVER EXPENDITURES.....	2,392	1,810	1,872	(270)	1,602	(208)
OTHER FINANCING SOURCES (USES):						
Transfers in.....	-	600	600	-	600	-
Transfers out.....	(3,359)	(3,359)	(3,152)	-	(3,152)	(207)
Total Other Financing Sources (Uses).....	(3,359)	(2,759)	(2,552)	-	(2,552)	(207)
NET CHANGE IN FUND BALANCES.....	(967)	(949)	(680)	(270)	(950)	(1)
FUND BALANCE, BEGINNING.....	950	950	950	-	950	-
FUND BALANCE, ENDING.....	(\$ 17)	\$ 1	\$ 270	(\$ 270)	\$ -	(\$ 1)

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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>				
REVENUE:						
Intergovernmental.....	\$ 30,196	\$ 40,925	\$ 34,603	\$ -	\$ 34,603	(\$ 6,322)
Charges for services.....	-	-	39	-	39	-
Interest.....	-	100	190	-	190	90
Other.....	184	94	308	-	308	214
Total Revenue.....	<u>30,380</u>	<u>41,119</u>	<u>35,140</u>	<u>-</u>	<u>35,140</u>	<u>(5,979)</u>
EXPENDITURES:						
Jacksonville Children's Commission.....	53,209	62,076	53,979	3,527	57,506	4,570
Total Expenditures.....	<u>53,209</u>	<u>62,076</u>	<u>53,979</u>	<u>3,527</u>	<u>57,506</u>	<u>4,570</u>
EXCESS OF REVENUE (UNDER) EXPENDITURES.....	<u>(22,829)</u>	<u>(20,957)</u>	<u>(18,839)</u>	<u>(3,527)</u>	<u>(22,366)</u>	<u>(1,409)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in.....	16,839	16,839	16,839	-	16,839	-
Transfers out.....	(84)	(129)	(129)	-	(129)	-
Total Other Financing Sources (Uses).....	<u>16,755</u>	<u>16,710</u>	<u>16,710</u>	<u>-</u>	<u>16,710</u>	<u>-</u>
NET CHANGE IN FUND BALANCES.....	<u>(6,074)</u>	<u>(4,247)</u>	<u>(2,129)</u>	<u>(3,527)</u>	<u>(5,656)</u>	<u>(1,409)</u>
FUND BALANCE, BEGINNING.....	<u>8,705</u>	<u>8,705</u>	<u>8,705</u>	<u>-</u>	<u>8,705</u>	<u>-</u>
FUND BALANCE, ENDING.....	<u>\$ 2,631</u>	<u>\$ 4,458</u>	<u>\$ 6,576</u>	<u>(\$ 3,527)</u>	<u>\$ 3,049</u>	<u>(\$ 1,409)</u>

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, 2005
WITH COMPARATIVE TOTALS FOR 2004 (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>2005</u>	<u>2004</u>
CURRENT ASSETS:					
Equity in cash and investments.....	\$ 908	\$ 43	\$ 74	\$ 1,025	\$ 2,771
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts.....	2,266	31	-	2,297	1,298
Due from other governments.....	-	12	-	12	12
Inventories.....	-	5	-	5	10
Prepaid expenses and other assets.....	290	-	19	309	415
Total Current Assets.....	<u>3,464</u>	<u>91</u>	<u>93</u>	<u>3,648</u>	<u>4,506</u>
NONCURRENT ASSETS:					
Sinking fund cash and investments.....	3,064	-	-	3,064	1,662
Accounts and interest receivable.....	263	-	-	263	208
CAPITAL ASSETS:					
Land and work in progress.....	-	32	610	642	642
Other capital assets, net of depreciation.....	211	118	3,631	3,960	4,040
Total Noncurrent Assets.....	<u>3,538</u>	<u>150</u>	<u>4,241</u>	<u>7,929</u>	<u>6,552</u>
TOTAL ASSETS.....	<u>7,002</u>	<u>241</u>	<u>4,334</u>	<u>11,577</u>	<u>11,058</u>
LIABILITIES					
CURRENT LIABILITIES:					
Accounts payable and accrued liabilities.....	2,943	8	132	3,083	3,713
Accrued compensated absences, current portion.....	-	12	-	12	10
Deposits held for construction and events.....	3,327	-	-	3,327	1,870
Deferred revenue.....	308	-	26	334	428
Total Current Liabilities.....	<u>6,578</u>	<u>20</u>	<u>158</u>	<u>6,756</u>	<u>6,021</u>
NONCURRENT LIABILITIES:					
Accrued compensated absences.....	-	27	-	27	24
Total Noncurrent Liabilities.....	<u>-</u>	<u>27</u>	<u>-</u>	<u>27</u>	<u>24</u>
TOTAL LIABILITIES.....	<u>6,578</u>	<u>47</u>	<u>158</u>	<u>6,783</u>	<u>6,045</u>
NET ASSETS:					
Invested in capital assets, net of related debt.....	211	150	4,241	4,602	4,682
Restricted - others.....	3,327	-	-	3,327	1,662
Unrestricted.....	(3,114)	44	(65)	(3,135)	(1,331)
TOTAL NET ASSETS.....	<u>\$ 424</u>	<u>\$ 194</u>	<u>\$ 4,176</u>	<u>\$ 4,794</u>	<u>\$ 5,013</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, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)**

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2005	2004
OPERATING REVENUE:					
Charges for services.....	\$ 16,605	\$ 481	\$ 947	\$ 18,033	\$ 14,921
Total Operating Revenue.....	<u>16,605</u>	<u>481</u>	<u>947</u>	<u>18,033</u>	<u>14,921</u>
OPERATING EXPENSES:					
Personal services.....	12,274	341	891	13,506	11,745
Supplies and materials.....	3,488	15	209	3,712	3,611
Central services.....	255	46	-	301	11
Interdepartmental charges.....	1,683	4	132	1,819	1,147
Other services and charges.....	7,387	101	397	7,885	7,603
Depreciation and amortization.....	1	48	314	363	392
Total Operating Expenses.....	<u>25,088</u>	<u>555</u>	<u>1,943</u>	<u>27,586</u>	<u>24,509</u>
OPERATING LOSS.....	<u>(8,483)</u>	<u>(74)</u>	<u>(996)</u>	<u>(9,553)</u>	<u>(9,588)</u>
NON-OPERATING REVENUE (EXPENSES):					
Interest revenue.....	15	2	5	22	5
Other.....	-	-	-	-	(19)
Total Non-Operating Revenue (Expenses).....	<u>15</u>	<u>2</u>	<u>5</u>	<u>22</u>	<u>(14)</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS.....	<u>(8,468)</u>	<u>(72)</u>	<u>(991)</u>	<u>(9,531)</u>	<u>(9,602)</u>
Transfers in.....	<u>8,573</u>	<u>-</u>	<u>739</u>	<u>9,312</u>	<u>9,002</u>
CHANGES IN NET ASSETS.....	<u>105</u>	<u>(72)</u>	<u>(252)</u>	<u>(219)</u>	<u>(600)</u>
TOTAL NET ASSETS, BEGINNING OF YEAR.....	<u>319</u>	<u>266</u>	<u>4,428</u>	<u>5,013</u>	<u>5,613</u>
TOTAL NET ASSETS, END OF YEAR.....	<u>\$ 424</u>	<u>\$ 194</u>	<u>\$ 4,176</u>	<u>\$ 4,794</u>	<u>\$ 5,013</u>

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)**

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts to customers.....	\$ 15,462	\$ 484	\$ 1,045	\$ 16,991	\$ 14,498
Payments to suppliers.....	(8,337)	(155)	(704)	(9,196)	(10,267)
Payments to employees.....	(12,274)	(336)	(891)	(13,501)	(11,752)
Other receipts (expenses).....	-	-	-	-	(19)
Other operating cash payments.....	(3,553)	(4)	(132)	(3,689)	(1,147)
NET CASH USED IN OPERATING ACTIVITIES.....	(8,702)	(11)	(682)	(9,395)	(8,687)
NONCAPITAL FINANCING ACTIVITIES:					
Cash received through transfers from other funds.....	8,573	-	739	9,312	9,002
Cash payments through transfers to other funds.....	-	-	-	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....	8,573	-	739	9,312	9,002
CAPITAL AND RELATED FINANCING ACTIVITIES:					
Additions to property, plant and equipment.....	(1)	(48)	(314)	(363)	(392)
Increase in construction fund cash and investments.....	(1,402)	-	-	(1,402)	-
Proceeds from sale of property, plant and equipment.....	(211)	48	243	80	243
Proceeds from notes payable.....	-	-	-	-	(73)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,614)	-	(71)	(1,685)	(222)
INVESTING ACTIVITIES:					
Interest and dividends on investments.....	15	2	5	22	5
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	15	2	5	22	5
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(1,728)	(9)	(9)	(1,746)	98
Cash and cash equivalents at October 1.....	2,636	52	83	2,771	2,673
Cash and cash equivalents at September 30.....	<u>\$ 908</u>	<u>\$ 43</u>	<u>\$ 74</u>	<u>\$ 1,025</u>	<u>\$ 2,771</u>

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTALS	
				2005	2004
RECONCILIATION OF OPERATING (LOSS) TO NET					
CASH USED IN OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS).....	<u>(\$ 8,483)</u>	<u>(\$ 74)</u>	<u>(\$ 996)</u>	<u>(\$ 9,553)</u>	<u>(\$ 9,588)</u>
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:					
Depreciation and amortization.....	1	48	314	363	392
Other non-operating revenue/(expenses).....	-	-	-	-	(19)
Change in assets and liabilities:					
Decrease (increase) in receivables and other current assets, net.....	(1,057)	3	-	(1,054)	(438)
Increase (decrease) in due from other governments.....	-	-	-	-	10
Decrease (increase) in inventories.....	-	5	-	5	(6)
(Increase) in prepaid expenses.....	13	-	93	106	(174)
Increase in accounts payable and accrued expenses.....	2,793	2	(98)	2,697	964
Increase (decrease) in deposit held for construction & events.....	(1,870)	-	-	(1,870)	-
(Decrease) in deferred revenue.....	(99)	-	5	(94)	179
Increase in accrued compensated absences.....	-	5	-	5	(7)
TOTAL ADJUSTMENTS.....	<u>(219)</u>	<u>63</u>	<u>314</u>	<u>158</u>	<u>901</u>
NET CASH (USED IN) OPERATING ACTIVITIES.....	<u>(\$ 8,702)</u>	<u>(\$ 11)</u>	<u>(\$ 682)</u>	<u>(\$ 9,395)</u>	<u>(\$ 8,687)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Change in the fair value of investments.....	<u>(\$ 6)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 6)</u>	<u>(\$ 3)</u>
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>(\$ 6)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 6)</u>	<u>(\$ 3)</u>

(continued)



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INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one City department or agency to other City departments or agencies on a cost-reimbursement basis. Descriptions of individual funds in this category are presented below.

The Fleet Management Fund accounts for the operation of the City's fleet of police cars, fire and rescue vehicles, public works and public utilities trucks, and many other automotive on and off road type equipment.

The Copy Center Fund accounts for the operation of the centralized copy center, mail and messenger service functions for City agencies.

The Information Technologies Fund accounts for centralized information management and computer services that includes data processing, central telephone and network communications, and other voice/data electronic media services.

The Legal Fund accounts for centralized legal services to all City departments and agencies through the Office of General Counsel.

The Self-Insurance Fund accounts for centralized risk management and safety and loss prevention services to all City departments self-insured for workers' compensation, public, and general and vehicle liability.

The Group Health Fund accounts for employee health and life insurance premiums and manages third party health care contracts to all City employees.

The Insured Programs Fund accounts for providing all forms of property and casualty, commercial liability and other types of coverage to City departments.

The Internal Loan Pool accounts for commercial paper issued for short intermediate life assets such as personal computers, vehicles, application software, equipment, etc.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

ASSETS	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
CURRENT ASSETS:			
Equity in cash and investments.....	\$ 3,986	\$ 129	\$ 4,642
Accounts receivable.....	-	-	-
Other receivables.....	-	-	-
Due from other funds.....	-	-	-
Due from independent agencies and other governments.....	863	-	586
Advances to other funds.....	-	-	-
Inventories.....	1,468	-	381
Prepaid expenses and other assets.....	-	-	-
Total Current Assets.....	6,317	129	5,609
NONCURRENT ASSETS:			
Other receivables - noncurrent.....	-	-	-
Total Noncurrent Assets.....	-	-	-
CAPITAL ASSETS AND INFRASTRUCTURE (Note 1)			
Land and work in progress.....	36	-	22
Other capital assets, net of depreciation.....	37,300	1	9,303
Total Capital Assets, Net.....	37,336	1	9,325
TOTAL ASSETS.....	43,653	130	14,934
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities.....	1,656	44	2,634
Due to independent agencies and other governments.....	47	-	-
Capitalized lease obligations, current portion.....	-	-	78
Deposits.....	-	-	-
Deferred revenue.....	-	-	-
Accrued compensated absences, current portion.....	250	14	353
Total Current Liabilities.....	1,953	58	3,065
NONCURRENT LIABILITIES:			
Notes payable.....	-	-	-
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	584	33	824
Capitalized lease obligations.....	-	-	143
Total Long-Term Liabilities.....	584	33	967
TOTAL LIABILITIES.....	2,537	91	4,032
NET ASSETS:			
Invested in capital assets, net of related debt.....	37,336	1	9,325
Unrestricted	3,780	38	1,577
TOTAL NET ASSETS (deficit).....	\$ 41,116	\$ 39	\$ 10,902

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	INTERNAL LOAN POOL	TOTALS	
					2005	2004
\$ 2,535	\$ 32,494	\$ 103	\$ 543	\$ 25,171	\$ 69,603	\$ 60,201
-	83	-	-	-	83	93
-	2,221	-	-	-	2,221	2,336
-	968	-	-	-	968	3,027
589	1,249	-	-	-	3,287	3,110
-	10,991	-	-	-	10,991	11,548
-	-	-	-	-	1,849	1,444
-	325	-	1,897	1,826	4,048	2,449
<u>3,124</u>	<u>48,331</u>	<u>103</u>	<u>2,440</u>	<u>26,997</u>	<u>93,050</u>	<u>84,208</u>
-	15,834	-	-	-	15,834	16,159
-	15,834	-	-	-	15,834	16,159
-	-	-	-	1,355	1,413	58
40	6	5	2	32,669	79,326	61,740
<u>40</u>	<u>6</u>	<u>5</u>	<u>2</u>	<u>34,024</u>	<u>80,739</u>	<u>61,798</u>
<u>3,164</u>	<u>64,171</u>	<u>108</u>	<u>2,442</u>	<u>61,021</u>	<u>189,623</u>	<u>162,165</u>
205	147	83	102	1,629	6,500	12,730
-	80	-	-	-	127	426
-	-	-	-	-	78	3,628
-	-	2	-	-	2	2
-	-	-	1,897	-	1,897	982
238	9	22	9	-	895	904
<u>443</u>	<u>236</u>	<u>107</u>	<u>2,008</u>	<u>1,629</u>	<u>9,499</u>	<u>18,672</u>
-	-	-	-	58,565	58,565	-
-	58,595	-	-	-	58,595	55,397
555	21	51	20	-	2,088	2,112
-	-	-	-	-	143	13,639
<u>555</u>	<u>58,616</u>	<u>51</u>	<u>20</u>	<u>58,565</u>	<u>119,391</u>	<u>71,148</u>
<u>998</u>	<u>58,852</u>	<u>158</u>	<u>2,028</u>	<u>60,194</u>	<u>128,890</u>	<u>89,820</u>
40	6	5	2	-	46,715	61,798
2,126	5,313	(55)	412	827	14,018	10,547
<u>\$ 2,166</u>	<u>\$ 5,319</u>	<u>\$ (50)</u>	<u>\$ 414</u>	<u>\$ 827</u>	<u>60,733</u>	<u>\$ 72,345</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)**

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
OPERATING REVENUE:			
Charges for services.....	\$ 24,194	\$ 1,221	\$ 35,855
Charges for services for independent authorities.....	7,076	27	4,560
Other.....	1,543	-	3,578
Total Operating Revenue.....	<u>32,813</u>	<u>1,248</u>	<u>43,993</u>
OPERATING EXPENSES:			
Personal services.....	8,278	228	11,084
Supplies and materials.....	16,799	588	858
Central services.....	396	106	1,760
Other services and charges.....	4,431	320	17,015
Depreciation.....	13,812	-	1,536
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	127	1	58
Total Operating Expenses.....	<u>43,843</u>	<u>1,243</u>	<u>32,311</u>
OPERATING INCOME (LOSS).....	<u>(11,030)</u>	<u>5</u>	<u>11,682</u>
NON-OPERATING REVENUE (EXPENSES):			
Interest revenue.....	66	2	18
Other.....	(1,276)	(56)	(1,328)
Total Non-Operating Revenue (Expenses)	<u>(1,210)</u>	<u>(54)</u>	<u>(1,310)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS.....			
	(12,240)	(49)	10,372
Transfers in.....	141	3	525
Transfers out.....	(5,520)	-	(1,500)
CHANGE IN NET ASSETS.....	<u>(17,619)</u>	<u>(46)</u>	<u>9,397</u>
NET ASSETS, BEGINNING OF YEAR.....	<u>58,735</u>	<u>85</u>	<u>1,505</u>
NET ASSETS, END OF YEAR.....	<u>\$ 41,116</u>	<u>\$ 39</u>	<u>\$ 10,902</u>

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	INTERNAL LOAN POOL	TOTALS	
					2005	2004
\$ 7,029	\$ 29,312	\$ 65,260	\$ 6,559	\$ 9,652	\$ 179,082	\$ 139,202
2,039	-	-	-	-	13,702	17,298
<u>2</u>	<u>2</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>5,152</u>	<u>107</u>
<u>9,070</u>	<u>29,314</u>	<u>65,287</u>	<u>6,559</u>	<u>9,652</u>	<u>197,936</u>	<u>156,607</u>
6,131	601	733	266	-	27,321	23,479
81	63	31	11	-	18,431	15,776
502	1,297	494	58	-	4,613	4,058
1,253	5,204	460	279	441	29,403	27,377
21	3	7	5	7,730	23,114	21,062
50	-	-	-	-	50	25
-	21,817	-	-	-	21,817	15,735
<u>16</u>	<u>250</u>	<u>63,620</u>	<u>6,880</u>	<u>-</u>	<u>70,952</u>	<u>59,340</u>
<u>8,054</u>	<u>29,235</u>	<u>65,345</u>	<u>7,499</u>	<u>8,171</u>	<u>195,701</u>	<u>166,852</u>
<u>1,016</u>	<u>79</u>	<u>(58)</u>	<u>(940)</u>	<u>1,481</u>	<u>2,235</u>	<u>(10,245)</u>
23	1,173	160	66	583	2,091	1,421
(288)	(574)	(266)	471	(1,237)	(4,554)	(1,520)
<u>(265)</u>	<u>599</u>	<u>(106)</u>	<u>537</u>	<u>(654)</u>	<u>(2,463)</u>	<u>(99)</u>
751	678	(164)	(403)	827	(228)	(10,344)
30	3,435	130	2	-	4,266	2,779
<u>-</u>	<u>(6,146)</u>	<u>(500)</u>	<u>(1,984)</u>	<u>-</u>	<u>(15,650)</u>	<u>(55,266)</u>
781	(2,033)	(534)	(2,385)	827	(11,612)	(62,831)
<u>1,385</u>	<u>7,352</u>	<u>484</u>	<u>2,799</u>	<u>-</u>	<u>72,345</u>	<u>135,176</u>
<u>\$ 2,166</u>	<u>\$ 5,319</u>	<u>(\$ 50)</u>	<u>\$ 414</u>	<u>\$ 827</u>	<u>\$ 60,733</u>	<u>\$ 72,345</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers.....	\$ 32,860	\$ 1,248	\$ 43,869
Payments to suppliers.....	(26,056)	(1,030)	(19,375)
Payments to employees.....	(8,294)	(224)	(11,018)
Internal activity- payments to other funds.....	-	-	-
Other receipts.....	(1,276)	(56)	(1,328)
Other operating cash payments.....	<u>47</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>(2,719)</u>	<u>(62)</u>	<u>12,148</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received through transfers from other funds.....	141	3	525
Cash payments through transfers to other funds.....	<u>(5,520)</u>	<u>-</u>	<u>(1,500)</u>
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	<u>(5,379)</u>	<u>3</u>	<u>(975)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Additions to property, plant and equipment.....	(5,701)	(1)	5,403
Additions to land & improvements.....	-	-	-
Increase in capitalized lease obligations.....	-	-	(3,550)
Proceeds from notes payable.....	-	-	-
Principal paid on long-term obligations.....	<u>-</u>	<u>17</u>	<u>(13,496)</u>
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(5,701)</u>	<u>16</u>	<u>(11,643)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends.....	<u>66</u>	<u>2</u>	<u>18</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>66</u>	<u>2</u>	<u>18</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....			
	(13,733)	(41)	(452)
Cash and cash equivalents at October 1.....	<u>17,719</u>	<u>170</u>	<u>5,094</u>
Cash and cash equivalents at September 30.....	<u>\$ 3,986</u>	<u>\$ 129</u>	<u>\$ 4,642</u>

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	INTERNAL LOAN POOL	TOTALS	
					2005	2004
\$ 9,020	\$ 30,227	\$ 65,312	\$ 6,805	\$ 7,826	\$ 197,167	\$ 159,224
(1,827)	(6,820)	(69,048)	(7,133)	1,188	(130,101)	(101,965)
(6,222)	(607)	(724)	(265)	-	(27,354)	(23,523)
-	-	-	-	-	-	(158)
(288)	(574)	(266)	471	(1,237)	(4,554)	(1,520)
-	(18,227)	-	2,236	-	(15,944)	(13,896)
<u>683</u>	<u>3,999</u>	<u>(4,726)</u>	<u>2,114</u>	<u>7,777</u>	<u>19,214</u>	<u>18,162</u>
30	3,435	130	2	-	4,266	2,779
-	(6,146)	(500)	(1,984)	-	(15,650)	(55,266)
<u>30</u>	<u>(2,711)</u>	<u>(370)</u>	<u>(1,982)</u>	<u>-</u>	<u>(11,384)</u>	<u>(52,487)</u>
2	-	(4)	-	(40,399)	(40,700)	(19,525)
-	-	-	-	(1,355)	(1,355)	-
-	-	-	-	-	(3,550)	62
-	-	-	-	58,565	58,565	-
-	-	-	-	-	(13,479)	(2,250)
<u>2</u>	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>16,811</u>	<u>(519)</u>	<u>(21,713)</u>
<u>23</u>	<u>1,173</u>	<u>160</u>	<u>66</u>	<u>583</u>	<u>2,091</u>	<u>1,421</u>
<u>23</u>	<u>1,173</u>	<u>160</u>	<u>66</u>	<u>583</u>	<u>2,091</u>	<u>1,421</u>
738	2,461	(4,940)	198	25,171	9,402	(54,617)
<u>1,797</u>	<u>30,033</u>	<u>5,043</u>	<u>345</u>	<u>-</u>	<u>60,201</u>	<u>114,818</u>
<u>\$ 2,535</u>	<u>\$ 32,494</u>	<u>\$ 103</u>	<u>\$ 543</u>	<u>\$ 25,171</u>	<u>\$ 69,603</u>	<u>\$ 60,201</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands; continued)

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
RECONCILIATION OF OPERATING INCOME (LOSS) TO			
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	(\$ 11,030)	\$ 5	\$ 11,682
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	13,812	-	1,536
Other non-operating revenue/(expenses).....	(1,276)	(56)	(1,328)
Change in assets and liabilities:			
Decrease (increase) in receivables and other current assets, net.....	-	-	-
Decrease (increase) in due from other funds.....	-	-	-
Decrease (increase) in due from independent agencies and other governments.....	47	-	(124)
Decrease (increase) in inventories.....	(397)	-	(8)
(Increase) in receivables-non-current.....	-	-	-
Decrease (increase) in prepaid expenses.....	-	-	-
Increase (decrease) in accounts payable and accrued expenses.....	(3,906)	(15)	324
Increase (decrease) in due to other funds.....	-	-	-
Increase (decrease) in compensated absences.....	(16)	4	66
Increase in due to independent agencies.....	47	-	-
Increase in deferred revenue.....	-	-	-
(Decrease) in liability for self-insured losses.....	-	-	-
TOTAL ADJUSTMENTS.....	8,311	(67)	466
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(\$ 2,719)	(\$ 62)	\$ 12,148
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	(\$ 50)	(\$ 1)	(\$ 43)
Change in capital lease obligations.....	-	-	(17,047)
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	(\$ 50)	(\$ 1)	(\$ 17,090)

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	INTERNAL LOAN POOL	TOTALS	
					2005	2004
<u>\$ 1,016</u>	<u>\$ 79</u>	<u>(\$ 58)</u>	<u>(\$ 940)</u>	<u>\$ 1,481</u>	<u>\$ 2,235</u>	<u>(10,245)</u>
21	3	7	5	7,730	23,114	21,062
(288)	(574)	(266)	471	(1,237)	(4,554)	(1,520)
-	101	-	-	-	101	396
-	1,295	-	1,321	-	2,616	1,319
(50)	(51)	1	-	-	(177)	2,311
-	-	-	-	-	(405)	(29)
-	325	24	-	-	349	282
-	(19)	-	246	(1,826)	(1,599)	(906)
75	(6)	(4,443)	95	1,629	(6,247)	4,640
-	(346)	-	-	-	(346)	(791)
(91)	(6)	9	1	-	(33)	(44)
-	-	-	-	-	47	-
-	-	-	915	-	915	(712)
<u>-</u>	<u>3,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,198</u>	<u>2,399</u>
<u>(333)</u>	<u>3,920</u>	<u>(4,668)</u>	<u>3,054</u>	<u>6,296</u>	<u>16,979</u>	<u>28,407</u>
<u>\$ 683</u>	<u>\$ 3,999</u>	<u>\$ (4,726)</u>	<u>\$ 2,114</u>	<u>\$ 7,777</u>	<u>\$ 19,214</u>	<u>\$ 18,162</u>
(\$ 23)	(\$ 144)	(\$ 5)	(\$ 4)	\$ -	(\$ 270)	(\$ 287)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,047)</u>	<u>-</u>
<u>(\$ 23)</u>	<u>(\$ 144)</u>	<u>(\$ 5)</u>	<u>(\$ 4)</u>	<u>\$ -</u>	<u>(\$ 17,317)</u>	<u>(\$ 287)</u>

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FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Below are descriptions of the generic fund types within this category and specific funds within each fund type.

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

The Jacksonville Retirement System Fund includes resources accumulated to pay present and future retirement annuities to eligible employees of the City except for sworn officers of the Office of the Sheriff and the firefighters in the Department of Fire and Rescue.

The Police and Fire Pension Trust Fund accounts for a single employer, contributory defined benefit plan for City police officers and firefighters.

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

The Treasurer Fund is the clearing fund used to account for all cash received and disbursed on behalf of the City's payroll.

The Tax Collector Fund accounts for assets and liabilities from the collection of all taxes, revenues and other cash amounts on behalf of the City and various of its agencies, authorities, organizations, individuals, and funds.

Clerk of the Circuit Court accounts for assets and liabilities from revenues collected on behalf of the state and the city by the court system for various judgments, fines, bonds, fees and licenses and other miscellaneous amounts.

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

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

ASSETS	PENSION TRUST FUNDS			
	JACKSONVILLE RETIREMENT SYSTEM	POLICE AND FIRE PENSION PLAN	TOTALS	
			2005	2004
Equity in cash and investments.....	\$ 126,965	\$ 25,457	\$ 152,422	\$ 108,963
Receivables (net, where applicable, of allowances for uncollectible):				
Interest and dividends.....	5,391	3,150	8,541	9,395
Accounts.....	-	164	164	238
Total receivables.....	<u>5,391</u>	<u>3,314</u>	<u>8,705</u>	<u>9,633</u>
Investments, at fair value:				
U.S. Government obligations.....	362,421	170,585	533,006	476,897
Municipal Bonds.....	4,106	3,204	7,310	2,556
Domestic corporate bonds.....	223,706	108,695	332,401	371,162
Commercial paper.....	37,999	-	37,999	25,672
Domestic stocks.....	649,851	551,119	1,200,970	1,145,358
International stocks.....	222,479	-	222,479	257,620
Real Estate.....	-	61,900	61,900	8,560
Total investments.....	<u>1,500,562</u>	<u>895,503</u>	<u>2,396,065</u>	<u>2,287,825</u>
Capital assets:				
Other capital assets, net of depreciation.....	18	143	161	175
Net capital assets.....	<u>18</u>	<u>143</u>	<u>161</u>	<u>175</u>
Securities Lending Collateral.....	236,285	-	236,285	-
TOTAL ASSETS.....	<u>1,869,221</u>	<u>924,417</u>	<u>2,793,638</u>	<u>2,406,596</u>
LIABILITIES				
Obligations Under Securities Lending Agreement.....	236,285	-	236,285	-
Accounts payable and accrued liabilities.....	4,474	927	5,401	3,279
Accrued Compensated Absences.....	12	20	32	57
Terminal Leave - Group Care.....	361	548	909	612
Terminal Leave - Pending.....	250	-	250	242
Due to Drop Participants.....	-	127,555	127,555	115,666
TOTAL LIABILITIES.....	<u>241,382</u>	<u>129,050</u>	<u>370,432</u>	<u>119,856</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS.....	<u>\$ 1,627,839</u>	<u>\$ 795,367</u>	<u>\$ 2,423,206</u>	<u>\$ 2,286,740</u>
(See schedule of funding progress on pages 143 - 144.)				

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	PENSION TRUST FUNDS			
	JACKSONVILLE RETIREMENT SYSTEM	POLICE AND FIRE PENSION PLAN	TOTALS	
			2005	2004
ADDITIONS				
Contributions:				
Employer.....	\$ 14,913	\$ 25,851	\$ 40,764	\$ 20,336
Plan Member.....	21,929	10,884	32,813	29,515
Total contributions.....	<u>36,842</u>	<u>36,735</u>	<u>73,577</u>	<u>49,851</u>
Other additions:				
State insurance contributions.....	-	7,187	7,187	6,655
Court fines & penalties.....	338	1,325	1,663	2,914
Parking revenues.....	-	-	-	156
Miscellaneous.....	-	4,080	4,080	47
Operating transfers in.....	-	-	-	25,587
Gain/Loss on Sale of Fixed Assets.....	-	-	-	(2)
Total other additions.....	<u>338</u>	<u>12,592</u>	<u>12,930</u>	<u>35,357</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments.....	102,265	70,226	172,491	175,440
Interest.....	32,154	12,711	44,865	46,009
Dividends.....	12,904	9,369	22,273	17,734
Rebate of Commissions.....	204	1,940	2,144	461
Rental Income.....	-	809	809	535
Earnings other Miscellaneous.....	-	369	369	729
Total investment income.....	<u>147,527</u>	<u>95,424</u>	<u>242,951</u>	<u>240,908</u>
Less investment expense.....	(6,282)	(3,671)	(9,953)	(7,744)
Less rental expense.....	-	(648)	(648)	(152)
Net investment income.....	<u>141,245</u>	<u>91,105</u>	<u>232,350</u>	<u>233,012</u>
From Securities Lending Activities:				
Securities Lending.....	5,579	-	5,579	-
Securities Lending Expenses.....				
Interest Expense (returned to borrower).....	(4,931)	-	(4,931)	-
Agent Fees.....	(163)	-	(163)	-
Total securities lending activities	<u>485</u>	<u>-</u>	<u>485</u>	<u>-</u>
TOTAL ADDITIONS.....	<u>178,910</u>	<u>140,432</u>	<u>319,342</u>	<u>318,220</u>
DEDUCTIONS				
Benefits payments.....	94,416	82,711	177,127	166,773
Refunds of contributions.....	3,137	180	3,317	3,124
Administrative expenses.....	882	1,550	2,432	2,216
TOTAL DEDUCTIONS.....	<u>98,435</u>	<u>84,441</u>	<u>182,876</u>	<u>172,113</u>
Net change in net assets.....	80,475	55,991	136,466	146,107
NET ASSETS, BEGINNING OF YEAR.....	<u>1,547,364</u>	<u>739,376</u>	<u>2,286,740</u>	<u>2,140,633</u>
NET ASSETS, END OF YEAR.....	<u>\$ 1,627,839</u>	<u>\$ 795,367</u>	<u>\$ 2,423,206</u>	<u>\$ 2,286,740</u>

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2005
WITH COMPARATIVE TOTALS FOR 2004 (in thousands)

	<u>TREASURER</u>	<u>TAX COLLECTOR</u>	<u>CLERK OF THE CIRCUIT COURTS</u>
ASSETS:			
Equity in cash and investments.....	\$ 27	\$ 15,336	\$ 22,912
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts.....	<u>14</u>	<u>3,389</u>	<u>589</u>
TOTAL ASSETS.....	<u>\$ 41</u>	<u>\$ 18,725</u>	<u>\$ 23,501</u>
LIABILITIES:			
Accounts payable and accrued liabilities.....	\$ 41	\$ -	\$ -
Due to independent agencies and other governments.....	-	10,002	10,662
Due to individuals.....	-	758	1,624
Deposits held in escrow.....	<u>-</u>	<u>7,965</u>	<u>11,215</u>
TOTAL LIABILITIES.....	<u>\$ 41</u>	<u>\$ 18,725</u>	<u>\$ 23,501</u>

<u>PLAT DEPOSITS</u>	<u>DUVAL CO SCHOOL READINESS COALITION</u>	<u>FLORIDA RETIREMENT SYSTEM</u>	<u>TOTALS</u>	
			<u>2005</u>	<u>2004</u>
\$ 267	\$ 22	\$ 38	\$ 38,602	\$ 18,767
<u>-</u>	<u>1</u>	<u>-</u>	<u>3,993</u>	<u>3,408</u>
<u>\$ 267</u>	<u>\$ 23</u>	<u>\$ 38</u>	<u>\$ 42,595</u>	<u>\$ 22,175</u>
\$ -	\$ 23	\$ -	\$ 64	\$ 318
-	-	38	20,702	11,573
-	-	-	2,382	740
<u>267</u>	<u>-</u>	<u>-</u>	<u>19,447</u>	<u>9,544</u>
<u>\$ 267</u>	<u>\$ 23</u>	<u>\$ 38</u>	<u>\$ 42,595</u>	<u>\$ 22,175</u>

(continued)

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, 2005

	<u>BALANCE OCTOBER 1, 2004</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2005</u>
TREASURER				
ASSETS				
Equity in cash and investments.....	\$ 275	\$ 648,975	\$ 649,223	\$ 27
Accounts receivable.....	<u>18</u>	<u>29</u>	<u>33</u>	<u>14</u>
TOTAL ASSETS.....	<u>\$ 293</u>	<u>\$ 649,004</u>	<u>\$ 649,256</u>	<u>\$ 41</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	<u>\$ 293</u>	<u>\$ 180,770</u>	<u>\$ 181,022</u>	<u>\$ 41</u>
TOTAL LIABILITIES.....	<u>\$ 293</u>	<u>\$ 180,770</u>	<u>\$ 181,022</u>	<u>\$ 41</u>
TAX COLLECTOR				
ASSETS				
Equity in cash and investments.....	\$ 18,083	\$ 821,427	\$ 824,174	\$ 15,336
Accounts receivable.....	<u>3,389</u>	<u>-</u>	<u>-</u>	<u>3,389</u>
TOTAL ASSETS.....	<u>\$ 21,472</u>	<u>\$ 821,427</u>	<u>\$ 824,174</u>	<u>\$ 18,725</u>
LIABILITIES				
Due to independent agencies and other governments.....	\$ 11,546	\$ (3,379)	\$ (1,835)	\$ 10,002
Due to individuals.....	740	(1,052)	(1,070)	758
Deposits held in escrow.....	<u>9,186</u>	<u>821,016</u>	<u>822,237</u>	<u>7,965</u>
TOTAL LIABILITIES.....	<u>\$ 21,472</u>	<u>\$ 816,585</u>	<u>\$ 819,332</u>	<u>\$ 18,725</u>

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2004</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2005</u>
CLERK OF THE CIRCUIT COURT				
ASSETS				
Equity in cash and investments.....	\$ -	\$ 22,912	\$ -	\$ 22,912
Accounts receivable.....	-	589	-	589
TOTAL ASSETS.....	<u>\$ -</u>	<u>\$ 23,501</u>	<u>\$ -</u>	<u>\$ 23,501</u>
LIABILITIES				
Due to independent agencies and other governments.....	\$ -	\$ 10,662	\$ -	\$ 10,662
Due to individuals.....	-	1,624	-	1,624
Deposits held in escrow.....	-	11,215	-	11,215
TOTAL LIABILITIES.....	<u>\$ -</u>	<u>\$ 23,501</u>	<u>\$ -</u>	<u>\$ 23,501</u>
PLAT DEPOSITS				
ASSETS				
Equity in cash and investments.....	\$ 360	\$ 273	\$ 366	\$ 267
TOTAL ASSETS.....	<u>\$ 360</u>	<u>\$ 273</u>	<u>\$ 366</u>	<u>\$ 267</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	\$ 2	\$ 364	\$ 366	\$ -
Deposits held in escrow.....	358	273	364	267
TOTAL LIABILITIES.....	<u>\$ 360</u>	<u>\$ 637</u>	<u>\$ 730</u>	<u>\$ 267</u>
DUVAL CO SCHOOL READINESS COALITION				
ASSETS				
Equity in cash and investments.....	\$ 22	\$ -	\$ -	\$ 22
Accounts receivable.....	1	-	-	1
TOTAL ASSETS.....	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>
LIABILITIES				
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, 2005

	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2004</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2005</u>
FLORIDA RETIREMENT SYSTEM				
ASSETS				
Equity in cash and investments.....	\$ 27	\$ 528	\$ 517	\$ 38
TOTAL ASSETS.....	<u>\$ 27</u>	<u>\$ 528</u>	<u>\$ 517</u>	<u>\$ 38</u>
LIABILITIES				
Due to independent agencies and other governments.....	\$ 27	\$ 512	\$ 501	\$ 38
TOTAL LIABILITIES.....	<u>\$ 27</u>	<u>\$ 512</u>	<u>\$ 501</u>	<u>\$ 38</u>
 TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in cash and investments.....	\$ 18,767	\$ 1,494,115	\$ 1,474,280	\$ 38,602
Accounts receivable.....	3,408	618	33	3,993
TOTAL ASSETS.....	<u>\$ 22,175</u>	<u>\$ 1,494,733</u>	<u>\$ 1,474,313</u>	<u>\$ 42,595</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	\$ 318	\$ 181,134	\$ 181,388	\$ 64
Due to independent agencies and other governments.....	11,573	7,795	(1,334)	20,702
Due to individuals.....	740	572	(1,070)	2,382
Deposits held in escrow.....	9,544	832,504	822,601	19,447
TOTAL LIABILITIES.....	<u>\$ 22,175</u>	<u>\$ 1,022,005</u>	<u>\$ 1,001,585</u>	<u>\$ 42,595</u>

(continued)

COMPONENT UNITS

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

NON-MAJOR COMPONENT UNITS:

The 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.

The Water and Sewer Expansion Authority (WSEA) allows property owners an opportunity to finance water and/or sewer infrastructure in their existing developed neighborhoods on a voluntary basis.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS -
NON MAJOR COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2005

	<u>JACKSONVILLE HOUSING FINANCE AUTHORITY</u>	<u>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</u>	<u>DOWNTOWN VISION, INC.</u>	<u>WATER AND SEWER EXPANSION AUTHORITY</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents.....	\$ 8,399	\$ 11,607	\$ 698	\$ -	\$ 20,704
Cash in escrow with fiscal agent.....	1,135	-	-	-	1,135
Due from other governmental agencies.....	-	664	-	-	664
Accounts and interest receivable.....	-	-	592	2	594
Mortgage receivables.....	10,407	-	-	-	10,407
Other receivables.....	-	17,104	-	1	17,105
Other assets.....	1,013	-	3	-	1,016
Capital assets:					
Equipment.....	103	110	138	-	351
Construction work in progress.....	-	-	-	593	593
Less: accumulated depreciation.....	(82)	(99)	(98)	-	(279)
Total capital assets, net of depreciation.	<u>21</u>	<u>11</u>	<u>40</u>	<u>593</u>	<u>665</u>
Total assets.....	<u>20,975</u>	<u>29,386</u>	<u>1,333</u>	<u>596</u>	<u>52,290</u>
LIABILITIES					
Accounts payable and accrued expenses.....	1,065	431	30	-	1,526
Deposits.....	-	550	-	-	550
Deferred revenue.....	-	17,104	-	-	17,104
Total liabilities.....	<u>1,065</u>	<u>18,085</u>	<u>30</u>	<u>-</u>	<u>19,180</u>
NET ASSETS					
Invested in capital assets, net of related debt..	21	11	-	593	625
Unrestricted.....	19,889	11,290	1,303	3	32,485
Total Net Assets.....	<u>\$ 19,910</u>	<u>\$ 11,301</u>	<u>1,303</u>	<u>\$ 596</u>	<u>\$ 33,110</u>



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**CITY OF JACKSONVILLE, FLORIDA
 COMBINING STATEMENT OF ACTIVITIES -
 NON MAJOR GOVERNMENTAL COMPONENT UNITS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

PROGRAM REVENUES

	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
NON MAJOR COMPONENT UNITS				
Jacksonville Housing Finance Authority.....	\$ 1,586	\$ -	\$ 494	\$ -
Jacksonville Economic Development Commission.....	11,066	667	8,604	634
Downtown Vision, Inc.....	<u>1,145</u>	<u>849</u>	<u>-</u>	<u>375</u>
Total non-major component units.....	<u>\$ 13,797</u>	<u>\$ 1,516</u>	<u>\$ 9,098</u>	<u>\$ 1,009</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**

<u>JACKSONVILLE HOUSING FINANCE AUTHORITY</u>	<u>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</u>	<u>DOWNTOWN VISION, INC.</u>	<u>TOTAL</u>
(\$ 1,092)	\$ -	\$ -	(\$ 1,092)
-	(1,161)	-	(1,161)
<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>
<u>(1,092)</u>	<u>(1,161)</u>	<u>79</u>	<u>(2,174)</u>
198	430	24	652
<u>5,083</u>	<u>200</u>	<u>-</u>	<u>5,283</u>
4,189	(531)	103	3,761
<u>15,721</u>	<u>11,832</u>	<u>1,200</u>	<u>28,753</u>
<u><u>\$ 19,910</u></u>	<u><u>\$ 11,301</u></u>	<u><u>\$ 1,303</u></u>	<u><u>\$ 32,514</u></u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN FUND NET ASSETS
NON MAJOR BUSINESS-TYPE COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

	WATER AND SEWER EXPANSION AUTHORITY	TOTAL
	<u> </u>	<u> </u>
OPERATING REVENUE:		
Charges for services.....	\$ -	\$ -
Other.....	2	2
Total Operating Revenue.....	<u>2</u>	<u>2</u>
OPERATING EXPENSES:		
Personal services.....	238	238
Supplies and materials.....	5	5
Central services.....	-	-
Interdepartmental charges.....	-	-
Other services and charges.....	59	59
Depreciation and amortization.....	-	-
Total Operating Expenses.....	<u>302</u>	<u>302</u>
OPERATING GAIN (LOSS).....	<u>(300)</u>	<u>(300)</u>
NON-OPERATING REVENUE (EXPENSES):		
Interest revenue.....	-	-
Interest expense.....	-	-
Payments from other governments.....	-	-
Contributions to other governments.....	-	-
Loss on sales of assets.....	-	-
Other.....	-	-
Total Non-Operating Revenue (Expenses).....	<u>-</u>	<u>-</u>
GAIN (LOSS) BEFORE CONTRIBUTIONS.....	<u>(300)</u>	<u>(300)</u>
Contributions.....	<u>896</u>	<u>896</u>
CHANGES IN NET ASSETS.....	596	596
TOTAL NET ASSETS, BEGINNING OF YEAR.....	<u>-</u>	<u>-</u>
Prior Period Adjustment.....	-	-
TOTAL NET ASSETS, BEGINNING OF YEAR, AS RESTATED.....	<u>-</u>	<u>-</u>
TOTAL NET ASSETS, END OF YEAR.....	<u>\$ 596</u>	<u>\$ 596</u>

See accompanying notes.

SUPPLEMENTAL INFORMATION

The Supplemental Information provided herein contains schedules of the Debt Service Funds bonded indebtedness and debt service requirements detail and Self Insurance Fund schedules detailing ten year trend information of general liability and workers compensation claims development.

Due to rounding, the figures presented in the following schedules may not foot.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands)
SEPTEMBER 30, 2005

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:			
Excise Taxes Revenue Bonds, Series 1993.....	6.200-6.300%	4/1; 10/1	02/23/93
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.....	5.250-5.875%	4/1; 10/1	03/14/95
Sales Tax Revenue Bonds, Series 1995.....	5.000%	4/1; 10/1	06/28/95
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.625-5.125%	4/1; 10/1	01/04/96
Sunshine State Governmental Finance Commission Bonds, Series 1995A.....	5.500-5.650%	4/1; 10/1	10/05/95
Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT).....	5.750%	4/1; 10/1	10/05/95
Sales Tax Revenue Bonds, Series 1996.....	4.700-5.125%	4/1; 10/1	01/07/97
Excise Taxes Revenue Bonds, Series 1996C.....	4.750-4.850%	4/1; 10/1	11/05/96
Capital Improvement Revenue Bonds, Series 1997.....	4.500-5.250%	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.....	4.200-5.000%	4/1; 10/1	08/26/98
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	3.800-5.000%	4/1; 10/1	03/09/99
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	3.600-5.500%	4/1; 10/1	04/24/01
Excise Taxes Refunding Bonds, Series 2001A.....	5.000%	4/1; 10/1	07/03/01
Excise Taxes Revenue Bonds, Series 2001B.....	4.000-5.125%	4/1; 10/1	04/01/02
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	5.000-5.500%	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.....	3.000-5.375%	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 Bonds, Series 2003A.....	3.000-4.500%	4/1; 10/1	12/29/03
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
Capital Project Revenue Bonds, Series 2002-1.....	7.5875% (1)	Monthly	09/21/04
TOTAL PAYABLE FROM SPECIFIC REVENUE SOURCES.....			
SPECIAL OBLIGATION BONDS PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:			
Transportation Revenue Bonds, Series 2001.....	3.600-5.500%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	3.600-5.500%	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
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	2.000-5.000%	4/1; 10/1	03/02/04
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
Transportation Revenue Bonds, Series 2004A (Auction Rate Securities).....	3.455% (1)	35 day ARS	09/30/04
TOTAL PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES.....			
TOTAL GENERAL AND SPECIAL OBLIGATION BONDS.....			
(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	74,995	-
09/15/06	10,075	9,825	8,830	995
10/01/25	27,855	27,855	2,755	25,100
10/01/05	100,000	100,000	96,100	3,900
10/01/09	7,580	7,580	-	7,580
10/01/11	9,050	9,050	670	8,380
10/01/15	15,945	15,945	6,995	8,950
10/01/18	65,640	65,640	59,370	6,270
10/01/06	4,055	4,055	3,035	1,020
10/01/25	8,285	8,285	1,180	7,105
10/01/17	99,000 (2)	30,000	6,025	23,975
10/01/22	N/A (2)	45,000	4,000	41,000
10/01/25	37,310	37,310	1,625	35,685
10/01/19	75,890	75,890	33,530	42,360
10/01/18	127,000	103,725	560	103,165
10/01/09	49,000	42,485	8,640	33,845
10/01/32	49,000	46,735	-	46,735
10/01/13	65,000	56,685	9,450	47,235
10/01/32	125,000	115,265	4,060	111,205
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	2,480	65,995
10/01/18	70,000	63,060	5,070	57,990
10/01/23	18,745	18,745	-	18,745
10/01/11	70,000 (5)	17,535	2,545	14,990
10/01/20	N/A (5)	34,540	330	34,210
10/01/25	N/A (2)	24,000	-	24,000
10/01/34	94,000 (8)	54,000	-	54,000
	<u>\$ 1,467,330</u>	<u>\$ 1,323,510</u>	<u>\$ 368,305</u>	<u>\$ 955,206</u>
10/01/31	\$ 750,000 (6)	\$ 179,280	\$ 4,690	\$ 174,590
10/01/30	1,500,000 (7)	218,430	12,585	205,845
10/01/30	N/A (7)	211,050	6,925	204,125
10/01/30	N/A (7)	218,755	-	218,755
10/01/20	N/A (6)	47,775	2,785	44,990
10/01/32	N/A (6)	76,825	-	76,825
10/01/32	N/A (6)	76,800	-	76,800
10/01/27	N/A (6)	80,275	400	79,875
	<u>\$ 2,250,000</u>	<u>\$ 1,109,190</u>	<u>\$ 27,385</u>	<u>\$ 1,081,805</u>
	<u>\$ 3,717,330</u>	<u>\$ 2,432,700</u>	<u>\$ 395,690</u>	<u>\$ 2,037,011</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)
SEPTEMBER 30, 2005

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
PAYABLE FROM ENTERPRISE FUNDS:			
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.500-5.125%	4/1; 10/1	01/04/96
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	4.250-5.500%	4/1; 10/1	02/28/96
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	4.400-5.750%	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
TOTAL PAYABLE FROM ENTERPRISE FUNDS.....			
PAYABLE FROM GENERAL REVENUE:			
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	3.09 - 5.19 %	2/1; 8/1	02/01/95
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	6.46 - 6.88 %	2/1; 8/1	12/18/96
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	6.46 - 7.03 %	2/1; 8/1	11/20/96
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	6.46 - 7.08 %	2/1; 8/1	02/19/97
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	6.46 - 6.78 %	2/1; 8/1	04/02/97
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	6.46 - 7.08 %	2/1; 8/1	10/28/97
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	6.46 - 7.03 %	2/1; 8/1	10/28/97
TOTAL PAYABLE FROM GENERAL REVENUE.....			
NOTES PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:			
State Infrastructure Bank Loan	2.000 %	10/1	07/28/05
TOTAL NOTES PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES.....			
NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:			
Commercial Paper	2.45 - 2.70%	Monthly	11/04/04
TOTAL NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES.....			
TOTAL BONDED INDEBTEDNESS.....			

- (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	\$ 1,450	\$ 10,820
10/01/16	19,965	19,965	3,890	16,075
10/01/16	40,835	40,835	8,115	32,720
10/01/11	N/A (5)	9,530	1,155	8,375
	<u>\$ 73,070</u>	<u>\$ 82,600</u>	<u>\$ 14,610</u>	<u>\$ 67,990</u>
08/01/14	\$ 3,845	\$ 3,845	\$ 575	\$ 3,270
08/01/12	1,065	1,065	525	540
08/01/15	2,850	2,850	545	2,305
08/01/16	1,700	1,700	725	975
08/01/10	700	700	365	335
08/01/16	775	775	130	645
08/01/15	550	550	100	450
	<u>\$ 11,485</u>	<u>\$ 11,485</u>	<u>\$ 2,965</u>	<u>\$ 8,520</u>
10/01/14	<u>\$ 40,000</u>	<u>\$ 18,319</u>	<u>\$ -</u>	<u>\$ 18,319</u>
	<u>\$ 40,000</u>	<u>\$ 18,319</u>	<u>\$ -</u>	<u>\$ 18,319</u>
12/31/34	<u>\$ 150,000</u>	<u>\$ 65,000</u>	<u>\$ 6,435</u>	<u>\$ 58,565</u>
	<u>\$ 150,000</u>	<u>\$ 65,000</u>	<u>\$ 6,435</u>	<u>\$ 58,565</u>
	<u><u>\$ 3,991,885</u></u>	<u><u>\$ 2,610,104</u></u>	<u><u>\$ 419,700</u></u>	<u><u>\$ 2,190,404</u></u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS
COMPARED TO CASH IN SINKING FUND
LONG-TERM OBLIGATIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	PRINCIPAL OUTSTANDING
Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Taxes:	
Excise Taxes Revenue Bonds, Series 1993.....	\$ 7,545,140
Sunshine State Governmental Finance Commission Bonds, Series 1994.....	995,000
Capital Improvement Revenue Bonds, Series 1995.....	25,100,000
Sales Tax Revenue Bonds, Series 1995.....	3,900,000
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	7,580,000
Sunshine State Governmental Finance Commission Bonds, Series 1995A.....	8,380,000
Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT).....	8,950,000
Sales Taxes Revenue Bonds, Series 1996.....	6,270,000
Excise Taxes Revenue Bonds, Series 1996C.....	1,020,000
Capital Improvement Revenue Bonds, Series 1997.....	7,105,000
Capital Project Revenue Bonds, Series 1997-1.....	23,975,000
Capital Project Revenue Bonds, Series 1997-2.....	41,000,000
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	35,685,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	42,360,000
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	103,165,000
Excise Taxes Refunding Bonds, Series 2001A.....	33,845,000
Excise Taxes Revenue Bonds, Series 2001B.....	46,735,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	47,235,000
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	111,205,000
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.....	65,995,000
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	57,990,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	14,990,420
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	34,210,000
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>\$ 955,205,560</u>
Special Obligation Bonds Payable from Other Specific Revenue Source other than Ad Valorem Taxes:	
Transportation Revenue Bonds, Series 2001.....	\$ 174,590,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	205,845,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	204,125,000
Transportation Revenue Bonds, Series 2003 (Auction Rate Securities).....	44,990,000
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).....	79,875,000
Total.....	<u>\$ 1,081,805,000</u>
Payable from Enterprise Funds:	
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	\$ 10,820,000
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	16,075,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	32,720,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	8,374,580
Total.....	<u>\$ 67,989,580</u>
Other Long - Term Obligations:	
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	\$ 3,270,000
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	540,000
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	2,305,000
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	975,000
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	335,000
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	645,000
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	450,000
Total.....	<u>\$ 8,520,000</u>
Notes Payable from Other Specific Revenue Source other than Ad Valorem Taxes:	
State Infrastructure Bank Loan.....	\$ 18,319,261
Total.....	<u>\$ 18,319,261</u>
Notes Payable from Specific Revenue Source other than Ad Valorem Taxes:	
Commercial Paper.....	\$ 58,565,000
Total.....	<u>\$ 58,565,000</u>
Grand Total.....	<u><u>\$ 2,190,404,401</u></u>

<u>TOTAL INTEREST TO MATURITY</u>	<u>TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY</u>	<u>CASH IN SINKING FUND</u>	<u>NET DEBT</u>
\$ 18,784,859	\$ 26,329,999	\$ 555	\$ 26,329,444
91,540	1,086,540	80,229	1,006,311
18,875,390	43,975,390	1,245,899	42,729,491
97,500	3,997,500	3,997,500	-
1,274,947	8,854,947	255,280	8,599,667
1,478,121	9,858,121	1,250,969	8,607,152
4,466,312	13,416,312	395,410	13,020,902
2,347,429	8,617,429	2,687,511	5,929,918
49,460	1,069,460	524,483	544,978
4,566,159	11,671,159	383,388	11,287,771
12,657,630	36,632,630	1,137,328	35,495,302
43,114,366	84,114,366	1,596,641	82,517,724
28,927,574	64,612,574	570,529	64,042,045
10,744,026	53,104,026	8,997,320	44,106,706
40,759,941	143,924,941	2,765,552	141,159,389
4,623,125	38,468,125	6,093,625	32,374,500
40,297,040	87,032,040	894,687	86,137,353
10,491,675	57,726,675	6,280,800	51,445,875
94,732,775	205,937,775	4,772,231	201,165,544
60,075,168	114,210,168	1,323,241	112,886,927
18,293,934	60,463,934	1,630,381	58,833,553
16,367,124	43,287,124	605,514	42,681,610
40,251,706	106,246,706	3,473,608	102,773,098
24,872,794	82,862,794	3,735,213	79,127,581
1,567,711	16,558,131	1,223,886	15,334,245
23,402,166	57,612,166	1,682,405	55,929,761
31,732,549	55,732,549	666,072	55,066,477
8,844,700	27,589,700	1,593,728	25,995,972
107,436,066	161,436,066	193,001	161,243,065
<u>\$ 671,223,786</u>	<u>\$ 1,626,429,346</u>	<u>\$ 60,056,986</u>	<u>\$ 1,566,372,361</u>
\$ 185,134,043	\$ 359,724,043	\$ 1,549,602	\$ 358,174,441
171,044,742	376,889,742	9,145,255	367,744,487
161,504,536	365,629,536	9,145,255	356,484,281
19,106,648	64,096,648	516,534	63,580,114
76,178,976	153,003,976	516,534	152,487,442
76,142,300	152,942,300	516,534	152,425,766
145,603,353	364,358,353	9,145,255	355,213,097
38,852,771	118,727,771	516,534	118,211,237
<u>\$ 873,567,368</u>	<u>\$ 1,955,372,368</u>	<u>\$ 31,051,503</u>	<u>\$ 1,924,320,864</u>
\$ 1,683,306	\$ 12,503,306	\$ 687,110	\$ 11,816,196
5,250,213	21,325,213	1,416,666	19,908,547
11,870,025	44,590,025	2,929,720	41,660,305
1,364,457	9,739,037	2,626,281	7,112,756
<u>\$ 20,168,001</u>	<u>\$ 88,157,581</u>	<u>\$ 7,659,776</u>	<u>\$ 80,497,805</u>
\$ 910,755	\$ 4,180,755	\$ 137,032	\$ 4,043,723
149,001	689,001	391	688,610
987,457	3,292,457	-	3,292,457
478,939	1,453,939	-	1,453,939
75,611	410,611	12,041	398,570
311,390	956,390	145	956,245
197,985	647,985	-	647,985
<u>\$ 3,111,138</u>	<u>\$ 11,631,138</u>	<u>\$ 149,610</u>	<u>\$ 11,481,528</u>
\$ 1,352,771	\$ 19,672,032	\$ -	\$ 19,672,032
<u>\$ 1,352,771</u>	<u>\$ 19,672,032</u>	<u>\$ -</u>	<u>\$ 19,672,032</u>
\$ 3,827,896	\$ 62,392,896	\$ 25,377,080	\$ 37,015,816
<u>\$ 3,827,896</u>	<u>\$ 62,392,896</u>	<u>\$ 25,377,080</u>	<u>\$ 37,015,816</u>
<u>\$ 1,573,250,960</u>	<u>\$ 3,763,655,361</u>	<u>\$ 124,294,955</u>	<u>\$ 3,639,360,407</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, 2005**

Fiscal Year	Excise Taxes Revenue Bonds, Series 1993		Sunshine State Governmental Finance Commission Bonds, Series 1994		Capital Improvement Revenue Bonds, Series 1995	
	Principal	Interest	Principal	Interest	Principal	Interest
2006			\$ 995,000	\$ 91,540	\$ 510,000	\$ 1,443,256
2007					560,000	1,415,029
2008					610,000	1,383,719
2009					670,000	1,348,824
2010	\$ 190,465	\$ 334,536			735,000	1,309,819
2011	1,076,112	2,103,888			805,000	1,266,296
2012	1,061,197	2,273,803			880,000	1,218,274
2013	1,352,429	3,167,570			955,000	1,165,738
2014	1,313,363	3,401,636			1,040,000	1,107,731
2015	1,288,056	3,631,944			1,130,000	1,043,988
2016	1,263,518	3,871,482			1,230,000	974,663
2017					1,320,000	899,756
2018					1,345,000	821,472
2019					1,370,000	741,719
2020					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>\$ 995,000</u>	<u>\$ 91,540</u>	<u>\$ 25,100,000</u>	<u>\$ 18,875,390</u>

Interest Rates: 6.20 - 6.30% Variable Rate 5.25 - 5.875%
Assumed at 9.20%

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		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
\$ 3,900,000	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>\$ 3,900,000</u>	<u>\$ 97,500</u>	<u>\$ 7,580,000</u>	<u>\$ 1,274,947</u>	<u>\$ 8,380,000</u>	<u>\$ 1,478,121</u>	<u>\$ 8,950,000</u>	<u>\$ 4,466,312</u>
5.00 - 6.00%		4.625 - 5.125%		5.50 - 5.65%		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
 SEPTEMBER 30, 2005

Fiscal Year	River City Renaissance Projects		Jacksonville Beach Downtown Revitalization		Superstructure Renovation of the ALLTEL Stadium	
	Principal	Interest	Principal	Interest	Principal	Interest
	Sales Tax Revenue Bonds, Series 1996		Excise Taxes Revenue Bonds Series 1996C		Capital Improvement Revenue Bonds, Series 1997	
2006	\$ 2,570,000	\$ 250,021	\$ 505,000	\$ 36,971	\$ 200,000	\$ 361,148
2007		189,625	515,000	12,489	210,000	351,817
2008		189,625			215,000	341,935
2009		189,625			230,000	331,363
2010		189,625			240,000	319,962
2011		189,625			250,000	307,833
2012		189,625			265,000	294,825
2013		189,625			275,000	280,986
2014		189,625			290,000	266,365
2015		189,625			305,000	250,819
2016	860,000	167,588			320,000	234,412
2017	900,000	122,488			340,000	217,087
2018	945,000	75,210			355,000	198,844
2019	995,000	25,497			375,000	179,681
2020					395,000	159,469
2021					415,000	138,206
2022					435,000	115,894
2023					460,000	92,400
2024					485,000	67,594
2025					510,000	41,475
2026					535,000	14,044
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
	<u>\$ 6,270,000</u>	<u>\$ 2,347,429</u>	<u>\$ 1,020,000</u>	<u>\$ 49,460</u>	<u>\$ 7,105,000</u>	<u>\$ 4,566,159</u>

Interest Rates:

4.70 - 5.125%

4.75 - 4.85%

4.50 - 5.25%

Drainage and General Capital Programs		Drainage and General Capital Programs		To Refund a Portion of Capital Improvement Revenue Bonds, Series 1994		To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1998A and 1991, and Preservation	
Capital Project Revenue Bonds Series 1997 - 1		Capital Project Revenue Bonds Series 1997 - 2		Capital Improvement and Refunding Revenue Bonds, Series 1998		Excise Taxes Revenue Refunding & Capital Improvement Bonds, Series 1999A	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 1,365,000	\$ 1,774,603	\$ 900,000	\$ 3,571,466	\$ 165,000	\$ 1,689,718	\$ 8,075,000	\$ 1,721,215
1,430,000	1,663,337	1,000,000	3,483,297	175,000	1,682,577	7,385,000	1,383,165
1,495,000	1,548,399	1,000,000	3,397,490	180,000	1,675,078	3,670,000	1,125,140
1,565,000	1,423,898	1,100,000	3,294,312	190,000	1,667,167	3,815,000	975,440
1,640,000	1,297,615	1,100,000	3,199,548	195,000	1,658,793	1,410,000	870,940
1,720,000	1,163,797	1,200,000	3,093,598	205,000	1,649,890	1,465,000	811,608
1,805,000	1,024,296	1,200,000	2,989,638	215,000	1,640,332	1,530,000	747,965
1,895,000	875,128	1,300,000	2,869,439	225,000	1,630,100	1,590,000	680,473
1,995,000	720,783	1,400,000	2,748,350	235,000	1,619,231	1,665,000	608,030
2,095,000	557,805	1,400,000	2,623,890	245,000	1,607,525	1,740,000	530,548
2,205,000	386,641	1,500,000	2,493,535	260,000	1,594,900	1,820,000	447,758
2,320,000	205,632	1,600,000	2,347,594	270,000	1,581,650	1,905,000	359,744
2,445,000	15,695	1,700,000	2,199,362	285,000	1,567,775	1,995,000	264,625
		4,400,000	1,827,930	300,000	1,553,150	2,095,000	162,375
		4,600,000	1,421,718	315,000	1,538,169	2,200,000	55,000
		4,900,000	986,067	5,035,000	1,411,106		
		5,200,000	526,946	5,330,000	1,164,937		
		5,500,000	40,188	5,640,000	904,400		
				5,970,000	628,663		
				5,640,000	352,925		
				4,610,000	109,488		
<u>\$ 23,975,000</u>	<u>\$ 12,657,630</u>	<u>\$ 41,000,000</u>	<u>\$ 43,114,366</u>	<u>\$ 35,685,000</u>	<u>\$ 28,927,574</u>	<u>\$ 42,360,000</u>	<u>\$ 10,744,026</u>

Variable Rate
Assumed at 7.81%

Variable Rate
Assumed at 8.89%

4.20 - 5.00%

3.80 - 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
SEPTEMBER 30, 2005**

Fiscal Year	Local Government Sales Tax Refunding Revenue Bonds, Series 2001		Excise Taxes Refunding Bonds, Series 2001A		Excise Taxes Revenue Bonds, Series 2001B	
	Principal	Interest	Principal	Interest	Principal	Interest
	2006	\$ 175,000	\$ 5,197,954	\$ 5,260,000	\$ 1,560,750	\$ 850,000
2007	6,965,000	5,064,210	5,950,000	1,280,500	880,000	2,249,173
2008	7,230,000	4,743,829	6,710,000	964,000	915,000	2,213,272
2009	7,600,000	4,402,041	7,530,000	608,000	955,000	2,175,395
2010	7,905,000	4,087,001	8,395,000	209,875	995,000	2,134,674
2011	8,230,000	3,751,130			1,035,000	2,091,277
2012	8,580,000	3,342,350			1,080,000	2,045,265
2013	9,050,000	2,857,525			1,130,000	1,996,080
2014	9,545,000	2,346,162			1,180,000	1,943,515
2015	10,075,000	1,806,613			1,235,000	1,887,353
2016	6,405,000	1,353,413			1,290,000	1,827,370
2017	6,760,000	991,375			1,355,000	1,763,212
2018	7,125,000	609,538			1,420,000	1,694,515
2019	7,520,000	206,800			1,490,000	1,621,765
2020					1,565,000	1,544,608
2021					1,645,000	1,462,547
2022					1,730,000	1,376,062
2023					1,815,000	1,285,222
2024					1,910,000	1,189,769
2025					2,010,000	1,089,319
2026					2,110,000	983,744
2027					2,220,000	872,787
2028					2,335,000	756,066
2029					2,450,000	633,450
2030					2,580,000	504,556
2031					2,710,000	369,000
2032					2,850,000	226,525
2033					2,995,000	76,747
2034						
2035						
	<u>\$ 103,165,000</u>	<u>\$ 40,759,941</u>	<u>\$ 33,845,000</u>	<u>\$ 4,623,125</u>	<u>\$ 46,735,000</u>	<u>\$ 40,297,040</u>

Interest Rates: 3.60 - 5.50%

5.00%

4.000% - 5.125%

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		Capital Improvements at Alltel Stadium	
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A		Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002		Capital Improvement Revenue Bonds, Series 2002A	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 5,080,000	\$ 2,299,600	\$ 2,120,000	\$ 5,297,663		\$ 2,641,304
5,335,000	2,039,225	2,185,000	5,233,087	\$ 595,000	2,634,238
5,605,000	1,758,719	2,250,000	5,165,156	560,000	2,619,613
5,895,000	1,486,319	2,320,000	5,089,400	505,000	2,604,478
6,155,000	1,199,481	2,400,000	5,006,800	455,000	2,589,509
6,465,000	868,206	2,485,000	4,918,206	395,000	2,575,203
6,805,000	511,362	2,580,000	4,821,625	335,000	2,562,260
2,865,000	245,438	2,680,000	4,718,038	290,000	2,550,865
3,030,000	83,325	2,785,000	4,608,737	220,000	2,541,100
		2,895,000	4,493,328	155,000	2,533,600
		3,015,000	4,352,591	75,000	2,529,000
		3,180,000	4,186,100		2,527,500
		3,350,000	4,010,606		2,527,500
		3,530,000	3,825,706		2,527,500
		3,720,000	3,630,863		2,527,500
		3,920,000	3,425,537		2,527,500
		4,130,000	3,216,938		2,527,500
		4,335,000	3,005,312		2,527,500
		4,555,000	2,783,063		2,527,500
		4,780,000	2,549,687		2,527,500
		5,020,000	2,304,688	945,000	2,503,875
		5,270,000	2,047,438	8,975,000	2,255,875
		5,535,000	1,777,313	9,425,000	1,795,875
		5,810,000	1,491,375	9,900,000	1,312,750
		6,105,000	1,188,506	10,395,000	805,375
		6,415,000	869,756	10,910,000	272,750
		6,745,000	534,206		
		7,090,000	181,050		
\$ 47,235,000	\$ 10,491,675	\$ 111,205,000	\$ 94,732,775	\$ 54,135,000	\$ 60,075,168

5.00% - 5.50%

3.00% - 5.375%

2.375% - 5.00%

(continued)

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	
Local Government Sales Tax Refunding and Improvement Revenue Bonds, Series 2002		Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B		Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT)		Capital Project Revenue Bonds Series 1997 - 3	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 2,440,000	\$ 2,568,825	\$ 2,840,420	\$ 557,211	\$ 360,000	\$ 1,743,794		\$ 1,896,000
2,515,000	2,494,500	2,805,000	416,075	405,000	1,735,891		1,896,000
2,585,000	2,418,000	2,950,000	301,700	435,000	1,726,150		1,897,732
2,675,000	2,337,428	3,115,000	210,725	475,000	1,713,588		1,894,268
2,755,000	2,249,141	3,280,000	82,000	15,000	1,706,219		1,896,000
2,850,000	2,150,994			15,000	1,705,713	\$ 200,000	1,881,499
2,950,000	2,041,806			15,000	1,705,150	500,000	1,845,628
3,065,000	1,922,975			20,000	1,704,450	800,000	1,781,057
3,195,000	1,797,775			20,000	1,703,638	700,000	1,726,745
3,315,000	1,652,013			20,000	1,702,813	800,000	1,664,195
6,845,000	1,387,803			20,000	1,701,963	700,000	1,609,710
7,210,000	1,015,438			5,380,000	1,560,300	600,000	1,558,764
7,595,000	624,403			5,895,000	1,264,331	600,000	1,512,796
7,995,000	211,694			6,445,000	940,406	500,000	1,472,647
				7,030,000	586,688	400,000	1,441,710
				7,660,000	201,075	300,000	1,414,751
						200,000	1,399,599
							1,398,300
						5,700,000	985,877
						5,900,000	519,665
						6,100,000	39,608
\$ 57,990,000	\$ 24,872,794	\$ 14,990,420	\$ 1,567,711	\$ 34,210,000	\$ 23,402,166	\$ 24,000,000	\$ 31,732,549
3.000% - 5.375%		3.000% - 5.000%		2.000% - 5.250%		Variable Rate	Maximum Assumed at 7.90%

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES
SEPTEMBER 30, 2005**

Fiscal Year	To Fund a Grant to Shands Jacksonville Medical Center, Inc (Proton Beam)		Drainage and General Capital Programs		Total Principal and Interest
	Excise Taxes Revenue Bonds Series 2003A		Capital Project Revenue Bonds Series 2002-1		
	Principal	Interest	Principal	Interest	
2006		\$ 722,670		\$ 4,093,478	\$ 92,117,747
2007		722,670		4,097,250	92,167,320
2008	\$ 300,000	718,170		4,097,250	91,047,546
2009	880,000	700,470		4,101,022	92,167,954
2010	905,000	673,695		4,093,478	88,658,362
2011	935,000	646,095		4,097,250	77,662,812
2012	960,000	616,470		4,097,250	77,842,655
2013	990,000	583,545		4,101,022	74,974,736
2014	1,025,000	547,770		4,093,478	74,923,474
2015	1,065,000	509,618		4,097,250	71,841,272
2016	1,105,000	468,920		4,097,250	71,774,908
2017	1,145,000	425,598		4,101,022	69,692,997
2018	1,190,000	379,470		4,093,478	69,632,007
2019	1,235,000	330,353		4,097,250	69,487,226
2020	1,285,000	278,050		4,097,250	52,360,835
2021	1,340,000	222,590		4,101,022	50,021,171
2022	1,400,000	163,490		4,093,478	41,812,545
2023	1,460,000	100,745		4,097,250	41,345,913
2024	1,525,000	34,313		4,097,250	41,008,034
2025				4,101,022	39,751,074
2026				4,093,478	39,302,644
2027			\$ 5,200,000	4,097,250	33,690,475
2028			5,400,000	3,702,700	30,726,954
2029			5,600,000	3,296,007	30,493,582
2030			5,800,000	2,865,434	30,243,871
2031			6,000,000	2,428,000	29,974,506
2032			6,200,000	1,972,750	18,528,481
2033			6,400,000	1,503,708	18,246,505
2034			6,600,000	1,015,789	7,615,789
2035			6,800,000	515,950	7,315,950
	<u>\$ 18,745,000</u>	<u>\$ 8,844,700</u>	<u>\$ 54,000,000</u>	<u>\$ 107,436,066</u>	<u>\$ 1,626,429,346</u>

Interest Rates: 3.000% - 4.5% Variable Rate
Maximum Assumed at 7.5875%



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**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN
SEPTEMBER 30, 2005**

Purpose:	Better Jacksonville Transportation Projects		Better Jacksonville Infrastructure Projects		Better Jacksonville Infrastructure Projects	
	Transportation Revenue Bonds Series 2001		Better Jacksonville Sales Tax Revenue Bonds Series 2001		Better Jacksonville Sales Tax Revenue Bonds Series 2003	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 2,410,000	\$ 8,693,940	\$ 3,730,000	\$ 10,362,230	\$ 4,395,000	\$ 9,299,501
2007	2,555,000	8,602,015	3,900,000	10,179,775	4,480,000	9,210,751
2008	2,595,000	8,501,570	4,095,000	9,979,900	4,570,000	9,117,395
2009	2,730,000	8,393,705	4,300,000	9,779,025	4,670,000	8,998,789
2010		8,337,740	4,500,000	9,577,365	4,810,000	8,856,589
2011		8,337,740	4,705,000	9,373,047	4,955,000	8,703,920
2012	9,080,000	8,120,129	4,905,000	9,149,265	5,115,000	8,533,889
2013		7,902,519	5,150,000	8,885,015	5,295,000	8,345,095
2014		7,902,519	5,435,000	8,593,928	5,490,000	8,141,504
2015		7,902,519	5,735,000	8,286,752	5,700,000	7,923,194
2016		7,902,519	6,050,000	7,962,665	5,930,000	7,653,531
2017		7,902,519	6,380,000	7,622,090	6,240,000	7,334,069
2018		7,902,519	6,730,000	7,262,815	6,565,000	6,997,938
2019		7,902,519	7,100,000	6,882,490	6,910,000	6,662,613
2020		7,902,519	7,490,000	6,492,500	7,240,000	6,309,569
2021		7,902,519	7,880,000	6,092,880	7,620,000	5,919,494
2022	3,415,000	7,815,009	8,290,000	5,680,750	8,015,000	5,509,075
2023	3,625,000	7,636,875	8,705,000	5,255,875	8,440,000	5,087,681
2024	10,980,000	7,271,750	9,140,000	4,809,750	8,860,000	4,657,544
2025	11,520,000	6,709,250	9,600,000	4,341,250	9,300,000	4,205,906
2026	12,090,000	6,119,000	10,080,000	3,849,250	9,765,000	3,729,684
2027	12,685,000	5,499,625	10,580,000	3,332,750	10,250,000	3,230,269
2028	13,315,000	4,832,981	11,110,000	2,790,500	10,760,000	2,706,038
2029	20,260,000	3,951,638	11,665,000	2,221,125	11,300,000	2,155,000
2030	21,325,000	2,860,031	12,250,000	1,623,250	11,865,000	1,575,875
2031	22,440,000	1,739,250	26,340,000	658,500	25,585,000	639,625
2032	23,565,000	589,125				
2033						
	<u>\$ 174,590,000</u>	<u>\$ 185,134,043</u>	<u>\$ 205,845,000</u>	<u>\$ 171,044,742</u>	<u>\$ 204,125,000</u>	<u>\$ 161,504,536</u>

Interest Rates: 3.60 - 5.50% 3.60 - 5.50% 2.00 - 5.25%

To currently refund State of Florida, Full Faith and Credit, Jacksonville Transportation Authority, Senior Lien Refunding Bonds, Series 1992A and other Better Jacksonville Transportation Projects

Better Jacksonville Transportation Projects

Better Jacksonville Transportation Projects

**Transportation Revenue Bonds, Series 2003
(Auction Rate Securities)**

**Transportation Revenue Bonds Series 2003A
(Auction Rate Securities)**

**Transportation Revenue Bonds Series 2003B
(Auction Rate Securities)**

<u>Principal</u>	<u>Interest</u>
\$ -	\$ 1,832,570
1,475,000	1,774,525
1,540,000	1,714,075
1,610,000	1,650,917
1,670,000	1,585,153
1,745,000	1,516,682
1,810,000	1,445,405
1,890,000	1,371,220
2,300,000	1,287,210
2,385,000	1,193,276
2,495,000	1,095,432
4,990,000	945,358
5,190,000	741,249
5,405,000	528,819
5,135,000	317,492
5,350,000	107,268
<u>\$ 44,990,000</u>	<u>\$ 19,106,648</u>

<u>Principal</u>	<u>Interest</u>
	\$ 3,695,283
	3,695,283
	3,695,283
	3,695,283
	3,695,283
	3,695,283
	3,695,283
	3,695,283
	3,695,283
	3,695,283
\$ 2,375,000	3,638,164
2,500,000	3,520,920
2,100,000	3,410,290
2,125,000	3,308,679
2,225,000	3,204,061
2,550,000	3,089,223
2,625,000	2,964,764
3,800,000	2,810,243
3,925,000	2,624,456
4,075,000	2,432,056
4,225,000	2,232,441
4,375,000	2,025,611
4,500,000	1,812,168
4,650,000	1,592,110
4,825,000	1,364,236
5,000,000	1,127,945
5,175,000	883,236
5,350,000	630,110
10,425,000	250,721
<u>\$ 76,825,000</u>	<u>\$ 76,178,976</u>

<u>Principal</u>	<u>Interest</u>
	\$ 3,694,080
	3,694,080
	3,694,080
	3,694,080
	3,694,080
	3,694,080
	3,694,080
	3,694,080
	3,694,080
	3,694,080
\$ 2,375,000	3,636,961
2,500,000	3,519,718
2,100,000	3,409,088
2,125,000	3,306,875
2,225,000	3,201,055
2,550,000	3,086,216
2,625,000	2,962,359
3,800,000	2,807,838
3,925,000	2,622,051
4,075,000	2,430,253
4,225,000	2,231,840
4,375,000	2,026,213
4,500,000	1,812,769
4,650,000	1,591,509
4,825,000	1,363,034
5,000,000	1,126,743
5,175,000	882,034
5,350,000	628,908
10,400,000	250,120
<u>\$ 76,800,000</u>	<u>\$ 76,142,300</u>

Auction Rate Securities
Assumed at 4.01%

Auction Rate Securities
Assumed at 4.81%

Auction Rate Securities
Assumed at 4.81%

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN
SEPTEMBER 30, 2005**

Purpose:	Better Jacksonville Infrastructure Projects		Better Jacksonville Transportation Projects		Total Principal and Interest
	Better Jacksonville Sales Tax Revenue Bonds Series 2004		Transportation Revenue Bonds Series 2004 (Auction Rate Securities)		
Fiscal Year	Principal	Interest	Principal	Interest	
2006	\$ 5,185,000	\$ 8,409,045	\$ -	\$ 2,766,591	\$ 64,473,240
2007	5,290,000	8,302,295	400,000	2,752,771	66,311,495
2008	5,400,000	8,181,395	400,000	2,738,951	66,222,648
2009	5,530,000	8,045,095	2,775,000	2,684,103	68,555,996
2010	5,665,000	7,909,648	2,825,000	2,587,363	65,713,220
2011	5,795,000	7,772,063	2,950,000	2,487,600	65,730,415
2012	5,945,000	7,617,881	3,050,000	2,383,950	74,544,881
2013	6,105,000	7,444,563	3,175,000	2,276,413	65,229,186
2014	6,290,000	7,250,775	3,300,000	2,164,558	65,544,855
2015	6,495,000	7,038,959	3,400,000	2,048,815	70,133,640
2016	6,710,000	6,811,931	3,525,000	1,929,186	70,105,901
2017	6,950,000	6,568,538	3,650,000	1,805,238	71,407,188
2018	7,205,000	6,298,469	3,800,000	1,676,539	71,235,081
2019	7,490,000	6,004,569	3,925,000	1,543,089	71,209,214
2020	7,790,000	5,698,969	4,075,000	1,404,889	71,131,376
2021	8,100,000	5,381,169	4,225,000	1,261,507	71,016,958
2022	8,430,000	5,045,300	4,375,000	1,112,942	70,906,156
2023	8,770,000	4,685,069	4,550,000	958,763	70,810,770
2024	9,145,000	4,304,375	4,700,000	798,969	77,679,696
2025	9,530,000	3,895,619	4,900,000	633,129	77,549,435
2026	9,960,000	3,450,869	5,075,000	460,811	77,381,438
2027	10,425,000	2,979,466	5,300,000	281,583	77,188,628
2028	10,910,000	2,486,094	5,500,000	95,013	76,989,244
2029	11,410,000	1,977,075			77,317,108
2030	11,920,000	1,452,150			77,125,994
2031	26,310,000	591,975			116,419,620
2032					36,113,143
2033					21,325,841
	<u>\$ 218,755,000</u>	<u>\$ 145,603,353</u>	<u>\$ 79,875,000</u>	<u>\$ 38,852,771</u>	<u>\$ 1,955,372,368</u>

Interest Rates: 2.00 - 5.00%

Auction Rate Securities
Assumed at 3.455%



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**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
PAYABLE FROM ENTERPRISE FUNDS
SEPTEMBER 30, 2005**

Purpose	To Refund Parking and Excise Taxes Revenue Refunding Bonds, Series 1987		To Partially Refund Excise Taxes Revenue Bonds, Series 1991A	
	Excise Taxes Revenue Refunding Bonds, Series 1995A		Excise Taxes Revenue Refunding Bonds, Series 1996A	
Fiscal Year	Principal	Interest	Principal	Interest
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>\$ 10,820,000</u>	<u>\$ 1,683,306</u>	<u>\$ 16,075,000</u>	<u>\$ 5,250,213</u>

Interest Rates: 4.50 - 5.125% 4.25 - 5.50%

To Partially Refund Excise Taxes Revenue Bonds, Series 1991B and Construction of Trail Ridge Landfill		To Partially Refund Excise Taxes Revenue Refunding Bonds, Series 1993A		
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B		Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B		Total Principal And Interest
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
\$ 2,055,000	\$ 1,688,753	\$ 974,580	\$ 314,307	\$ 7,826,624
2,145,000	1,592,912	1,195,000	300,925	8,993,919
2,245,000	1,489,990	1,245,000	252,375	10,188,524
2,355,000	1,379,268	1,215,000	210,475	10,109,069
2,465,000	1,260,240	1,195,000	157,375	10,037,100
2,590,000	1,127,390	1,245,000	96,375	6,834,748
2,730,000	981,090	1,305,000	32,625	6,824,465
2,880,000	823,215			5,479,715
3,050,000	652,728			5,476,478
3,220,000	478,100			5,470,475
3,400,000	295,960			5,468,085
3,585,000	100,380			5,448,380
<u>\$ 32,720,000</u>	<u>\$ 11,870,025</u>	<u>\$ 8,374,580</u>	<u>\$ 1,364,457</u>	<u>\$ 88,157,581</u>

4.40 - 5.75%

3.00 - 5.00%

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
PAYABLE FROM GENERAL REVENUE
SEPTEMBER 30, 2005**

Purpose:	HUD Section 108 Program Loan for Coach Distribution Project		HUD Section 108 Program Loan for Sally Beauty Project		HUD Section 108 Program Loan for Hilton Hotel Project		HUD Section 108 Program Loan for LaVilla Project	
	U.S. Government Guaranteed Note Payable, Series 1995		U.S. Government Guaranteed Note Payable, Series 1996		U.S. Government Guaranteed Note Payable, Series 1996-B		U.S. Government Guaranteed Note Payable, Series 1997	
	Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2006	\$ 170,000	\$ 150,484	\$ 70,000	\$ 36,099	\$ 140,000	\$ 157,106	\$ 45,000	\$ 66,927
2007	235,000	145,231	75,000	31,577	160,000	148,062	55,000	64,019
2008	285,000	136,724	75,000	26,709	175,000	137,678	60,000	60,450
2009	335,000	125,324	80,000	21,752	195,000	126,110	60,000	56,484
2010	385,000	110,852	80,000	16,392	215,000	113,046	70,000	52,464
2011	420,000	93,258	80,000	10,968	250,000	98,468	90,000	47,718
2012	455,000	73,140	80,000	5,504	275,000	81,394	100,000	41,571
2013	500,000	50,572			295,000	62,473	110,000	34,691
2014	485,000	25,172			300,000	42,030	125,000	27,068
2015					300,000	21,090	130,000	18,343
2016							130,000	9,204
	<u>\$ 3,270,000</u>	<u>\$ 910,755</u>	<u>\$ 540,000</u>	<u>\$ 149,001</u>	<u>\$ 2,305,000</u>	<u>\$ 987,457</u>	<u>\$ 975,000</u>	<u>\$ 478,939</u>

Interest Rates: 3.09 - 5.19% 6.46 - 6.88% 6.46 - 7.03% 6.46 - 7.08%

 (Taxable) (Taxable) (Taxable) (Taxable)

HUD Section 108 Program Loan for HTV Associates Project		HUD Section 108 Program Loan for Armor Holdings		HUD Section 108 Program Loan for Hampton Inns		Total Principal And Interest
U.S. Government Guaranteed Note Payable, Series 1997		U.S. Government Guaranteed Note Payable, Series 1997		U.S. Government Guaranteed Note Payable, Series 1997		
Principal	Interest	Principal	Interest	Principal	Interest	
\$ 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
\$ 335,000	\$ 75,611	\$ 645,000	\$ 311,390	\$ 450,000	\$ 197,985	\$ 11,631,138

6.46 - 6.78%
(Taxable)

6.46 - 7.08%
(Taxable)

6.46 - 7.03%
(Taxable)

(continued)

**CITY OF JACKSONVILLE, FLORIDA
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
 NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES
 OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN
 SEPTEMBER 30, 2005**

Purpose

**Better Jacksonville
 Infrastructure
 Projects**

Fiscal Year	State Infrastructure Bank Loan, Due 10/1/2014		Total Principal And Interest
	Principal	Interest	
2006	\$ 2,398,825	\$ 46,175	\$ 2,445,000
2007	2,128,691	318,409	2,447,100
2008	2,172,665	275,835	2,448,500
2009	2,211,818	232,382	2,444,200
2010	2,256,155	188,145	2,444,300
2011	2,305,678	143,022	2,448,700
2012	2,350,391	96,909	2,447,300
2013	2,395,299	49,901	2,445,200
2014	99,738	1,995	101,732
	\$ 18,319,261	\$ 1,352,771	\$ 19,672,032

Interest Rates:

2.00%

**CITY OF JACKSONVILLE, FLORIDA
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
 NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES
 OTHER THAN AD VALOREM TAXES - LOAN POOL PROGRAM
 SEPTEMBER 30, 2005**

Purpose **To Fund the
 Loan Pool Program**

<u>Fiscal Year</u>	<u>Commercial Paper</u>		<u>Total Principal And Interest</u>
	<u>Principal</u>	<u>Interest</u>	
2006	\$ 11,713,000	\$ 1,368,002	\$ 13,081,002
2007	11,713,000	1,066,791	12,779,791
2008	11,713,000	765,579	12,478,579
2009	11,713,000	464,368	12,177,368
2010	11,713,000	163,156	11,876,156
	<u>\$ 58,565,000</u>	<u>\$ 3,827,896</u>	<u>\$ 62,392,896</u>

Interest Rates: Variable Rate
 Assumed at 2.57%

CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION
SEPTEMBER 30, 2005

Pledged Revenue for the Fiscal Year Ended September 30

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 67,487,001	\$ 71,688,673	\$ 73,677,299
7th Cent Gasoline Tax:			
7th Cent Gasoline Tax	\$ 3,469,260	\$ 3,585,283	\$ 3,688,755
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	\$ 4,890,098	\$ 5,393,416	\$ 5,659,797
Peoples Gas	904,315	593,671	677,108
Telecommunications Tax (3)	26,267,409	2,165,646	145,230
Communications Services Taxes (3)	-	34,588,391	35,186,308
JEA (2)	43,336,805	42,857,680	45,981,688
Miscellaneous	3,087,032	2,111,122	1,954,161
Total Utilities Service Tax	<u>\$ 78,485,659</u>	<u>\$ 87,709,926</u>	<u>\$ 89,604,292</u>
Fuel Oil Tax	287,443	164,199	162,835
Occupational License Taxes	6,910,069	7,089,446	7,492,991
Total Excise Tax Pledged Revenues	<u>\$ 85,683,171</u>	<u>\$ 94,963,571</u>	<u>\$ 97,260,118</u>
Junior Lien Excise Taxes:			
Total Excise Taxes	<u>\$ 85,683,171</u>	<u>\$ 94,963,571</u>	<u>\$ 97,260,118</u>
Total Junior Lien Excise Tax Revenues	<u>\$ 85,683,171</u>	<u>\$ 94,963,571</u>	<u>\$ 97,260,118</u>
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	\$ 1,012,176	\$ 553,140	\$ 620,741
Southern Bell	3,524,759	1,180,053	-
Cable Television	3,309,345	1,029,768	-
Other Franchise Fees	-	-	304,963
Total Franchise Fees	<u>\$ 7,846,280</u>	<u>\$ 2,762,961</u>	<u>\$ 925,704</u>
Communications Services Taxes (4)	-	6,103,834	6,209,348
Sports Facility Sales Tax Rebate	1,833,292	2,000,004	2,000,004
Convention Development Tax (2%)	3,474,960	3,524,332	3,610,819
Sports Facility Tourist Development Tax (2%)	3,737,587	3,780,078	3,895,264
Total Sports Facility Capital Improvements Pledged Revenues	<u>\$ 16,892,119</u>	<u>\$ 18,171,209</u>	<u>\$ 16,641,139</u>
Infrastructure Improvements (Better Jacksonville Infrastructure):			
Infrastructure Sales Tax (5)	\$ 38,496,315	\$ 55,324,038	\$ 57,970,655
Transportation Improvements (Better Jacksonville Transportation):			
Transportation Sales Tax (1)	\$ 57,496,406	\$ 57,471,472	\$ 60,379,055
Gas Tax (Constitutional Fuel Tax) (1)	8,475,125	8,174,201	8,446,937
Total Transportation Improvements Pledged Revenues	<u>\$ 65,971,531</u>	<u>\$ 65,645,673</u>	<u>\$ 68,825,992</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>2004</u>	<u>2005</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 76,155,237	\$ 81,354,543	\$ 17,399,950	4.68 x	1.35 x
\$ 3,870,166	\$ 4,037,918	\$ 1,145,320	3.53 x	1.50 x
\$ 6,161,879	\$ 6,384,105			
654,224	675,423			
-	-			
34,895,973	36,844,325			
45,740,236	46,851,288			
1,911,435	2,093,148			
<u>\$ 89,363,747</u>	<u>\$ 92,848,289</u>			
107,075	112,633			
7,319,694	8,143,011			
<u>\$ 96,790,516</u>	<u>\$ 101,103,934</u>	\$ 51,681,175	1.96 x	1.40 x
<u>\$ 96,790,516</u>	<u>\$ 101,103,934</u>	\$ 51,681,175	1.96 x	1.25 x
<u>\$ 96,790,516</u>	<u>\$ 101,103,934</u>			
\$ 1,050,527	\$ 1,247,168			
-	-			
-	-			
101,083	28,803			
<u>\$ 1,151,610</u>	<u>\$ 1,275,971</u>			
6,158,113	6,501,940			
2,000,004	2,000,004			
3,846,824	4,799,870			
4,154,654	5,107,721			
<u>\$ 17,311,205</u>	<u>\$ 19,685,506</u>	\$ 11,705,488	1.68 x	1.35 x
\$ 60,132,294	\$ 69,336,706	\$ 41,561,759	1.67 x	1.35 x
\$ 61,649,656	\$ 71,717,115			
8,860,938	9,279,565			
<u>\$ 70,510,594</u>	<u>\$ 80,996,680</u>	\$ 37,352,815	2.17 x	1.35 x

(continued)

CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION (continued)
SEPTEMBER 30, 2005

	Pledged Revenue for the Fiscal Year Ended September 30		
	2001	2002	2003
Guaranteed Entitlement Revenues:			
County Revenue Sharing:			
Cigarette Tax	\$ 596,894	\$ 579,774	\$ 566,791
Intangible Tax (1)	-	-	-
Sales Tax (1)	16,718,361	16,698,273	17,072,235
County Total	<u>\$ 17,315,255</u>	<u>\$ 17,278,047</u>	<u>\$ 17,639,026</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>8.66 x</u>	<u>8.65 x</u>	<u>8.83 x</u>
City Revenue Sharing:			
Cigarette Tax (2)	\$ -	\$ -	\$ -
Sales and Use Tax (2)	10,404,649	10,663,344	11,091,977
City Total	<u>\$ 10,404,649</u>	<u>\$ 10,663,344</u>	<u>\$ 11,091,977</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>1.79 x</u>	<u>1.83 x</u>	<u>1.91 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)	\$ -	\$ -	\$ -
Cigarette Tax	11,149,461	11,229,107	11,046,778
Sales Tax (1)	306,361,416	309,765,152	318,054,685
Total Receipts	<u>\$ 317,510,877</u>	<u>\$ 320,994,259</u>	<u>\$ 329,101,463</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>3.34 x</u>	<u>3.38 x</u>	<u>3.47 x</u>
State Revenue Sharing - Municipalities:			
Cigarette Tax	\$ -	\$ -	\$ -
8th Cent Motor Fuel Tax	80,474,387	82,184,764	84,519,288
Special Tax and Alternative Fuel User Decal Fee	1,060,517	953,804	1,135,259
Sales and Use Tax (2)	145,896,115	147,517,049	151,462,709
Total Receipts	<u>\$ 227,431,019</u>	<u>\$ 230,655,617</u>	<u>\$ 237,117,256</u>
Guaranteed Entitlement for all Florida	<u>\$ 112,304,159</u>	<u>\$ 117,046,851</u>	<u>\$ 113,749,426</u>
Average Coverage - All Florida Municipalities	<u>2.03 x</u>	<u>1.97 x</u>	<u>2.09 x</u>
JEA Contribution:			
JEA Contribution - Electric Services	\$ 62,589,668	\$ 65,489,557	\$ 67,039,278
JEA Contribution - Water and Sewer	11,048,610	11,116,676	11,456,781
Total JEA Contribution	<u>\$ 73,638,278</u>	<u>\$ 76,606,233</u>	<u>\$ 78,496,059</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>2004</u>	<u>2005</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 723,084	\$ 639,046			
-	-			
18,666,179	19,453,717			
<u>\$ 19,389,263</u>	<u>\$ 20,092,763</u>			
\$ 1,999,042	\$ 1,999,042			
<u>9.70 x</u>	<u>10.05 x</u>			
\$ -	\$ -			
13,421,241	19,234,478			
<u>\$ 13,421,241</u>	<u>\$ 19,234,478</u>			
\$ 5,826,077	\$ 5,826,077			
<u>2.30 x</u>	<u>3.30 x</u>			
<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	\$ 7,452,100	1.05 x	1.05 x
\$ -	\$ -			
11,118,432	11,707,985			
346,145,856	354,704,849			
<u>\$ 357,264,288</u>	<u>\$ 361,259,883</u>			
\$ 95,086,330	\$ 95,086,330			
<u>3.76 x</u>	<u>3.80 x</u>			
\$ -	\$ -			
88,531,815	92,375,629			
1,393,234	1,240,339			
164,842,349	234,068,559			
<u>\$ 254,767,398</u>	<u>\$ 327,721,435</u>			
\$ 114,793,146	\$ 117,644,655			
<u>2.22 x</u>	<u>2.79 x</u>			
\$ 70,039,278	\$ 68,676,624			
13,148,260	17,260,920			
<u>\$ 83,187,538</u>	<u>\$ 85,937,544</u>	\$ 13,922,886	6.17 x	8.26 x

(continued)

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF SELF-INSURANCE FUND
TEN YEAR CLAIMS DEVELOPMENT INFORMATION (in thousands)
WORKERS COMPENSATION

	For the Year Ended September 30				
	1996	1997	1998	1999	2000
Revenue	\$ 17,544	\$ 20,287	\$ 19,262	\$ 15,584	\$ 17,257
Interest Revenue	3,562	4,380	4,684	2,802	3,491
Total Revenue	<u>\$ 21,106</u>	<u>\$ 24,667</u>	<u>\$ 23,946</u>	<u>\$ 18,386</u>	<u>\$ 20,748</u>
Unallocated Expenses	<u>\$ 3,232</u>	<u>\$ 1,725</u>	<u>\$ 3,997</u>	<u>\$ 3,207</u>	<u>\$ 3,413</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 13,290</u>	<u>\$ 11,520</u>	<u>\$ 10,630</u>	<u>\$ 10,200</u>	<u>\$ 9,574</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 1,350	\$ 1,529	\$ 1,414	\$ 1,434	\$ 1,795
One Year Later	2,825	2,900	2,448	2,603	3,199
Two Years Later	3,775	4,247	2,843	3,251	4,074
Three Years Later	4,040	4,760	3,461	3,549	4,515
Four Years Later	4,388	5,326	3,832	4,037	4,988
Five Years Later	4,772	5,528	4,206	4,295	5,246
Six Years Later	5,409	5,848	4,479	4,642	
Seven Years Later	5,833	6,375	4,844		
Eight Years Later	6,166	6,657			
Nine Years Later	6,549				
Reestimated incurred Claims and Expense:					
End of Policy Year	\$ 13,290	\$ 11,520	\$ 10,630	\$ 10,200	\$ 9,574
One Year Later	11,335	10,400	9,330	7,607	9,153
Two Years Later	10,200	10,335	7,043	7,102	8,123
Three Years Later	8,955	8,763	6,499	6,547	7,743
Four Years Later	7,748	9,034	6,245	6,571	7,673
Five Years Later	8,503	7,976	6,341	6,712	7,358
Six Years Later	8,873	7,729	6,336	6,949	
Seven Years Later	8,609	8,152	6,757		
Eight Years Later	8,346	7,635			
Nine Years Later	9,015				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (4,275)</u>	<u>\$ (3,885)</u>	<u>\$ (3,873)</u>	<u>\$ (3,251)</u>	<u>\$ (2,216)</u>
Available Funding	\$ 21,106	\$ 24,667	\$ 23,946	\$ 18,386	\$ 20,748
Current Reestimated Incurred Claims and Expense	<u>(9,015)</u>	<u>(7,635)</u>	<u>(6,757)</u>	<u>(6,949)</u>	<u>(7,358)</u>
Excess (Deficit) Funding	<u>\$ 12,091</u>	<u>\$ 17,032</u>	<u>\$ 17,189</u>	<u>\$ 11,437</u>	<u>\$ 13,390</u>

For the Year Ended September 30

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 15,561	\$ 17,264	\$ 14,714	\$ 17,329	\$ 21,160
2,725	2,854	1,349	1,437	1,782
<u>\$ 18,286</u>	<u>\$ 20,118</u>	<u>\$ 16,063</u>	<u>\$ 18,766</u>	<u>\$ 22,942</u>
<u>\$ 3,616</u>	<u>\$ 4,079</u>	<u>\$ 4,094</u>	<u>\$ 4,411</u>	<u>\$ 4,389</u>
<u>\$ 10,882</u>	<u>\$ 11,180</u>	<u>\$ 11,725</u>	<u>\$ 10,766</u>	<u>\$ 12,824</u>
\$ 2,122	\$ 2,756	\$ 2,938	\$ 2,335	\$ 3,186
4,455	5,568	5,644	3,945	
5,649	7,028	7,122		
6,697	8,039			
7,666				
\$ 10,882	\$ 11,180	\$ 11,725	\$ 10,766	\$ 12,824
10,685	11,668	13,459	9,701	
11,075	12,356	13,162		
11,707	11,988			
11,824				
<u>\$ 942</u>	<u>\$ 808</u>	<u>\$ 1,437</u>	<u>\$ (1,065)</u>	<u>\$ 0</u>
\$ 18,286	\$ 20,118	\$ 16,063	\$ 18,766	\$ 22,942
(11,824)	(11,988)	(13,162)	(9,701)	(12,824)
<u>\$ 6,462</u>	<u>\$ 8,130</u>	<u>\$ 2,901</u>	<u>\$ 9,065</u>	<u>\$ 10,118</u>

**Total Excess (Deficit) Funding of Reestimated
Incurred Claims - 10 Years Shown.**

\$ 107,816

continued

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF SELF-INSURANCE FUND
TEN YEAR CLAIMS DEVELOPMENT INFORMATION (in thousands)
GENERAL LIABILITY

	For the Year Ended September 30				
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Revenue	\$ 6,295	\$ 6,783	\$ 6,664	\$ 6,448	\$ 6,907
Interest Revenue	906	1,030	1,228	874	1,122
Total Revenue	<u>\$ 7,201</u>	<u>\$ 7,813</u>	<u>\$ 7,892</u>	<u>\$ 7,322</u>	<u>\$ 8,029</u>
Unallocated Expenses	<u>\$ 882</u>	<u>\$ 965</u>	<u>\$ 860</u>	<u>\$ 1,220</u>	<u>\$ 1,169</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 4,205</u>	<u>\$ 3,379</u>	<u>\$ 3,504</u>	<u>\$ 3,117</u>	<u>\$ 3,079</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 683	\$ 581	\$ 665	\$ 625	\$ 683
One Year Later	1,065	1,011	980	868	928
Two Years Later	1,754	1,950	1,134	1,662	1,613
Three Years Later	2,031	1,987	2,005	2,372	2,152
Four Years Later	1,940	2,305	2,266	2,489	2,561
Five Years Later	1,993	2,391	2,384	2,576	2,808
Six Years Later	2,103	2,449	2,642	2,620	
Seven Years Later	2,104	2,476	2,726		
Eight Years Later	2,104	2,530			
Nine Years Later	2,114				
Reestimated incurred Claims and Expense:					
End of Policy Year	\$ 4,205	\$ 3,379	\$ 3,504	\$ 3,117	\$ 3,079
One Year Later	3,688	2,664	2,968	2,751	2,690
Two Years Later	2,967	2,699	2,713	3,094	2,768
Three Years Later	2,869	2,640	2,770	2,945	3,146
Four Years Later	2,341	2,514	2,780	2,881	3,263
Five Years Later	2,330	2,531	2,735	2,816	3,058
Six Years Later	2,316	2,501	2,811	2,865	
Seven Years Later	2,312	2,509	2,733		
Eight Years Later	2,115	2,541			
Nine Years Later	2,114				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (2,091)</u>	<u>\$ (838)</u>	<u>\$ (771)</u>	<u>\$ (252)</u>	<u>\$ (21)</u>
Available Funding	\$ 7,201	\$ 7,813	\$ 7,892	\$ 7,322	\$ 8,029
Current Reestimated Incurred Claims and Expense	<u>(2,114)</u>	<u>(2,541)</u>	<u>(2,733)</u>	<u>(2,865)</u>	<u>(3,058)</u>
Excess (Deficit) Funding	<u>\$ 5,087</u>	<u>\$ 5,272</u>	<u>\$ 5,159</u>	<u>\$ 4,457</u>	<u>\$ 4,971</u>

For the Year Ended September 30

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 7,413	\$ 7,600	\$ 7,320	\$ 8,713	\$ 8,535
933	1,025	547	592	601
<u>\$ 8,346</u>	<u>\$ 8,625</u>	<u>\$ 7,867</u>	<u>\$ 9,305</u>	<u>\$ 9,136</u>
<u>\$ 1,567</u>	<u>\$ 1,549</u>	<u>\$ 1,461</u>	<u>\$ 1,422</u>	<u>\$ 1,562</u>
<u>\$ 4,096</u>	<u>\$ 3,619</u>	<u>\$ 2,989</u>	<u>\$ 3,587</u>	<u>\$ 5,186</u>
\$ 968	\$ 984	\$ 720	\$ 737	\$ 1,166
1,359	1,249	956	1,318	
1,943	1,672	1,808		
2,394	2,306			
3,145				
\$ 4,096	\$ 3,619	\$ 2,989	\$ 3,587	\$ 5,186
3,337	3,055	2,826	3,568	
3,414	2,912	3,128		
3,466	3,100			
3,388				
<u>\$ (709)</u>	<u>\$ (519)</u>	<u>\$ 139</u>	<u>\$ (19)</u>	<u>\$ 0</u>
\$ 8,346	\$ 8,625	\$ 7,867	\$ 9,305	\$ 9,136
(3,388)	(3,100)	(3,128)	(3,568)	(5,186)
<u>\$ 4,958</u>	<u>\$ 5,525</u>	<u>\$ 4,739</u>	<u>\$ 5,737</u>	<u>\$ 3,950</u>

**Total Excess (Deficit) Funding of Reestimated
Incurred Claims - 10 Years Shown.**

\$ 49,855

continued



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STATISTICAL SECTION

The Statistical Section presents comparative data for the past ten years, and other pertinent information involving taxes, revenues, expenditures, demographic data and other miscellaneous statistics.

The statistical data is presented to give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit. Economic data is presented to allow a broader understanding of the economic and social environment in which City government operates.

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

	<u>2005</u>	<u>%</u>	<u>2004</u>	<u>%</u>	<u>2003</u>	<u>%</u>	<u>2002</u>	<u>%</u>
SOURCE								
Taxes.....	\$ 649,091	52.40	\$ 602,606	52.41	\$ 581,289	53.85	\$ 558,090	54.32
Licenses and Permits.....	9,045	0.73	8,524	0.74	8,473	0.78	10,238	1.00
Intergovernmental.....	302,213	24.40	297,639	25.89	264,146	24.47	327,358	31.87
Charges for Services.....	121,036	9.77	85,789	7.46	84,424	7.82	74,309	7.23
Fines and Forfeitures.....	6,192	0.50	10,771	0.94	11,218	1.04	10,946	1.07
Payment in Lieu of Taxes.....	85,938	6.94	83,188	7.24	81,376	7.54	2,984	0.29
Interest.....	21,676	1.75	34,489	3.00	20,404	1.89	23,118	2.25
Other.....	<u>43,609</u>	<u>3.52</u>	<u>26,771</u>	<u>2.33</u>	<u>28,109</u>	<u>2.60</u>	<u>20,275</u>	<u>1.97</u>
Total General Governmental Revenue.....	<u>\$ 1,238,800</u>	<u>100.00</u>	<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>

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

<u>2001</u>	<u>%</u>	<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>
\$ 507,253	58.63	\$ 464,004	57.31	\$ 425,912	58.28	\$ 406,372	57.60	\$ 378,665	56.87	\$ 370,590	59.11
14,806	1.71	13,970	1.73	13,194	1.81	13,028	1.85	12,499	1.88	12,129	1.93
210,053	24.28	202,150	24.97	182,543	24.98	166,477	23.60	149,095	22.39	148,789	23.74
68,394	7.91	62,302	7.70	55,275	7.56	57,652	8.17	55,209	8.29	51,192	8.17
10,415	1.20	9,938	1.22	8,948	1.21	9,914	1.40	7,485	1.12	6,521	1.04
3,344	0.39	3,583	0.44	3,799	0.52	3,904	0.55	4,027	0.60	4,275	0.68
29,496	3.41	29,864	3.69	22,373	3.06	22,055	3.13	18,900	2.84	19,217	3.07
<u>21,361</u>	<u>2.47</u>	<u>23,790</u>	<u>2.94</u>	<u>18,820</u>	<u>2.58</u>	<u>26,068</u>	<u>3.70</u>	<u>39,992</u>	<u>6.01</u>	<u>14,161</u>	<u>2.26</u>
<u>\$ 865,122</u>	<u>100.00</u>	<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>

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

	<u>2005</u>	<u>%</u>	<u>2004</u>	<u>%</u>	<u>2003</u>	<u>%</u>	<u>2002</u>	<u>%</u>
FUNCTIONAL AREA								
General Government.....	\$ 139,092	10.36	\$ 117,428	8.75	\$ 109,494	7.41	\$ 102,169	8.81
Human Services.....	107,104	7.74	100,212	7.47	99,206	6.72	94,375	8.14
Public Safety.....	412,054	29.77	358,964	26.75	341,473	23.12	327,634	28.27
Culture and Recreation.....	78,066	5.64	78,392	5.84	59,538	4.03	49,592	4.28
Transportation.....	141,195	10.20	130,473	9.72	118,073	8.00	128,928	11.12
Economic Environment.....	78,323	5.66	68,675	5.12	74,242	5.03	78,241	6.75
Physical Environment.....	21,215	1.53	19,271	1.44	18,435	1.25	25,608	2.21
Debt Service.....	148,167	10.70	130,631	9.73	98,590	6.68	93,050	8.03
Capital Outlay.....	<u>259,078</u>	<u>18.72</u>	<u>337,896</u>	<u>25.18</u>	<u>557,727</u>	<u>37.77</u>	<u>259,486</u>	<u>22.39</u>
Total General Governmental Expenditures...	<u>\$ 1,384,294</u>	<u>100.00</u>	<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>

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

<u>2001</u>	<u>%</u>	<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>
\$ 100,232	10.59	\$ 92,281	11.03	\$ 85,213	11.07	\$ 85,213	11.51	\$ 75,064	9.37	\$ 69,054	9.45
90,601	9.57	81,451	9.73	75,358	9.79	71,290	9.63	63,071	7.88	59,991	8.21
311,732	32.93	298,131	35.61	276,361	35.88	267,017	36.04	257,565	32.17	243,139	33.26
44,018	4.65	40,725	4.87	38,350	4.98	36,202	4.89	36,413	4.55	33,854	4.63
110,765	11.70	119,741	14.31	110,019	14.29	106,854	14.43	106,943	13.36	103,606	14.17
57,411	6.06	43,296	5.17	44,555	5.79	40,663	5.49	43,215	5.40	39,899	5.46
21,346	2.25	15,352	1.83	13,891	1.80	11,812	1.60	15,220	1.90	15,937	2.18
73,670	7.78	70,451	8.42	64,443	8.37	59,147	7.99	104,298	13.03	58,145	7.95
<u>136,910</u>	<u>14.46</u>	<u>75,548</u>	<u>9.03</u>	<u>61,826</u>	<u>8.03</u>	<u>62,330</u>	<u>8.42</u>	<u>98,830</u>	<u>12.34</u>	<u>107,370</u>	<u>14.69</u>
<u>\$ 946,685</u>	<u>100.00</u>	<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>

Unaudited - see accompanying independent auditors' report.

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Ad Valorem Taxes (1)				
General Services District.....	\$ 360,767,658	\$ 338,758,481	\$ 322,926,509	\$ 310,460,077
Urban Services District.....	-	-	-	-
Tax Increment District.....	<u>4,687,775</u>	<u>5,112,267</u>	<u>4,460,821</u>	<u>2,090,966</u>
Total Ad Valorem Taxes.....	<u>365,455,433</u>	<u>343,870,748</u>	<u>327,387,330</u>	<u>312,551,043</u>
Utility Service Taxes				
Fuel Oil Companies.....	112,633	107,075	162,639	164,199
City Water.....	6,384,105	6,161,879	5,659,797	5,393,416
People's Gas.....	675,423	654,224	677,108	593,671
Telecommunications.....	43,346,265	41,054,086	41,540,886	42,857,871
JEA.....	46,851,288	45,740,236	45,981,688	42,857,680
Others.....	<u>2,093,148</u>	<u>1,911,435</u>	<u>1,954,161</u>	<u>2,111,122</u>
Total Utility Service Taxes.....	99,462,862	95,628,935	95,976,279	93,977,959
Tourist Development Tax.....	10,215,442	8,308,635	7,790,503	7,559,593
Convention Development Tax.....	4,799,870	3,846,824	3,610,819	3,524,332
Local Option Gas Tax (2).....	28,103,441	29,169,856	28,174,024	27,681,053
Local Option Sales Tax - Transportation (3).....	71,717,115	61,649,656	60,379,055	57,471,472
Local Option Sales Tax - Infrastructure (4).....	<u>69,336,706</u>	<u>60,132,294</u>	<u>57,970,655</u>	<u>55,324,038</u>
Total Tax Revenue.....	<u>\$ 649,090,869</u>	<u>\$ 602,606,948</u>	<u>\$ 581,288,665</u>	<u>\$ 558,089,490</u>

- (1) Property taxes include interest and penalties on delinquent taxes.
- (2) A six cent local option gas tax was instituted in 1987 to fund capital road construction projects throughout Duval County.
- (3) A one-half cent local option sales tax was passed by Jacksonville voters in 1989 to replace bridge tolls. All revenue received from this tax is remitted directly to the Jacksonville Transportation Authority (a component unit of the primary government) to fund Duval County transportation operations.
- (4) A one-half cent sales tax was passed by Jacksonville voters in September, 2000 to fund the Better Jacksonville Plan.

Source: Tax Collector's Office

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$ 293,080,537	\$ 278,501,775	\$ 266,765,762	\$ 255,789,300	\$ 231,645,388	\$ 225,044,088
-	-	24,024	1,887,009	1,735,471	1,794,848
<u>6,251,919</u>	<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>299,332,456</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>
287,443	245,233	232,255	237,661	212,660	366,168
4,890,098	4,878,361	4,633,183	4,408,512	4,136,209	3,833,754
904,315	1,068,503	1,120,391	1,135,414	1,091,841	1,390,202
26,267,409	23,894,566	23,013,614	19,370,288	17,387,934	16,689,932
39,815,943	44,486,956	36,255,365	36,068,367	37,217,093	39,975,747
<u>3,087,032</u>	<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>
75,252,240	77,107,967	68,018,930	64,437,915	63,229,619	65,585,279
7,477,106	6,729,490	6,570,683	6,189,018	5,478,886	4,853,878
3,474,960	3,134,146	3,058,553	2,883,981	2,542,967	2,253,466
25,723,304	27,408,778	24,055,882	22,948,341	24,228,183	22,508,967
57,496,406	66,858,197	51,976,595	48,240,640	45,235,670	44,193,979
<u>38,496,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 507,252,787</u>	<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>

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>
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%
2005	General Fund - General Services District	\$ 367,688,578	\$ 353,334,061	96.1%
	General Fund - Urban Services District (2)	<u>-</u>	<u>-</u>	0.0%
	Totals	\$ 367,688,578	\$ 353,334,061	

(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>
\$ 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 %
\$ 12,353,630	\$ 365,687,691	99.5%	\$ 16,619,910	4.5 %
<u>\$ 1,583</u>	<u>\$ 1,583</u>	0.0%	<u>-</u>	0.0 %
\$ 12,355,213	\$ 365,689,273		\$ 16,619,910	4.5 %

Unaudited - see accompanying independent auditors' report.

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>			
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%
2005	40,684,503	4,790,934	148,554	45,623,991	68,661,525	66.45%

- (1) Prior to fiscal year 1981, State Homestead Exemption Laws exempted from taxation the first \$5,000 of assessed value of 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 of property subject to taxation, as defined by Section 193.011 of Florida Statutes.

Source: Property Appraiser's Office

Unaudited - see accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (Per \$1,000 of Assessed Value)

Year	City of Jacksonville				Other Taxing Authorities			Combined Millage Total
	District (Note 1)	Operations	Debt Service	Total	Schools	Water Management District	FIND (Note 3)	
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
2005	GSD (4)	9.6500	0.0000	9.6500	8.4250	0.4620	0.0385	18.5755

(1) The GSD (General Services District) millage rate is a county-wide rate which applies to most taxpayers in the City of Jacksonville, Due to the existence of six other taxing districts, a total of seven combined millage rates apply to taxpayers in 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
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
2005	840,474	45,623,990,950	-	-	-	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, 2005**

<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	88,546,491	100%	<u>88,546,491</u>
			<u>\$ 88,546,491</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, 2005**

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>		
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%
2005	-	-	-	1,384,294	0.00%

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

Unaudited - see accompanying independent auditors' report.



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**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>
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
2005	5,632,000	3,917,000	1,715,000

- (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.

Debt Service Requirements			Coverage (3)
Principal	Interest	Totals	
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
4,310,000	3,504,083	7,814,083	0.22

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)		Additions/ Alterations (1)	Bank Deposits (2)	Real Property (3)		
	Residential	Commercial			Commercial	Residential	Nontaxable
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
2005	1,909,429	432,979	1,311,678	20,352,368	14,406,678,855	40,299,325,141	5,212,968,040

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, 2005**

POPULATION

<u>Year</u>	<u>JACKSONVILLE</u>	<u>DUVAL COUNTY</u>
1910	57,699	75,163
1920	92,588	113,540
1930	129,549	155,503
1940	173,065	210,143
1950	204,517	304,029
1960	201,030	455,411
1970	504,265 (1)	528,865
1980	540,920 (1)	571,003
1990	635,230 (1)	672,971
1995	690,996 (1)	732,034
2000	747,270 (1)(2)	791,507 (2)
2001	750,513 (1)(2)	793,898 (2)
2002	762,369 (1)(2)	807,012 (2)
2003	782,064 (1)(2)	826,951 (2)
2004	792,260 (1)(2)	837,037 (2)
2005	817,210 (1)(2)	840,474 (2)

(1) After Consolidation
 (2) As of April 1

POPULATION PROJECTIONS (3)

<u>YEAR</u>	<u>DUVAL COUNTY</u>	<u>STATE OF FLORIDA</u>
2005	859,361	17,516,732
2010	910,562	18,338,200
2015	962,943	19,390,300
2020	1,013,469	20,457,100
2025	1,059,293	21,490,000
2030	1,098,897	22,436,900

(3) Five year projections estimated from 2003

POPULATION DISTRIBUTION BY AGE*

<u>AGE</u>	<u>DUVAL COUNTY</u>	<u>STATE OF FLORIDA</u>
0-04	7.25%	5.94%
5-17	18.27%	16.54%
18-34	24.50%	21.07%
35-54	29.93%	28.23%
55-64	9.32%	10.80%
65+	10.73%	17.42%

*April 1, 2003 Estimates

Source: University of Florida, Bureau of Economic and Business Research
 City of Jacksonville, Planning and Development Department

**CITY OF JACKSONVILLE, FLORIDA
TEN LARGEST TAXPAYERS
SEPTEMBER 30, 2005**

Taxpayer	Type of Business	Valuation	Percentage
Bell South/Jacksonville MSA Limited.....	Communications	\$ 391,409,715	0.86%
Anheuser-Busch/Metal Container Corp.....	Manufacturing	294,771,519	0.65%
Flagler Development Company.....	Real Estate Mngmt/Development	213,906,010	0.47%
Vistakon/Johnson & Johnson Vision.....	Manufacturing	200,328,816	0.44%
Blue Cross & Blue Shield.....	Insurance	198,293,871	0.43%
Liberty Property Limited Partnership.....	Real Estate Mngmt/Development	184,991,932	0.41%
Cedar Bay Generating Co.....	Utilities	164,279,314	0.36%
First States Investors.....	Investment/Banking	142,788,636	0.31%
Wal-Mart Properties/Stores.....	Retail	140,418,952	0.31%
Winn Dixie Stores/ZSF WD Jacksonville.....	Retail	135,345,849	0.30%
Total Taxable Assessed Value of 10 Largest Taxpayers		2,066,534,614	4.53%
Total Taxable Assessed Value of Other Taxpayers		43,570,769,386	95.47%
Total Taxable Assessed Value of All Taxpayers		\$ 45,637,304,000	100.00%

Source: Property Appraiser's Office

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 MISCELLANEOUS STATISTICAL DATA
 SEPTEMBER 30, 2005**

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:	3,489.1
Streets - Paved	3,485.0
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	51
Marine Based Stations	2
Employees - Full-time	1289
Employees - Volunteers	19
Fire Rescue:	
Rescue units in Fire Stations	30
Police Protection:	
Employees - Appointed	89
Employees - Civilian	440
Employees - Corrections	626
Employees - Police	1,545
Vehicular Patrol Units - Patrol Cars	1,418
Motorcycles	16
Other Vehicles	222
Unmarked	255
Horse Patrol	6
Electric Utility Customers	397,149
Water Utility Customers	286,407
Sewer Utility Customers	213,563
Recreation:	
Acreage of parks and open spaces	10,352
Basketball courts	151
Boat ramps	29
Community Centers	53
Softball and baseball diamonds	277
Swimming pools	35
Tennis Courts	158
Soccer Fields	76

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Major Governmental Funds	General Fund	
	General Services District	011
	Mosquito Control State I	012
	Urban Service District	014
	Property Appraiser	015
	Clerk of the Court	016
	Tax Collector	017
	Debt Service Funds	
	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

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Major Governmental Funds (continued) Debt Service Funds(continued)		
	Special Bonded Debt Obligations Funds(continued)	
	Sunshine State S/F	231
	Capital Improvement 2002A Reserve Account	271
	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
	Capital Projects Funds	
	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

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Major Governmental Funds (continued) Capital Projects Funds (continued)		
	Bond Projects Fund(continued)	
	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
	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
Major Enterprise Funds	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

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds	Special Revenue Funds	
	Concurrence Management	
	Concurrence Management System	112
	Concurrence Management Traffic Data	113
	Fair Share Sector Areas Transportation Improvement	114
	Gate Parkway Extension	115
	Fair Share Specific Projects	116
	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

CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)		
	General Government Fund (Budgeted) (continued)	
	Victim Assistance Services	15E
	Tree Protection & Related Expense	15F
	Veterinary Services	15G
	Environmental Protection	15H
	Tax Collector / JEA Modernization	15I
	Court Capital Improvement	15J
	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
	Court Cost, Courthouse Trust Fund	15T
	Recording Fees Technology	15U
	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

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)		
	Maintenance, Parks and Recreation Fund(continued)	
	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
	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
	Rehabilitation Loan Program	1N8
	Hope Program	1N9
	Housing UDAG	1NA
	Rental Rehabilitation	1NB
	State Housing Initiative Partnership	1N7
	General Government Fund (Non-Budgeted)	
	Animal Care and Control Programs	1H2
	Legal Aid Program	1H3
	Senior Services	1H4

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)		
	General Government Fund (Non-Budgeted) (continued)	
	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
	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-app)	64F
	General Trust & Agency (Carryforward/Self-app)	64G
	General Trust & Agency (Lapse/Council-app)	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
	Sheriff's Trusts (Carryforward/Self-appropriated)	64Q
	Golf Club of Jacksonville Trust Fund	64R
	Sheriff's Trusts (Carryforward/Self-appropriated)	64S
	Unclaimed Checks	662
	Tax Deed Sale - Surplus	663
	Outstanding Checks - Treasury	664
	Duplicate Checks- Treasury	666
	Unclaimed Refunds	66Y
	Execution Funds 5 Year	66Z

CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds (continued)		
	Court Systems Use Only	
	Public Records Modernization	1H1
	CSE Trust Fund	1P2
	Administration	811
	Systems Management	812
	Jury and Witness	813
	Circuit Courts - Criminal	821
	Circuit Courts - Civil	822
	Circuit Courts - Family	823
	Circuit Courts - Juvenile	824
	Circuit Courts - Probate	825
	County Court - Criminal	831
	County Court - Civil	832
	County Court - Traffic	833
	Debt Service Funds	
	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 - Southside Harbor	235
	HUD 108 Loan S/F - Hilton Hotel	236
	HUD 108 Loan S/F - Sally Beauty	237
	HUD 108 Loan S/F - LaVilla	238
	HUD 108 Loan S/F - HTV Associates	239
	HUD 108 Loan S/F - Jax Landing	23A
	HUD 108 Loan S/F - American Body Armor	23B
	HUD 108 Loan S/F - Hampton Inn	23C
	Capital Projects Funds	
	Grant Capital Improvements Projects Fund	331
	River City Renaissance Bond Construction Project Fund	
	River City Renaissance Bond Construction	341
	2001 Sales Tax Refunding	342
	Permanent Fund	
	Cemetary Maintenance Trust	652

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Enterprise Funds	Sports Complex, Convention Center and Auditorium Fund	
	Sports Complex	421
	Convention Center and Auditorium	422
	SMG-Jacksonville	423
	Alltel Stadium	424
	Equestrian Center	425
	Motor Vehicle Inspection Fund	431
	Mayport Ferry	451
Internal Service Funds	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
	Group Health Fund	571
	Insured Programs Fund	581
	Internal Loan Pool	591
	Fiduciary Funds	Pension Trust Funds
General Employees Pension		
General Employees		611
General EE Post Retirement Trust		612
Correctional Officers Pension Trust		613
Police and Fire Pension		
Police and Fire		621
Police & Fire Post Retirement Trust		622

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2005**

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS	
Fiduciary Funds (continued)	Private Purpose Trust Funds		
	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	
	Agency Funds		
	Treasurer Agency Fund	661	
	Plat Deposits	665	
	Tax Collector Agency Fund	671	
	Clerk of the Circuit Court Agency Fund	681	
	Florida Retirement System	6A1	
	Duval Co School Readiness Coalition, Inc	6B1	
	Discretely Presented Component Units	Jacksonville Housing Finance Authority	
		Jacksonville Housing Finance Commission	1N2
		Housing Tax Credit MF Rental	1N3
Duval County Housing Finance Authority			
Jax Housing Finance Auth Loan Trust FD		723	
Jacksonville Economic Development Commission			
Jacksonville Economic Development Commission		751	
Sports Development Events		752	
Jacksonville Film & Television Office Trust		753	
International Marketing Trust		754	
SS Redevelopment Trust Parks and Recreation		755	
Greenleaf/Jacobs Clock Restoration		756	
JEDC Prepaid Grants		757	
JEDC Miscellaneous Federal/State/Local Grants		758	
JEDC Cecil Field Trust		759	
Downtown Historic Preservation & Revitalization	75A		
Downtown Economic Development Fund	75B		
Jacksonville Game Trust Fund	760		



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