

# CITY OF JACKSONVILLE, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007



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, 2007**

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introductory

**section**



**LETTER OF TRANSMITTAL**



OFFICE OF THE MAYOR

John Peyton, Mayor

March 20, 2008

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 2006/2007.

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, which appears to read "John Peyton".

John Peyton  
Mayor





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March 20, 2008

The Honorable Mayor John Peyton  
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, 2007 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. Disclosures 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 897,974 living within an area of 840.1 square miles. Within Duval County there are four separate municipalities (the Cities of Jacksonville Beach, Neptune Beach and Atlantic Beach and the Town of Baldwin) which represent a population of 45,147 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 1,295,869. 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 intracoastal 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 trends.

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.

	ACTUAL/ESTIMATES AND AVERAGE % GROWTH ANNUAL AND THREE, FIVE AND TEN YEAR PERSPECTIVES							Average % Growth		
	2007	2006	2005	2004	2003	2002	1997	Last 3	Last 5	Last 10
Population (in thousands)										
City/County	898.0	891.2	859.4	837.0	827.9	807.9	754.0	2.4%	2.1%	1.9%
MSA	1,295.9	1,272.7	1,224.7	1,204.6	1,170.8	1,134.8	1,120.1	2.5%	2.7%	1.6%
Assessed Value (in billions)										
City/County	61.4	52.7	45.6	40.7	37.6	35.1	24.6	17.0%	15.8%	15.0%
MSA	106.0	91.9	77.0	66.8	60.8	55.7	35.9	19.6%	18.6%	19.5%
Dollar Value of Building Permits (in millions)										
City/County	1,948	2,380	3,654	2,147	1,971	1,797	1,427	N/A	N/A	N/A
MSA	3,359	4,484	6,294	4,080	3,641	3,061	2,162	N/A	N/A	N/A
Building Permits (in thousands of Units)										
City/County	60.5	95.2	104.7	94.0	89.1	42.9	90.2	N/A	N/A	N/A
MSA	86.0	130.5	146.6	127.2	119.4	69.0	109.4	N/A	N/A	N/A
Employment MSA (in thousands)										
Selected Segments:										
Mfg & Constr.	86.0	86.5	102.6	97.4	91.6	88.1	68.2	-3.9%	-1.5%	2.6%
Wholesale & Retail	142.8	139.1	127.6	125.1	122.7	120.4	118.7	4.7%	4.1%	2.0%
Service	315.0	303.2	260.0	259.2	252.9	257.5	237.3	7.2%	6.1%	3.3%
Government	78.6	79.0	73.9	72.7	71.6	70.5	68.3	2.7%	2.4%	1.5%
Other	28.0	28.0	27.5	26.6	25.7	24.9	21.6	1.8%	2.3%	3.0%
Total	<u>650.5</u>	<u>635.8</u>	<u>591.6</u>	<u>581.0</u>	<u>564.5</u>	<u>561.4</u>	<u>514.1</u>	4.0%	3.8%	2.7%
Retail Sales in MSA (in billions)	28.5	23.1	16.9	15.5	14.5	14.6	N/A	28.0%	24.1%	N/A
Chamber/Job Recruitment										
New Jobs (1)	7,235	10,166	10,572	9,674	8,035	10,165	N/A	N/A	N/A	N/A
Corporate (2)	2,026	4,449	3,761	4,177	3,273	3,415	N/A	N/A	N/A	N/A
Port (JPA) Activity										
Cruise Passengers (in thousands)	80.0	78.0	86.0	50.0	0.0	0.0	0.0	N/A	N/A	N/A
Tons of Freight (in millions)	8.3	8.7	8.4	7.7	7.3	7.1	6.9	2.6%	3.4%	2.0%
Airport (JAA) Activity										
Passengers (in millions)	6.3	5.9	5.7	5.1	4.9	4.8	4.1	7.8%	7.1%	5.4%
Tons of Airfreight (in thousands)	83.2	86.8	85.1	83.2	76.2	74.5	59.7	0.0%	2.3%	3.9%

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

(2) New jobs - high wage

### **Limitation on Flexibility-State View**

The State of Florida is the fourth largest state with over 18.7 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, was attempting, through the 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 million in vertical construction and other improvements. The program proposed to (a) use excess capacity in a ½ cent sales tax previously approved to eliminate tolls in the City and to provide a recurring funding source for mass transit (bus and other) to fund \$750 million in road projects, (b) authorize a second ½ cent (\$1.5 billion in projects) for road/transportation projects and vertical initiatives, (c) to separate the funding into a unique and self contained accountability process and (d) to provide for citizen advisor committee oversight.

Although the State has not addressed significant broadening of local government latitude, 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.

### **State and Federal Imposed Mandates**

During the 1980's the State, like the Federal government, elected to solve problems by imposing mandates on local government. The use of mandates effectively allows legislators to report that they have addressed and solved an issue but relieves them of the often-unpopular obligation to finance or provide new revenue sources for the mandate. Local governments, who often support the resolution of the problem, have found it increasingly difficult to implement mandates without broadened revenue flexibility or without negatively affecting 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 unfunded mandates imposing burdens upon local governments. An extraordinary 2/3 majority of both chambers is necessary to approve an unfunded mandate.

### **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 largely has been addressed in a series of relationship framing Interlocal Agreements.

The City operates under a strong Mayor/City Council form of government. The 19 member City Council is made up of 14 districts and five (5) at-large Council members. The 20 City elected officials stand for election every 4 years (having no mid-term elections) and are subject to a 2 term limitation, with approximately ½ of the group changing every 4 years.

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 responsibilities, 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)
- Water Sewer Expansion Authority (WSEA)
- 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.

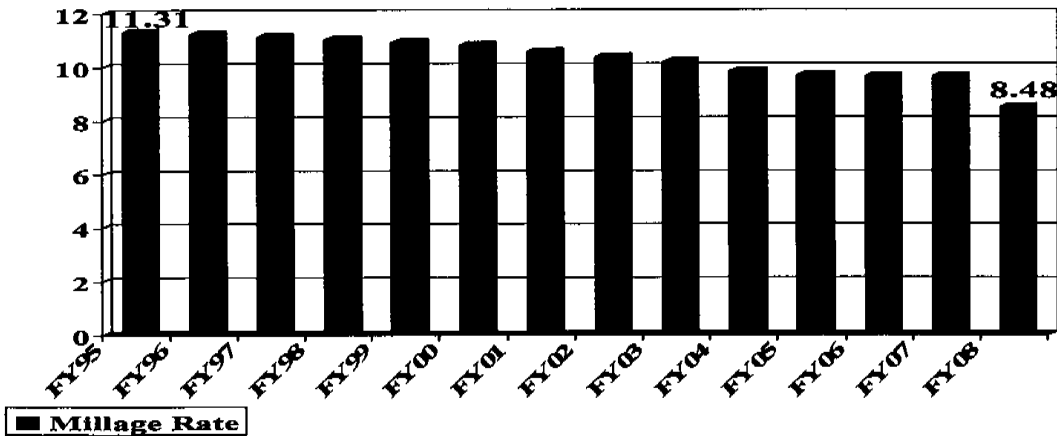
\*Presented as part of the Mayor’s budget submission to City Council.

**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 advisory 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) has abided by the rollback. The collective impact is reflected in the following schedule.



Jacksonville has had 14 straight years of millage rate reduction – worth 2.83 mills, 157.6 million in 2007 and \$528,200,000 cumulatively.



Starting with the 2005/2006 budget, the Mayor elected to forgo the proposed reduction. The reduction for 2007-08 was the result of a state-wide initiative to lower local government property taxes.

Suggested Reduction:

	<u>Millage</u>	<u>Actual Reduction</u>	<u>3% Rollback</u>
2005-2006	9.65	.03	.61
2006-2007	9.64	.01	.42
2007-2008*	8.48	1.16	.68

\*See discussion under Property Tax Relief – State-wide Initiative (page xi).

Being a consolidated City/County, the constitutional millage cap is 20 mills (10 mills each).

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

	<u>2001/ 2002</u>	<u>2006/ 2007</u>	<u>% Change</u>
Sheriff:			
Staffing	2,687	2,997	11.6%
Budget (in millions)	\$202.6	\$303.9	50.0%
Fire Rescue			
Staffing	1,125	1,329	18.2%
Budget (in millions)	\$ 97.1	\$141.9	46.2%

During the same period, the non-public safety operations (e.g. public work, park & recreation, etc.) other than the Library systems, have grown at a significantly reduced rate. The Library system, which opened 2 new regional libraries, 16 new or remodeled branch libraries and the new 297,000 sq ft. Main Library, represents the only non public safety department to experience material growth. The following schedules reflect these changes.

	<u>2001/ 2002</u>	<u>2006/ 2007</u>	<u>% Change</u>
Library System			
Staffing	229	382	66.9%
Budget (in millions)	\$18.3	\$35.2	92.4%
Other non-public safety			
Staffing	2,206	1,803	(18.3%)
Budget (in millions)	\$198.8	211.3	6.3%

Due to the recurring reduction in millages (previously demonstrated) and, in large part, the local response to September 11, 2001 concerns, the City had (up through 2004-2005) developed a pattern of using one-time money (reserves) to balance its budget. Part of this had come from the use of the Pension Excess Contribution (PEC), which is a result of electively only having an actuarial report every three (3) years and then comparing the results to what would have happened with annual actuarial studies.

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

- Require for 2006-2007 to balance the budget using only recurring revenues.
- Establish a separate \$40.0 million emergency reserve and prior to use of the reserve, the Mayor must declare and define the emergency and the emergency use must be approved by a two-thirds vote of City Council.
- Require an annual actuarial report for each pension plan (and thereby eliminating the PEC) as well as requiring a minimum 90% funded status prior to consideration of benefit enhancements.
- Restructure of the City's Capital Improvement Plan (for 2006-2007) to require a financially feasible program which estimates the resultant operating cost impact at the point of initial planning.

To balance the 2006-2007 budget, the City:

- As previously indicated, did not follow the 3% local advisory referendum
- Reduced the number of non-public safety staff by 246, and
- Benefited from a 14% increase in appraised value growth, which resulted in last years' property tax revenue, being exceeded by \$45 million, in value by \$25.4 million.

The effective result of these changes was two consecutive years (2005-2006 and 2006-2007) which produced contributions to undesignated General Fund fund balances of \$17.8 and \$4.8 million, respectively.

### **Property Tax Relief-State-Wide Initiative**

Over the last 10 years, Florida cities, counties and school boards have largely relied on property value growth to address budget demand and as previously indicated, since 2000-2001, to address significant additional growth in public safety requirements. During the 2006 Legislative session a number of property tax relief issues were raised and a citizen based advisory commission was asked to study the issue. Property tax relief became a significant campaign issue as part of the 2006 Governor's race. The new Governor, Charlie Crist (taking office in January 2007) indicated that property tax relief was high on his list of 2007 initiatives to be addressed.

During the 2007 legislative session, the Governor and House leadership entertained numerous alternatives to impose property tax reduction on local governments (cities, counties, and to a somewhat lesser extent, school boards). The legislature approved, and the Governor signed a statutory fix for 2007-2008 local government budget development process and a referendum to be added to the January 29, 2008 Presidential Primary ballot. The statutory amendment caused local government to reduce the property tax roll back rate by 3, 5, 7 or 9% based on the related property

tax revenue growth for the period 2001 through 2006. The roll back rate, while granting growth attributable to new construction, calculates the millage rate which would provide the same revenue as received in the prior year. Florida law requires a referendum to a) address a single issue and b) be clearly reflected in the actual ballot language. A citizen-initiated challenge caused the first referendum to be struck down by a District Court.

Still intending to place a constitutional amendment on the January 29, 2008 ballot, the legislature was called back into session (rather than appeal the Court's ruling in October) to construct a revised constitutional amendment referendum which provided for:

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

The "Save Our Homes" advantage limits taxable value growth to the lower of CPI or 3.0% and therefore has created a significant inequity between (a) homestead and non-homesteaded residential properties and (b) long held homesteaded properties and recently purchased homes. As an example, if you compare two identical houses side by side, one held for 20 years and the other purchased this year, the tax base differential can and often is dramatic. Equally and separately, there is a tax shifting impact between homesteaded residential and other properties. Individual homestead property owners may argue that their ability to upsize, downsize and/or relocate may be inhibited by the potential change in a) taxable value and b) related taxpayer burden.

### **2007-2008 Budget Development**

The City's revenue loss impact for 2007-2008, in the 3.0% category, was \$65 million. Recognizing the effect of recent year cuts in non-public safety, and determining to limit the cuts to not further reduce non-public safety service delivery levels, the Mayor had two choices in presenting his balanced budget to the City Council:

- 1) pierce the millage cap, understanding that, by statutory requirement, the increase would NOT roll forward to the next year, or
- 2) look to other revenue sources to close the gap and diversify the City's revenue streams.

Looking around the State at other city and/or county governments, it was clear that there were three areas where the City had forgone fees and therefore relied more heavily on property tax revenue and related growth therein.

- A franchise fee (available up to 6.0%) on electric, water and sewer utilities
- A residential solid waste fee, and
- A stormwater utility fee (based on impervious surface and an equivalent residential unit (ERU) measurement)

To balance the budget, the Mayor proposed to a) reduce expenses by \$38.0 million and b) introduce three new fees:

- a 3.0% franchise fee beginning in April 2008
- a \$3.00 residential solid waste fee commencing in April 2008
- a \$5.00 per ERU stormwater fee in July 08

to increase revenues by \$27 million.

The phased implementation provides partial year relief for 2007-2008 and a full year impact for 2008-2009 when the additional impacts of the referendum will be experienced.

On July 1, 2007, the Mayor and nine (9) Council members began their second, four year term and ten (10) new Council members began their first. On July 15, the Mayor presented his budget message which included the three new fees. During the next 2 ½ months while the Council was deliberating the budget, the Mayor made over 50 association (e.g., Kiwanis, Rotary, etc.) presentations to explain the need for additional revenue. In late September, as provided in Florida Statutes, the City Council approved the 2007-2008 budget, including three (3) new fees.

On January 29, 2008, although it received 47% of the vote in Duval and less than the needed 60% of the vote in most northeast Florida counties, the referendum passed state-wide and will have a \$50 to \$60 million impact on the City revenues. The phased implementation of three (3) new fees will produce an estimated new revenue for 2008-2009 of \$60 million to partially address the city's budget requirements.

### **Pollution Remediation and Ash Site Settlement**

During 2004-2005, the City was able to settle a long standing class action suit regarding land value diminution and personal injury arising out of a practice prior to the early 1970's of the Solid Waste incinerator-produced ash as a fill when mixed with soil in low lying areas. The City agreed to pay \$25 million and to allow the plaintiffs to pursue the City's then insurance providers related thereto. While temporarily financing the cost of a variable rate basis, the City will issue a combination of fixed and variable debt and amortize the \$25 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 will involve removing 2 feet of soil around the homes and related park land, putting down a mesh and replacing the removed top cover with new soil on an area of 1,300 or more homes. The preliminary estimate for remediation of the ash sites and other litigation is between \$51 to \$205 million, of which \$51 million is accrued as a liability at the end of 2007. The initial \$16 million will be provided by the BJP non transportation related authorized uses, an additional \$98.4 million funding has been identified in the 2007-2012 Capital Improvement Program (CIP).

In the fall of 2007, the City entered into a final clean up agreement with EPA and is looking toward the project's clean up efforts beginning in the last half of 2007-2008.

## **Capital Improvement Program (CIP)**

The intent of the 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 scheduled period and (c) an annual revisiting of the project capital and related operating cost as part of the planning/prioritization effort.

Historically the City's borrowing has been more sporadic and thematic than as a recurring annual need basis. In response to, a) City capital maintenance needs, b) express concerns by the Rating Agencies and, c) 2005 revision to State Statutes, the City's five (5) year 2006-2011 CIP introduces its first financially feasible program which:

- Anticipated annual, non-thematic, borrowing
- Addressed capital maintenance needs through categorical, not project specific allocation
- Introduced a phased return to a portion of the CIP being funded on a Pay-as-you-go (or cash) basis
- Introduced a new Debt Affordability model which measures the projected debt level at year end for each of the next five (5) years and compares it to City established (a) targets and (b) related minimum and/or maximum constraints.

For the 2007-2012 five (5) year CIP the City increased its commitment to certain categorical allocation (e.g. street paving, building and maintenance, stormwater maintenance, etc.) in light of the related BJP project allocation having been fully expended either in 2006-2007 or 2007-2008.

## **Growth Management**

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

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

### **MAJOR INITIATIVES/PROGRAMS:**

#### **Mayor John Peyton's Initiatives: 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. Highlights in each area are listed below.

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

To achieve his top goal of growing the economy and increasing jobs, the mayor works actively with the regional chamber of commerce, the Jacksonville Economic Development Commission (JEDC) and other organizations to grow businesses and attract and retain high-paying jobs in Jacksonville.

The economic development efforts initiated with Super Bowl XXXIX and the re-focused JEDC efforts led to explosive growth in Jacksonville. In the last three years, the JEDC has approved public investment packages that have already or will help 26 businesses expand or locate in Jacksonville, creating more than 5,700 jobs. Through fiscal year 2006/07, JEDC projects receiving public investment have generated \$2.9 billion in new private capital investment, contributed \$18.2 million in ad valorem tax revenue to the City's general fund, and generated \$15.2 million in tax revenue for the Duval County School Board.

The mayor's support of the local military presence (which contributes in excess of \$8 billion to the local economy) remains strong even in the wake of a successful BRAC process. Mayor Peyton continues to work with military and government leaders to assure the full utilization of Mayport and to gain the funding necessary to support it as a nuclear capable port.

To support small business in Jacksonville, the mayor created the Jacksonville Small and Emerging Business (JSEB) program. This initiative helps small businesses grow by leveling the playing field when 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 inception, the program has certified 360 companies, 305 of which are minority owned. To date, JSEBs have borrowed \$1.3 million from the Access to Capital Program which have assisted them in maintaining \$21.5 million in contracts.

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

Mayor Peyton has made a historic commitment to public safety, increasing funding for the Jacksonville Sheriff's Office (JSO), the Jacksonville Fire and Rescue Department (JFRD) and the Medical Examiner's Office to hire additional personnel, and to modernize and replace infrastructure and apparatus. Mayor Peyton also initiated a review of JSO spending and staffing to ensure the highest and best use of taxpayers' dollars, and has twice called for the City Council to appropriate additional funding for overtime officers in high-risk areas.

In late 2007, Mayor Peyton initiated *The Jacksonville Journey: Take a Step*, a comprehensive, communitywide anti-crime effort led by an action group consisting of more than 140 community leaders, activists and subject matter experts. The group is charged with achieving specific goals that relate to both crime-fighting *and* prevention, targeted intervention and rehabilitation.

### **3) Increasing early literacy**

Jacksonville's high adult functional illiteracy rate adversely affects both individual success and regional economic development, as well as impacting public safety. To change this dynamic, Mayor Peyton has implemented *RALLY Jacksonville!*, a communitywide early literacy initiative aimed at reaching out to the children of Jacksonville one year before they enter kindergarten and providing them with the pre-literacy skills they need to read and succeed when they enter school.

The initiative has already reached more than 25,000 children through the Mayor's Book Club, as well as children in 630 early care classrooms. In addition, *RALLY* has distributed well over one million books to families, improved training of childcare workers, and continues to do the important work of transitioning Jacksonville's childcare centers from custodial care to early learning centers.

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

Mayor Peyton is committed to enhancing the quality of life for residents of Northeast Florida. This task was made more difficult this year with the Florida legislature's passage of property tax reform. The City absorbed an initial reduction in its ad valorem funding as a result of a statutory rollback initiated by the state legislature. In addition, in January 2008, the voters of Florida approved a constitutional amendment that will further reduce the City's budget. As approximately 50 percent of the City's budget is currently spent on public safety expenses, Mayor Peyton and his staff will work diligently to determine the best way to continue to provide vital services to the community along with funding those programs and projects that enhance the quality of life for residents.

Mayor Peyton continues to focus on key quality of life elements including parks, libraries, infrastructure and improving the quality and access to the St. Johns River.

To achieve his goal of taking the City's park system from the biggest in the nation to the best, the mayor convened a task force to conduct a year-long study of parks in Jacksonville and across the nation. From 2003 to 2006, the mayor added 21 parks to the system and made renovations at 103 others, and under the 2005/06 budget modified a bond issue to provide for upgrades at nearly 60 percent of the City's parks listed in poor condition. Additionally, he empanelled a parks advisory board and in early 2007-2008 charged it with raising money for maintenance and improvements, and with developing partnerships with the private sector to enhance programming and activities in parks and community centers.

He oversaw the completion of renovations at 12 branch libraries, construction of six new libraries and the opening of the new downtown Main Library, the largest public library in the state of Florida. He worked with the Library Board and City Council to invest in additional books and materials, recruit volunteers, enhance technology available to patrons and develop a virtual branch library that will be accessible 24-7.

On the infrastructure front, Mayor Peyton creatively met an enormous funding challenge in the BJP roads program by maximizing local sources of funding, prioritizing and funding local roads with local dollars, and creating a funding partnership with the Florida Department of Transportation for state roads.

Other infrastructure improvements include securing funding to relocate and rebuild the Trout River Bridge, install aesthetic lighting on the Main Street, Hart and Fuller Warren bridges; and creating the Water and Sewer Expansion Authority (WSEA).

Additionally, he formed a Growth Management Task Force to plan for infrastructure needs in light of rapid growth and revised statewide mandates. The task force looked at projected growth, land use and transportation and infrastructure needs moving forward, and funding sources to meet those needs, as well as ways to increase regional cooperation. Their findings form the foundation of a comprehensive vision for growth management.

Tied directly to Jacksonville's history, economy, culture and environment, the St. Johns River is one of the City's most important assets, supporting housing, industry, military, ecotourism, commerce/retail and agriculture. In all, the river accounts for approximately 19,000 jobs and an annual \$2.2 billion economic impact. In July 2006, the mayor initiated the *River Accord*, an unprecedented partnership between the City, the St. Johns River Water Management District, JEA and the WSEA. With a \$150 million commitment from the City, the partners will work to improve water quality, track river sedimentation and improve access to the river.

## **5) Increasing infill housing**

Early in his term, the mayor re-vamped the Jacksonville Housing Commission (JHC) and charged it with developing a strategic plan to eliminate substandard housing and increase homeownership in Jacksonville over the next 20 years. In the last four years, the Housing & Neighborhoods Department has supported the Jacksonville Housing Finance Authority in issuing \$67 million in bonds to providers of affordable multifamily properties, producing 1,346 units. An additional \$77 million has been reserved to construct new or rehabilitate existing multifamily units in 2008.

In 2004, the Housing & Neighborhoods Department committed \$1.5 million over three years to the Local Initiatives Support Coalition (LISC). This funding supports LISC's activities to develop neighborhoods through building nonprofit capacity for CDCs so that could continue the important work of revitalizing Jacksonville's neighborhoods.

In 2006 and 2007, the Jacksonville Housing Finance authority issued \$27 million in mortgage revenue bonds to assist first time homebuyers in obtaining low-interest loans for purchasing their first homes. So far, the first-time homebuyer program has helped more than 100 families to become homeowners.

New activities planned for 2008 include launching a new Foreclosure Prevention Program and an education and training program to provide information to Jacksonville residents on



the dangers of predatory lending and the importance of sound household financial management. Additionally, the HAND has partnered with the JEA to launch a Neighborhood Energy Efficiency Program which will provide no-cost energy saving retrofits and education on energy conservation measures to Jacksonville's low and moderate income homeowners.

**6) Streamlining government to facilitate business growth**

The mayor has brought a business mentality to City government and instituted a number of best practices to streamline its operations. He rewrote and updated the City's purchasing code for the first time in 20 years; instituted pay-for-performance wage increases; and reclassified temporary and part-time positions to better reflect the City's staffing needs.

He has invested in technology to improve operations and save money over the long term, developing a five-year strategy that projects funding needs over time, identifying potential funding sources and reinvesting the savings in new solutions to mitigate the need for new capital. By carefully phasing in infrastructure replenishment spending, the City plans to be on a pay-as-you-go basis for technology infrastructure within five years.

He initiated a targeted, department by department organizational effectiveness review that created recommendations for increasing effectiveness, better incorporating technology into daily operations, saving money and improving management and performance across the board. In addition, as part of the fiscal year 2007-2008 budget process, the mayor initiated a substantial reorganization of government. This comprehensive process eliminated redundancies in departments and further refined roles for employees. The reorganization resulted in an annual savings of approximately \$3 million.

In 2007, Mayor Peyton established a high-level in-house ethics officer for the City of Jacksonville and took a number of steps to tighten the City's ethics policy, including creating an Inspector General. The Inspector General will implement new compliance and internal control systems.

The mayor has also implemented major financial policy changes in the last two budgets, establishing a formal, protected \$40 million emergency reserve; creating the first-ever financially feasible Capital Improvement Plan including O&M; eliminating the use of one-time revenue for recurring expenses, speeding up and improving financial reporting, and stabilizing the City's pension funds. These practices will, over time, ensure Jacksonville's long-term financial stability and predictability.

## Better Jacksonville Plan – Update

As previously indicated, the City’s \$2.25 billion Better Jacksonville Plan (BJP) was approved by the voters and budgeted in 2000. The following schedule reflects some of the major non-Transportation related projects:

Vertical Projects <i>(in millions)</i>	Adjusted Budget	Expenditures			Remaining Budget Balance
		All Prior Years Expense	Current Year Expense	All Years Expense	
Arena	129.3	127.6	0.1	127.7	1.6
Baseball Stadium	33.8	33.8	0.0	33.8	0.0
Equestrian Center	14.9	14.8	0.0	14.9	0.0
New Main Library	93.0	90.7	1.6	92.3	0.7
Other Library Projects	56.3	53.6	1.8	55.4	0.9
Courthouse	210.1	59.9	3.5	63.5	146.6
Septic Tank Removal	75.0	43.7	29.1	72.8	2.2
Parks & Recreation Projects	100.0	77.1	3.1	80.2	19.8
Economic Development	31.0	20.3	0.1	20.5	10.5
	<u>743.3</u> *	<u>521.6</u>	<u>39.4</u>	<u>561.0</u>	<u>182.3</u>

*\*(Financing Costs included below)*

Additionally, the Transportation projects of \$1.5 billion are assigned to the City or the Jacksonville Transportation Authority (JTA) and are reflected in the following project schedule:

Transportation Projects <i>(in millions)</i>	Adjusted Budget	Expenditures			Remaining Budget Balance
		All Prior Years Expense	Current Year Expense	All Years Expense	
Beach Blvd Intercoastal Bridge	78.5	10.3	22.3	32.6	45.9
Kernan Blvd Improvements	134.9	12.3	19.3	31.6	103.3
Brannan Field-Chaffee Rd	77.7	33.5	0.4	33.9	43.8
Heckscher @ 9A Improvements	41.7	2.4	5.1	7.5	34.2
Argyle Forest Blvd Improvements	35.9	21.6	6.9	28.5	7.3
Atlantic @ Southside Intersection	35.1	0.7	0.3	1.1	34.1
East-West Industrial Corridor	26.1	6.9	5.2	12.1	14.1
Cecil Field Roads and Drainage	25.0	21.7	3.1	24.9	0.1
St. Augustine Road	25.0	10.9	10.3	21.3	3.7
Shindler Road Improvements	22.6	1.4	0.3	1.7	21.0
Broward Rd Improvements	20.3	2.3	(0.8)	1.5	18.8
US1 @ Butler Blvd Intersection	20.0	0.7	0.0	0.7	19.3
County-wide Road Resurfacing	130.0	105.4	9.5	114.9	15.1
Drainage System Improvements	98.7	74.7	17.2	91.9	6.8
Intersection & Bridge Improvements	23.9	21.9	1.1	23.0	0.8
Sidewalks and Bike Lanes	20.0	17.8	2.0	19.8	0.2
Other Road Improvement Projects	496.5	254.7	30.0	284.6	211.9
Other JTA Transportation Projects	208.8	63.5	3.4	66.9	141.9
Less Financing & Bond Issue Costs*	(26.9)	(14.4)	(1.4)	(15.8)	(11.1)
	<u>1,493.7</u>	<u>648.3</u>	<u>134.3</u>	<u>782.6</u>	<u>711.1</u>

## **Courthouse – Major remaining non-Transportation project**

The original \$190.0 million project was scheduled to redevelop the Courthouse on its present riverfront site. Shortly after the BJP referendum was passed, a citizens committee was formed to evaluate the riverfront and alternative sites. The committee recommended an alternative site in Brooklyn area adjacent to the current government complex, which includes the Federal Courthouse, City Hall, the site for the new Downtown Main Library and the Ed Ball Building (the main City Hall annex). The City proceeded to acquire and clear the 12 acre Brooklyn site.

The project has seen some controversies:

- Amended initially to \$211.0 million
- Amended a second time to \$230.0 million
- With an additional request for amendment for an additional \$54 million, the then present plan and architect were dismissed
- A new design/build contractor was selected through a competitive process, and a new phased project was proposed. The project included building a Criminal Court, rehabbing the existing Courthouse as a Civil Court and an eventual second phase to combine the Criminal and Civic Courts on the new Brooklyn site with an initial budget of \$262.5 million
- A design/build contract team member experienced some financial setbacks and the decision was made to change contractors during the early design phase
- Due to continuing pressure to build the combined Criminal and Civil Courthouse as one project, an eventual decision was made to propose a combined Criminal/Civil Courthouse on the Brooklyn site at an estimated \$395.0 million
- In the Fall of 2007, the Mayor presented the new proposal to the City Council where it is currently under consideration to amend, modify or approve

## Autumn Bonds

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

### AUTUMN BOND PROJECTS

Amount budgeted, expensed, encumbered, and remaining balances as of September 30, 2007

	Budget	Expenditures	Encumbered	Remaining Balance
1. Building Consolidation and Renovation	\$ 24,998,125	\$ 24,866,834	\$ 126,965	\$ 4,326
2. Main Library	\$ 6,254,700	\$ 6,232,143	\$ 22,557	\$ -
3. LaVilla / Brooklyn	\$ 15,000,000	\$ -	\$ 15,000,000	\$ -
4. Council Discretionary*	\$ 2,717,462	\$ -	\$ -	\$ 2,717,462
5. Urban Area Traffic Improvement and Community Development	\$ 12,592,235	\$ 1,526,360	\$ 4,730,903	\$ 6,334,972
6. Replacement, Construction and Renovations of Fire Stations	\$ 10,292,444	\$ 4,058,038	\$ 4,075,292	\$ 2,159,114
7. Improvement to the Corrections Facilities and Jail Facilities, Including Construction of a Forensic Lab	\$ 6,847,907	\$ 3,850,383	\$ 484,826	\$ 2,512,698
8. Water Resource Development	\$ 9,053,853	\$ 3,956,193	\$ 158,247	\$ 4,939,413
9. St. Johns River Bulkhead and Riverwalk Repair	\$ 2,469,200	\$ 1,717,527	\$ 387,762	\$ 363,911
10. Sidewalk Repair & Replacement	\$ 6,790,000	\$ 4,923,289	\$ 336,525	\$ 1,530,186
11. Improvements to Equestrian Center	\$ 2,000,000	\$ 1,989,478	\$ 10,522	\$ -
12. Jacksonville Zoo	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
13. Senior Citizens Centers Expansion & Land Acquisition	\$ 1,237,982	\$ 552,591	\$ 40,445	\$ 644,946
14. Parks and Playground Upgrades	\$ 20,707,187	\$ 10,300,944	\$ 4,765,649	\$ 5,640,594
15. Strand at St. Johns Place Improvements	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
16. Laura Street Property	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
17. Miscellaneous other projects	\$ 10,290,105	\$ 4,241,143	\$ 1,076,038	\$ 4,972,924
18. Contingency**	\$ -	\$ -	\$ -	\$ -
Total	\$ 141,251,200	\$ 74,214,923	\$ 31,215,731	\$ 35,820,546

\* The original budgeted amount for the council district was \$14 million. A total of \$11,282,538 has been reallocated to various projects within the bond issue.

\*\* Original budgeted amount was \$1,335,000. All has been allocated within the bond issue.

## BUSINESS ACTIVITIES

In addition to the Major Business Units (Parking System and Solid Waste) the following schedule reflects the level of activities, operations and debt service picture for the City, cultural and entertainment facilities which are presented, for the first time, as separate non-major enterprise funds. Previously these operations were presented as a single enterprise fund (sports complex, convention center and auditorium) reflecting a significant but bundled General Fund subsidy.

Event Related Facility Operations Summary Information for Fiscal Year ending September 30, 2007.

	Jacksonville Municipal <u>Stadium</u>	Memorial <u>Arena</u>	Baseball <u>Stadium</u>	Performing <u>Arts</u>	Convention <u>Center</u>	Equestrian <u>Center</u>
Seating capacity	75,000	15,000	10,000	4,000	4,000	4,000
Number of event days	194	90	83	402	258	68
Attendees	938,918	407,814	58,733	375,822	159,551	64,828
<b>Revenues</b>						
Rent & Naming Rights	\$1,481,463	\$776,014	\$129,649	\$618,405	\$674,948	221,973
Commission	911,496	955,331	7,307	98,533	393,978	104,176
Event related reimbursement	3,659,649	6,582,857	672,106	2,566,290	836,773	519,883
Other	<u>526,414</u>	<u>111,505</u>	<u>846</u>	<u>45,811</u>	<u>112,435</u>	<u>11,995</u>
Operating Total Rev	<u>\$6,579,022</u>	<u>\$8,425,707</u>	<u>\$ 809,908</u>	<u>\$3,329,039</u>	<u>\$2,018,134</u>	<u>\$858,027</u>
<b>Expenses</b>						
Event Related	3,208,152	\$2,642,503	\$ 199,286	\$1,474,781	\$ 377,099	\$ 183,791
Operating (excl. depreciation)	<u>10,751,203</u>	<u>5,107,279</u>	<u>936,368</u>	<u>2,476,074</u>	<u>3,063,674</u>	<u>1,117,013</u>
Operating Total Exp	<u>\$13,959,355</u>	<u>\$7,749,782</u>	<u>\$1,135,654</u>	<u>\$3,950,855</u>	<u>\$3,440,773</u>	<u>\$1,300,804</u>
<b>Net General Fund</b>						
Operating subsidy	\$ 7,380,333	\$ -	\$ 325,746	\$621,816	\$1,422,639	\$442,777
<b>Debt Service (D/S)</b>						
Expenses (P&I)	\$11,460,295	\$7,307,890	\$1,960,980	\$1,294,982	\$3,228,514	\$ 92,901
<b>Revenues</b>						
Tourist Dev. Tax	\$5,402,202	\$ -	\$ -	\$ -	\$ -	\$ -
Convention Dev. Tax	-	-	-	-	5,118,358	-
BJP sales tax	-	\$7,307,890	\$1,960,980	-	-	-
State sales tax recapture	<u>2,000,004</u>	-	-	-	-	-
Total Non-Operating Revenue	\$7,402,206	\$7,307,890	\$1,960,980	\$ -	\$5,118,358	\$ -
<b>Net General Fund</b>						
D/S subsidy	<u>\$ 4,058,089</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,294,982</u>	<u>(\$1,889,844) *</u>	<u>\$ 92,901</u>
<b>Operating and</b>						
Debt Service subsidy	<u>\$11,438,422</u>	<u>\$ -</u>	<u>\$ 325,746</u>	<u>\$1,916,798</u>	<u>\$ -</u>	<u>\$ 535,678</u>
<b>Total subsidy</b>						<u>\$14,216,644</u>

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

The City is presently evaluating moving several of these operations from the non-major column to separate major fund status which will enhance the audit focus thereon.

**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&amp;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	AA-	AA
Transportation Bonds	Aa3	AA-	AA
 <u>Components Units</u>			
JEA			
Electric	Aa2	AA-	AA-
Water & Sewer	Aa2	AA-	AA
St. John's River Power Park (SJRPP)	Aa2	AA-	AA-
 JAA			
	A2	A-	A
 JPA			
	A2	N/A	A

## Cash Management

The investment goal of the City is to invest public funds in a manner that will safeguard public assets by minimizing credit and market risks and earn a competitive yield on its portfolio. Safety of principal is the foremost objective of the investment program. Maintaining sufficient liquidity is also an important investment objective. These investments are stated at fair market value. Cash, investments, and the City collateralization policy 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 Retirement System <u>General Employees</u>	Corrections <u>Officers</u>	Police & Fire <u>Retirement System</u>
Active	5,104	581	2,771
Retired	4,273	26	1,887
Net Assets (in millions)	\$1,784	\$82	\$950
Earning (Market Rate)			
% Earning	14.04%	14.71%	15.26%
Actual (in millions)	\$223.2	\$10.3	\$141.6
Contribution (in millions)			
City	\$28.4	\$1.8	\$46.8
Employee	\$21.5	\$2.2	\$11.5
State	\$ -0-	\$0.5	\$8.9
Benefits (in millions)	\$105.0	\$1.6	\$90.1

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 self-insurance, supplemented by excess insurance coverage, when dealing with its various loss exposures, including workers' compensation, property, automobile 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, 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 \$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 minimize medical claim costs.

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

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

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

## **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 a proposed budget to Council by the second Tuesday in July of each year. The Mayor's Proposed Budget is to comply with state and local legal requirements for a balanced financial plan of operation for the government's upcoming fiscal year. 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. Prior to the beginning of each new fiscal year, the Council adopts, by ordinance, a balanced annual budget which contains estimated revenues and other financing sources, appropriations, authorizations of full time positions and temporary employee hours, and any amendments to the Ordinance Code which relate to the annual budget.



**Reporting Entity**

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

**Report Format**

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

**Independent Audit**

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

**Reporting Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jacksonville for its comprehensive annual financial report for the fiscal year ended September 30, 2006. 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-seven consecutive years (fiscal years 1980 through 2006). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for their review.

**Use of the Report and Acknowledgments**

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

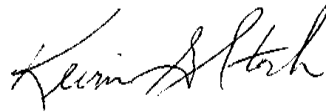
The 2007 Comprehensive Annual Financial Report represents our commitment to this goal and could not have been prepared without the efficient and dedicated efforts of the entire staff of the Department of Finance (Accounting, Budget, Risk Management and Treasury Divisions), who devoted many hours in compiling 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 Daniel Davis, and Council member Art Shad, 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 "Mickey" Miller  
CPA, CGFO, CIA, CGFM  
Chief Financial Officer  
Department of Finance



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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jacksonville  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2006

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.



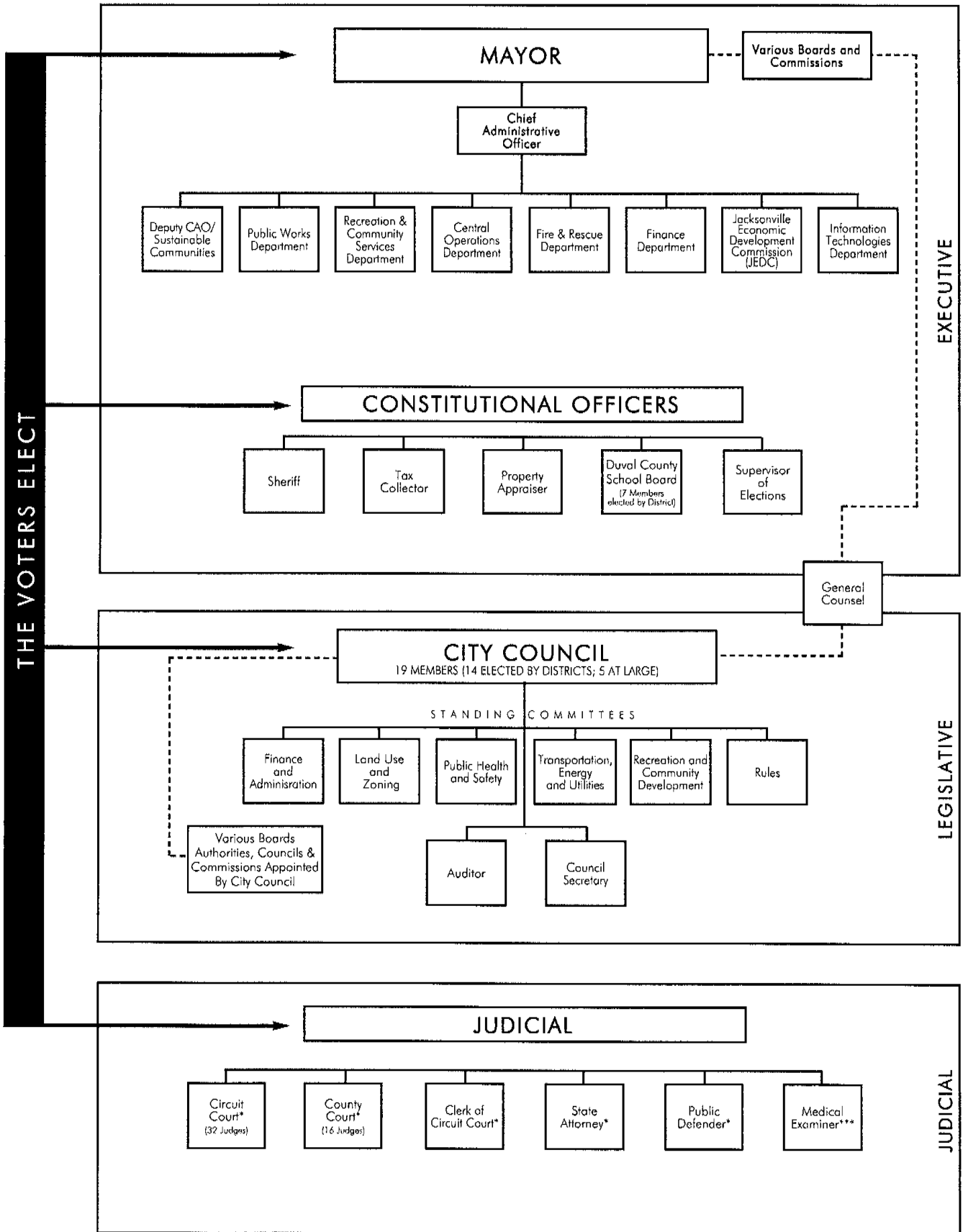
*Oliver S. Cox*

President

*Jeffrey R. Emery*

Executive Director

# ORGANIZATIONAL CHART CITY OF JACKSONVILLE, FLORIDA



# City of Jacksonville, Florida

## City Officers and Constitutional Officeholders

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**John Peyton, Mayor**

### City Officers

Adam Hollingsworth.....	Chief of Staff
Alan Mosley .....	Chief of Administrative Officer
Roslyn Mixon-Phillips.....	Chief Community Officer
Susie S. Wiles.....	Chief of Communications and Special Initiatives
Pamela Markham .....	Inspector General
Kerri Stewart .....	Deputy Chief Administrative Officer
Rick Mullaney, Esq.....	General Counsel
G. Michael Miller, CPA, CGFO, CGFM, CIA.....	Director, Administration and Finance
Devin Reed, Esq.....	Director, Central Operations
Roslyn Mixon-Phillips .....	Director, Recreation and Community Services
Daniel A. Kleman.....	Director, Fire and Rescue
Dr. Robert Harmon.....	Public Health Administrator
Kevin Holzendorf ...	Director, Information Technology Dept./Chief Information Officer
Joey Duncan .....	Director, Public Works
Ebenezer Gujjarlapudi.....	Director, Environmental Resource Management
Brad Thoburn .....	Director, Planning and Development
Kevin G. Stork, CGFM.....	Comptroller
Michael R. Givens, CPA.....	Treasurer
Kent Olson.....	Budget Officer

### Constitutional Officeholders

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

# City of Jacksonville, Florida

## City Council Officials and Staff

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### City Council

President of Council..... Daniel J. Davis  
Vice President of Council ..... Ronnie Fussell

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

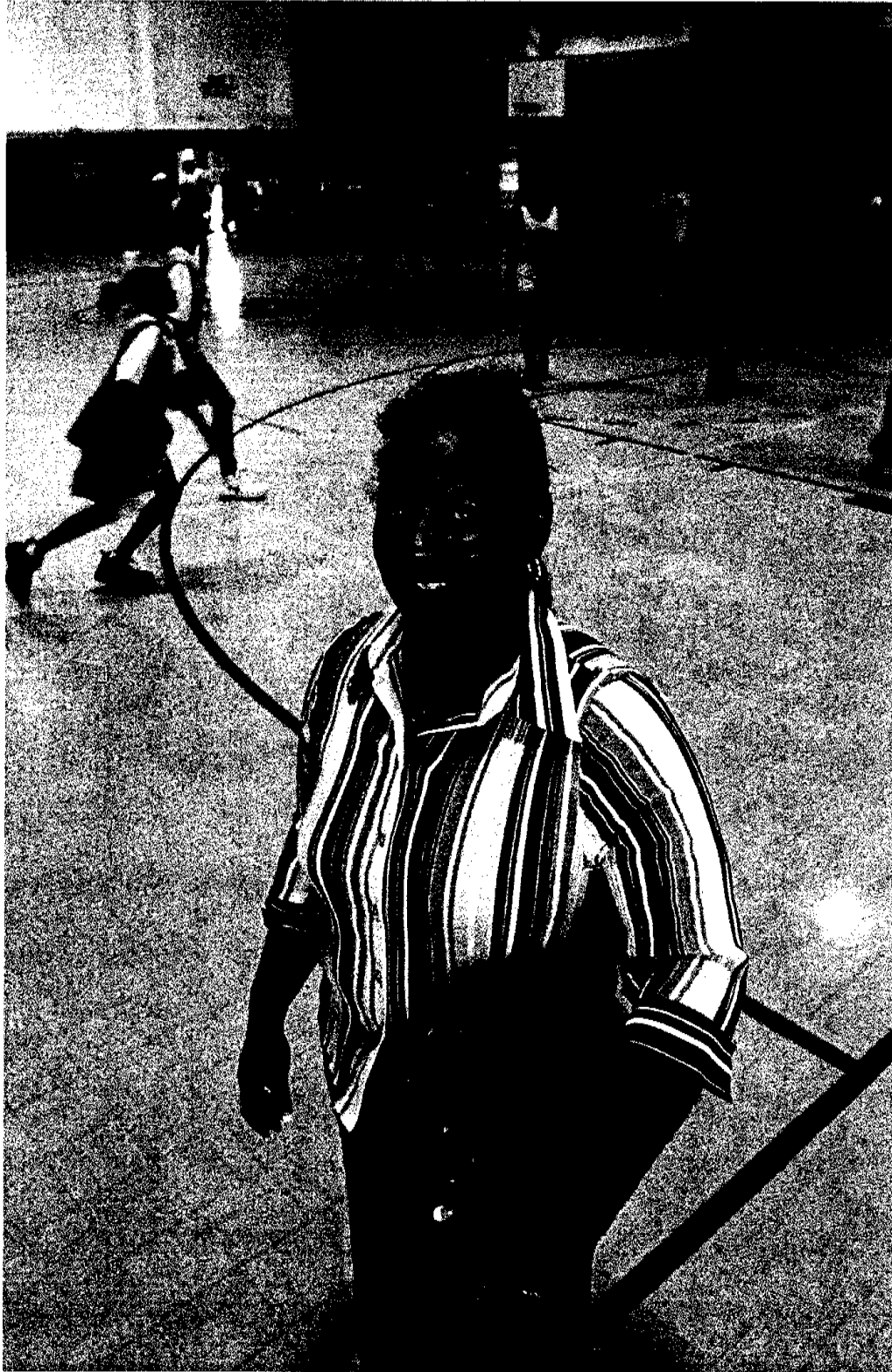
Group 1 At-Large — Ronnie Fussell  
Group 2 At-Large — Vacant  
Group 3 At-Large — Stephen C. Joost  
Group 4 At-Large — Kevin Hyde  
Group 5 At-Large — Glorious J. Johnson

### Council Staff

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



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financial **section**



**Report of Independent  
Certified Public Accountants**

## Report of Independent Certified Public Accountants

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the City), as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the Jacksonville Retirement System pension trust fiduciary fund included in the accompanying combining individual fund statements and schedules for the year ended September 30, 2007, 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 14 percent, 35 percent, and 15 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 Plan Trust Fund, which represents 39 percent and 34 percent, respectively, of the assets and net assets of the pension trust funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units and the pension trust fund, are based solely on the reports of the other auditors. The prior year summarized comparative information has been derived from the City's 2006 financial statements and, in our report dated January 19, 2007 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.



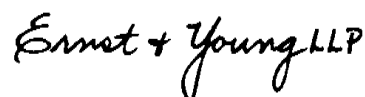
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In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2007, 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 addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jacksonville Retirement System pension trust fiduciary fund of the City as of September 30, 2007, and the changes in financial position 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 February 21, 2008 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 supplementary information on pages 6 through 20 and 134 through 140 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



February 21, 2008



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**Management's Discussion  
and Analysis**

**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

- Capital assets were \$2.6 billion at September 30, 2007, resulting in a \$123 million, 5% increase over last fiscal year.
- Governmental property tax revenues increased \$57 million, operating grants and contributions increased \$17 million, contributions from JEA increased \$4 million, and miscellaneous revenues increased \$11 million. A decrease of \$80 million occurred in other various revenues resulting in revenues in governmental activities overall increase of \$9 million or .7%.
- Increases in governmental activities expenses were net \$179 million or 14.3%. The bulk of the increase included \$144 million for payments made to the Jacksonville Transportation Authority (JTA) for state road building within the city. The funds came from the issuance of additional Transportation Revenue Bonds and a low interest loan from the State Infrastructure Bank. The city expenses the amounts and reflects as non-asset backed debt since completed road assets are contributed to the State. The second largest increase in expenses were for additional police officers and Sheriff's office overtime as the city continues to address the high murder rate in the city.
- The city continues to maintain a \$40 million emergency reserve.
- The city's general fund operations had total revenue of \$908 million and an increase in undesignated reserves of \$4.8 million or 24.6%.

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

### City Highlights

- A major tax reform initiative was pursued by the Governor and Speaker of the State House of Representatives to rollback local government (City, County and, to a lesser extent, School Boards) property tax burden on taxpayers. A statutory rollback to reduce the 2007-2008 millage and a referendum to amend the State's constitution was placed on the January 29, 2008 Presidential Preference ballot to effect 2008-2009 and beyond.
- The city, with its' twelve year pattern of rolling back the property tax millage (see Transmittal Letter discussion under Challenges/Concerns) fell into the least impacted group under the statutory rollback, but will see a more significant impact from the constitutional amendment due to the relatively low \$124,418 average taxable value of homesteaded property.
- In light of the actions in Tallahassee and an identified need to diversify the city revenue base the Mayor introduced, and the City Council approved, three new fees common around the state but historically not used in the city:
  - A 3.0% franchise fee on electric, water and sewer.
  - A \$3.00 residential solid waste fee.
  - A \$5.00 per equivalent residential unit (ERU) stormwater fee.

The three fees will be phased in with partial impact in 2007-2008 and full year impact in 2008-2009.

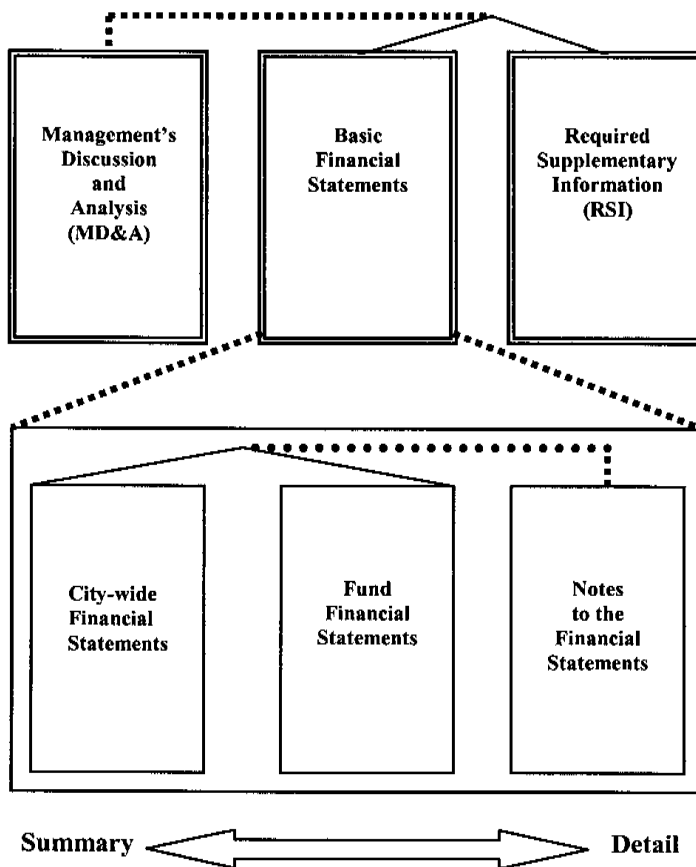


## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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, motor vehicle, public parking, and ferry operations).

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

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

## **Fund Financial Statements**

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

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the 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-Better Jacksonville Plan Obligations Fund, Bond Projects Fund, and Better Jacksonville Project Fund, all of which are considered to be major funds. Information from other non-major funds is combined into a single, aggregated presentation.

### **Proprietary Funds**

Proprietary funds provide the same type of information as the business-type activities in the 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, which is a major fund and sports complex activities, motor vehicle, ferry operations, and public parking, which are non-major funds.

*The internal service funds* are used to account for activities that provide goods and services to the city's other programs and activities. Since the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the 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, 2007, 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, 2007 and September 30, 2006**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total Primary Government</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Cash and Investments	\$ 609,957	\$ 695,999	\$ 78,223	\$ 61,658	688,180	\$ 757,657
Other Current Assets	280,201	194,833	29,783	32,899	309,984	227,732
Capital Assets	2,550,836	2,423,202	38,680	43,700	2,589,516	2,466,902
<b>Total assets</b>	<b>3,440,994</b>	<b>3,314,034</b>	<b>146,686</b>	<b>138,257</b>	<b>3,587,680</b>	<b>3,452,291</b>
Current Liabilities	180,581	164,737	11,687	14,153	192,268	178,890
Long-term obligations	2,414,273	2,272,746	215,565	215,804	2,629,838	2,488,550
<b>Total liabilities</b>	<b>2,594,854</b>	<b>2,437,483</b>	<b>227,252</b>	<b>229,957</b>	<b>2,822,106</b>	<b>2,667,440</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	1,063,627	921,925	16,341	20,375	1,079,968	942,300
Restricted	41,702	103,733	8,274	7,193	49,976	110,926
Unrestricted	(259,189)	(149,107)	(105,181)	(119,268)	(364,370)	(268,375)
<b>Total net assets (deficit)</b>	<b>\$ 846,140</b>	<b>\$ 876,551</b>	<b>\$ (80,566)</b>	<b>\$ (91,700)</b>	<b>765,574</b>	<b>\$ 784,851</b>

The largest portion of the city's net assets reflects its substantial capital assets, net of related debt. This displays the City's commitment to investing in assets that have useful lives in excess of the life of the debt issue used to finance the assets. The increase in capital assets in the 2007 governmental activity includes \$44 million from developer contributions for infrastructure assets.

The negative unrestricted net assets in the governmental activities is primarily due to non-asset related debt issued for various capital projects that belong to other entities, but the debt is a liability of the city. These funds have been invested for long-lived assets by the Jacksonville Transportation Authority for state highways within the city and by the Jacksonville Port Authority for their port terminal facilities. Non-asset backed debt has been used to finance improvements at Shands-Jacksonville – a large regional hospital serving the city's citizens, including its indigent population. The city has also provided economic development incentives to entice developers to invest in the downtown and other targeted areas of the city. Some of the debt was issued under the Better Jacksonville Plan (BJP), which has a dedicated revenue sources for payment of the debt. Tax Increment District funds also provide a dedicated revenue source to pay for bonds used for economic development. See Note 18 for further discussion.

In business type activities debt in the Solid Waste fund has or will be issued for ash site settlement and pollution remediation of the ash sites and other contaminated sites. The debt will be paid over time by funds provided annually from a combination of rate revenue and transfers from the general fund. See Note 18 for further discussion.

On the following page Table A-2 provides a summary comparison of the city's operations for the 2006 and 2007 fiscal year ends

**Table A-2**  
**Statement of Activities**  
(In Thousands)  
as of September 30, 2007 and September 30, 2006

	Governmental Activities		Business Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Fines & Charges for services	\$ 143,361	\$ 152,833	\$ 59,440	\$ 65,667	\$ 202,801	\$ 218,500
Operating grants/contributions	87,234	69,985	-	-	87,234	69,985
Contributions from JEA	92,915	88,688	-	-	92,915	88,688
Capital grants/contributions	52,112	76,072	-	-	52,112	76,072
<b>General revenues:</b>						
Property taxes	465,918	408,942	-	-	465,918	408,942
Utility Service taxes	104,634	104,259	-	-	104,634	104,259
Sales and Tourist taxes	181,621	196,257	12,520	-	194,141	196,257
Intergovernmental	206,371	228,237	-	-	206,371	228,237
Unrestricted earnings on investments	34,033	44,380	6,165	4,765	40,198	49,145
Miscellaneous	63,772	52,912	12,632	3,776	76,404	56,688
<b>Total Revenues</b>	<b>1,431,971</b>	<b>1,422,565</b>	<b>90,757</b>	<b>74,208</b>	<b>1,522,728</b>	<b>1,496,773</b>
<b>Expenses</b>						
General government	201,186	194,406	-	-	201,186	194,406
Human Services	108,738	106,755	-	-	108,738	106,755
Public safety	472,531	429,207	-	-	472,531	429,207
Cultural and recreational	93,197	84,527	-	-	93,197	84,527
Transportation	316,261	216,674	-	-	316,261	216,674
Economic & physical environment	146,651	129,635	-	-	146,651	129,635
Interest on long term debt	94,114	92,682	-	-	94,114	92,682
Parking system	-	-	6,340	4,975	6,340	4,975
Sports complex	-	-	-	-	-	-
Motor vehicle inspections	-	-	482	439	482	439
Solid Waste	-	-	71,240	92,935	71,240	92,935
Mayport Ferry	-	-	1,937	2,346	1,937	2,346
Municipal Stadium	-	-	11,732	10,518	11,732	10,518
Memorial Arena	-	-	7,750	7,615	7,750	7,615
Baseball Stadium	-	-	1,135	1,086	1,135	1,086
Performing Arts	-	-	3,959	2,768	3,959	2,768
Convention Center	-	-	3,443	2,701	3,443	2,701
Equestrian Center	-	-	1,309	1,276	1,309	1,276
<b>Total Expenses</b>	<b>1,432,678</b>	<b>1,253,886</b>	<b>109,327</b>	<b>126,659</b>	<b>1,542,005</b>	<b>1,380,545</b>
Increases (decreases) in net assets before transfers	(707)	168,679	(18,570)	(52,451)	(19,277)	116,228
Transfers	(29,704)	(36,212)	29,704	36,212	-	-
<b>Change in net assets</b>	<b>(30,411)</b>	<b>132,467</b>	<b>11,134</b>	<b>(16,239)</b>	<b>(19,277)</b>	<b>116,228</b>
<b>Net assets (deficit), beginning of year</b>	<b>876,551</b>	<b>744,084</b>	<b>(91,700)</b>	<b>(75,461)</b>	<b>784,851</b>	<b>668,623</b>
<b>Net assets (deficit), end of year</b>	<b>\$ 846,140</b>	<b>\$ 876,551</b>	<b>\$ (80,566)</b>	<b>\$ (91,700)</b>	<b>\$ 765,574</b>	<b>\$ 784,851</b>

### **Governmental activities:**

The city's general governmental revenues increased \$9 million from 2006 to 2007 (see Table A-2) and consists of:

- Increases for general revenues for property taxes were \$57 million, even though the ad valorem tax rate decreased from 9.6500 to 9.6400. Assessed property values increased \$8.8 billion, reflecting strong growth in Jacksonville.
- The largest single source of decreases in revenue was a \$20 million decrease in intergovernmental State Shared Revenues, per F. S. 218.245 (3), the City of Jacksonville's percentage of State Shared Revenues was decreased in fiscal year 2007.
- Other sources of the revenue decrease was \$17.4 million which is representative of the new presentation of the Sports and Convention which was moved outside of general governmental to individual enterprise funds in fiscal year 2007. This decrease is reflected in Table A-2 in fines & charges for services as well as sales and tourist taxes.
- A decrease in capital grants/contributions of \$24 million is reflective of a change in procedure with distributing excess ½ cent sales tax funds to the Jacksonville Transportation Authority (JTA). In FY2006, the \$17 million excess ½ cent sales tax was recorded as contributed revenue and then expensed when sent to the JTA. In FY2007, the excess ½ sales tax of \$7 million was distributed directly to JTA by the fiscal agent and thus is not reflected in the FY2007 financial statement. The net \$10 million decrease is reflective of a slightly slower economy in FY2007.
- Interest revenues decreased by \$10 million in fiscal year 2007, due to market fluctuations in FY2007.
- Additional decrease in capital grants/contributions is due to developers contributing \$44 million of infrastructure assets in 2007, as opposed to \$59.3 million in 2006, a decrease of \$15.3 million, reflecting a decrease in construction activity in the city.

Increases in governmental activities expenses were held to a net \$174 million.

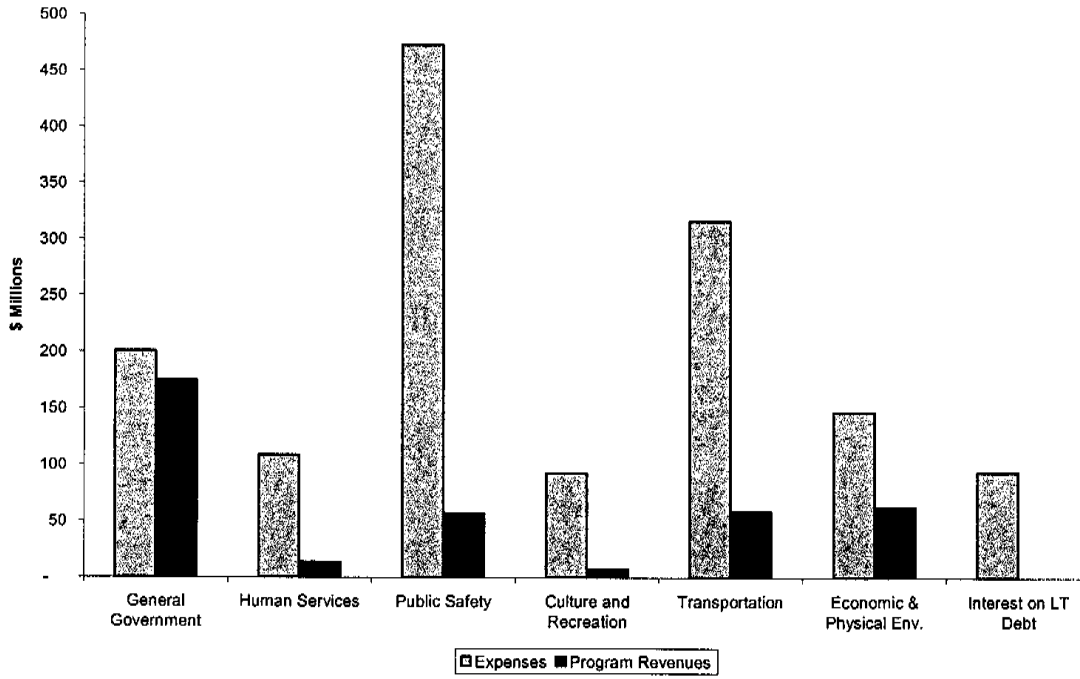
- Transportation expenses increased \$99.6 million in 2007 as the result of accelerated funding to the Jacksonville Transportation Authority for use on Better Jacksonville Plan projects.
- Increases for economic environment expenditures were \$8 million. An increase of \$4 million in the Jacksonville Children's Commission for additional daycare incentives and an additional \$3.2 million from the General Fund in contributions to component units for the Downtown Economic Development and Historic Preservation were the primary reasons for the increases.
- Public Safety expenses increased due to increased contributions to the Police and Fire Pension Fund by \$6.2 million. Previously, part of the pension contribution was made using prior years' pension excess contributions (PEC). The Mayor and Council decided not to use non-recurring revenue streams for funding these contributions. Overtime costs for the Jacksonville Sheriff's Office (JSO) increased \$2 million to total \$20.5 million, salaries and wages exclusive of overtime increased \$10.2 million with 74 new officers added in 2007 as the Mayor, Council, and Sheriff address the murder rate in the city.

### **Business Type activities:**

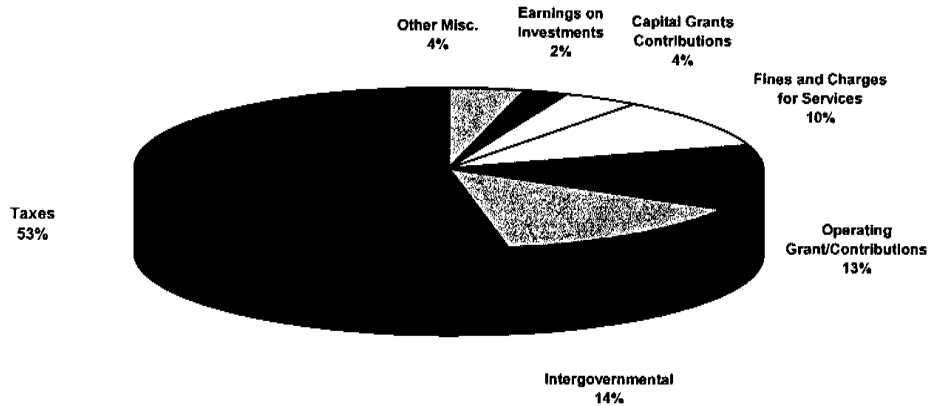
- The reorganization of the Governmental Sports Convention and Tourism Development special revenue fund into multiple Enterprise Funds resulted in \$17 million increased Business-Type revenues. Due to this reorganization the Sports Convention and Tourism Development has been retitled to Tourism Development in fiscal year 2007.
- Expenditures in the Enterprise Sports Complex were moved to individual funds for the Municipal Stadium, Memorial Arena, Baseball Stadium, Performing Arts, Convention Center, and Equestrian Center in fiscal year 2007.
- Solid Waste expenses decreased \$22 million due to a fiscal year 2006 accrual of \$24 million for the pollution remediation at the four ash sites and four DEP sites. Additional

information regarding the pollution remediation may be found in Note 15 D Litigation, Contingencies, and Commitments – Environmental Matters of these statements.

**Expenses and Program Revenues - Governmental Activities**

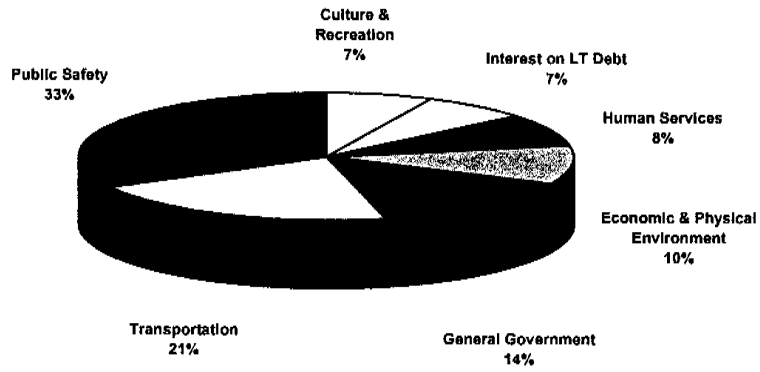


**Revenues - Governmental Activities**

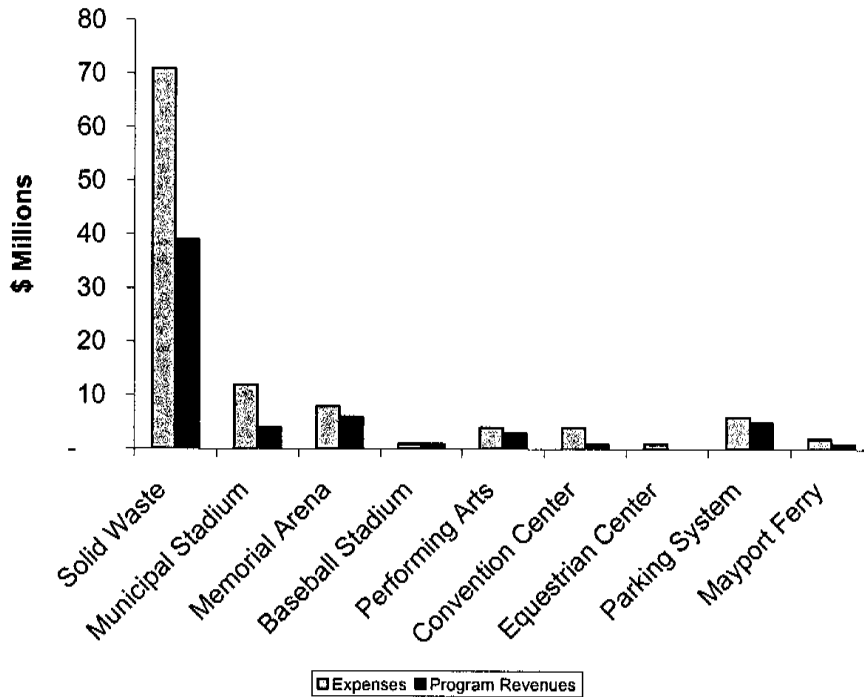




### Expenses - Governmental Activities



### Expenses and Program Revenues - Business-Type Activities



## FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

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

**Governmental Funds:** The focus of the City of Jacksonville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2007. The City of Jacksonville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund is the chief operating fund of the City of Jacksonville. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$26 million. The General Fund's total fund balance was \$84 million, with \$40 million reserved by City Council as an emergency reserve.

The 2007 assessed tax roll is up \$8.8 billion over the prior year; an increase of 16.6%.

Key factors affecting changes in major funds and fund balance in fiscal 2006/2007 operations are as follows:

### General Fund:

- Property taxes account for over 50% of the general fund revenue and increased \$53 million or 13.3 over the previous year. The Ad Valorem millage rate was reduced for the twelfth consecutive year, resulting in a 1.66 mill decrease over the past eleven years.
- Jacksonville Sheriff's Office expenditures increased \$24 million. The city increased its contributions to the Police and Fire Pension Fund by \$6.2 million. Previously, part of the pension contribution was made using prior years' pension excess contributions (PEC). The Mayor and Council decided not to use non-recurring revenue streams for funding these contributions. Overtime costs increased \$2 million to total \$20.5 million in 2007 as the Mayor, Council, and Sheriff address the murder rate in the city.

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

- Under the Interlocal Agreement, the city and JTA agreed to pledge the ½ cent sales tax and Constitutional Gas Tax to the payment of the BJP bonds. The ½ cent sales tax revenues decreased by \$5 million in fiscal year 2007 as compared to the prior fiscal year.
- Principal and Interest payments increased \$1.1 million per the debt schedules and the city transferred in an additional \$1 million from BJP funds to the Debt Service Fund to pay the increase.

### Bond Project Fund:

- Capital Outlays financed by bonds decreased by \$39 million for 2007.
- The decrease is primarily due to several bond projects that were complete or near complete at the end of the prior fiscal year 2006 including the purchase of the Ed Ball Building for \$23.5 million, closing on the Roosevelt/Carling Building for \$20.5 million and the Rivercity Market Place improvements for \$11 million.

**Better Jacksonville Plan Construction Project Fund:**

- The Better Jacksonville Plan continued major projects with \$69.1 million on Road Improvement projects, \$29 million on Septic Tank Remediation, and \$23.7 million on Drainage projects.
- The transfers-in decreased \$19.2 million due to a new agreement with the fiscal agent for the ½ cent sales tax revenue. In prior years the total revenue for the ½ cent sales tax was transferred into the city, in fiscal year 2007 the transfer in was recorded net of debt payments.
- Additional BJP debt was issued in 2007, thus reflecting a \$121 million increase in Long term debt issued from 2006. See Note 8 for further reference.

**Proprietary Funds:** The City of Jacksonville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Solid Waste is a major proprietary fund. Expenditure decrease of \$22 million in fiscal year 2007 in Solid Waste was due to the recording of a \$24 million liability accrued in fiscal year 2006 for the pollution remediation. (See Note 15-D for further information on the pollution remediation.)

**General Fund Budgetary Highlights:** The overall budgeted revenues and expenditures increased less than 2% from the original and final budgets. Budgeted revenues increased \$6 million and budgeted expenditures increased \$16 million.

- Human Resources was reorganized from a Division within Administration and Finance to a separate Department. The decrease in the Administration and Finance original to final budget is a result of the increase in Human Resources original expenditure budget from \$0 to \$5 million.
- Fire/Rescue and the Office of the Sheriff have a combined original to final expenditure budget increase of \$10 million. This increase was for homeland security equipment in the Fire Department and surveillance equipment in the Sheriff's Department.
- Federal Program Reserve budget decreased \$3.1 million from original to final as funds were transferred to special revenue fund grants as the city's match to various Federal and State grants.
- Long term debt issued original to final budget increased \$15 million which represents the restructuring of the Loan Pool that was originally set up to purchase capital assets within a fund outside of the General Fund. In fiscal year 2007 the Loan Pool was reorganized into the Banking Fund and the budget was distributed to the appropriate Divisions.
- Overall actual expenditures for fiscal 2007 were \$32 million under final budget.

Actual revenues for fiscal year 2007 were \$9 million below the final budgeted amount. Positive variances occurred with \$8 million additional property tax revenue. Intergovernmental was below final budget \$12 million primarily due to a decrease of \$5.8 million in ½ cent sales tax and \$3 million state shared revenues.

## 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, 2007, amounts to \$2.6 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, infrastructure, and construction in progress (see Table A-3). With the completion of several major building and roadway projects in fiscal year 2006, a focus was placed in fiscal year 2007 on areas such as Septic Tank Remediation with an increase of \$12 million in construction, \$13.3 million in Drainage Projects, primarily in the Drainage System Rehabilitation and \$4.5 increase in Parks Department Projects with the 9A and Baymeadows park project being the major portion of this increase. Additional information on the City of Jacksonville's capital assets can be found in Notes to the Financial Statements, Footnote 6 of this report. Both fiscal years experienced considerable costs in road projects due to the continuation of the Better Jacksonville Plan.

**Table A-3**  
**Capital Assets**  
**Net of Accumulated Depreciation**  
**(In Thousands)**  
**as of September 30, 2007 and September 30, 2006**

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 301,352	\$ 290,055	\$ 4,269	\$ 7,074	\$ 305,621	\$ 297,129
Buildings and improvements	1,125,189	1,090,034	75,856	74,608	1,201,045	1,164,642
Furniture & Equipment	101,294	88,013	6,883	6,964	108,177	94,977
Construction in progress	42,800	37,324	-	-	42,800	37,324
Infrastructure	1,473,594	1,334,667	-	-	1,473,594	1,334,667
Capital assets reported in						
Internal Service Funds, net	77,093	81,491	-	-	77,093	81,491
Other Assets	4,224	3,554	-	-	4,224	3,554
Less accumulated depreciation	(574,710)	(501,936)	(48,328)	(44,946)	(623,038)	(546,882)
Total	<u>\$ 2,550,835</u>	<u>\$ 2,423,202</u>	<u>\$ 38,680</u>	<u>\$ 43,700</u>	<u>\$ 2,589,515</u>	<u>\$ 2,466,902</u>

Major project costs in fiscal year 2007 included the following:

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2006</u>	<u>Change</u>
Public Works Road Projects	\$ 69.1 million	\$ 77.3 million	\$( 8.2)
Building Projects	10.3 million	56.0 million	( 45.7)
Septic Tank Remediation	29.0 million	17.0 million	12.0
Drainage Projects	23.7 million	10.4 million	13.3
Countrywide Resurfacing	5.2 million	9.9 million	( 4.7)
Library Projects	5.6 million	9.5 million	( 3.9)
Park Department Projects	10.5 million	6.0 million	4.5
Fire Department Projects	3.5 million	5.2 million	( 1.7)
Courthouse Project	4.5 million	3.0 million	1.5
Miscellaneous Projects	<u>1.3 million</u>	<u>1.9 million</u>	<u>( .6)</u>
Total	\$ 162.7 million	\$196.2 million	\$( 33.5)

## 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 \$2.3 billion in bonds and notes outstanding as shown in Table A-4. Additional information on the City of Jacksonville's long term-debt can be found in Notes to the Financial Statements, Footnote 8 of this report.

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

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Special Obligation Bonds	\$ 985,015	\$ 985,840	\$ -	\$ -	\$ 985,015	\$ 985,840
Special Obligation-BJP	1,147,119	1,064,210			1,147,119	1,064,210
Revenue Bonds Payable	-	-	57,560	63,465	57,560	63,465
Notes Payable	79,565	80,200	-	-	79,565	80,200
Notes Payable-BJP	57,426	15,920	-	-	57,426	15,920
Deferred Amounts						
Loss on Adv Ref	(5,099)	(5,555)	(1,742)	(2,042)	(6,841)	(7,597)
Issuance premiums	17,828	15,064	-	-	17,828	15,064
Issuance discounts	(3,471)	(3,627)	-	-	(3,471)	(3,627)
<b>Total</b>	<b>\$ 2,278,383</b>	<b>\$ 2,152,052</b>	<b>\$ 55,818</b>	<b>\$ 61,423</b>	<b>\$ 2,334,201</b>	<b>\$ 2,213,475</b>

The City of Jacksonville's debt increased by \$121 million as compared to fiscal year 2006. The increase was primarily due to \$22 million in debt reduction and \$143 million in new debt.

New indebtedness of the City of Jacksonville consists of;

Closing Date	Par Amount	Lien	Primary Use
September 2007	\$100,675,000	Transportation Revenue Bonds	Transportation Cap Projects
September 2007	\$ 42,245,000	Excise Tax Revenue Bonds	Municipal Improvements

At September 30, 2007, the City of Jacksonville had \$985 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), \$58 million in bonds payable from Enterprise Funds, and \$7 million in U.S. Government Guaranteed Notes.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

### **Other Economic Factors:**

- The unemployment rate for the City of Jacksonville is less than 4%. This compares favorably to the state's average unemployment rate (4.2%) and the national average unemployment rate (4.9%).
- 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 2007-2008:**

- As mandated by the state, operating millage was reduced from 9.6400 to 8.4841. This reduced budgeted property tax revenues by \$67,232,755, saving the owner of a homesteaded property with an assessed value of \$125,000 approximately \$115 in the current year.
- Reorganization of the government into 8 distinct business units, resulted in a reduction of 53 authorized positions and a savings of \$2.7 million. Beyond the reorganization, an additional 21 authorized positions were eliminated from the budget, bringing the total reduction of authorized positions to 74.
- Funding to match grants from the federal government and other sources for city projects was increased by \$2.8 million.
- Over \$38 million in reductions and adjustments were made to the budget, including cuts in the subsidy to the state's Public Health Department, special events and the Jacksonville Public Library. Reductions were also made in Public Service Grants, while maintaining a reasonable level of funding for critical human services, arts and culture.
- The city's revenue sources were diversified to reduce the reliance on property taxes. New revenues will be phased in over time to minimize the impact on taxpayers.
  - Effective July 1, 2008 a \$5 per month stormwater service charge was established to provide effective management and financing of stormwater and drainage projects throughout the city.
  - Effective April 1, 2008 a \$3 monthly solid waste service fee was established for the collection, processing, disposing, recycling and composting of residential solid waste.
  - A 3% franchise fee on electricity, water and sewer charges was also established, effective April 1, 2008.

## **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.

**Basic Financial Statements**  
**City-Wide**

**CITY-WIDE FINANCIAL  
STATEMENTS**



**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS -**  
**SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS		COMPONENT UNITS
			2007	2006	
<b>ASSETS:</b>					
Equity in cash and investments.....	\$ 604,803	\$ 78,223	\$ 683,026	\$ 752,205	\$ 1,200,090
Cash in escrow and with fiscal agents.....	5,154	-	5,154	5,452	309
Securities lending.....	25,472	-	25,472	16,447	-
Receivables, net.....	96,555	3,898	100,453	70,918	269,855
Internal balances.....	(214)	214	-	-	-
Due from independent agencies and other governments.....	136,883	174	137,057	89,146	55,527
Inventories.....	3,546	6	3,552	6,450	133,730
Prepaid expenses and other assets.....	17,959	280	18,239	17,157	283,575
Deferred charge - landfill related costs.....	-	24,864	24,864	27,228	-
Other deferred charges.....	-	347	347	386	-
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	344,860	4,269	349,129	334,930	1,508,457
Other capital assets, net of depreciation.....	<u>2,205,976</u>	<u>34,411</u>	<u>2,240,387</u>	<u>2,131,972</u>	<u>6,232,698</u>
<b>TOTAL ASSETS.....</b>	<u>3,440,994</u>	<u>146,686</u>	<u>3,587,680</u>	<u>3,452,291</u>	<u>9,684,241</u>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	77,248	7,564	84,812	67,819	217,240
Contracts payable.....	4,302	-	4,302	5,570	-
Due to component units.....	3,846	-	3,846	23,741	-
Due to independent agencies and other governments.....	2,500	-	2,500	2,500	1,091
Deposits.....	2,061	484	2,545	2,787	35,756
Deposits held for construction and events.....	-	-	-	2,703	-
Accrued interest payable.....	40,876	2,765	43,641	45,426	93,307
Unearned revenue.....	24,079	-	24,079	11,701	28,079
Securities lending.....	25,472	-	25,472	16,447	-
Liabilities payable from restricted assets.....	-	-	-	-	18,751
Other current liabilities.....	197	874	1,071	196	90,954
<b>NONCURRENT LIABILITIES:</b>					
Due within one year.....	99,213	7,625	106,838	114,207	172,541
Due in more than one year.....	<u>2,315,060</u>	<u>207,940</u>	<u>2,523,000</u>	<u>2,374,343</u>	<u>5,994,790</u>
<b>TOTAL LIABILITIES.....</b>	<u>2,594,854</u>	<u>227,252</u>	<u>2,822,106</u>	<u>2,667,440</u>	<u>6,652,509</u>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	1,063,627	16,341	1,079,968	942,300	2,016,504
Restricted for:					
Debt service.....	-	-	-	-	12,260
Capital projects.....	41,579	8,274	49,853	110,803	110,408
Permanent fund, non-expendable.....	123	-	123	123	-
Other purposes.....	-	-	-	-	431,970
Unrestricted.....	<u>(259,189)</u>	<u>(105,181)</u>	<u>(364,370)</u>	<u>(268,375)</u>	<u>460,590</u>
<b>TOTAL NET ASSETS (deficit).....</b>	<u>\$ 846,140</u>	<u>\$ (80,566)</u>	<u>\$ 765,574</u>	<u>\$ 784,851</u>	<u>\$ 3,031,732</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF ACTIVITIES -**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT			COMPONENT UNITS	
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS		
							2007	2006	
<b>PRIMARY GOVERNMENT:</b>									
Governmental activities:									
General government.....	\$ 201,186	\$ 79,232	\$ 95,508	\$ 351	\$ (26,095)	-	\$ (26,095)	\$ (8,599)	
Human services.....	108,738	1,696	12,537	-	(94,505)	-	(94,505)	(92,817)	
Public safety.....	472,531	45,825	11,572	-	(415,134)	-	(415,134)	(375,465)	
Culture and recreation.....	93,197	3,631	1,348	3,509	(84,709)	-	(84,709)	(71,452)	
Transportation.....	316,261	11,506	371	46,626	(257,758)	-	(257,758)	(150,118)	
Economic environment.....	77,440	-	55,635	178	(21,627)	-	(21,627)	(27,937)	
Physical environment.....	69,211	1,471	3,178	1,448	(63,114)	-	(63,114)	(47,238)	
Interest on long term debt.....	94,114	-	-	-	(94,114)	-	(94,114)	(92,682)	
Total governmental activities....	<u>1,432,678</u>	<u>143,361</u>	<u>180,149</u>	<u>52,112</u>	<u>(1,057,056)</u>		<u>(1,057,056)</u>	<u>(866,308)</u>	
Business-type activities:									
Parking system.....	6,340	4,820	-	-	-	(1,520)	(1,520)	(957)	
Motor vehicle inspections.....	482	424	-	-	-	(58)	(58)	3	
Solid Waste.....	71,240	39,123	-	-	-	(32,117)	(32,117)	(48,842)	
Mayport Ferry.....	1,937	1,033	-	-	-	(904)	(904)	(1,236)	
Municipal Stadium.....	11,732	3,534	-	-	-	(8,198)	(8,198)	(7,888)	
Memorial Arena.....	7,750	5,979	-	-	-	(1,771)	(1,771)	651	
Baseball Stadium.....	1,135	672	-	-	-	(463)	(463)	(562)	
Performing Arts.....	3,959	2,566	-	-	-	(1,393)	(1,393)	(402)	
Convention Center.....	3,443	837	-	-	-	(2,606)	(2,606)	(1,080)	
Equestrian Center.....	1,309	452	-	-	-	(857)	(857)	(679)	
Total business-type activities....	<u>109,327</u>	<u>59,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,887)</u>	<u>(49,887)</u>	<u>(60,992)</u>	
<b>Total primary government.....</b>	<b><u>\$ 1,542,005</u></b>	<b><u>\$ 202,801</u></b>	<b><u>\$ 180,149</u></b>	<b><u>\$ 52,112</u></b>	<b><u>(1,057,056)</u></b>	<b><u>(49,887)</u></b>	<b><u>(1,106,943)</u></b>	<b><u>(927,300)</u></b>	
<b>COMPONENT UNITS:</b>									
Governmental activities.....	\$ 102,109	\$ 1,630	\$ 22,646	\$ 166,523					\$ 88,690
Business-type activities.....	<u>1,750,575</u>	<u>1,575,518</u>	<u>68,512</u>	<u>101,475</u>					<u>(5,070)</u>
Total component units.....	<u>\$ 1,852,684</u>	<u>\$ 1,577,148</u>	<u>\$ 91,158</u>	<u>\$ 267,998</u>					<u>\$ 83,620</u>
General revenues:									
Property taxes.....					465,918	-	465,918	408,942	-
Utility service taxes.....					104,634	-	104,634	104,259	-
Sales and tourist taxes.....					181,621	12,520	194,141	196,257	73,828
Intergovernmental - unrestricted.....					206,371	-	206,371	228,237	-
Unrestricted earnings on investments.....					34,033	6,165	40,198	49,145	71,624
Miscellaneous.....					63,772	12,632	76,404	56,688	46,977
Transfers.....					(29,704)	29,704	-	-	-
Total general revenues and transfers.....					<u>1,026,645</u>	<u>61,021</u>	<u>1,087,666</u>	<u>1,043,528</u>	<u>192,429</u>
Change in net assets.....					<u>(30,411)</u>	<u>11,134</u>	<u>(19,277)</u>	<u>116,228</u>	<u>276,049</u>
Net assets, beginning of year.....					<u>876,551</u>	<u>(91,700)</u>	<u>784,851</u>	<u>668,623</u>	<u>2,755,683</u>
Net assets (deficit), end of year.....					<u>\$ 846,140</u>	<u>\$ (80,566)</u>	<u>\$ 765,574</u>	<u>\$ 784,851</u>	<u>\$ 3,031,732</u>

See accompanying notes.



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**Basic Financial Statements**  
**Fund Level**

**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 - 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 **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, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	<u>GENERAL FUND</u>	<u>SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS</u>	<u>BOND PROJECTS</u>
<b>ASSETS:</b>			
Equity in cash and investments.....	\$ 68,515	\$ 92,605	\$ 79,802
Cash in escrow and with fiscal agents.....	2,475	-	-
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts and interest.....	11,489	-	-
Mortgages.....	39	-	-
Other.....	15,113	-	-
Due from other funds.....	52	-	-
Due from independent agencies and other governments.....	43,898	-	-
Inventories.....	1,738	-	-
<b>TOTAL ASSETS.....</b>	<u>\$ 143,319</u>	<u>\$ 92,605</u>	<u>\$ 79,802</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	\$ 33,789	\$ -	\$ 3,873
Contracts payable.....	-	-	1,241
Due to other funds.....	281	-	-
Due to component units.....	3,846	-	-
Due to individuals.....	-	-	-
Deposits.....	809	-	-
Unearned revenue.....	20,611	-	-
Advances from other funds.....	-	-	-
<b>TOTAL LIABILITIES.....</b>	<u>59,336</u>	<u>-</u>	<u>5,114</u>
<b>FUND BALANCES:</b>			
Reserved for:			
Encumbrances.....	13,255	-	48,411
City Council emergency use.....	40,000	-	-
Imprest cash and cash in escrow.....	2,475	-	-
Mortgages receivable.....	39	-	-
Inventories.....	1,738	-	-
Debt service.....	-	92,605	-
Unreserved:			
Designated for capital projects.....	2,125	-	26,277
Reported in nonmajor special revenue funds.....	-	-	-
Designated for subsequent years' budget Reported in nonmajor special revenue funds.....	-	-	-
Undesignated (deficit).....	24,351	-	-
Unreserved, reported in nonmajor:			
Special revenue funds.....	-	-	-
Capital projects funds.....	-	-	-
Permanent fund.....	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<u>83,983</u>	<u>92,605</u>	<u>74,688</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<u>\$ 143,319</u>	<u>\$ 92,605</u>	<u>\$ 79,802</u>

See accompanying notes.



**BETTER  
JACKSONVILLE  
PLAN  
CONSTRUCTION  
PROJECT**

**NON MAJOR  
GOVERNMENTAL  
FUNDS**

**TOTALS**

**2007      2006**

\$ -	\$ 293,145	\$ 534,067	\$ 642,128
-	2,679	5,154	5,452
-	962	12,451	9,536
-	16,632	16,671	9,688
11,822	-	26,935	5,671
-	39,729	39,781	-
46,934	43,591	134,423	90,707
-	-	1,738	1,449
<u>\$ 58,756</u>	<u>\$ 396,738</u>	<u>\$ 771,220</u>	<u>\$ 764,631</u>
\$ 9,444	\$ 18,064	\$ 65,170	\$ 53,009
2,274	787	4,302	4,240
39,729	-	40,010	-
-	-	3,846	23,741
-	197	197	196
-	1,250	2,059	2,631
-	1,252	21,863	9,387
-	9,800	9,800	10,408
<u>51,447</u>	<u>31,350</u>	<u>147,247</u>	<u>103,612</u>
100,224	51,485	213,375	214,929
-	-	40,000	40,000
-	2,640	5,115	5,413
-	16,632	16,671	8,638
-	-	1,738	1,449
-	81,180	173,785	172,230
-	-	28,402	52,996
-	-	-	588
-	-	-	143
(92,915)	-	(68,564)	(30,138)
-	185,307	185,307	175,737
-	27,950	27,950	18,846
-	194	194	188
<u>7,309</u>	<u>365,388</u>	<u>623,973</u>	<u>661,019</u>
<u>\$ 58,756</u>	<u>\$ 396,738</u>	<u>\$ 771,220</u>	<u>\$ 764,631</u>



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**City of Jacksonville, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**September 30, 2007**  
**(in thousands)**

Total fund balances- governmental funds		\$ 623,973
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		2,473,743
Long term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:		
Bonds and notes payable	(2,196,920)	
Unamortized bond discounts	3,471	
Unamortized bond premium	(17,828)	
Unamortized loss on advance refunding of debt	5,099	
Total bonds and notes payable	(2,206,178)	(2,206,178)
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)		(53,419)
Interest payable		(40,876)
Unamortized bond issuance costs		15,378
Estimated settlement for Shipyards project		(2,500)
Settlement payable		(250)
Receivable/Loan elimination		(14,624)
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.		50,893
Net assets of governmental activities		\$ 846,140

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, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	<b>GENERAL FUND</b>	<b>SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS</b>	<b>BOND PROJECTS</b>
<b>REVENUE:</b>			
Property taxes.....	\$ 453,971	\$ -	\$ -
Utility Service taxes.....	104,634	-	-
Sales and tourist taxes.....	1,410	-	-
Licenses and permits.....	8,867	-	-
Intergovernmental.....	145,820	20,594	-
Charges for services.....	63,535	-	-
Fines and forfeitures.....	4,645	-	-
Payment in lieu of taxes.....	95,151	-	-
Interest.....	10,872	7,675	2,245
Other.....	19,233	-	-
<b>Total Revenue.....</b>	<b>908,138</b>	<b>28,269</b>	<b>2,245</b>
<b>EXPENDITURES:</b>			
Current:			
General government.....	114,165	-	-
Human services.....	70,567	-	-
Public safety.....	442,864	-	-
Culture and recreation.....	66,791	-	-
Transportation.....	41,139	-	-
Economic environment.....	17,107	-	-
Physical environment.....	14,223	-	-
Capital outlay.....	-	-	42,950
Debt service:			
Principal.....	-	17,765	-
Interest and fiscal charges.....	-	51,016	-
Other - cost of issuance.....	-	-	392
<b>Total Expenditures.....</b>	<b>766,856</b>	<b>68,781</b>	<b>43,342</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>141,282</b>	<b>(40,512)</b>	<b>(41,097)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Long term debt issued.....	3,901	-	42,245
Premium on special obligation bonds payable.....	-	-	1,147
Payment to escrow agent - refunded bonds.....	-	-	-
Transfers in.....	7,494	34,834	-
Transfers out.....	(146,603)	-	(2,918)
<b>Total Other Financing Sources (Uses).....</b>	<b>(135,208)</b>	<b>34,834</b>	<b>40,474</b>
<b>NET CHANGES IN FUND BALANCES.....</b>	<b>6,074</b>	<b>(5,678)</b>	<b>(623)</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>			
	<b>77,909</b>	<b>98,283</b>	<b>75,311</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 83,983</b>	<b>\$ 92,605</b>	<b>\$ 74,688</b>

BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
		2007	2006
\$ -	\$ 11,947	\$ 465,918	\$ 408,942
-	-	104,634	104,259
-	180,211	181,621	196,257
-	-	8,867	10,509
27,396	105,886	299,696	314,959
-	64,856	128,391	134,977
-	1,458	6,103	7,347
-	-	95,151	88,688
527	9,782	31,101	41,384
-	44,539	63,772	52,912
<u>27,923</u>	<u>418,679</u>	<u>1,385,254</u>	<u>1,360,234</u>
-	38,729	152,894	136,815
-	37,084	107,651	105,979
-	31,256	474,120	427,478
-	6,202	72,993	72,924
-	122,294	163,433	148,107
-	59,884	76,991	72,270
-	7,651	21,874	19,307
267,388	41,243	351,581	302,583
-	48,529	66,294	64,774
-	45,891	96,907	95,365
1,367	-	1,759	1,085
<u>268,755</u>	<u>438,763</u>	<u>1,586,497</u>	<u>1,446,687</u>
<u>(240,832)</u>	<u>(20,084)</u>	<u>(201,243)</u>	<u>(86,453)</u>
144,309	-	190,455	114,170
2,950	-	4,097	1,693
-	-	-	(41,457)
12,976	137,233	192,537	214,270
(469)	(72,902)	(222,892)	(249,031)
<u>159,766</u>	<u>64,331</u>	<u>164,197</u>	<u>39,645</u>
(81,066)	44,247	(37,046)	(46,808)
<u>88,375</u>	<u>321,141</u>	<u>661,019</u>	<u>707,827</u>
<u>\$ 7,309</u>	<u>\$ 365,388</u>	<u>\$ 623,973</u>	<u>\$ 661,019</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, 2007**  
(in thousands)

Net change in fund balances- total governmental funds: \$ (37,046)

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	171,958	
Capital assets contributed by developers	43,785	
Capital assets transferred from proprietary funds of the city	37	
Current year depreciation	(81,211)	
Loss on disposition of assets	(2,507)	
		132,062

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		
Bond Issuance Costs	1,759	
Amortization of issuance costs	(866)	
Amortization of bond discounts	(155)	
Amortization of bond premium	1,333	
Additional bond premium with new debt issue	(4,097)	
Amortization - loss on refunding	(456)	
		(2,482)

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	(142,920)	
State debt	(43,634)	
Principal repayment	63,599	
		(122,955)

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	2,937	
Increases in compensated absences payable	(773)	
Increase in Settlement Expense	(250)	
Net effect-elimination receivable/payable	91	
		(123,432)

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

Interest revenue	2,932	
Other non-operating expenses	(5,843)	
Operating income	311	
Transfers in, net	605	
		(1,995)

Change in Net Assets - Governmental Activities \$ (30,411)

See accompanying notes.

### **MAJOR ENTERPRISE FUNDS:**

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

**ENTERPRISE FUNDS**

	<b>SOLID WASTE DISPOSAL</b>	<b>NON MAJOR ENTERPRISE</b>	<b>TOTALS</b>		<b>INTERNAL SERVICE FUNDS</b>
			<b>2007</b>	<b>2006</b>	
<b>ASSETS:</b>					
Equity in cash and investments.....	\$ 53,393	\$ 10,114	\$ 63,507	\$ 46,217	\$ 70,736
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts.....	2,631	1,267	3,898	3,867	70
Loans receivable.....	-	-	-	-	42,537
Other.....	-	-	-	-	1,923
Due from other funds.....	-	281	281	-	354
Due from independent agencies and other governments..	7	167	174	7	2,460
Interest and dividend receivables.....	-	-	-	133	-
Inventories.....	-	6	6	8	1,808
Prepaid expenses and other assets.....	-	280	280	263	2,581
<b>Total Current Assets.....</b>	<b>56,031</b>	<b>12,115</b>	<b>68,146</b>	<b>50,495</b>	<b>122,469</b>
<b>NONCURRENT ASSETS:</b>					
Advances to other funds.....	-	-	-	-	9,800
Sinking fund cash and investments.....	14,716	-	14,716	15,441	-
Accounts and interest receivable.....	-	-	-	1,007	-
Loans receivable.....	-	-	-	-	31,287
Other receivables.....	-	-	-	-	15,125
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	1,859	2,410	4,269	7,074	203
Other capital assets, net of depreciation.....	22,350	12,061	34,411	36,626	76,890
Deferred charge - Landfill related costs.....	24,864	-	24,864	27,228	-
Other deferred charges.....	347	-	347	386	-
<b>Total Noncurrent Assets.....</b>	<b>64,136</b>	<b>14,471</b>	<b>78,607</b>	<b>87,762</b>	<b>133,305</b>
<b>TOTAL ASSETS.....</b>	<b>120,167</b>	<b>26,586</b>	<b>146,753</b>	<b>138,257</b>	<b>255,774</b>



**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

**ENTERPRISE FUNDS**

	<b>SOLID WASTE DISPOSAL</b>	<b>NON MAJOR ENTERPRISE</b>	<b>TOTALS</b>		<b>INTERNAL SERVICE FUNDS</b>
			<b>2007</b>	<b>2006</b>	
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	\$ 5,073	\$ 2,491	\$ 7,564	\$ 8,104	\$ 12,078
Contracts payable.....	-	-	-	1,330	-
Due to other funds.....	-	67	67	-	339
Capitalized lease obligations, current portion.....	-	-	-	-	343
Deposits.....	166	318	484	154	2
Deposits held for construction and events.....	-	-	-	2,703	-
Advances from other funds.....	-	874	874	-	-
Accrued interest payable.....	1,112	1,653	2,765	1,613	-
Current portion of bonds payable.....	3,365	4,045	7,410	3,210	-
Unearned revenue.....	-	-	-	249	2,216
Accrued compensated absences, current portion.....	157	58	215	211	985
Current portion of loans payable.....	-	-	-	2,695	13,317
<b>Total Current Liabilities.....</b>	<b>9,873</b>	<b>9,506</b>	<b>19,379</b>	<b>20,269</b>	<b>29,280</b>
<b>NONCURRENT LIABILITIES:</b>					
Estimated liability for self-insured losses.....	-	-	-	-	77,992
Estimated liability for pollution remediation.....	89,052	-	89,052	87,246	-
Liability for landfill closure and postclosure care.....	46,600	-	46,600	43,050	-
Accrued compensated absences.....	366	134	500	495	2,292
Capitalized lease obligations.....	-	-	-	-	609
Notes payable.....	-	-	-	-	72,205
Loans payable.....	23,380	-	23,380	23,380	22,503
Bonds payable.....	38,066	10,342	48,408	55,517	-
<b>Total Noncurrent Liabilities.....</b>	<b>197,464</b>	<b>10,476</b>	<b>207,940</b>	<b>209,688</b>	<b>175,601</b>
<b>TOTAL LIABILITIES.....</b>	<b>207,337</b>	<b>19,982</b>	<b>227,319</b>	<b>229,957</b>	<b>204,881</b>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	7,641	8,700	16,341	20,375	40,321
Restricted for:					
Capital.....	8,274	-	8,274	7,193	-
Unrestricted.....	(103,085)	(2,096)	(105,181)	(119,268)	10,572
<b>TOTAL NET ASSETS (deficit).....</b>	<b>\$ (87,170)</b>	<b>\$ 6,604</b>	<b>\$ (80,566)</b>	<b>\$ (91,700)</b>	<b>\$ 50,893</b>



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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, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	<b>ENTERPRISE FUNDS</b>				
	<b>SOLID WASTE DISPOSAL</b>	<b>NON MAJOR ENTERPRISE</b>	<b>TOTALS</b>		<b>INTERNAL SERVICE FUNDS</b>
			<b>2007</b>	<b>2006</b>	
<b>OPERATING REVENUE:</b>					
Sales and tourist taxes.....	\$ -	\$ 12,520	\$ 12,520	\$ -	\$ -
Charges for services.....	39,123	20,317	59,440	65,667	196,742
Charges for services for independent authorities....	-	-	-	-	9,230
Other.....	-	-	-	-	9,301
Total Operating Revenue.....	<u>39,123</u>	<u>32,837</u>	<u>71,960</u>	<u>65,667</u>	<u>215,273</u>
<b>OPERATING EXPENSES:</b>					
Personal services.....	5,679	8,948	14,627	19,611	32,474
Supplies and materials.....	1,805	841	2,646	6,491	20,928
Central services.....	1,921	649	2,570	3,143	6,112
Interdepartmental charges.....	241	3,608	3,849	1,944	-
Other services and charges.....	56,538	21,003	77,541	88,203	27,015
Depreciation and amortization.....	2,831	741	3,572	4,040	21,896
Court reporter services.....	-	-	-	-	35
Claims and losses.....	-	-	-	-	27,999
Insurance premiums and participant dividends.....	-	-	-	-	78,503
Total Operating Expenses.....	<u>69,015</u>	<u>35,790</u>	<u>104,805</u>	<u>123,432</u>	<u>214,962</u>
<b>OPERATING (LOSS) INCOME.....</b>	<u>(29,892)</u>	<u>(2,953)</u>	<u>(32,845)</u>	<u>(57,765)</u>	<u>311</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>					
Interest revenue.....	2,597	3,568	6,165	4,765	2,932
Interest expense.....	(2,225)	(529)	(2,754)	(3,227)	-
Other.....	3,739	7,125	10,864	3,776	(5,843)
Total Non-Operating Revenue (Expenses).....	<u>4,111</u>	<u>10,164</u>	<u>14,275</u>	<u>5,314</u>	<u>(2,911)</u>
<b>(LOSS) INCOME BEFORE TRANSFERS.....</b>	<u>(25,781)</u>	<u>7,211</u>	<u>(18,570)</u>	<u>(52,451)</u>	<u>(2,600)</u>
<b>TRANSFERS:</b>					
Transfers in.....	29,600	22,145	51,745	38,283	1,280
Transfers out.....	(68)	(21,973)	(22,041)	(2,071)	(675)
Net Transfers	<u>29,532</u>	<u>172</u>	<u>29,704</u>	<u>36,212</u>	<u>605</u>
<b>CHANGES IN NET ASSETS.....</b>	<u>3,751</u>	<u>7,383</u>	<u>11,134</u>	<u>(16,239)</u>	<u>(1,995)</u>
<b>NET ASSETS (DEFICIT),</b>					
<b>BEGINNING OF YEAR.....</b>	<u>(90,921)</u>	<u>(779)</u>	<u>(91,700)</u>	<u>(75,461)</u>	<u>52,888</u>
<b>NET ASSETS (DEFICIT),</b>					
<b>END OF YEAR.....</b>	<u>(\$ 87,170)</u>	<u>\$ 6,604</u>	<u>(\$ 80,566)</u>	<u>\$ (91,700)</u>	<u>\$ 50,893</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

**ENTERPRISE FUNDS**

	<b><u>SOLID WASTE DISPOSAL</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers.....	\$ 39,813
Payments to suppliers.....	(60,204)
Payments to employees .....	(5,680)
Internal activity- payments to other funds.....	-
Other receipts (expenses).....	3,739
Other operating cash receipts (payments).....	<u>5,282</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	 <u>(17,050)</u>
 <b>NONCAPITAL FINANCING ACTIVITIES:</b>	
Interest payment on non-capital borrowing.....	(953)
Cash received through transfers from other funds.....	29,600
Cash payments through transfers to other funds.....	<u>(68)</u>
 NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....	 <u>28,579</u>
 <b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Increase (decrease) to property, plant and equipment.....	(2,831)
Increase in landfill closure costs and other charges.....	5,228
Increase (decrease) in construction fund cash and investments.....	(882)
Principal paid on long-term obligations.....	(3,244)
Increase in capitalized lease obligations.....	-
Proceeds from loans payable.....	-
Interest and payments to refunded bond escrow agent.....	<u>(2,225)</u>
 NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	 <u>(3,954)</u>
 <b>INVESTING ACTIVITIES:</b>	
Interest and dividends on investments.....	<u>2,597</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES.....	 <u>2,597</u>
 NET INCREASE IN CASH AND INVESTMENTS.....	 10,172
 Equity in cash and investments at October 1, 2006.....	 <u>43,221</u>
 Equity in cash and investments at September 30, 2007.....	 <u>\$ 53,393</u>

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**ENTERPRISE FUNDS**

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<u>NON MAJOR ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
	<u>2007</u>	<u>2006</u>	
\$ 32,542	\$ 72,355	\$ 65,141	\$ 243,546
(22,316)	(82,520)	(97,339)	(199,541)
(8,938)	(14,618)	(19,577)	(32,324)
67	67	-	339
7,125	10,864	3,776	(5,843)
<u>(3,769)</u>	<u>1,513</u>	<u>(2,178)</u>	<u>(38,366)</u>
4,711	<u>(12,339)</u>	<u>(50,177)</u>	<u>(32,189)</u>
-	(953)	-	-
22,145	51,745	38,283	1,280
<u>(21,973)</u>	<u>(22,041)</u>	<u>(2,071)</u>	<u>(675)</u>
172	<u>28,751</u>	<u>36,212</u>	<u>605</u>
1,454	(1,377)	(185)	(17,468)
-	5,228	2,273	-
1,607	725	957	-
(3,865)	(7,109)	(5,605)	-
-	-	(95)	808
-	-	23,380	67,629
<u>(529)</u>	<u>(2,754)</u>	<u>(3,227)</u>	<u>-</u>
<u>(1,333)</u>	<u>(5,287)</u>	<u>17,498</u>	<u>50,969</u>
<u>3,568</u>	<u>6,165</u>	<u>4,765</u>	<u>2,932</u>
<u>3,568</u>	<u>6,165</u>	<u>4,765</u>	<u>2,932</u>
7,118	17,290	8,298	22,317
<u>2,996</u>	<u>46,217</u>	<u>37,919</u>	<u>48,419</u>
<u>\$ 10,114</u>	<u>\$ 63,507</u>	<u>\$ 46,217</u>	<u>\$ 70,736</u>

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(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands; continued)**

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	<u><b>SOLID WASTE DISPOSAL</b></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH</b>	
<b>PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>	
OPERATING INCOME (LOSS).....	(\$ 29,892)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization.....	2,831
Interest payment on non-capital borrowing.....	953
Other non-operating revenue/(expenses).....	3,739
Change in assets and liabilities:	
Decrease (increase) in receivables and other current assets, net.....	557
Decrease (increase) in interest and dividend receivables.....	133
Increase in due from other funds.....	-
Decrease (increase) in due from independent agencies and other governments...	-
Decrease (increase) in due from other governments.....	-
Decrease (increase) in inventories.....	-
Decrease in receivables-non-current.....	-
Decrease (increase) in prepaid expenses.....	-
Decrease (increase) in accounts payable and accrued expenses.....	516
Decrease in due to other funds.....	-
Increase in contracts payable.....	(1,330)
Decrease (increase) in deposits.....	12
(Increase) decrease in interest payable.....	(79)
Increase in current portion of bond payables.....	155
Increase (decrease) in unearned revenue.....	-
Increase in advances from other funds .....	-
Increase in estimated liability for ash sites remediations .....	1,806
Increase (decrease) in liability for landfill closure and postclosure care.....	3,550
Increase in liability for self-insured losses.....	-
(Decrease) increase in accrued compensated absences.....	(1)
<b>TOTAL ADJUSTMENTS.....</b>	<u><b>12,842</b></u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	 <u><u><b>(\$ 17,050)</b></u></u>
 <b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>	
Change in the fair value of investments.....	<u><u><b>(\$ 78)</b></u></u>

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**ENTERPRISE FUNDS**

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<b>NON MAJOR ENTERPRISE</b>	<b>TOTALS</b>		<b>INTERNAL SERVICE FUNDS</b>
	<b>2007</b>	<b>2006</b>	
<u>(\$ 2,953)</u>	<u>(\$ 32,845)</u>	<u>(\$ 57,765)</u>	<u>\$ 311</u>
741	3,572	4,040	21,896
-	-	-	-
7,125	10,864	3,776	(5,843)
419	976	(367)	153
-	133	(133)	-
(281)	(281)	-	(23,126)
-	-	1	(728)
(167)	(167)	12	-
2	2	(3)	(115)
-	-	-	28,103
(17)	(17)	46	137
(1,056)	(540)	(23,670)	(66,833)
67	67	-	339
-	(1,330)	(11)	-
(2,385)	(2,373)	(661)	-
1,231	1,152	(69)	-
1,350	1,505	1,380	-
(249)	(249)	(85)	151
874	874	-	-
-	1,806	24,251	-
-	3,550	(953)	-
-	-	-	13,216
10	9	34	150
<u>7,664</u>	<u>20,506</u>	<u>7,588</u>	<u>(32,500)</u>
<u>\$ 4,711</u>	<u>(\$ 12,339)</u>	<u>(\$ 50,177)</u>	<u>(\$ 32,189)</u>
<u>(\$ 25)</u>	<u>(\$ 103)</u>	<u>\$ 316</u>	<u>(\$ 362)</u>

(continued)



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## **FIDUCIARY FUND LEVEL STATEMENTS**

**PENSION TRUST FUNDS** are funds administered by independent boards for which the City performs a fiduciary role under a defined benefit program. The participant's retirement annuity is based on a statutory formula 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, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST FUND		AGENCY FUNDS	
	2007	2006	2007	2006	2007	2006
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Equity in cash and investments.....	\$ 63,847	\$ 30,454	\$ 216	\$ 216	\$ 55,776	\$ 44,998
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends.....	7,000	8,504	-	-	-	-
Accounts.....	5,523	4,018	-	-	534	4,944
Total receivables.....	12,523	12,522	-	-	534	4,944
Investments, at fair value:						
U.S. Government obligations.....	285,925	436,604	-	-	-	-
Municipal Bonds.....	-	455	-	-	-	-
Domestic corporate bonds.....	585,832	451,930	-	-	-	-
Commercial paper.....	43,256	-	-	-	-	-
Domestic stocks.....	1,383,229	1,237,875	-	-	-	-
International stocks.....	329,280	317,797	-	-	-	-
Real Estate.....	266,052	184,348	-	-	-	-
Total investments.....	2,893,574	2,629,009	-	-	-	-
<b>TOTAL CURRENT ASSETS.....</b>	<b>2,969,944</b>	<b>2,671,985</b>	<b>216</b>	<b>216</b>	<b>56,310</b>	<b>49,942</b>
<b>CAPITAL ASSETS</b>						
Other capital assets, net of depreciation.....	96	100	-	-	-	-
<b>TOTAL CAPITAL ASSETS, Net.....</b>	<b>96</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Securities Lending Collateral.....	320,021	267,382	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>3,290,061</b>	<b>2,939,467</b>	<b>216</b>	<b>216</b>	<b>\$ 56,310</b>	<b>\$ 49,942</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Obligations Under Securities Lending Agreement.....	320,021	267,382	-	-	-	-
Accounts payable and accrued liabilities.....	5,550	4,989	-	-	1,139	282
Due to independent agencies and other governments...	-	-	-	-	22,919	23,498
Due to individuals.....	-	-	-	-	3,679	698
Current portion of long-term liabilities.....	-	-	-	-	-	-
Deposits held in escrow.....	-	-	-	-	28,573	25,464
<b>Total Current Liabilities.....</b>	<b>325,571</b>	<b>272,371</b>	<b>-</b>	<b>-</b>	<b>56,310</b>	<b>49,942</b>
<b>NONCURRENT LIABILITIES:</b>						
Accrued compensated absences.....	66	32	-	-	-	-
Terminal Leave - Group Care.....	398	399	-	-	-	-
Terminal Leave - Pending.....	57	169	-	-	-	-
Due to Drop participants.....	148,579	138,429	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>474,671</b>	<b>411,400</b>	<b>-</b>	<b>-</b>	<b>\$ 56,310</b>	<b>\$ 49,942</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....</b>	<b>\$ 2,815,390</b>	<b>\$ 2,528,067</b>	<b>\$ 216</b>	<b>\$ 216</b>		

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	<b>PENSION TRUST FUNDS</b>		<b>PRIVATE PURPOSE TRUST</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>ADDITIONS</b>				
Contributions:				
Employer.....	\$ 75,761	\$ 58,518	\$ -	\$ -
Plan members.....	35,158	22,254	-	-
Total contributions.....	<u>110,919</u>	<u>80,772</u>	<u>-</u>	<u>-</u>
Other additions:				
State insurance contributions.....	8,878	7,674	-	-
Court fines & penalties.....	1,879	1,791	-	-
Miscellaneous.....	60	4,092	-	-
Transfers in.....	-	-	7	13
Total other additions.....	<u>10,817</u>	<u>13,557</u>	<u>7</u>	<u>13</u>
Investment income:				
Net appreciation in fair value of investments.....	296,672	167,963	-	-
Interest.....	58,605	18,923	7	6
Dividends.....	28,037	26,587	-	-
Rebate of commissions.....	346	322	-	-
Rental income.....	1,871	871	-	-
Other miscellaneous.....	43	-	-	-
Total investment income.....	<u>385,574</u>	<u>214,666</u>	<u>7</u>	<u>6</u>
Less investment expense.....	(10,798)	(8,686)	-	-
Less rental expense.....	(186)	(222)	-	-
Net investment income.....	<u>374,590</u>	<u>205,758</u>	<u>7</u>	<u>6</u>
From Securities Lending Activities:				
Securities Lending.....	22,392	10,511	-	-
Securities Lending Expenses.....				
Interest Expense (returned to borrower).....	(21,518)	(9,779)	-	-
Agent Fees.....	75	(183)	-	-
Total securities lending activities .....	<u>949</u>	<u>549</u>	<u>-</u>	<u>-</u>
<b>TOTAL ADDITIONS.....</b>	<b><u>497,275</u></b>	<b><u>300,636</u></b>	<b><u>14</u></b>	<b><u>19</u></b>
<b>DEDUCTIONS</b>				
Benefits payments.....	201,280	189,366	-	-
DROP Benefits.....	857	-	-	-
Refunds of contributions.....	3,643	3,186	-	-
Transfers out.....	-	-	-	13
Administrative expenses.....	4,172	3,223	-	-
Operating expenses.....	-	-	14	2
<b>TOTAL DEDUCTIONS.....</b>	<b><u>209,952</u></b>	<b><u>195,775</u></b>	<b><u>14</u></b>	<b><u>15</u></b>
<b>CHANGE IN NET ASSETS.....</b>	<b>287,323</b>	<b>104,861</b>	<b>-</b>	<b>4</b>
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<b><u>2,528,067</u></b>	<b><u>2,423,206</u></b>	<b><u>216</u></b>	<b><u>212</u></b>
<b>NET ASSETS, END OF YEAR.....</b>	<b><u>\$ 2,815,390</u></b>	<b><u>\$ 2,528,067</u></b>	<b><u>\$ 216</u></b>	<b><u>\$ 216</u></b>

See accompanying notes.



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**Basic Financial Statements**  
**Component Units**

11

## 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.

### COMPONENT UNITS THAT DO NOT ISSUE A SEPARATE REPORT:

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

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

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF NET ASSETS -  
COMPONENT UNITS (in thousands)  
SEPTEMBER 30, 2007**

**MAJOR COMPONENT UNITS**

	<b>JEA</b>	<b>JACKSONVILLE TRANSPORTATION AUTHORITY</b>	<b>JACKSONVILLE AVIATION AUTHORITY</b>	<b>JACKSONVILLE PORT AUTHORITY</b>
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 525,298	\$ 91,708	\$ 132,023	\$ 83,293
Cash in escrow with fiscal agent.....	-	-	-	-
Investments.....	187,840	121,094	26,454	1,972
Due from primary government.....	-	-	-	-
Due from other governmental agencies.....	-	41,355	10,000	4,172
Accounts and interest receivable.....	211,441	556	5,770	3,434
Mortgages receivable.....	-	-	-	-
Other receivables.....	-	-	11,699	3,417
Inventories.....	128,925	2,606	702	1,497
Other assets.....	275,520	569	2,875	2,246
Bond issuance costs, net.....	-	-	-	1,053
Capital assets:				
Land and construction in progress.....	729,879	415,256	154,973	208,349
Buildings and improvements.....	-	76,652	558,222	321,185
Vehicles.....	-	37,723	-	-
Equipment.....	-	24,366	-	97,518
Utility plant in service.....	8,326,753	-	-	-
Other capital assets.....	-	-	969	-
Less: accumulated depreciation.....	(2,781,773)	-	(227,920)	(204,520)
Total capital assets, net of depreciation.....	6,274,859	553,997	486,244	422,532
Total assets.....	7,603,883	811,885	675,767	523,616
<b>LIABILITIES</b>				
Accounts payable and accrued expenses.....	195,674	4,012	10,616	5,303
Deposits.....	35,450	-	-	-
Unearned revenue.....	-	2,798	-	2,638
Due to other governmental agencies.....	-	1,091	-	-
Interest payable.....	87,724	-	5,583	-
Other current liabilities.....	90,000	16	-	938
Other noncurrent liabilities.....	120,262	-	-	121,061
Liabilities payable with restricted assets.....	-	18,751	-	-
Long-term liabilities:				
Due within one year:				
Estimated liability for injury and damage claims.....	-	2,339	-	-
Bonds, notes payable, capital leases and contracts.....	125,295	-	18,688	26,162
Compensated absences.....	-	57	-	-
Due in more than one year:				
Estimated liability for injury and damage claims.....	-	379	-	200
Bonds, capital leases and commercial paper.....	5,444,212	-	228,207	79,771
Compensated absences.....	-	698	-	-
Total liabilities.....	6,098,617	30,141	263,094	236,073
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	862,087	553,996	336,911	259,987
Restricted for:				
Capital projects and grants.....	-	110,408	-	-
Debt service.....	-	-	-	12,260
Other purposes.....	390,014	3,255	38,323	378
Unrestricted.....	253,165	114,085	37,439	14,918
Total Net Assets.....	\$ 1,505,266	\$ 781,744	\$ 412,673	\$ 287,543

See accompanying notes.

<b>JACKSONVILLE HOUSING FINANCE AUTHORITY</b>	<b>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</b>	<b>NON MAJOR COMPONENT UNITS</b>	<b>TOTAL</b>
\$ 4,728	\$ 24,506	\$ 1,174	\$ 862,730
309	-	-	309
-	-	-	337,360
-	64	-	64
-	-	-	55,527
-	-	644	221,845
10,695	-	-	10,695
-	22,135	-	37,251
-	-	-	133,730
1,308	-	4	282,522
-	-	-	1,053
-	-	-	1,508,457
-	-	-	956,059
-	-	-	37,723
76	63	3,714	125,737
-	-	-	8,326,753
-	-	-	969
(72)	(48)	(210)	(3,214,543)
<u>4</u>	<u>15</u>	<u>3,504</u>	<u>7,741,155</u>
<u>17,044</u>	<u>46,720</u>	<u>\$ 5,326</u>	<u>9,684,241</u>
305	1,288	42	217,240
-	306	-	35,756
-	22,643	-	28,079
-	-	-	1,091
-	-	-	93,307
-	-	-	90,954
-	-	-	241,323
-	-	-	18,751
-	-	-	2,339
-	-	-	170,145
-	-	-	57
-	-	-	579
-	-	-	5,752,190
-	-	-	698
<u>305</u>	<u>24,237</u>	<u>42</u>	<u>6,652,509</u>
4	15	3,504	2,016,504
-	-	-	110,408
-	-	-	12,260
-	-	-	431,970
<u>16,735</u>	<u>22,468</u>	<u>1,780</u>	<u>460,590</u>
<u>\$ 16,739</u>	<u>\$ 22,483</u>	<u>\$ 5,284</u>	<u>\$ 3,031,732</u>

(continued)



**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF ACTIVITIES -  
COMPONENT UNITS (in thousands)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES					BUSINESS- TYPE ACTIVITIES	TOTAL
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES		
Governmental activities:							
Jacksonville Transportation Authority	\$ 84,849	\$ -	\$ 6	\$ 165,637	\$ 80,794		\$ 80,794
Jacksonville Housing Finance Authority	1,614	-	-	-	(1,614)		(1,614)
Jacksonville Economic Development Comm	14,626	735	22,640	575	9,324		9,324
Non Major Component Units	1,020	895	-	311	186		186
<b>Total governmental activities.....</b>	<b>102,109</b>	<b>1,630</b>	<b>22,646</b>	<b>166,523</b>	<b>88,690</b>		<b>88,690</b>
Business-type activities:							
JEA	1,527,119	1,456,001	-	57,179	-	(13,939)	(13,939)
Jacksonville Transportation Authority	100,796	17,864	63,194	14,396	-	(5,342)	(5,342)
Jacksonville Aviation Authority	75,111	61,666	12	23,600	-	10,167	10,167
Jacksonville Port Authority	45,867	39,905	3,506	4,587	-	2,131	2,131
Non Major Component Units	1,682	82	1,594	1,713	-	1,707	1,707
<b>Total business-type activities.....</b>	<b>1,750,575</b>	<b>1,575,518</b>	<b>68,306</b>	<b>101,475</b>	<b>-</b>	<b>(5,276)</b>	<b>(5,276)</b>
<b>Total component units.....</b>	<b>\$ 1,852,684</b>	<b>\$ 1,577,148</b>	<b>\$ 90,952</b>	<b>\$ 267,998</b>	<b>88,690</b>	<b>(5,276)</b>	<b>83,414</b>
General revenues:							
Sales and tourist taxes.....					73,828	-	73,828
Payments from other governments.....					-	206	206
Unrestricted earnings on investments.....					8,249	63,375	71,624
Miscellaneous.....					3,244	43,733	46,977
Transfers.....					(2,819)	2,819	-
<b>Total general revenues.....</b>					<b>82,502</b>	<b>110,133</b>	<b>192,635</b>
Change in net assets.....					171,192	104,857	276,049
Net assets, beginning of year.....					463,606	2,292,077	2,755,683
Net assets, end of year.....					<b>\$ 634,798</b>	<b>\$ 2,396,934</b>	<b>\$ 3,031,732</b>

See accompanying notes.

**Basic Financial Statements**  
**Notes to Financial Statements**

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation:**

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

**B. Financial Reporting Entity:**

The city is a consolidated city/county political entity created by Chapter 67-1320 of the Laws of Florida. When consolidation occurred on October 1, 1968, all existing municipalities, authorities, and public agencies within Duval County, except for the Duval County School Board, were merged into a single new corporate and political entity also known as the City of Jacksonville. At the same time, however, the cities of Jacksonville Beach, Atlantic Beach, Neptune Beach, and the Town of Baldwin elected to retain local autonomy for certain municipal purposes and were reconstituted as separate and distinct urban service districts. The consolidated city government, which is comprised of an elected City Council (19 members) and Mayor, provides, under the administration of the appointed Chief Administrative Officer, services to approximately 897,000 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, 2007**

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**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 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, 2007**

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

boards. The footnotes include 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. Requests for information may be addressed to Director of Finance, Jacksonville Port Authority, P.O. Box 3005, Jacksonville, FL 32206-0005.

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



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**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 (JHFA)**, 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 JHFA. The JHFA operates in conjunction with the Jacksonville Housing Commission, also created by Ordinance 2003-1058, and has the rights and duties necessary under Florida Statutes, Chapter 159, Part IV, to preserve outstanding debt, issue new debt and to shield the city from financial liability. The bonds issued and outstanding are included in Note 8H. Conduit Debt. The JHFA engages only in governmental activities. There are no separately issued financial statements for the JHFA, whose financial activity is accounted for by the city. For financial reporting purposes, fund financial statements for JHFA 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, 2007**

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**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 214 North Hogan Street, Suite 120, Jacksonville, Florida 32202.

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

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

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 as the **First Coast Metropolitan Planning Organization (FCMPO)**. Pursuant to Section 339.175(3), Florida Statutes, by letter to Mayor John Peyton, the Governor agreed to the apportionment plan of newly proposed members. The City Council no longer serves as the MPO Board. The Mayor, three Jacksonville City Council Members and various other leaders of the involved agencies, make up the 16 member board, with three members being non-voting.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**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.

**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 interfund 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, 2007**

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**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 – 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.

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

**Other Governmental Funds -** This is the aggregate of all of the non-major governmental funds. Individual fund statements for these funds are included in the Combining and Individual Fund Statements and Schedules Section.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**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:

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 banking fund. Services provided to other governmental agencies are not considered to be material.

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

**Pension Trust Funds** - These funds account for the activities of the 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, 2007**

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

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

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

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

**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 pension trust fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider are met.

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

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

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

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

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

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

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

**F. Cash, Cash Equivalents, and Investments:** Cash, cash equivalents and investments are reported in the financial statements as "Equity in cash and investments" under the city's "pooling" concept. 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.

**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.



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**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 \$1,000 or more and having a useful life of more than one year are capitalized. Infrastructure is capitalized based on the accumulated amounts charged to specific capital projects on an annual basis. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are reported in the applicable governmental or business-type column in the 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.

**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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**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. Certain proceeds of the city's revenue bonds, both governmental and proprietary funds, as well as resources set aside for their repayment are classified as restricted assets on the statements.

**M. Compensated Absences:**

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

Compensated absences liabilities are accrued when incurred in the 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, 2007**

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

**N. Risk Financing:**

The City is self-insured for general and automobile liability and up to \$1.2 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, 2007, for incurred but not yet reported claims and claims development, and unallocated loss adjustment expenses. The liability for self-insured losses is accounted for in the Self-Insurance Fund (internal service fund) that pays for claims made against the city. The City has an excess liability policy which provides coverage for general liability at limits of \$1 million per occurrence and \$3 million in the aggregate, subject to a \$5 million self-insured retention; and employers liability at limits of \$1 million per occurrence and \$3 million in the aggregate subject to a \$1.2 million self-insured retention.

**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, 2007**

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

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

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

Explanations of significant designations include:

- (1) Fund Balance Designated for Capital Projects - Tentative plans for utilization of fund balances in future periods for capital projects designated in the city's Annual Budget for the coming fiscal year.
- (2) Fund Balance Designated for Subsequent Years' Budget - Tentative plans for utilization of fund balances for expenditures designated in the city's Annual Budget for upcoming fiscal years, primarily associated with multi-year grants.
- (3) Fund Balance Designated for 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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

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

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

**U. Use of Estimates:**

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

**V. Reclassifications:**

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

**W. Summarized Comparative Information:**

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the city's financial statements for the year ended September 30, 2006, 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.

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**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" consists 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:**

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, sales of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

**C. Investments and Investment Practices**

**General Operating Investments**

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**C. Investments and Investment Practices: (continued)**

**General Operating Investments (continued)**

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

Operating Fund Portfolio Characteristics- Reports by active, liquidity, and aggregate categories by investment vehicle.

Operating Portfolio by Credit Quality- Reports on the overall portfolio to illustrate credit risk of the portfolio at year end.

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

Operating Fund  
Portfolio Characteristics  
as of September 30, 2007  
(in thousands)

Compliance Category	Total Aggregate Portfolio			
	Actual Year End Value (\$)	Actual Year End %	Min.	Max.
Duration	N/A	1.22	0.75	5.00
<b>Liquidity</b>				
Liquidity - % Duration < 1 Year	\$ 554,938	75%	15%	100%
<b>Requirements</b>				
US Govt (USG)	22,749	3%	10%	100%
USG + Agencies*	102,655	14%	25%	100%
<b>Constraints</b>				
Agencies	79,906	11%	0%	45%
MBS*	85,441	11%	0%	35%
Agency MBS*	60,401	8%	0%	35%
Non-Agency MBS	25,040	3%	0%	15%
Corporates	60,773	8%	0%	60%
Corporates > 1 Year*	58,784	8%	0%	40%
Munis		0%	0%	10%
Bond Funds		0%	0%	85%
Money Market Funds*	66,104	9%	0%	40%
CDs		0%	0%	20%
Repos		0%	0%	20%
<b>Specialty Risk</b>				
High Yield		0%	0%	8%
International		0%	0%	8%
International (non-hedged)		0%	0%	5%
Emerging Market		0%	0%	8%
Duration > 8.5*	19,448	3%	0%	8%
Sum	1,136,238	153%		
*Classification Adjustment - Assets in more than one category	(392,832)	-53%		
Total	\$ 743,406	100%		

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**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

Quality Breakdown (Moody's)	Active Portfolio
UST	10.5%
AGY	40.5%
AAA	19.8%
AA1-AA3	10.5%
A1-A3	8.1%
BAA1-BAA3	3.9%
Outliers*	6.7%
	100.0%

\*Securities are not applicable to Quality Rating

Moody's rating definitions:

- UST – United States Treasury Securities
- AGY – Government Agency Securities
- AAA – Highest Investment Grade Quality Rating
- AA1–AA3 – Medium Investment Grade Quality Rating
- BAA1-BAA3 – Lowest Investment Grade Quality Rating
- Outliers – Securities that are not applicable to Quality Ratings.

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**Pension Plan Investments**

Investments in the City's two defined benefit plans are governed by state statute and locally adopted investment policies. These policies establish investment objectives and guidelines for the portfolio as a whole, for each individual manager, as well as by instrument and issuer. The following schedules are presented for the General Employees Pension Fund investments:

Fixed Income Portfolio Characteristics- Reports the average effective duration of the pension in the aggregate and allocation by security type.

Pension Portfolio by Credit Quality- Reports on the credit ratings of the fixed income investments for the pension portfolio.

Jacksonville Retirement System					
Portfolio Characteristics					
September 30, 2007					
(in thousands)					
	Equities	Bonds	Other	Cash	Total
<b>Equity (Domestic)</b>					
Large Cap Value	\$ 171,762	\$ -	\$ -	\$ 5,653	\$ 177,415
Large Cap Growth	196,806			4,102	200,908
Large Cap Core	192,829			3,260	196,089
Small Cap Value	86,674			5,483	92,156
Small Cap Growth	88,302			1,976	90,278
Small Cap Core	20,311			2,186	22,497
Transition Account	15,115			28,144	43,259
Cash Account				1,187	1,187
<b>Equity (International)</b>					
Value	151,987			3,388	155,375
Growth	105,853			1,551	107,404
<b>Bonds*</b>					
Intermediate		463,842		53,585	517,427
Aggregate		57,505			57,505
<b>Other</b>					
Real Estate			137,117	163	137,279
Timber			14,459		14,459
<b>Total investments</b>	<b>\$1,029,638</b>	<b>\$521,347</b>	<b>\$151,576</b>	<b>\$110,679</b>	<b>1,813,239</b>
Less: Amount reported as receivables					5,904
<b>Total Investments less receivables</b>					<b>\$ 1,807,335</b>

\*While bonds represent just 29% of the portfolio, the effective duration of these investments is 3.48 years.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**Fiduciary Portfolio by Credit Quality  
 September 30, 2007**

<b>Quality Breakdown (Moody's)</b>	<b>General Employees Pension Fund</b>
UST	2.8%
AGY	43.7%
AAA	9.0%
AA1-AA3	6.6%
A1-A3	14.2%
BAA1-BAA3	5.2%
Outliers*	18.5%
	100.0%
*Securities are not rated by Moody's	

Moody's rating definitions:

UST – United States Treasury Securities

AGY – Government Agency Securities

AAA – Highest Investment Grade Quality Rating

AA1-AA3 – Medium Investment Grade Quality Rating

BAA1-BAA3 – Lowest Investment Grade Quality Rating

Other – Security Issues that are not rated by Moody's

Outliers – Securities that are not applicable to Quality Ratings.

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**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

The schedule below details the cash, cash equivalents including the cash management pool, and pension portfolios as shown in the financial statements.

**CASH & INVESTMENTS**

Primary Government:	
Cash & Cash Equivalents	\$ 466,312,241
Investments	221,867,759
Pension & Agency Funds:	
Cash & Cash Equivalents	119,839,485
Investments	2,903,023,591
Component Units:	
Cash & Cash Equivalents	577,131,575
Investments	623,267,425
Total Cash & Investments	<u>\$4,911,442,076</u>
Investments Schedules:	
Operating Portfolio	\$ 221,867,759
Pension Portfolio	<u>2,903,023,591</u>
Sub-total	3,124,891,350
Other Cash/Investments:	
Cash	1,176,479,726
Cash with Fiscal Agent	5,463,000
Restricted Funds	604,608,000
Total Cash & Investments:	<u>\$4,911,442,076</u>

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**C. Investments and Investment Practices: (continued)**

Investment performance should be measured against comparable indices, which measure the Portfolio Management Programs' investment opportunities, liquidity (cash flow), and demand and policy restrictions. The following schedule reflects the City's operating portfolio performance against market indices and direct U.S. Government securities reflective of the short term nature and comparable to both the target and policy average maximum maturities.

<b>INVESTMENT PORTFOLIO PERFORMANCE</b>	
(Net of investment management fees)	
	<u>One Year % Return</u>
<b>Operating Fund - By Manager</b>	
JP Morgan	4.45
Sawgrass (Gen)	4.98
Sawgrass (Landfill)	4.96
Smith Breeden	4.98
Wachovia	5.14
Bank of America (BofA)	5.28
BofA Strategic Cash	5.29
<b>Pension Fund</b>	<b>14.10</b>
Custom Index*	13.60
<b>Indices</b>	
Fixed Income	
Lehman Bros. Aggregate Bond	5.14
ML US Treasury 1 - 3 Year	5.80
Citigroup Treasury Bill 3-Month	5.01
Equity	
Dow Jones Industrial Average	21.62
S&P 500	16.44
Russell 1000	16.90
Russell 2000	12.34
MSCI EAFE	25.38
*Period-end Fund asset allocation multiplied by the appropriate index return for the period for each asset class.	

**D. Securities Lending:**

The City participates in securities lending for both its operating and pension portfolios. The City has a contract with its custodians, The Bank of New York Mellon (General Employees Plan) and Northern Trust Company (Police and Fire Plan) that allows the custodian, acting as

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**D. Securities Lending: (continued)**

agent, to lend securities held in the portfolios. The transactions are designed to be invisible to either the third party money managers or in-house staff who manage segments of various portfolios. The market for securities lending was developed to provide temporary access to a large portfolio of securities for broker/dealers who might have a need to borrow specific instruments. Securities are loaned against collateral that may include cash, U.S government securities and irrevocable letters of credit. U.S Securities are loaned against collateral valued at 103% 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. If the broker/dealer fails to return the security, upon request, and then the custodian, acting as agent, will utilize the collateral to replace the security borrowed. The securities loaned are on a rolling daily basis and the cash collateral can be deposited and/or withdrawn from the investment on a daily basis, the weighted average maturity duration of the investment at September 30, 2007 was 72 days.

The transaction establishes a rebate interest rate (assuming cash collateral), which is due back to the broker/dealer upon return of the security. The cash is then invested short-term and the City and the custodian share in the incremental return available above the rebated interest rate. The short-term fixed income instruments can be invested in high quality, dollar denominated fixed income instruments, with a policy dollar-weighted, average maturity limit of less than 30 days.

The City, as a program participant, assumes the risk that (a) the overnight investment will not equal or exceed the rebate interest rate, (b) the overnight investment will experience a loss in fair value (i.e., principal) and (c) the collateral will not be sufficient if the borrower fails to return the security back to the lending bank. As noted above, cash collateral is invested in short-term income instruments. When non-cash collateral is provided the collateral must be obligations issued or guaranteed by the U.S. Government or its agencies and instrumentalities. The City cannot pledge or sell these obligations in the absence of a default by the borrower. The City would have credit risk if at any time the above-mentioned 103% daily adjusted collateral falls below 100%. As of September 30, 2007, the City of Jacksonville had no credit risk in its security lending activities.

The City periodically reviews the custodian's practices to insure fair distribution of lending opportunities as well as risk evaluation of prospective broker/dealer borrowers. For the year ended September 30, 2007, the City received net income of \$28 thousand and \$949 thousand from securities lending activity for its operating and two pension portfolios, respectively. The City has not incurred a loss through its participation in this program.

For accounting purposes, the Statements of Net Assets and Changes in Net Assets reflect the increase in assets, liabilities, interest income and expense associated with securities lending activity.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**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, 2007.

<b>Fund</b>	<b>Accounts Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Amount Shown on Balance Sheet</b>
General Fund	\$ 34,408	\$ (22,919)	\$ 11,489
Non-Major Special Revenue Funds:			
Budgeted General Government	88	(70)	18
Major Enterprise Fund:			
Solid Waste Disposal	2,689	(58)	2,631
Non-Major Enterprise Funds:			
Municipal Stadium	736	(66)	670
Memorial Arena	392	(20)	372
Performing Arts	42	(3)	39
Convention Center	68	(17)	51
Equestrian Center	75	(12)	63

<b>Fund</b>	<b>Mortgages Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Amount Shown on Balance Sheet</b>
Non-Major Special Revenue Funds:			
Community Development Block Grant	\$ 2,923	\$ (1,948)	\$ 975
Housing and Neighborhoods	19,488	(7,251)	12,237
State Housing Initiative Partnership	5,037	(1,617)	3,420

**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 9.6400 for the fiscal year ended September 30, 2007.

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.

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**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, 2007**

**6. CAPITAL ASSET ACTIVITY**

Capital asset activity for the year ended September 30, 2007, was as follows (in thousands):

**Primary Government**

	Beginning Balance October 1, 2006	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2007
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 290,055	\$ 11,655	(\$ 358)	\$ 301,352
Art In Public Places	419	86	-	505
Construction in progress	37,294	8,738	(3,232)	42,800
Construction in progress Internal Service Funds	30	-	(30)	-
Land reported in Internal Service Funds	58	145	-	203
Total capital assets not being depreciated	<u>327,856</u>	<u>20,624</u>	<u>(3,620)</u>	<u>344,860</u>
Capital assets being depreciated:				
Buildings	929,822	16,778	(4,229)	942,371
Furniture and equipment and Library books	88,013	19,638	(6,357)	101,294
Improvements	160,212	22,606	-	182,818
Infrastructure	1,334,667	138,927	-	1,473,594
Intangible Assets Software	3,135	584	-	3,719
Capital assets reported in Internal Service Funds, net	81,433	21,422	(25,965)	76,890
Total assets being depreciated	<u>2,597,282</u>	<u>219,955</u>	<u>(36,551)</u>	<u>2,780,686</u>
Less accumulated depreciation for:				
Buildings	203,288	19,621	(3,213)	219,696
Furniture and equipment	72,021	9,752	(5,224)	76,549
Improvements	28,558	6,222	-	34,780
Intangible Assets Software	24	1,071	-	1,095
Infrastructure	198,045	44,545	-	242,590
Total accumulated depreciation	<u>501,936</u>	<u>81,211</u>	<u>(8,437)</u>	<u>574,710</u>
Total capital assets being depreciated, net	<u>2,095,346</u>	<u>138,744</u>	<u>(28,114)</u>	<u>2,205,976</u>
Governmental activities capital assets, net	<u>\$ 2,423,202</u>	<u>\$ 159,368</u>	<u>(\$ 31,734)</u>	<u>\$ 2,550,836</u>

**Primary Government**

	Beginning Balance October 1, 2006	Increases	Decreases	Ending Balance September 30, 2007
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 7,074	\$ -	(\$ 2,805)	\$ 4,269
Total capital assets not being depreciated	<u>7,074</u>	<u>-</u>	<u>(2,805)</u>	<u>4,269</u>
Capital assets being depreciated:				
Buildings and improvements	74,608	1,462	(214)	75,856
Furniture and equipment	6,964	111	(192)	6,883
Total assets being depreciated	<u>81,572</u>	<u>1,573</u>	<u>(406)</u>	<u>82,739</u>
Less accumulated depreciation for:				
Buildings and improvements	40,220	3,300	-	43,520
Furniture and equipment	4,726	272	(190)	4,808
Total accumulated depreciation	<u>44,946</u>	<u>3,572</u>	<u>(190)</u>	<u>48,328</u>
Total capital assets being depreciated, net	<u>36,626</u>	<u>(1,999)</u>	<u>(216)</u>	<u>34,411</u>
Business-type activities capital assets, net	<u>\$ 43,700</u>	<u>(\$ 1,999)</u>	<u>(\$ 3,021)</u>	<u>\$ 38,680</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**6. CAPITAL ASSET ACTIVITY**

Depreciation expense was charged to the functions of the primary government as follows (in tho

**Governmental activities:**

General government	\$ 3,768
Human services	902
Public Safety	7,609
Culture and recreation	23,030
Transportation	154
Economic environment	59
Physical environment	45,689
Total depreciation expense - governmental activities	<u><u>\$ 81,211</u></u>

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

**Business-type activities:**

Parking system	\$ 387
Motor vehicle inspections	46
Solid waste	2,831
Ferry	287
Municipal Stadium	1
Performing Arts	9
Convention Center	3
Equestrian Center	8
Total depreciation expense - business-type activities	<u><u>\$ 3,572</u></u>

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**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

A summary of interfund balances follows (in thousands):

<u>DUE TO OTHER FUNDS</u>	<u>AMOUNT</u>	<u>DUE FROM OTHER FUNDS</u>	<u>PURPOSE</u>
<b>MAJOR FUNDS:</b>			
<b>General Funds</b>			
General Services	\$ 52	Municipal Stadium	Facility Fees-SMG
<b>Capital Project Funds</b>			
BJP Construction Project Trust Fund	39,729	General Capital Projects	Temporary Interfund Loan
<b>NON-MAJOR FUNDS;</b>			
<b>Enterprise Funds</b>			
Municipal Stadium	278	General Services Fund	Receivable Adjustment-SMG
Convention Center	3	General Services Fund	Receivable Adjustment-SMG
Total	281		
<b>Internal Service Funds</b>			
Banking Fund	339	Self Insurance	Temporary Interfund Loan
Information Technology	1	Municipal Stadium	Internal Service Charges to SMG
Information Technology	2	Municipal Stadium	Internal Service Charges to SMG
Information Technology	1	Memorial Arena	Internal Service Charges to SMG
Information Technology	5	Memorial Arena	Internal Service Charges to SMG
Information Technology	1	Baseball Stadium	Internal Service Charges to SMG
Information Technology	2	Performing Arts	Internal Service Charges to SMG
Information Technology	2	Convention Center	Internal Service Charges to SMG
Information Technology	1	Equestrian Center	Internal Service Charges to SMG
Total	354		
<b>TOTAL</b>	<b>\$ 40,416</b>		

<u>ADVANCES TO OTHER FUNDS</u>	<u>AMOUNT</u>	<u>ADVANCES FROM OTHER FUNDS</u>	<u>PURPOSE</u>
<b>NON-MAJOR FUNDS:</b>			
<b>Internal Service Funds</b>			
Self Insurance	\$ 9,800	General Projects	Interfund Loan for Redevelopment Agreement
<b>TOTAL</b>	<b>\$ 9,800</b>		

**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

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

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
<b>MAJOR FUNDS:</b>		
<b>General Fund</b>		
General Fund	\$ 2	Expendable Trust Fund
General Fund	4,806	Tax Increment
General Fund	23	Jacksonville Childrens Commission
General Fund	248	Concurrency Management
General Fund	657	Office of General Council
General Fund	68	Air Pollution Control and Monitoring
General Fund	800	General Government - Budgeted
General Fund	395	General Capital Projects
General Fund	302	Special Assessment Fund
General Fund	46	Solid Waste
General Fund	147	Community Development Block Grant
Total	7,494	
<b>Debt Service</b>		
Special Bonded Debt - B J P	469	Better Jacksonville Construction Project Trust
Special Bonded Debt - B J P	34,365	Better Jacksonville Plan Trust Fund
Total	34,834	
<b>Capital Projects</b>		
Better Jax Construction Project Trust Fund	12,976	General Fund
Total	12,976	
<b>Enterprise Funds</b>		
Solid Waste Disposal Fund	29,600	General Fund
Total	29,600	
<b>NON-MAJOR FUNDS:</b>		
<b>Special Revenue</b>		
Air Pollution Control and Monitoring	424	General Fund
Concurrency Management	100	General Fund
General Government - Budgeted	342	General Fund
Jacksonville Children's Commission	24,067	General Fund
Community Development Block Grant	75	Tax Increment Districts
Maintenance, Parks and Recreation	1,851	General Fund
Other Federal, State & Local Grant Funds	3,781	General Fund
Other Federal, State & Local Grant Funds	75	Expendable Trust Fund
Other Federal, State & Local Grant Funds	135	Jacksonville Children's Commission
General Government - Non Budgeted	97	General Fund
General Government - Non Budgeted	9	Jacksonville Children's Commission
Housing and Neighborhoods	680	State Housing Initiative
Housing and Neighborhoods	3,151	Community Development Block Grant
Total	34,787	

**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**Debt Service**

Special Bonded Debt Obligations	71,995	General Fund
Special Bonded Debt Obligations	748	Tax Increment Districts
Special Bonded Debt Obligations	3,242	Public Parking System
Special Bonded Debt Obligations	3,296	Convention Center
Special Bonded Debt Obligations	11,460	Municipal Stadium
Special Bonded Debt Obligations	4,947	Better Jacksonville Trust Fund
Special Bonded Debt Obligations	2,918	Bond Projects
Other Non-Bonded Debt Obligations	69	General Fund
Other Non-Bonded Debt Obligations	1,045	Tax Increment Districts
Total	<u>99,720</u>	

**Capital Projects**

General Capital Projects	1,951	Community Development Block Grant
General Capital Projects	6	Expendable Trust Fund
General Capital Projects	248	General Fund
Grant Capital Improvement Projects	521	Sports, Convention & Tourism Dev
Total	<u>2,726</u>	

**Enterprise Funds**

Public Parking System	1,790	General Fund
Sports Complex, Conv Cntr & Aud	277	Memorial Arena
Sports Complex, Conv Cntr & Aud	1,295	Municipal Stadium
Municipal Stadium	5,072	Sports, Convention & Tourism Dev
Municipal Stadium	7,863	General Fund
Memorial Arena	638	General Fund
Baseball Stadium	721	General Fund
Performing Arts	445	General Fund
Performing Arts	496	Maintenance, Parks and Recreation
Convention Center	2,133	Sports, Convention & Tourism Dev
Equestrian Center	240	Maintenance, Parks and Recreation
Equestrian Center	437	Sports Complex, Convention Center Fund
Mayport Ferry	738	General Fund
Total	<u>22,145</u>	

**Internal Service Funds**

Fleet Management	17	Air Pollution Control and Monitoring
Fleet Management	118	Other Federal, State and Local Grants
Self Insurance	1,072	General Fund
Group Health Fund	18	Self Insurance
Information Technology	55	General Government - Budgeted
Total	<u>1,280</u>	

**Fiduciary Funds**

Private Purpose Trust	7	General Government-Non Budgeted
Total	<u>7</u>	

**TOTAL** 245,569

In the fund financial statements, total transfers out are greater than total transfers in by \$37. 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 \$15 and \$22, 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, 2007**

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

During fiscal year 1999, the self-insurance fund advanced \$14,000,000 to the capital projects fund for the purpose of fulfilling city obligations under a redevelopment agreement for a new 900-room hotel with substantial convention and business spaces. 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 4.4%. The balance of this advance was \$9,799,554 at September 30, 2007.

In fiscal year 2003, the city passed an ordinance to enter into a redevelopment agreement with Vestcor Companies and its subsidiaries for the redevelopment of the Lynch Building and the Roosevelt Hotel into apartment buildings as city historic landmarks. In fiscal year 2003, the city used internal self-insurance funds, in an amount of \$17,818,000, 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 are 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, 2007 was \$15,124,999.

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, 2007 was \$16,425,019.

During fiscal year 2007, the city had financial transactions with its discretely presented component units classified as follows for the 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 Tax 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, 2007, revenues dedicated for the support of debt service requirements of the 1993 Bonds and the 1996B Bonds have been sufficient so as to avoid the need to call upon supplemental contributions from JEA in support of the EJ Program.

**Payment in Lieu of Taxes** - On October 1, 1968, the city turned its electrical department over to the newly created Jacksonville Electric Authority (JEA). Additionally, on June 1,

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**JEA: (continued)**

1997, the JEA assumed the operation and all related assets and liabilities of the water and sewer system from the city. The JEA is required by the City Charter to contribute annually to the general fund of the city an amount not to exceed 5.513 mills per kilowatt per hour sold and at a rate of 2.149 mills per cubic feet of water sold. For the fiscal year ending September 30, 2007 these contributions totaled \$73,100,460 and \$18,337,080, respectively. Such contributions to the city's general fund are for the use of the public right-of-way in connection with its electric distribution system and its water sewer distribution and collection system and are based on calculations contained within section 21.07 of the City Charter.

**Jacksonville Transportation Authority (JTA) : Local Option One-Half Cent Sales Tax**

On August 11, 1989, Jacksonville citizens voted for the removal of all tolls from county/city bridges and certain roads and replaced the revenue with a local option one-half cent sales tax that provides a permanent funding source for the construction and maintenance of the city's roads and bridges; the operation and maintenance of the bus system and the refinancing of existing bonds issued for the construction of such bridges and roads. All collections from the one-half cent sales tax are statutorily required to be remitted to the JTA. Accordingly, the city remitted all collections from the one-half cent sales tax to the JTA in the amount of \$73.5 million in fiscal year 2007. Such collection and payment by the city of this local option one-half cent sales tax is recorded in the Transportation Special Revenue fund as revenue and a transportation expenditure in the equal amount. The JTA reports the \$73.5 million transfer from the city as sales tax revenue.

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

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



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**JPA: (continued)**

the Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003C (the “2003C Bonds, and together with the 1993 Bonds, 1996B Bonds and 2001A Bonds, the “Bonds”).

Under the Amended and Restated Interlocal Agreement, the city agreed to issue the 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 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 Bonds. The Amended and Restated Interlocal Agreement is not for the benefit of the holders of the Bonds and the JPA has no obligation under that Amended and Restated Interlocal Agreement to any third party bondholder. The revenues allocated to the JPA and supplemental contributions to the city from the JEA in conjunction with the EJ Program are not pledged as security for the Bonds.

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

For the fiscal year ended September 30, 2007, the allocation of Pledged Revenues from the city to the JPA exceeded the debt service requirements of the Bonds by the amount of \$3.25 million. In fiscal year 2007, \$5.09 million was distributed to the JPA. \$3.5 million will remain in reserves to be applied to any future debt service shortfalls of the Bonds and the remaining amount will be expended on capital projects. At September 30, 2007, the cumulative balance after the distribution to JPA is \$3.77 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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**8. LONG-TERM OBLIGATIONS**

A. Bonds and loans outstanding at September 30, 2007, are comprised of the following (in thousands):

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

	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Coupon Interest Rates</u>
<b>Governmental Activities:</b>			
Excise Taxes Revenue Bonds (\$39,770 authorized but unissued):			
Series 1993	\$ 43,605	\$ 7,545	6.200-6.300%
Series 1995A	7,580	7,580	4.875-5.125%
Series 1996C	4,055	-	4.850%
Series 1999A	75,890	26,900	4.000-5.000%
Series 2001A	42,485	22,635	5.000%
Series 2001B	46,735	45,005	4.000-5.125%
Series 2002A	56,685	36,820	4.250-5.500%
Series 2002B	68,475	62,005	3.000-5.375%
Series 2003B	17,535	9,345	3.000-5.000%
Series 2003C (AMT)	34,540	33,445	2.250-5.250%
Series 2003A	18,745	18,745	3.000-4.500%
Series 2005A	44,820	44,820	3.500-5.000%
Series 2006A	36,540	36,540	3.375-5.000%
Series 2006B (AMT)	9,255	9,255	3.625-4.000%
Series 2006C	23,555	23,555	4.880-5.220%
Series 2007	42,245	42,245	3.500-5.000%
Capital Improvement Revenue Bonds:			
Series 1997	8,285	6,695	4.700-5.250%
Series 1998	37,310	35,345	4.250-5.000%
Series 2002A	54,135	53,540	2.700-5.000%
Series 2002B	42,170	38,915	2.700-5.250%
Series 2002C	26,920	26,140	2.700-5.250%
Local Government Sales Tax Revenue Bonds:			
Series 1996	65,640	3,700	5.125%
Series 2001	103,725	96,025	4.000-5.500%
Series 2002	63,060	53,035	3.000-5.375%
Guaranteed Entitlement Revenue Bonds			
Series 2002	115,265	106,900	3.125-5.375%
Capital Project Revenue Bonds (\$40,000 authorized but unissued):			
Series 1997-1	30,000	21,180	Variable, assumed 4.80%
Series 1997-2	45,000	39,100	Variable, assumed 4.80%
Series 1997-3	24,000	24,000	Variable, assumed 4.80%
Series 2002-1	54,000	54,000	Variable, assumed 4.80%
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes	<u>1,242,255</u>	<u>985,015</u>	

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

	Amount Issued	Amount Outstanding	Coupon Interest Rates
Transportation Revenue Bonds (\$133,335 authorized but unissued):			
Series 2001	\$ 179,280	\$ 169,625	4.000-5.500%
Series 2003	47,775	41,975	Auction Rate, assumed 4.01%
Series 2003A	76,825	76,825	Auction Rate, assumed 4.80%
Series 2003B	76,800	76,800	Auction Rate, assumed 4.80%
Series 2004	80,275	79,474	Auction Rate, assumed 3.455%
Series 2007	100,675	100,675	4.000-5.000%
Sales Tax Revenue Bonds (\$299,045 authorized but unissued):			
Series 2001	218,430	198,215	4.100-5.500%
Series 2003	211,050	195,250	2.125-5.250%
Series 2004	218,755	208,280	2.000-5.000%
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan	1,209,865	1,147,119	

**NOTES PAYABLE FROM GENERAL REVENUE:**

U.S. Government Guaranteed:			
Series 1995 (Coach)	3,845	2,865	3.09-5.19% (taxable)
Series 1996 (Sally Beauty)	1,065	395	6.46-6.88% (taxable)
Series 1996B (Hilton Hotel)	2,850	2,005	6.46-7.03% (taxable)
Series 1997 (La Villa)	1,700	875	6.46-7.08% (taxable)
Series 1997 (HTV Associates)	700	235	6.46-6.78% (taxable)
Series 1997 (Armor Holdings)	775	580	6.46-7.08% (taxable)
Series 1997 (Hampton Inns)	550	405	6.46-7.03% (taxable)
Total Notes Payable from General Revenue	11,485	7,360	

**NOTES PAYABLE FROM BJP REVENUE:**

State of Florida Infrastructure Bank (\$28,047 authorized but unissued):			
Series 2005	29,942	25,415	2.000%
Series 2007	32,011	32,011	2.500%
Total Notes Payable from BJP Revenue	61,953	57,426	

**NOTES PAYABLE FROM INTERNAL SERVICE OPERATIONS:**

Commercial Paper Notes maturing no later than 270 days after date of issuance, and in no event later than December 31, 2034 (\$59,965 authorized but unissued):			
	90,035	72,205	Variable, assumed 4.000%
Total Governmental Activities	\$ 2,615,593	\$ 2,269,125	

**Business-Type Activities:**

Excise Taxes Revenue Bonds:			
Series 1995A	\$ 12,270	\$ 8,835	4.875-5.125%
Series 1996A	19,965	14,000	4.600-5.500%
Series 1999B	40,835	28,520	4.750-5.750%
Series 2003B	9,530	6,205	3.000-5.000%
Total Business-type Activities	\$ 82,600	\$ 57,560	

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**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, 2007, 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					
2008	\$ 43,855	\$ 48,422	\$ 16,660	\$ 52,810	\$ 7,410	\$ 2,779	\$ 21,344	\$ 3,320	\$ 196,600
2009	47,900	43,598	24,654	51,814	7,680	2,429	20,560	3,591	202,226
2010	46,645	41,932	22,490	50,974	7,990	2,047	20,787	2,843	195,708
2011	35,726	41,927	23,320	50,173	5,120	1,715	20,917	2,085	180,983
2012	42,436	40,392	33,205	49,086	5,385	1,439	21,123	1,324	194,390
2013 - 2017	213,963	175,539	154,000	227,100	23,975	3,368	28,345	2,319	828,609
2018- 2022	201,455	106,692	184,425	188,358	-	-	3,915	109	684,954
2023 - 2027	161,850	64,458	264,500	137,602	-	-	-	-	628,410
2028- 2032	152,505	26,022	363,235	59,312	-	-	-	-	601,074
2033 - 2037	38,680	1,349	53,160	6,567	-	-	-	-	99,756
2038 - 2038	-	-	7,470	187	-	-	-	-	7,657
<b>Total Principal and Interest</b>	<b>985,015</b>	<b>590,331</b>	<b>1,147,119</b>	<b>873,983</b>	<b>57,560</b>	<b>13,777</b>	<b>136,991</b>	<b>15,591</b>	<b>3,820,367</b>
Less: Interest to be paid	-	(590,331)	-	(873,983)	-	(13,777)	-	(15,591)	(1,493,682)
<b>Total Principal</b>	<b>985,015</b>		<b>1,147,119</b>		<b>57,560</b>		<b>136,991</b>		<b>2,326,685</b>
Deferred amounts	9,258	-	-	-	-	-	-	-	9,258
Unamortized Discount/Premium and Deferred Loss on Advance Refunding (1)	-	-	-	-	(1,742)	-	-	-	(1,742)
<b>Totals</b>	<b>\$ 994,273</b>	<b>\$ -</b>	<b>\$ 1,147,119</b>	<b>\$ -</b>	<b>\$ 55,818</b>	<b>\$ -</b>	<b>\$ 136,991</b>	<b>\$ -</b>	<b>\$ 2,334,201</b>

(1) Public Parking System \$653 and Solid Waste Disposal \$ 1,089

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

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

Changes in long-term liabilities for the fiscal year ended September 30, 2007, are summarized as follows (in thousands):

	Balance October 1, 2006	Additions	Reductions	Balance September 30, 2007	Due within one year
<b>Governmental activities:</b>					
General long-term obligations:					
Special Obligation Bonds	\$ 985,840	\$ 42,245	\$ 43,070	\$ 985,015	\$ 43,855
Special Obligation -BJP	1,064,210	100,675	17,766	1,147,119	16,660
Notes Payable- General Revenue	7,995	-	635	7,360	730
Notes Payable- BJP	15,920	43,634	2,128	57,426	6,173
Notes Payable - Banking Fund	72,205	-	-	72,205	14,441
Total	<u>2,146,170</u>	<u>186,554</u>	<u>\$ 63,599</u>	<u>2,269,125</u>	<u>81,859</u>
Deferred amounts:					
Loss on Advance Refunding	(5,555)	-	(456)	(5,099)	-
Issuance premiums	15,064	4,097	1,333	17,828	-
Issuance discounts	(3,627)	-	(156)	(3,471)	-
Total bonds and notes payable	<u>2,152,052</u>	<u>190,651</u>	<u>64,320</u>	<u>2,278,383</u>	<u>81,859</u>
Accrued Compensated Absences	55,774	32,734	31,811	56,697	17,011
Capitalized Lease Obligations	144	1,154	346	952	343
Estimated Liability for Self- Insured Losses	<u>64,776</u>	<u>29,565</u>	<u>16,369</u>	<u>77,972</u>	<u>-</u>
Governmental activity long-term obligations	<u>2,272,746</u>	<u>254,104</u>	<u>112,846</u>	<u>2,414,004</u>	<u>99,213</u>
<b>Business-type activities:</b>					
Revenue Bonds	63,465	-	5,905	57,560	7,410
Less: Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	<u>(2,042)</u>	<u>-</u>	<u>(300)</u>	<u>(1,742)</u>	<u>-</u>
Total Revenue Bonds, less Unamortized Discount/Premium and, Deferred	61,423	-	5,605	55,818	-
Loss on Advance Refunding	61,423	-	5,605	55,818	-
Accrued Compensated Absences	705	445	436	714	215
Liability for Landfill Closure and Postclosure Care	43,050	3,550	-	46,600	8,054
Polution Settlement and Remediation	<u>110,626</u>	<u>1,806</u>	<u>-</u>	<u>112,432</u>	<u>-</u>
Business-type activity long-term liabilities	<u>215,804</u>	<u>5,801</u>	<u>6,041</u>	<u>215,564</u>	<u>15,679</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>\$ 2,488,550</u>	<u>\$ 259,905</u>	<u>\$ 118,887</u>	<u>\$ 2,629,568</u>	<u>\$ 114,892</u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of \$3,278 for compensated absences payable and \$952 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, 2007**

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

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

On September 5, 2007, the City closed on the sale of \$100,675,000 Transportation Revenue Bonds, Series 2007 with a true interest cost of 4.745%. The 2007 bonds carry coupon rates ranging from 4% to 5% with maturity dates ranging from October 1, 2008 through October 1, 2030. The proceeds of the 2007 bonds will be used to finance or reimburse the City for expenses previously incurred in connection with the acquisition and construction of certain road, bridge, drainage, and other transportation capital projects forming a portion of the Better Jacksonville Plan, and to fund a cash debt service reserve account to an amount required by the reserve requirement. The issuance provided net proceeds of \$102,862,300 after payment of underwriter's discounts and costs of issuance totaling \$780,786.

On September 19, 2007, the City closed on the sale of \$42,245,000 Excise Tax Revenue Bonds, Series 2007 with a true interest cost of 4.577%. The 2007 bonds carry coupon rates ranging from 3.5% to 5% with maturity dates ranging from October 1, 2008 through October 1, 2027. The proceeds of the 2007 bonds will be used to finance or reimburse the City for expenses previously incurred in connection with certain general municipal improvements and to fund a cash debt service reserve account to an amount required by the reserve requirement. The issuance provided net proceeds of \$42,917,774 after payment of underwriter's discounts and costs of issuance totaling \$474,656.

**E. Non-asset debt:**

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

<u>Excise Taxes Bonds</u>	<u>Entity or Purpose</u>	<u>Amount</u>
Series 1993	Jacksonville Port Authority	\$ 7,545,140
Series 2001A	Jacksonville Port Authority	22,635,000
Series 2001B	Economic Development	45,005,000
Series 2002B	Shands Jacksonville Medical Center	62,005,000
Series 2003C (AMT)	Jacksonville Port Authority	33,445,000
Series 2003A	Shands Jacksonville Medical Center	18,745,000
 <u>Better Jacksonville Plan (BJP) Transportation Bonds</u>		
Series 2003	Refund State of FL Bonds for the Jacksonville Transportation Authority (JTA)	41,975,000
Series 2004	Refund State of FL Bonds for JTA	79,075,000
Series 2007	JTA road projects	100,675,000

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**8. LONG-TERM OBLIGATIONS (continued)**  
**E. Non-asset debt: (continued)**

<u>BJP State Infrastructure Bank Loan</u>		
Loan #1	JTA road projects	11,622,639
Loan #2	JTA road projects	32,011,271
<u>Other Bond Issues</u>		
Various	Misc. projects - BJP	183,357,086
Various	Misc. projects – other	<u>44,445,000</u>
TOTAL		\$ 682,541,136

**F. 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, 2007</u>	<u>INVESTMENT BALANCE WITH ESCROW AGENT AT SEPTEMBER 30, 2007 (b)</u>
Sales Tax Revenue Bonds, Series 1996 (RCR)	Cash Refunded on October 10, 2002	\$14,535	\$15,922

(a) Special Obligation Bonds payable from Specific Revenue Sources Other Than Ad Valorem Taxes  
(b) Source: Escrow Agent's Records

**G. Lease Obligations:** At September 30, 2007, the city has two 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 Motorola radios which were acquired through a capital lease (recorded in the Information Technologies Internal Service Fund). Amortization of the items acquired through this capital lease was \$247,000 in fiscal year 2007 and was included in depreciation expense of capital assets.

The city has copy equipment which was acquired through a capital lease (recorded in the Copy Center Internal Service Fund). Amortization of the items acquired through this

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

**G. Lease Obligations:**

capital lease was \$265,000 in fiscal year 2007 and was included in depreciation expense of capital assets.

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

Asset:	Internal Service Fund Copy Center	Internal Service Fund - Information Technologies
Furniture and Equipment	\$1,154	\$ 310
Less: Accumulated Depreciation	(265)	(247)
Net	<u>889</u>	<u>\$ 63</u>

The future minimum lease obligations as of September 30, 2007, were as follows (in thousands):

Fiscal Year Ending September 30,	General Fund	Information Technologies Internal Service Fund
2008	\$323	\$64
2009	323	-
2010	323	-
Total minimum lease payments	\$969	\$64
Less: Amount representing interest	(79)	( 1)
Present value of minimum lease Payments	<u>\$890</u>	<u>\$63</u>
Classified as:		
Current	\$280	\$63
Non-current	609	-
Total	<u>\$889</u>	<u>\$63</u>

The city does not have any material operating leases.

**H. Conduit Debt:**

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

Conduit debt is collateralized by the property financed and is payable solely from payments received on the underlying mortgage loans. Upon repayment of the IDB's and PAB's, ownership of the acquired facilities transfers to the private-sector entity served by



**CITY OF JACKSONVILLE, FLORIDA**  
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**8. LONG-TERM OBLIGATIONS (continued)**  
**H: Conduit Debt: (continued)**

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, 2007, the city had authorized \$2,031,477,469 in IDB's and PAB's, of which \$1,642,773,523 have been issued. From time to time, certain issues of such conduit debt may be in default or under investigation as to tax-exempt status of interest on such debt, however, this has no effect on the city's financial position.

As of September 30, 2007, the city has authorized a total of \$735,736,000 Jacksonville Housing Finance Authority (JHoFA), formerly Duval County Housing Finance Authority (DCHFA), Single Family and Multi-Family Bonds of which \$520,431,142 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$513,290,000 and \$341,876,142 respectively, with a total amount outstanding of \$50,087,202. The amount of Multi-Family Housing Bonds authorized and issued is \$222,446,000 and \$178,555,000, respectively, with a total amount outstanding of \$115,045,000. There were \$21,290,000 Single Family Housing Revenue Bonds and \$33,000,000 Multi-Family Housing Revenue Bonds authorized but unissued during the fiscal year ended 2007. The amount of Multi-Family Housing Bonds both authorized and issued during the fiscal year ended 2007 is \$30,000,000 and \$0 respectively. Refundings of previous issues make up \$88,120,000 of the total amount authorized, \$81,585,000 of the total amount issued, and \$34,482,202 of the total amount outstanding.

As of September 30, 2007, the city has authorized \$907,415,000 of Jacksonville Health Facilities Authority (JHFA) Bonds, of which \$831,096,184 have been issued. In 2007, the Jacksonville Health Facilities Authority issued \$65,000,000 Jacksonville Health Facilities Authority Hospital Revenue Bonds, Baptist Medical Center Project, Series 2007A; \$35,000,000 Jacksonville Health Facilities Authority Hospital Revenue Bonds, Baptist Medical Center Project, Series 2007B; \$125,650,000 Jacksonville Health Facilities Authority Hospital Revenue Refunding Bonds, Baptist Medical Center Refunding, Series 2007C, Series 2007D and Series 2007E.

**I. 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, 2007 was \$43,515,000 and has a termination date of October 1, 2020.

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

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

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, 2007, the underlying swaps had a fair value of \$(1,573,549). 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, 2007 was \$79,475,000 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 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, 2007, the underlying swaps had a fair value of \$(570,599). This fair value was obtained by the counter-parties' mark to market reports submitted to the city.

**Credit Risk**- As of September 30, 2007, the city was not exposed to credit risk (the risk

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**NOTES TO FINANCIAL STATEMENTS**  
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**8. LONG-TERM OBLIGATIONS (continued)**

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

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, 2007, 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, 2007, 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.

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

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

**Swap Payments and Associated Debt**

Using rates as of September 30, 2007, 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 (in thousands).

<b>Fiscal Year</b>	<b>Variable-Rate Bonds</b>			<b>Annual Pymt</b>	<b>Annual Rcpt</b>	<b>Net Swap</b>	<b>Total</b>	
	<b>Ending Sept. 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Fixed</b>	<b>Variable</b>		<b>Payments / Receipts</b>
2008		4,784	4,717	9,501	\$4,564	\$3,137	(240)	9,261
2009		4,495	4,546	9,041	4,491	3,090	(223)	8,818
2010		4,695	4,371	9,066	4,415	3,047	(215)	8,851
2011		4,860	4,188	9,048	4,255	2,931	(207)	8,841
2012		5,065	3,998	9,063	4,090	2,818	(206)	8,857
2013-2017		35,035	16,651	51,686	17,698	12,208	(870)	50,816
2018-2022		37,040	8,737	45,777	11,194	7,825	(701)	45,076
2023-2027		25,475	3,059	28,534	4,372	3,176	(311)	28,223
		<b>\$121,449</b>	<b>\$50,267</b>	<b>\$171,716</b>	<b>\$55,079</b>	<b>\$38,232</b>	<b>(\$2,973)</b>	<b>\$168,743</b>

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

The Auction Rate Securities (ARS) 35-day rate as of September 30, 2007 was 3.89%

The BMA rate for swap payments received as of September 30, 2007 was 3.819%

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

The Auction Rate Securities (ARS) 7-day rate as of September 30, 2007 was 3.45%

The 67% of LIBOR rate for payments received as of September 30, 2007 was 3.796%

**J. Interest Expense:**

Total interest expense for the fiscal year ended September 30, 2007 was \$94.1 million for governmental activities and \$2.8 million for business-type activities.

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

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

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

Long-term debt activity for the year ended September 30, 2007 was as follows (in thousands):

	Bonds Payable September 30, 2006	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 Payable September 30, 2007	Current Portion September 30, 2007
Electric System	\$ 2,460,178	\$ 334,020	\$ (132,525)	\$ (105,886)	\$ -	\$ 2,555,787	\$ 21,645
SJRPP System	1,225,339	293,070	(105,600)	(118,280)	2,237	1,296,766	86,415
Water and Sewer System	1,831,025	483,926	(473,450)	(56,820)	-	1,784,681	17,235
District Energy System	51,800	1,450	-	(465)	-	52,785	-
<b>Total</b>	<b>\$ 5,568,342</b>	<b>\$ 1,112,466</b>	<b>\$ (711,575)</b>	<b>\$ (281,451)</b>	<b>\$ 2,237</b>	<b>\$ 5,690,019</b>	<b>\$ 125,295</b>

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

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

A summary of noncurrent liability activity for the year ended September 30, 2007 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Revenue bonds	\$ 38,435	\$ 129,190	\$ 34,825	\$ 132,800	\$ 1,815
Revenue refunding bonds	108,260	-	5,285	102,975	5,660
Revenue notes	6,120	-	6,120	-	-
Line of credit	50	-	50	-	-
Total	152,865	129,190	46,280	235,775	\$ 7,475
Unamortized deferred loss on bond refunding	(7,266)	-	603	(6,663)	
Unamortized bond discount	(64)	-	4	(60)	
Unamortized bond premium	4,692	2,446	(508)	6,630	
Total bonds and notes payable	\$ 150,227	\$ 131,636	\$ 46,379	\$ 235,682	

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

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

A summary of noncurrent liability activity for the year ended September 30, 2007 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	\$ 20,370	\$ -	(\$ 1,095)	\$ 19,275	\$ 1,145
Revenue refunding bonds	55,935	430	(1,460)	54,905	1,610
Capital leases	8,061	-	(892)	7,169	927
State Infrastructure Bank Loan	-	11,450	-	11,450	4,900
	84,366	11,880	(3,447)	92,799	8,582
Less original issue discounts and deferred loss on refunding	(3,733)	-	188	(3,545)	-
Total noncurrent liabilities	\$ 80,633	\$ 11,880	(\$ 3,259)	\$ 89,254	\$ 8,582

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

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

**N JTA – Long-Term Debt:**

Accrued compensated absences at September 30, 2007 consisted of the following (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental</b>					
<b>Activities:</b>					
Compensated					
absences	\$ 244	\$ 194	\$ (161)	\$ 277	\$ 18,726
<b>Business-type</b>					
<b>Activities:</b>					
Compensated					
absences	\$ 505	\$ 1,313	\$ (1,339)	\$ 479	\$ 38

**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. 27, Accounting for Pensions by State and Local Governmental Employers, which require measurement and disclosure of an amount for annual pension cost on the

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**9. PENSION PLANS (continued)**

accrual basis of accounting, regardless of the amount recognized as pension expenditures.

**A. Summary of Significant Accounting Policies:**

- (1) **Basis of Accounting** - The city's pension trust financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.
- (2) **Method Used to Value Investments** - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals. 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 \$ 276 million during the 2007 fiscal year, consisting of \$163 million City of Jacksonville payroll, \$109 million JEA payroll and \$4 million JHA payroll. The total 2007 payroll was \$391.5 million for the city, \$139.4 million for the JEA, \$8.2 million for JHA, \$10 million for JPA and \$12.8 million for JAA, for a total of \$561.9 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



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. PENSION PLANS (continued)**

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

accrual rate of 2% per year; and (3) any age after 30 years of creditable service at an unreduced rate of 2 1/2% per year.

Benefits vest after 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, 2007, 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>
Retired	4,273	26	4,299
Current employees:			
Vested	3,551	452	4,003
Nonvested	1,553	129	1,682
Total Current Employees	5,104	581	5,685
Total Membership	9,377	607	9,984

- (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  
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**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 during fiscal year 2007 totaled \$54.5 million. The city contributed \$30.8 million in cash with no allocation from the past excess contribution account. Employees paid \$23.7 million. Contributions during fiscal 2006 and 2005 were \$52.9 million and \$38.5 million, respectively. These contributions were made in accordance with contribution requirements determined through an actuarial valuation performed March 2007. 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:

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

Investment rate of return	8.4%
Projected salary increases	4.0% to 7.5%
Includes inflation at:	3.5%
Cost-of-living adjustments	3.00% and Def. 5yrs.
Amortization method	Level percent open
Remaining amortization period	24 to 30 years
Asset value method	5 year smoothing

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. PENSION PLANS (continued)**

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

(4) The Statement of Fiduciary Net Assets – Jacksonville Retirement System - General Employees and Corrections Officers Plan is as follows (in thousands) at September 30, 2007:

<b>ASSETS</b>	
Equity in cash and investments.....	\$ 57,459
Receivables (net, where applicable, of allowances for uncollectible):	
Interest and dividends.....	4,270
Accounts.....	1,634
Total receivables.....	<u>5,904</u>
Investments, at fair value:	
U.S. Government obligations.....	190,336
Municipal Bonds.....	-
Domestic corporate bonds.....	381,923
Commercial paper.....	43,256
Domestic stocks.....	777,303
International stocks.....	262,779
Real Estate.....	151,738
Total investments.....	<u>1,807,335</u>
Capital assets:	
Other capital assets, net of depreciation.....	17
Net capital assets.....	<u>17</u>
Securities Lending Collateral.....	<u>146,846</u>
<b>TOTAL ASSETS.....</b>	<b>2,017,561</b>
<b>LIABILITIES</b>	
Obligations Under Securities Lending Agreement.....	146,846
Accounts payable and accrued liabilities.....	<u>5,675</u>
<b>TOTAL LIABILITIES.....</b>	<b>152,521</b>
<b>NET ASSETS HELD IN TRUST FOR</b>	
<b>PENSION BENEFITS.....</b>	<b><u><u>\$ 1,865,040</u></u></b>

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2007:

<b>ADDITIONS</b>	
Contributions:	
Employer.....	\$ 30,253
Plan Member.....	23,707
Total contributions.....	<u>53,960</u>
Other additions:	
Miscellaneous.....	538
Investment income:	
Net appreciation (depreciation) in fair value of investments	
Interest and Dividends, And Securities Lending	<u>233,519</u>
<b>TOTAL ADDITIONS.....</b>	<b><u>288,017</u></b>
<b>DEDUCTIONS</b>	
Benefits payments.....	106,237
Refunds of contributions.....	3,519
Administrative expenses.....	<u>1,773</u>
<b>TOTAL DEDUCTIONS.....</b>	<b><u>111,529</u></b>
Net change in net assets.....	176,488
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<b><u>1,688,552</u></b>
<b>NET ASSETS, END OF YEAR.....</b>	<b><u>\$ 1,865,040</u></b>

**C. Police and Fire Pension Plan:**

(1) Plan Description - The Police and Fire Pension Plan (the “Plan”) is a single-employer contributory defined benefit pension plan covering all full-time civil-service members of the City of Jacksonville’s Sheriff’s Office and Fire and Rescue Departments. The Plan is administered solely by a five-member board of trustees. There are separately issued financial statements for the Police and Fire Pension Plan. The city’s payroll for members covered by the Plan was \$143 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 closed amortization method with 23.5 years remaining in its amortization period.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2007, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	1,887
DROP Participants	230
Active plan members	<u>2,541</u>
Total current employees	<u>2,771</u>
Total membership	<u>4,658</u>

- (2) The city is currently contributing 28.97% 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, 2006. 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, 2007 (in thousands):

Combined Reserve Account <sup>(1)</sup>	\$ 19,896
Base benefits fund	<u>930,454</u>
Total net assets available for benefits	<u><u>\$ 950,350</u></u>

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2007, 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, 2006 valuation.

Net investment rate of return	8.5%
Projected salary increases	5.0%
Includes inflation at:	3.5%
Cost-of-living adjustments	3.0%

See Note 1.B. concerning financial statement availability.

- (5) During the fiscal year, the Plan received a remittance from the State of Florida in the amount of \$8.9 million pursuant to Chapters 175 and 185, Florida Statutes. Such remittances are generally earmarked under state policy and legal guidance for the purpose of granting enhanced benefits to public safety pension plans throughout the State of Florida. The remittances received by the Plan are governed by a Restated Agreement executed between the Plan and the City. The Agreement stipulated that \$6.3 million of the \$8.9 million remittance received during the fiscal year is to be allocated for expenditures authorized within the current benefit structure, with the remaining \$2.6 million being uncommitted and earmarked for use in funding future benefits and/or ad-hoc non-recurring expenditures as authorized by the Trustees of the Plan. During the fiscal year, \$1.5 million of the \$2.6 million uncommitted element was expended for such ad-hoc non-recurring expenditures.

**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

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**9. PENSION PLANS (continued)**

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

employees covered by FRS was \$3.3 million during the fiscal year; the city's total payroll for all employees was \$424.8 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.

(2) Contributions - During the years ended September 30, 2007, 2006, and 2005, the city contributed \$577 thousand, \$528 thousand, and \$499 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 2006 and 2005 were less than 1% of the total contributions required by all participating employers, which amounted to approximately \$2.3 and \$2.2 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, 2007, of 9.85% of the compensation for regular members, 20.92% for special risk members, 16.53% for elected county officials, 13.12% for senior management and 10.91% for DROP Plan members.

(3) Trend Information - Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2005 annual financial report. The report may be obtained from the State of Florida, Department of Management Services, Division of Retirement P.O. Box 9000, Tallahassee, Florida 32315-9000.

**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.

**CITY OF JACKSONVILLE, FLORIDA  
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**10. DEFERRED COMPENSATION PROGRAM AND 401A PLAN (continued)**

The city also provides a defined contribution plan under the Internal Revenue Code, Section 401(a). The plan provides an employer-paid, pre-tax allowance for employees under certain union contracts, managerial and confidential, and some appointed personnel. It also allows employees to participate on a post-tax basis. This benefit does not replace a pension plan, or serve in lieu of a qualified pension plan. The city contributes from .25% to 1.00% of the base salary of the employee depending on the bargaining unit and specific leave plan. For the year ended September 30, 2007, the city contributed \$1,777,607 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. The city does allow retirees to purchase health care at the city’s group rate and therefore the city will incur a liability beginning in FY2008 for the implicit rate subsidy as the city implements GASB #45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions*.

**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 <sup>(1)</sup>
\$1,200,000	Employer’s Liability	\$1,000,000 <sup>(1)</sup>
\$1,200,000	Workers’ Compensation	Statutory
\$100,000	Property (Real & Personal)	\$200,000,000 <sup>(2)</sup>
\$50,000	Employee Dishonesty Bond (includes computer fraud)	\$3,000,000

<sup>(1)</sup>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



**CITY OF JACKSONVILLE, FLORIDA  
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**12. RISK FINANCING (continued)**

above the policy per occurrence and aggregate limits.

<sup>(2)</sup>The property retention and limits are on a per occurrence basis.

The retention level for named windstorm losses is equal to 5% of total values of the locations involved in the occurrence, subject to a minimum retention of \$500,000.

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 and claim development) 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:

**Estimated Risk Management Liability <sup>(1) (3)</sup>  
 (in thousands)**

	<u>Discounted <sup>(2)</sup></u>	<u>Undiscounted</u>
Low	\$53,041,331	\$64,111,993
Middle	\$59,128,436	\$71,443,917
High	\$65,215,541	\$78,775,841

<sup>(1)</sup> Actuarial projection excludes property liability.

<sup>(2)</sup> 4 % yield on investments assumption

<sup>(3)</sup> Actuarial ULAE projections are \$5,523,764 discounted and \$6,530,377 undiscounted. Actuarial ULAE projections are not included.

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.

**CITY OF JACKSONVILLE, FLORIDA**  
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**12. RISK FINANCING (continued)**

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, 2007, the city has available net assets in the Self-Insurance fund of \$1,287 (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, 2007.

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

SELF-INSURANCE FUND						
CHANGES IN AGGREGATE CLAIMS LIABILITIES (including ULAE)						
FOR THE YEARS ENDING SEPTEMBER 30						
(in thousands)						
	General/Auto Liability		Workers Compensation		Totals	
	2007	2006 <sup>(1)</sup>	2007	2006 <sup>(1)</sup>	2007	2006 <sup>(1)</sup>
Unpaid claims and claims adjustment Expenses at beginning of fiscal year	\$ 11,567	\$ 11,198	\$ 59,272	\$ 52,958	\$ 70,839	\$ 64,156
Incurring claims and claim adjustment expenses:						
Provisions for insured events of the current fiscal year	2,899	2,992	5,130	6,646	8,029	9,638
Increases in provision for insured events of prior fiscal years	1,350	2,208	14,123	11,083	15,473	13,291
Total incurred claims and claim adjustment Expenses	4,249	5,200	19,253	17,729	23,502	22,929
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,691	2,113	2,715	4,658	4,406	6,771
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	2,873	2,718	9,088	6,757	11,961	9,475
Total Payments	4,564	4,831	11,803	11,415	16,367	16,246
Total unpaid claims and claim adjustment Expenses at end of fiscal year	\$ 11,252	\$ 11,567	\$ 66,722	\$ 59,272	\$ 77,974	\$ 70,839

<sup>(1)</sup>Fiscal Year 2006 has been restated to reflect ULAE for comparative purposes.

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

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

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

**B. Fund Deficits:**

The following individual funds had a fund deficit at September 30, 2007, (in thousands):

	<u>Fund Balance/ Net Asset</u>
Major Enterprise Fund:	
Solid Waste Disposal	\$ (87,170)
Non-Major Enterprise Fund:	
Public Parking	\$ (3,576)

The Solid Waste Disposal fund deficit is due to the \$89 million accrual for pollution remediation and \$23.2 million outstanding debt for the Ash Site settlement. Bonds will be issued to provide adequate cash to fund the remediation projects and rate revenue and 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. See Note 18 Net Assets for additional information.

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.

**C. Landfill Closure and Postclosure Care Costs:**

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

MSWLF costs, for open landfills, are recognized in accordance with GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care

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

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

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, 2007, is (in thousands):

	Balance, September 30, 2006	Accrual of Costs	Payment of Costs	Balance, September 30, 2007
Closed Landfills -				
Postclosure care costs	\$ 13,093	(\$ 591)	(\$231)	\$ 12,271
Operating Landfill -				
Closure and Postclosure care costs	29,083	4,484	-	33,567
Total Landfill Postclosure Care Costs	42,176	3,893	(231)	45,838
Waste Dump Site -				
Long Term Care Costs	874	(33)	(79)	762
Total Liability for Landfill Closure, Postclosure, Decontamination and Long Term Care Costs	\$ 43,050	\$3,860	(\$310)	\$ 46,600

At September 30, 2007, 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 \$0.9 million had been reduced for postclosure care costs through September 30, 2007.

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 2006, \$27.2 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2007, \$2.3 million of this deferred charge was expensed to solid waste operations, resulting in a balance at September 30, 2007, of \$24.9 million. It is the intent of the city that these costs be recovered from future operating revenues of the Solid Waste Disposal Enterprise Fund, and accordingly will be recognized as operating expenses as such revenue is earned.

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

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

The total closure and postclosure liability for the operating landfill (Trailridge) is \$33.6 million. This total is based on the estimated capacity used of 65.20047% or 12,387,961 tons used with a total estimated capacity of 18,999,803 tons. The city will recognize the remaining estimated cost of closure and postclosure costs of \$40.8 million as the remaining capacity is filled. These amounts are based upon what it would cost to perform all closure and postclosure care in 2007. 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, 2007, of \$0.7 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, 2007, this proof of financial responsibility has been met by the city under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$33.5 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 plus an adjustment for additional future costs associated with the closing of the Trail Ridge landfill. The escrow account was comprised of the following estimated components at September 30, 2007 (in thousands):

	<u>Trail Ridge</u>	<u>North</u>	<u>East</u>	<u>Total</u>
Current cost of closure (1)	\$11,632,009	\$ -	\$ -	\$11,632,009
Annual cost of postclosure care (2)	-	851,048	363,748	1,214,796
Total estimated closure and postclosure care costs	<u>\$ 11,632,009</u>	<u>\$ 851,048</u>	<u>\$ 363,748</u>	<u>\$ 12,846,805</u>
Balance in escrow account (3)	\$ 32,334,704	\$ 851,048	\$ 363,748	\$ 33,549,500
City funding above state minimum (4)	\$ 20,702,695	\$ -	\$ -	\$ 20,702,695

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

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

1) Trail Ridge – Total submitted cost of \$ 15,509,345 x 15/20 (requirement is to annually fund current estimate divided by years remaining in landfill life; landfill is expected to reach capacity in 2012; at September 30, 2007 fifteen years of twenty year landfill life have passed), North – landfill was certified closed in October 1999, East landfill was certified closed in April 1995.

2) Trail Ridge – Total cost of \$ 23,995,861 x 0/30 (since landfill is not closed yet, 30 year post closure care period has not begun) North – total cost of \$ 17,020,962 x 1/20 (requirement is to fund one year of postclosure care), East – total cost of \$ 7,274,964 x 1/20 (requirement is fund one year postclosure care).

3) The \$33,549,500 escrowed amounts are accounted for in a separate subfund 443 - Landfill Closure per City of Jacksonville Ordinance and is legally restricted. It consists of subfunds to meet DEP funding requirements, with remaining funds to meet the additional amount required by the City of Jacksonville funding ordinance.

4) The city funding above the state minimum of \$ 20,702,695 represents the difference between the funding required by the State of Florida and the funding required by city ordinance. The funding of landfill closure is based on a formula passed by city ordinance, which approximates the projected cash flow needs for the future liability as calculated under GASB 18 – Accounting for Municipal Solid Waste Landfill Closure and Postclosure care costs. The liability is based on a per cell closing methodology utilized by the Solid Waste Division of the city.

**14. LESSOR OPERATING LEASE**

**A. Jacksonville Jaguars, Inc.**

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

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

For the first five years, rent is deferred in the amount of \$250,000 per year; in years 6-10 rent is \$500,000 per year; in years 11-20 \$1,000,000; and in the final 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)

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

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.

A summary of scheduled lease payments is as follows:

<u>Year</u>	<u>Payment</u>
2007	\$ 1,199,119
2008	1,170,930
2009	4,002,881
2010	3,964,861
2011	4,127,519
2012 - 2016	20,873,770
2017 - 2021	22,788,564
2022 - 2026	22,679,207
2027 - 2030	23,152,586

**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

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**14. LESSOR OPERATING LEASE (continued)**  
**B. Shands Jacksonville (continued)**

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's Ordinance Code Chapter 128. The City purchases commercial insurance for workers' compensation claims in excess of \$1.2 million. Under the laws of the State of Florida, the city has sovereign immunity for state tort claims in excess of \$200,000. The City retains coverage on all other types of insurance including real and tangible property. The self-insured programs of the City, which are included in the Self-Insurance Internal Service Fund, are funded on a dollar-for-dollar basis determined actuarially for the



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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)**

**C. Self-Insurance (continued)**

estimated losses for incurred but not reported claims and claim development, and unallocated loss adjustment expenses. Claims are reserve on ultimate probable cost basis.

**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:

The USEPA identified the city as a PRP at the Whitehouse Waste Oil Pits Superfund Site in western Duval County. The city and other PRPs participated in the USEPA's Pilot Allocation Project which resulted in the EPA assuming as much as 65% of the liability at the site, with the city being allocated less than 10% of the liability. The USEPA estimates \$20 million site costs, with the city paying approximately \$ 2 million over the life of the project (which includes a 30 year operations and maintenance period). Site work was substantially complete in October 2006 when operations and maintenance work began. The PRPs have more than \$1.9 million on deposit to fund operations and maintenance; however until USEPA officially declares the remedial action complete, the prospect for additional work remains. In January 2008, the city met with adjacent property owners to negotiate the purchase of additional private property to account for the location of the remedial berm. Negotiations are ongoing, with the estimated additional purchase within the limits of the remaining funds contributed by PRPs. The city and other PRPs settled with the USEPA which had sought reimbursement of its cost of a removal action in 1995, regarding the Bill Johns Waste Oil Site. The city's liability is based on contracting with the waste oil service to empty used oil collection points operated under a recycling grant from the State. The Florida Department of Environmental Protection (FDEP) has submitted a demand to the PRPs to assess the site further to determine the extent of contamination that may remain after the removal action. Liability to FDEP is being assessed, but the site may be eligible for the state-funded clean up program, relieving the city of any financial exposure.

Because of the uncertainty 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, 2007, 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

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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)**

**D. Environmental Matters (continued)**

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 \$51 million - \$205 million. The lower of the range estimate of \$51 million has been accrued per FASB Interpretation/FIN#14, Reasonable Estimation of the Amount of a Loss. The final plan has been approved by the EPA and is before the Department of Justice for the final order from them. The Better Jacksonville Plan contains \$16 million for Ash Sites, but other sources of funds will need to be identified for the amounts above the \$16 million.

Department of Environmental Protection (DEP) Sites: The city, working in conjunction with the DEP, have identified four sites of potential liability including the Burke St. Lime Pitts, Doe Boy Dump Site, Gold Merit / Pope Plan and Southside Incinerator Site. The project, which is estimated to take several years to complete once started, has an estimated cost of \$38 million, which has been accrued by the city.

**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 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 matter and enter into voluntary negotiations intended to preserve the tax exempt status of interest on the bonds and provide for a city settlement payment. The settlement is anticipated to address the time period between the point of misuse and the substitution of appropriate public uses, and the incremental

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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)**

**E. Shipyards Project: (continued)**

cost between tax exempt and taxable debt. The city estimates that the eventual settlement payment could be as much as \$2.5 million and this is accrued in the entity-wide financial statements. 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 a federal civil rights claim pending in United States District Court. The city plans to defend this case. Trial is scheduled for 2008. Maximum potential liability exposure is \$5,000,000.

The city is involved in a state law claim for negligent maintenance of a city right of way. A trial date has not been determined. Maximum potential liability exposure is \$200,000.

The city is involved in two state law claims for negligent maintenance of a city sidewalk. Maximum potential liability exposure is \$100,000 per claim.

The city is involved in a federal civil rights and Florida retaliation claim pending in United States District Court. The city plans to defend this case. Trial is set for 2008. Maximum potential liability exposure is \$300,000.

The city is involved in a federal civil rights claim pending in United States District Court. The city plans to defend this case. A trial date has not been determined. Maximum potential liability exposure is \$300,000.

The city is involved in an equitable contract adjustments claim alleging improprieties in the administration of contracts under a city program. The city is investigating the claim and is planning to defend at this time. Approximate maximum potential liability exposure is \$1,000,000; with the probability of a significant lesser amount if there is any recovery.

The city is involved in a federal equal pay act and retaliation claims pending in United States District Court. The city plans to defend this case. Trial has been proposed for 2009. Maximum potential liability exposure is \$250,000.

The city is involved in a class action suit on behalf of persons in Duval County whose driver's licenses have been suspended following failure to schedule a hearing to contest a civil traffic citation. A class has been certified, with a city appeal pending. The city is in settlement negotiations.

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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)**  
**F. Other Litigation: (continued)**

The city is involved in a state law claim for negligent maintenance of a city owned park. The lessee at the time of the incident agreed to assume the defense of the city and will partially identify the city pursuant to a contract. Maximum potential liability exposure for the city is \$100,000.

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.

**G. Construction Commitments:** At September 30, 2007, the city had major construction contracts for the following projects:

<b>Public Works Projects</b>		
LaVilla/Brooklyn Area	\$	15,000,000
Norman Studios		693,299
<b>New Fire Stations and Renovations</b>		4,484,932
<b>Economic Development Projects</b>		
Pearl Street Plaza, LLC.		550,000
Pinnacle Project		800,000
Busch Drive Project		657,933
<b>Infrastructure Projects</b>		
Towncenter District		1,707,233
Ped / Veh RR Crossing Grade Separation		990,219
Landscape and Beautification		812,678
<b>Park Projects</b>		
Park Acquisition & Development		1,027,571
Park Improvement		6,358,213
<b>Courthouse Project</b>		1,085,875
<b>Public Works Road Projects</b>		84,653,625
<b>Countywide Resurfacing</b>		1,582,440
<b>Drainage Rehab Projects</b>		22,631,441
<b>Septic Tank Remediation</b>		4,352,380
<b>Total</b>	<b>\$</b>	<b>148,104,745</b>

**CITY OF JACKSONVILLE, FLORIDA**  
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**16. SUBSEQUENT EVENTS**

**A) MAYPORT FERRY**

The St. Johns River Ferry (Mayport Ferry) is part of the Florida State Highway System, saving travelers from having to take a 26-mile alternate route by land. It has been in operation since 1948, beginning with the Florida Department of Transportation and transferring to the City in 1997. As a result of pending budget shortfalls, the City asked the Jacksonville Port Authority (JPA) to assume responsibility for operation; otherwise, the service was scheduled to cease operations on September 30, 2007.

The Mayor, or designee, and Corporation Secretary executed documents to convey \$7,818,467 in real property and tangible personal property to the Jacksonville Port Authority (JPA) effective October 1, 2007. The City assigned to JPA the contract with Hornblower Marine Services-Florida, Inc. for operation of the ferry service. JPA agreed to provide a written report to the City no later than May 1 of each year concerning ferry operations, together with a notice of JPA's intention, if any, to diminish the level of service beyond certain established service levels. Additionally, provision is made for reversion of title to real property and tangible personal property should JPA cause or permit cessation of operations or attempt to transfer, sell, or lease the ferry properties to a third party without the prior written approval of the City.

**B) Variable Rate Market Disruption**

Beginning in the fall of 2007 and continuing, the tax exempt municipal market is going through a significant disruption. The first aspect related to an increased desire for liquidity which causes concern in the Auction rate market (typically where the annual rate resets every 35, 7 or 1 days). The second concern relates to the buy-side market participant (the traditional 2 A-7 like money market fund) which became concerned about the monoline insurance industry (e.g., MBIA, Ambac, FGIC, etc.) and the apparent likelihood of downgrade and thereby relinquishing their Aaa/AAA/AAA status. Most of this short-term paper is backed by a "line of credit" which provides liquidity to the marketplace. The buy-side participants' concern related to differing default language which could, if an insurer is downgraded, allow the line of credit provider to cancel the reimbursement agreement without having to take in (and hold) the related notes, and thereby cause the put feature of liquidity to disappear without notice or opportunity to be used/exercised. The City expects to have to restructure its \$274.7 million outstanding (as of September 30, 2007) in auction rate products into either a) more traditional variable rate notes (e.g. commercial paper, 7 or 1 day products) which are backed by a line (liquidity) or a letter of credit (both credit and liquidity) or b) rolling medium-term note(s).

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**16. SUBSEQUENT EVENTS (continued)**

**B) Variable Rate Market Disruption (continued)**

The market has deteriorated into a situation where most monoline insurance backed short-term paper is hard to place and pricing on a short term basis at 300 to 500 basis points over the market. A clear demonstration of this is the city's commercial paper program which is backed by a letter of credit which is pricing through (or below) market. The City may additionally be caused to restructure some or all of, an additional \$138.3 million of short-term variable rate paper (as of September 30, 2007) to move from insurance with liquidity to either a new line or letter backed program and thereby removing the insurance association therewith.

**C) Property Tax Reform**

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. The amendment increases the current exemption for homestead property, allows property owners to transfer a portion of their Save Our Homes benefits to their next homestead, limits the annual increase in assessed value for non-homestead property, and provides an exemption for a portion of tangible personal property. The amendment would impact the tax levy relating to the City's 2008-09 fiscal year. The City has not yet determined the fiscal impact of the changes.

**D) JEA Debt Issuance**

On October 25, 2007, JEA issued \$26,515,000 of its Electric System Revenue Bonds, Series Three 2007C and \$82,800,000 of its Electric System Subordinated Revenue Bonds, 2007 Series A to fund capital expenditures and repay \$3,300,000 line of credit balance related to Electric System capital expenditures. In October 2007, JEA made a draw of \$12,000,000 under the line of credit to fund capital expenditures for the Water and Sewer System. The \$12,000,000 will be replaced with permanent financing scheduled to take place in 2008.

**E) JAA Defeased Debt**

In October 2007, 2000B bonds were legally defeased in the amount of \$3,610,000 with proceeds from operating cash. The net present value of savings in interest expense is approximately \$735,000.

**F) JPA Commercial Paper Issuance and Planned Bonds**

In early 2008, JPA issued commercial paper in an amount not to exceed \$85 million and plans to issue Series 2008 fixed rate 30 year bonds in an amount not to exceed \$90 million to finance the Authority's capital budget.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

**A. JEA/City of Jacksonville**

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

	<u>Revenues</u>	<u>Expenses</u>
Fiscal year 2007	\$ 25,123	\$ 6,135
Fiscal year 2006	\$ 24,443	\$ 6,878

During 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.

The JEA Electric System is 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 2007 and 2006 amounted to \$73,100 thousand and \$71,031 thousand, respectively. The JEA Water and Sewer System is required to contribute annually to the General Fund of the city an amount not to exceed 2.1 mills per cubic foot of potable water and sewer service provided, excluding reclaimed water service. The contribution for fiscal years 2007 and 2006 amounted to \$18,337 thousand and \$17,657 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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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

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

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 2007 and 2006, JEA made principal and interest payments to the city of \$1,992 thousand and \$2,533 thousand, respectively. The total remaining principal amounts due to the city as of September 30, 2007 and 2006 was \$2,918 thousand and \$4,677 thousand, respectively.

**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 \$29,091 thousand and \$15,546 thousand in fiscal years 2007 and 2006, respectively.

**18. NET ASSETS:**

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

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

**Restricted Assets** - are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations on their use. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use there of to a future project or replacement equipment acquisition.



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**18. NET ASSETS: (continued)**

**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)	\$ (259,189)
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.	448,716
Economic Incentives to be repaid by TIF revenue and/or Developer	<u>47,304</u>
Governmental - Unrestricted Net Assets (adjusted for dedicated revenue funded portions)	<u>\$ 236,831</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.

A similar situation occurs in the Business-Type Activities column, in that debt in the Solid Waste fund has or will be issued for ash site settlement and pollution remediation of the ash sites and other contaminated sites. The debt will be paid over time by funds provided annually from a combination of rate revenue and transfers from the general fund.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**19. EMERGENCY RESERVE:**

Within the fiscal year 2007 budget ordinance, the city reauthorized a \$40.0 million emergency reserve, which was classified as a reservation of fund balance within the General 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.

**20. ESTABLISHMENT OF NEW ENTERPRISE FUNDS:**

Within the fiscal year 2007 budget ordinance, the city created six separate enterprise funds to track financial activity by venue. The new funds are the Jacksonville Municipal Stadium, Memorial Arena, Baseball Stadium, Performing Arts Center, Convention Center, and Equestrian Center. Three subfunds within the Sports, Convention, and Tourism Development Special Revenue Fund and the Sports, Convention Center, and Auditorium Enterprise Fund were eliminated.



**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, 2007**

**GENERAL FUND**

	BUDGETED AMOUNTS				ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL				
<b>REVENUE:</b>							
Property taxes.....	\$ 445,597	\$ 445,597	\$ 453,971	\$ -	\$ 453,971	\$ 8,374	
Utility service taxes.....	105,011	105,011	104,634	-	104,634	(377)	
Sales and Use Taxes.....	1,382	1,382	1,410	-	1,410	28	
Licenses and permits.....	10,208	10,208	8,867	-	8,867	(1,341)	
Intergovernmental.....	154,350	157,484	145,820	-	145,820	(11,664)	
Charges for services.....	64,278	64,278	63,535	-	63,535	(743)	
Fines and forfeitures.....	5,227	5,227	4,645	-	4,645	(582)	
Payment in lieu of taxes.....	93,740	95,218	95,151	-	95,151	(67)	
Interest.....	12,622	12,629	10,872	-	10,872	(1,757)	
Other.....	18,348	19,674	19,233	-	19,233	(441)	
<b>Total Revenue.....</b>	<b>910,763</b>	<b>916,708</b>	<b>908,138</b>	<b>-</b>	<b>908,138</b>	<b>(8,570)</b>	
<b>EXPENDITURES AND ENCUMBRANCES:</b>							
Administration and Finance.....	17,777	11,588	11,216	303	11,519	69	
Agriculture.....	1,463	1,513	1,511	2	1,513	-	
City Council.....	8,521	8,439	8,329	100	8,429	10	
Clerk of the Courts.....	4,586	5,367	4,069	21	4,090	1,277	
Courts.....	1,091	1,080	1,072	8	1,080	-	
Community Services.....	35,527	35,474	35,179	295	35,474	-	
Environmental Resource Management.....	12,596	13,217	11,810	296	12,106	1,111	
Fire/Rescue.....	135,877	141,918	136,651	2,486	139,137	2,781	
General Counsel.....	374	2,111	2,111	-	2,111	-	
Health Administrator.....	2,263	2,510	2,490	-	2,490	20	
Housing and Neighborhoods.....	7,570	7,844	7,070	52	7,122	722	
Human Resources.....	-	5,449	4,673	753	5,426	23	
Jacksonville Human Rights Commission.....	1,228	1,227	1,176	5	1,181	46	
Mayor.....	2,520	2,547	2,531	2	2,533	14	
Mayor's Boards and Commissions.....	417	491	489	2	491	-	
Medical Examiner.....	2,441	2,482	2,450	31	2,481	1	
Metropolitan Planning Organization.....	14	14	-	14	14	-	
Property Appraiser.....	9,681	9,696	9,136	42	9,178	518	
Public Defender.....	806	806	801	-	801	5	
Planning and Development.....	7,406	7,593	6,176	1,417	7,593	-	
Pension Funds.....	15	15	8	-	8	7	
Public Libraries.....	35,635	35,167	34,955	121	35,076	91	
Parks, Recreation and Entertainment.....	33,909	33,760	30,971	1,347	32,318	1,442	
Procurement and Supplies.....	4,020	4,169	4,094	75	4,169	-	
Public Works.....	68,568	68,226	66,060	2,166	68,226	-	
State Attorney.....	697	697	666	26	692	5	
Supervisor of Elections.....	9,757	10,599	9,889	346	10,235	364	
Office of the Sheriff.....	300,067	303,924	299,526	1,926	301,452	2,472	
Tax Collector.....	16,735	16,774	14,560	275	14,835	1,939	
Federal Program Reserve.....	3,110	-	-	-	-	-	
Contribution to Shands-Jacksonville.....	23,776	23,776	23,776	-	23,776	-	
Cash Carryover Reserves.....	-	-	-	-	-	-	
Jacksonville Misc. Citywide Activities.....	35,030	41,024	33,412	1,144	34,556	6,468	
<b>Total Expenditures.....</b>	<b>783,477</b>	<b>799,497</b>	<b>766,856</b>	<b>13,255</b>	<b>780,112</b>	<b>19,385</b>	
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>							
	<b>127,286</b>	<b>117,211</b>	<b>141,282</b>	<b>(13,255)</b>	<b>128,026</b>	<b>10,815</b>	
<b>OTHER FINANCING SOURCES (USES):</b>							
Long Term Debt Issued.....	-	15,469	3,901	-	3,901	(11,568)	
Operating transfers in.....	3,939	7,533	7,494	-	7,494	(39)	
Operating transfers out.....	(146,015)	(149,825)	(146,603)	-	(146,603)	3,222	
<b>Total Other Financing Sources (Uses).....</b>	<b>(142,076)</b>	<b>(126,823)</b>	<b>(135,208)</b>	<b>-</b>	<b>(135,208)</b>	<b>3,183</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>							
	<b>(14,790)</b>	<b>(9,612)</b>	<b>6,074</b>	<b>(13,255)</b>	<b>(7,182)</b>	<b>13,998</b>	
<b>FUND BALANCES - BEGINNING.....</b>	<b>77,909</b>	<b>77,909</b>	<b>77,909</b>	<b>-</b>	<b>77,909</b>	<b>-</b>	
<b>FUND BALANCES - ENDING.....</b>	<b>\$ 63,119</b>	<b>\$ 68,297</b>	<b>\$ 83,983</b>	<b>\$ (13,255)</b>	<b>\$ 70,727</b>	<b>\$ 13,998</b>	

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**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 2007, no special revenue funds met the criteria to be reported as a major fund. The city has opted to make this presentation in the format and classifications of the budget document. These schedules report actual expenditures using generally accepted accounting principles as well as expenditures on the budgetary basis, which include amounts encumbered for future spending.

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

**C.** The city adopts annual budgets for the General Fund, certain Special Revenue Funds, and Proprietary Funds. The city reports Budgetary Comparisons for its General Fund and Major Special Revenue Funds in the Required Supplementary Information section of the report. None of these funds had an excess of expenditures over appropriations for the year ended September 30, 2007. Proprietary Fund budgets are adopted for management control purposes. The city is not required to include Budgetary Comparisons for Proprietary Funds in this report. Project or program budgets, which may not coincide with the city's fiscal year, or which may exceed a single annual period, are adopted by separate ordinance for most Special Revenue Funds and Capital Project Funds. Budgets are not formally adopted for Debt Service Funds as internal spending controls are set by compliance with bond covenants. The Special Revenue Funds which are not budgeted annually include the following: Community Development Block Grant, Job Training Partnership Act Grant, Maintenance, Parks and Recreation, Metropolitan Planning Organization, Other Federal, State and Local Grants, Better Jacksonville Trust Fund, Housing and Neighborhoods and Non-Budgeted General Government.

**D.** Level of Budgetary Control - Expenditures may not exceed appropriations and are

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**1. BUDGETARY DATA (continued)**

controlled in the following manner:

- (1) The budget is adopted by Ordinance which sets the legal level of control at the fund level by department.
  - (2) The city has adopted more stringent administrative policies that control expenditures at the major category (Personal Services, Operating Expense, Capital Outlay, Debt Service) level within divisions within individual funds.
  - (3) The city, additionally, has adopted a Municipal Ordinance Code Policy that provides transfer authority to the Mayor, without City Council approval, within an individual fund.
- E.** Supplemental Appropriations - The City Council may, through passage of an ordinance, amend the budget in any manner permissible under State and Local Law, with one exception. Bond covenants, trust and agency agreements, and certain clauses of ordinances in effect may restrict certain budgetary items in terms of amount or use.
- In certain instances the city may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2007 Annual Budget Ordinance were made throughout the year, the effects of which were not material.
- F.** All appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end or at the close of the authorizing project/program, unless specifically carried forward by ordinance.
- G.** Formal budgetary integration is used as a management control device for all funds of the city, except certain Debt Service Funds as explained in Note to RSI 1.C.
- H.** The City's Annual Financial Plan, or published budget document, may be obtained from the city's Budget Office located at 117 West Duval Street, Suite 325, Jacksonville, Florida 32202.
- I.** The Clerk of Court special revenue budget is not approved by the city. It is submitted and approved by the state.

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**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
SEPTEMBER 30, 2007**

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Annual Required Contributions</u>	<u>City Cash Contributions</u>	<u>Allocated from Past Excess Contributions</u>	<u>Total Employer Contributions</u>	<u>Percentage Contributed</u>
<b>Combined Plans</b>					
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%
<b>General Employees Pension Plan</b>					
2005	\$ 27,724	\$ 14,607	\$ 13,117	\$ 27,724	100%
2006	28,670	7,934	20,736	28,670	100%
2007	29,297	29,581	-	29,581	101%
<b>Corrections Officers Plan</b>					
2005	\$ 3,233	\$ 1,787	\$ 1,446	\$ 3,233	100%
2006	1,917	1,917	-	1,917	100%
2007	1,830	2,482	-	2,482	136%

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, 2007**

(in thousands)

<b>Plan Year Ending September 30</b>	<b>Annual Required Contribution</b>	<b>City Cash Contributions</b>	<b>Allocated from Contribution Reserves</b>	<b>Court Fines and Premium-Tax Refunds</b>	<b>Total Employer Contributions</b>	<b>Total Member Contributions</b>	<b>Percentage Contributed</b>
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	50,727	25,851	8,753	6,541	41,145	9,582	100%
2006	53,263	34,712	2,106	6,800	43,618	9,646	100%
2007	55,927	42,866	(4,358)	7,062	45,570	10,357	100%

**Notes:** In all years shown, 100% of the ARC has been contributed thus producing a Net Pension Obligation of \$0 for all years.  
City Cash Contributions shown above do not include employer buyback contributions.  
Total Member Contributions shown above include DROP contributions, but do not include employee buyback contributions.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
SEPTEMBER 30, 2007**

(in thousands)

<u>Valuation Date</u>	<u>Actuarial Value of Assets (2) (a)</u>	<u>Actuarial Accrued Liability (AAL) (1) (b)</u>	<u>Unfunded AAL (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
<b>Combined Plans</b>						
* 9/30/2001	\$ 1,459,649	\$ 1,511,829	\$ 52,180	96.55%	\$ 234,684	22.2%
9/30/2002	1,425,708	1,528,742	103,034	93.26%	243,446	42.3%
* 9/30/2003	1,426,783	1,611,958	185,175	88.51%	237,373	78.0%
9/30/2004	1,496,315	1,810,451	314,136	82.65%	236,540	132.8%
<b>General Employees Pension Plan</b>						
9/30/2005	\$ 1,509,710	\$ 1,734,997	\$ 225,287	87.02%	\$ 226,819	99.3%
9/30/2006	1,593,296	1,812,972	219,676	87.88%	237,108	92.6%
9/30/2007	1,712,461	1,904,929	192,468	89.90%	248,887	77.3%
<b>Corrections Officers Plan</b>						
9/30/2005	\$ 60,106	\$ 75,151	\$ 15,044	79.98%	\$ 26,256	57.3%
9/30/2006	68,791	104,126	35,335	66.07%	27,702	127.6%
9/30/2007	78,458	116,945	38,487	67.09%	27,083	142.1%

(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

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POLICE AND FIRE RETIREMENT SYSTEM  
SEPTEMBER 30, 2007**

(in thousands)

<b>Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (1) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
09/30/99	\$ 738,461	\$ 970,418	\$ 231,957	76.10%	\$ 97,666	237.50%
09/30/00	814,889	939,802	124,913	86.71%	97,207	128.50%
09/30/01 (2)	\$ 766,414	\$ 1,012,577	\$ 246,163	75.69%	\$ 96,199	255.89%
09/30/02	725,416	977,779	252,363	74.19%	101,698	248.15%
09/30/03	732,526	1,146,459	413,933	63.89%	109,637	377.55%
09/30/04	727,955	1,222,355	494,400	59.55%	118,510	417.18%
09/30/05	765,180	1,314,424	549,244	58.21%	130,392	421.23%
09/30/06	827,338	1,376,659	549,321	60.10%	134,694	407.83%
09/30/07	930,454	(3) 1,464,508	534,054	63.53%	143,006	373.45%

- (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, 2007, the value of the City Budget Stabilization Account was \$6,863,768, and the Enhanced Benefit Account was \$13,032,017. These amounts are not included in the Actuarial Value of Assets.



## **NON-MAJOR GOVERNMENTAL FUNDS:**

### **SPECIAL REVENUE FUNDS**

**Special Revenue Funds** account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditure for specific purposes as described below.

**The Concurrency Management Fund** provides funding for maintenance and update of the Concurrency Management System which is the basis for ensuring compliance with the 2010 Comprehensive Plan.

**The Air Pollution Control and Monitoring Fund** receives revenue from licenses and fees, and contributions from the federal government to monitor and control environmental problems related to the air quality in Jacksonville.

**Tourism Development Fund** collects revenues from tourist and convention development taxes to fund tourism programs sponsored by the Tourist Development Council through the City.

**The Clerk of the Circuit Court Fund** receives revenue collected on behalf of the state and city by the courts system for various judgments, fines, bonds, fees and licenses, and other miscellaneous amounts. The Fund includes Public Records Modernization activity which receives revenues from a service charge authorized by Florida Statute 28.24(15)(d) to be held in trust and used exclusively for equipment, personnel training, and technical assistance in modernizing the official public records system of the Clerk's office.

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

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

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

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

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

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

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

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

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

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

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

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

**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 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 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 General Bonded Debt Obligations Fund** accounts for the accumulation of resources for, and the payment of, principal and interest on the Duval County Certificates of Indebtedness of 1972 General Obligation Bonds of the construction of the Police Administration Complex.

**The Other Non-Bonded Debt Obligations Fund** accounts for the accumulation of resources for, and the payment of, principal and interest on other non-bonded debt obligations.

#### **CAPITAL PROJECTS FUNDS**

**Capital Projects Funds** account for financial resources segregated for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and fiduciary funds). Descriptions of individual funds in this fund type follow.

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

**The 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, 2007  
 WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

**SPECIAL REVENUE FUNDS**

<b>ASSETS</b>	<b>CONCURRENCY MANAGEMENT</b>	<b>AIR POLLUTION CONTROL AND MONITORING</b>	<b>TOURISM DEVELOPMENT</b>	<b>CLERK OF THE COURT</b>
Equity in cash and investments.....	\$ 52,219	\$ 641	\$ 7,031	\$ 2,468
Cash in escrow and with fiscal agents.....	-	-	100	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	-	-
Mortgages.....	-	-	-	-
Due from other funds.....	-	-	-	-
Due from component units.....	-	-	-	-
Due from independent agencies and other governments.....	-	155	-	-
Assets held for resale.....	-	-	-	-
Prepaid items.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 52,219</u></b>	<b><u>\$ 796</u></b>	<b><u>\$ 7,131</u></b>	<b><u>\$ 2,468</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 2,322	\$ 79	\$ 121	\$ 527
Contracts payable.....	245	-	-	-
Due to other funds.....	-	-	-	-
Due to other governments.....	-	-	-	-
Due to individuals.....	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-
Deposits.....	362	-	-	-
Advances from other funds.....	-	-	-	-
Unearned revenue.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>2,929</u></b>	<b><u>79</u></b>	<b><u>121</u></b>	<b><u>527</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	1,344	7	2,181	24
Cash in escrow.....	-	-	100	-
Mortgages receivable.....	-	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	-
Designated for subsequent years' budget.....	-	-	-	-
Undesignated .....	47,946	710	4,729	1,917
<b>Total Fund Balances.....</b>	<b><u>49,290</u></b>	<b><u>717</u></b>	<b><u>7,010</u></b>	<b><u>1,941</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 52,219</u></b>	<b><u>\$ 796</u></b>	<b><u>\$ 7,131</u></b>	<b><u>\$ 2,468</u></b>



**SPECIAL REVENUE FUNDS**

<u>TRANSPORTATION FUND</u>	<u>BUDGETED GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>EMERGENCY 9-1-1</u>	<u>TAX INCREMENT DISTRICTS</u>	<u>JACKSONVILLE CHILDREN'S COMMISSION</u>
\$ 24,650	\$ 39,473	\$ 602	\$ 5,703	\$ 5,013	\$ 7,658
-	-	-	-	-	-
-	18	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,199	444	-	204	-	4,438
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 39,849</u>	<u>\$ 39,935</u>	<u>\$ 602</u>	<u>\$ 5,907</u>	<u>\$ 5,013</u>	<u>\$ 12,096</u>
\$ 434	\$ 1,611	\$ 14	\$ 202	\$ 2,342	\$ 1,761
20	4	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	767	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>454</u>	<u>2,382</u>	<u>14</u>	<u>202</u>	<u>2,342</u>	<u>1,761</u>
1,229	5,189	18	337	1,548	1,243
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
38,166	32,364	570	5,368	1,123	9,092
<u>39,395</u>	<u>37,553</u>	<u>588</u>	<u>5,705</u>	<u>2,671</u>	<u>10,335</u>
<u>\$ 39,849</u>	<u>\$ 39,935</u>	<u>\$ 602</u>	<u>\$ 5,907</u>	<u>\$ 5,013</u>	<u>\$ 12,096</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007  
 WITH COMPARATIVE TOTALS FOR 2006 (in thousands; continued)**

	<b>SPECIAL REVENUE FUNDS</b>			
<b>ASSETS</b>	<b>COMMUNITY DEVELOPMENT BLOCK GRANT</b>	<b>JOB TRAINING PARTNERSHIP ACT GRANT</b>	<b>MAINTENANCE, PARKS AND RECREATION</b>	<b>METROPOLITAN PLANNING ORGANIZATION</b>
Equity in cash and investments.....	\$ 1,748	\$ 565	\$ 3,066	\$ 130
Cash in escrow and with fiscal agents.....	391	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	32	-
Mortgages.....	975	-	-	-
Due from other funds.....	-	-	-	-
Due from component units.....	-	-	-	-
Due from independent agencies and other governments.....	-	-	-	24
Assets held for resale.....	-	-	-	-
Prepaid items.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 3,114</u></b>	<b><u>\$ 565</u></b>	<b><u>\$ 3,098</u></b>	<b><u>\$ 154</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 437	\$ -	\$ 113	\$ -
Contracts payable.....	45	-	12	-
Due to other funds.....	-	-	-	-
Due to other governments.....	-	-	-	-
Due to individuals.....	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-
Deposits.....	6	-	-	-
Advances from other funds.....	-	-	-	-
Unearned revenue.....	975	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>1,463</u></b>	<b><u>-</u></b>	<b><u>125</u></b>	<b><u>-</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	1,996	-	252	-
Cash in escrow.....	391	-	-	-
Mortgages receivable.....	975	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	-
Designated for subsequent years' budget.....	-	-	-	-
Undesignated .....	<u>(1,711)</u>	<u>565</u>	<u>2,721</u>	<u>154</u>
Total Fund Balances.....	<u>1,651</u>	<u>565</u>	<u>2,973</u>	<u>154</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 3,114</u></b>	<b><u>\$ 565</u></b>	<b><u>\$ 3,098</u></b>	<b><u>\$ 154</u></b>

**SPECIAL REVENUE FUNDS**

OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST	HOUSING AND NEIGHBORHOODS	STATE HOUSING INITIATIVE PARTNERSHIP	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2007	2006
\$ 5,556 40	\$ 20,592 -	\$ 4,805 1,843	\$ 9,514 -	\$ 7,971 -	\$ 199,405 2,374	\$ 188,410 2,620
-	-	-	-	355	405	477
-	-	12,237	3,420	-	16,632	9,647
-	-	-	-	-	-	-
7,709	10,249	1,176	-	77	39,675	37,820
-	-	-	-	-	-	-
<u>\$ 13,305</u>	<u>\$ 30,841</u>	<u>\$ 20,061</u>	<u>\$ 12,934</u>	<u>\$ 8,403</u>	<u>\$ 258,491</u>	<u>\$ 238,974</u>
\$ 2,506 - - - - - - -	\$ - - - - - - - -	\$ 1,112 - - - - 77 -	\$ 1,315 - - - - - -	\$ 442 - - - 197 - 38 277	\$ 15,338 326 - - 197 - 1,250 1,252	\$ 9,863 97 - - 196 - 1,126 9,387
<u>2,506</u>	<u>-</u>	<u>1,189</u>	<u>1,315</u>	<u>954</u>	<u>18,363</u>	<u>20,669</u>
5,064 40 - -	- - - -	5,603 1,843 12,237 -	8,733 - 3,420 -	1,047 - - -	35,815 2,374 16,632 -	30,620 2,620 8,597 -
-	-	-	-	-	-	588
-	-	-	-	-	-	143
<u>5,695</u>	<u>30,841</u>	<u>(811)</u>	<u>(534)</u>	<u>6,402</u>	<u>185,307</u>	<u>175,737</u>
<u>10,799</u>	<u>30,841</u>	<u>18,872</u>	<u>11,619</u>	<u>7,449</u>	<u>240,128</u>	<u>218,305</u>
<u>\$ 13,305</u>	<u>\$ 30,841</u>	<u>\$ 20,061</u>	<u>\$ 12,934</u>	<u>\$ 8,403</u>	<u>\$ 258,491</u>	<u>\$ 238,974</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007  
WITH COMPARATIVE TOTALS FOR 2006 (in thousands; continued)**

	<b>DEBT SERVICE FUNDS</b>				
	<b>SPECIAL</b>	<b>GENERAL</b>	<b>OTHER</b>	<b>TOTALS</b>	
	<b>BONDED DEBT OBLIGATIONS</b>	<b>BONDED DEBT OBLIGATIONS</b>	<b>NON-BONDED DEBT OBLIGATIONS</b>	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>					
Equity in cash and investments.....	\$ 80,987	\$ -	\$ 193	\$ 81,180	\$73,947
Cash in escrow and with fiscal agents.....	160	39	-	199	249
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts .....	-	-	-	-	-
Mortgages.....	-	-	-	-	-
Due from other funds.....	-	-	-	-	-
Due from component units.....	-	-	-	-	-
Due from independent agencies and other governments.....	-	-	-	-	-
Assets held for resale.....	-	-	-	-	-
Prepaid items.....	-	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 81,147</b>	<b>\$ 39</b>	<b>\$ 193</b>	<b>\$ 81,379</b>	<b>\$ 74,196</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	\$ -	\$ 39	\$ -	\$ 39	\$ 39
Contracts payable.....	-	-	-	-	-
Due to other funds.....	-	-	-	-	-
Due to other governments.....	-	-	-	-	-
Due to individuals.....	-	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-	-
Deposits.....	-	-	-	-	-
Advances from other funds.....	-	-	-	-	-
Unearned revenue.....	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>39</b>	<b>-</b>	<b>39</b>	<b>39</b>
<b>FUND BALANCES:</b>					
Reserved for:					
Encumbrances.....	-	-	-	-	-
Cash in escrow.....	160	-	-	160	210
Mortgages receivable.....	-	-	-	-	-
Debt service.....	80,987	-	193	81,180	73,947
Unreserved:					
Designated for capital projects.....	-	-	-	-	-
Designated for subsequent years' budget.....	-	-	-	-	-
Undesignated .....	-	-	-	-	-
<b>Total Fund Balances.....</b>	<b>81,147</b>	<b>-</b>	<b>193</b>	<b>81,340</b>	<b>74,157</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 81,147</b>	<b>\$ 39</b>	<b>\$ 193</b>	<b>\$ 81,379</b>	<b>\$ 74,196</b>

CAPITAL PROJECTS FUNDS			TOTALS		PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS		
GENERAL PROJECTS	GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS		CEMETERY MAINTENANCE FUNDS		TOTALS	
			2007	2006	2007	2006	2007	2006
\$ 3,702	\$ 4,557	\$ 4,107	\$ 12,366	\$ 37,074	\$ 194	\$ 188	\$ 293,145	\$ 299,619
-	106	-	106	106	-	-	2,679	2,975
557	-	-	557	-	-	-	962	477
-	-	-	-	-	-	-	16,632	9,647
39,729	-	-	39,729	-	-	-	39,729	-
-	-	-	-	-	-	-	-	-
74	3,842	-	3,916	4,759	-	-	43,591	42,579
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 44,062</u>	<u>\$ 8,505</u>	<u>\$ 4,107</u>	<u>\$ 56,674</u>	<u>\$ 41,939</u>	<u>\$ 194</u>	<u>\$ 188</u>	<u>\$ 396,738</u>	<u>\$ 355,297</u>
\$ 1,874	\$ 813	\$ -	\$ 2,687	\$ 2,511	\$ -	\$ -	\$ 18,064	\$ 12,413
170	290	1	461	529	-	-	787	626
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	197	196
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,250	1,126
9,800	-	-	9,800	10,408	-	-	9,800	10,408
-	-	-	-	-	-	-	1,252	9,387
<u>11,844</u>	<u>1,103</u>	<u>1</u>	<u>12,948</u>	<u>13,448</u>	<u>-</u>	<u>-</u>	<u>31,350</u>	<u>34,156</u>
6,510	9,099	61	15,670	9,539	-	-	51,485	40,159
-	106	-	106	106	-	-	2,640	2,936
-	-	-	-	-	-	-	16,632	8,597
-	-	-	-	-	-	-	81,180	73,947
-	-	-	-	-	-	-	-	588
-	-	-	-	-	-	-	-	143
<u>25,708</u>	<u>(1,803)</u>	<u>4,045</u>	<u>27,950</u>	<u>18,846</u>	<u>194</u>	<u>188</u>	<u>213,451</u>	<u>194,771</u>
<u>32,218</u>	<u>7,402</u>	<u>4,106</u>	<u>43,726</u>	<u>28,491</u>	<u>194</u>	<u>188</u>	<u>365,388</u>	<u>321,141</u>
<u>\$ 44,062</u>	<u>\$ 8,505</u>	<u>\$ 4,107</u>	<u>\$ 56,674</u>	<u>\$ 41,939</u>	<u>\$ 194</u>	<u>\$ 188</u>	<u>\$ 396,738</u>	<u>\$ 355,297</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, 2007  
 WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

**SPECIAL REVENUE FUNDS**

	<b>CONCURRENCY MANAGEMENT</b>	<b>AIR POLLUTION CONTROL AND MONITORING</b>	<b>TOURISM DEVELOPMENT</b>	<b>CLERK OF THE COURT</b>
<b>REVENUE:</b>				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	5,402	-
Intergovernmental.....	-	2,013	-	-
Charges for services.....	13,403	-	-	24,908
Fines and forfeitures.....	-	-	-	-
Interest.....	1,886	19	255	-
Other.....	-	-	632	961
<b>Total Revenue.....</b>	<b>15,289</b>	<b>2,032</b>	<b>6,289</b>	<b>25,869</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	1,392	-	-	28,476
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	508	-
Transportation.....	6,508	-	-	-
Economic environment.....	-	-	5,506	-
Physical environment.....	-	2,580	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
<b>Total Expenditures.....</b>	<b>7,900</b>	<b>2,580</b>	<b>6,014</b>	<b>28,476</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>				
<b>EXPENDITURES.....</b>	<b>7,389</b>	<b>(548)</b>	<b>275</b>	<b>(2,607)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term debt issued.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	100	424	-	-
Transfers out.....	(248)	(85)	(7,205)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>(148)</b>	<b>339</b>	<b>(7,205)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>7,241</b>	<b>(209)</b>	<b>(6,930)</b>	<b>(2,607)</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<b>42,049</b>	<b>926</b>	<b>13,940</b>	<b>4,548</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 49,290</b>	<b>\$ 717</b>	<b>\$ 7,010</b>	<b>\$ 1,941</b>

**SPECIAL REVENUE FUNDS**

<b>TRANSPORTATION FUND</b>	<b>BUDGETED GENERAL GOVERNMENT</b>	<b>PUBLIC SAFETY</b>	<b>EMERGENCY 9-1-1</b>	<b>TAX INCREMENT DISTRICTS</b>	<b>JACKSONVILLE CHILDREN'S COMMISSION</b>
\$ -	\$ -	\$ -	\$ -	\$ 11,947	\$ -
104,144	-	-	-	-	-
7,366	1,734	258	-	-	36,393
-	17,415	-	4,752	-	203
-	1,217	-	-	-	-
797	1,411	14	199	-	260
-	2,125	-	-	82	327
<u>112,307</u>	<u>23,902</u>	<u>272</u>	<u>4,951</u>	<u>12,029</u>	<u>37,183</u>
-	6,135	-	-	13	-
-	1,278	-	-	-	25,505
-	11,640	27	4,626	-	-
-	-	-	-	-	-
114,294	1,492	-	-	-	-
-	-	-	-	3,872	31,464
-	4,967	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>114,294</u>	<u>25,512</u>	<u>27</u>	<u>4,626</u>	<u>3,885</u>	<u>56,969</u>
<u>(1,987)</u>	<u>(1,610)</u>	<u>245</u>	<u>325</u>	<u>8,144</u>	<u>(19,786)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	342	-	-	-	24,067
-	(855)	-	-	(6,675)	(167)
-	(513)	-	-	(6,675)	23,900
(1,987)	(2,123)	245	325	1,469	4,114
<u>41,382</u>	<u>39,676</u>	<u>343</u>	<u>5,380</u>	<u>1,202</u>	<u>6,221</u>
<u>\$ 39,395</u>	<u>\$ 37,553</u>	<u>\$ 588</u>	<u>\$ 5,705</u>	<u>\$ 2,671</u>	<u>\$ 10,335</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, 2007  
 WITH COMPARATIVE TOTALS FOR 2006 (in thousands; continued)**

	<b>SPECIAL REVENUE FUNDS</b>			
	<b>COMMUNITY DEVELOPMENT BLOCK GRANT</b>	<b>JOB TRAINING PARTNERSHIP ACT GRANT</b>	<b>MAINTENANCE, PARKS AND RECREATION</b>	<b>METROPOLITAN PLANNING ORGANIZATION</b>
<b>REVENUE:</b>				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	6,894	-	-	-
Charges for services.....	-	-	1,686	-
Fines and forfeitures.....	-	-	-	-
Interest.....	54	20	117	-
Other.....	314	-	602	-
<b>Total Revenue.....</b>	<b>7,262</b>	<b>20</b>	<b>2,405</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	4,242	-
Transportation.....	-	-	-	-
Economic environment.....	4,523	-	-	1
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
<b>Total Expenditures.....</b>	<b>4,523</b>	<b>-</b>	<b>4,242</b>	<b>1</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>				
<b>EXPENDITURES.....</b>	<b>2,739</b>	<b>20</b>	<b>(1,837)</b>	<b>(1)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term debt issued.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	75	-	1,851	-
Transfers out.....	(3,298)	-	(496)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>(3,223)</b>	<b>-</b>	<b>1,355</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(484)</b>	<b>20</b>	<b>(482)</b>	<b>(1)</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<b>2,135</b>	<b>545</b>	<b>3,455</b>	<b>155</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 1,651</b>	<b>\$ 565</b>	<b>\$ 2,973</b>	<b>\$ 154</b>



**SPECIAL REVENUE FUNDS**

OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST	HOUSING AND NEIGHBORHOODS	STATE HOUSING INITIATIVE PARTNERSHIP	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2007	2006
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,947	\$ 8,275
-	70,665	-	-	-	180,211	196,257
19,408	-	7,931	9,344	242	91,583	77,644
-	-	-	-	2,489	64,856	73,508
-	-	-	-	241	1,458	1,676
228	366	239	468	308	6,641	7,276
82	-	-	1,044	10,019	16,188	22,438
<u>19,718</u>	<u>71,031</u>	<u>8,170</u>	<u>10,856</u>	<u>13,299</u>	<u>372,884</u>	<u>387,074</u>
710	-	-	-	2,003	38,729	34,953
9,675	-	-	-	626	37,084	37,426
11,604	-	-	-	3,359	31,256	25,686
762	-	-	-	690	6,202	10,325
-	-	-	-	-	122,294	108,170
617	-	5,091	8,802	8	59,884	59,128
92	-	-	-	12	7,651	6,355
-	-	-	-	10,241	10,241	2,431
-	-	-	-	-	-	-
-	-	-	-	-	-	111
<u>23,460</u>	<u>-</u>	<u>5,091</u>	<u>8,802</u>	<u>16,939</u>	<u>313,341</u>	<u>284,585</u>
<u>(3,742)</u>	<u>71,031</u>	<u>3,079</u>	<u>2,054</u>	<u>(3,640)</u>	<u>59,543</u>	<u>102,489</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,991	-	3,831	-	106	34,787	33,697
(118)	(52,288)	-	(680)	(392)	(72,507)	(100,536)
<u>3,873</u>	<u>(52,288)</u>	<u>3,831</u>	<u>(680)</u>	<u>(286)</u>	<u>(37,720)</u>	<u>(66,839)</u>
131	18,743	6,910	1,374	(3,926)	21,823	35,650
<u>10,668</u>	<u>12,098</u>	<u>11,962</u>	<u>10,245</u>	<u>11,375</u>	<u>218,305</u>	<u>182,655</u>
<u>\$ 10,799</u>	<u>\$ 30,841</u>	<u>\$ 18,872</u>	<u>\$ 11,619</u>	<u>\$ 7,449</u>	<u>\$ 240,128</u>	<u>\$ 218,305</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, 2007  
WITH COMPARATIVE TOTALS FOR 2006 (in thousands; continued)**

<b>DEBT SERVICE FUNDS</b>					
	<b>SPECIAL BONDED DEBT OBLIGATIONS</b>	<b>GENERAL BONDED DEBT OBLIGATIONS</b>	<b>OTHER NON-BONDED DEBT OBLIGATIONS</b>	<b>TOTALS</b>	
				<b>2007</b>	<b>2006</b>
<b>REVENUE:</b>					
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-
Charges for services.....	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-
Interest.....	1,867	-	16	1,883	2,124
Other.....	-	-	-	-	-
<b>Total Revenue.....</b>	<b>1,867</b>	<b>-</b>	<b>16</b>	<b>1,883</b>	<b>2,124</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	-	-	-	-	-
Human services.....	-	-	-	-	-
Public safety.....	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-
Transportation.....	-	-	-	-	-
Economic environment.....	-	-	-	-	-
Physical environment.....	-	-	-	-	-
Capital outlay.....	-	-	-	-	-
Debt service:					
Principal.....	47,894	-	635	48,529	47,179
Interest on fiscal charges.....	45,411	-	480	45,891	44,063
<b>Total Expenditures.....</b>	<b>93,305</b>	<b>-</b>	<b>1,115</b>	<b>94,420</b>	<b>91,242</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>					
<b>EXPENDITURES.....</b>	<b>(91,438)</b>	<b>-</b>	<b>(1,099)</b>	<b>(92,537)</b>	<b>(89,118)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Long term debt issued.....	-	-	-	-	1,790
Payment to escrow agent - refunded bonds.....	-	-	-	-	(25,135)
Transfers in.....	98,606	-	1,114	99,720	92,448
Transfers out.....	-	-	-	-	-
<b>Total Other Financing Sources (Uses).....</b>	<b>98,606</b>	<b>-</b>	<b>1,114</b>	<b>99,720</b>	<b>69,103</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>7,168</b>	<b>-</b>	<b>15</b>	<b>7,183</b>	<b>(20,015)</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<b>73,979</b>	<b>-</b>	<b>178</b>	<b>74,157</b>	<b>94,172</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 81,147</b>	<b>\$ -</b>	<b>\$ 193</b>	<b>\$ 81,340</b>	<b>\$ 74,157</b>

CAPITAL PROJECTS FUNDS					PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
GENERAL PROJECTS	GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS		CEMETERY MAINTENANCE FUNDS		TOTALS	
			2007	2006	2007	2006	2007	2006
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,947	\$ 8,275
6,412	7,891	-	14,303	16,937	-	-	180,211	196,257
-	-	-	-	-	-	-	105,886	94,581
-	-	-	-	-	-	-	64,856	73,508
943	157	152	1,252	1,514	6	10	1,458	1,676
28,351	-	-	28,351	11,194	-	-	9,782	10,924
35,706	8,048	152	43,906	29,645	6	10	44,539	33,632
-	-	-	-	-	-	-	38,729	34,953
-	-	-	-	-	-	-	37,084	37,426
-	-	-	-	-	-	-	31,256	25,686
-	-	-	-	-	-	-	6,202	10,325
-	-	-	-	-	-	-	122,294	108,170
-	-	-	-	-	-	-	59,884	59,128
-	-	-	-	-	-	-	7,651	6,355
21,753	9,249	-	31,002	32,926	-	-	41,243	35,357
-	-	-	-	-	-	-	48,529	47,179
-	-	-	-	-	-	-	45,891	44,174
21,753	9,249	-	31,002	32,926	-	-	438,763	408,753
13,953	(1,201)	152	12,904	(3,281)	6	10	(20,084)	10,100
-	-	-	-	-	-	-	-	1,790
-	-	-	-	-	-	-	-	(25,135)
2,205	521	-	2,726	7,453	-	-	137,233	133,598
(395)	-	-	(395)	(849)	-	-	(72,902)	(101,385)
1,810	521	-	2,331	6,604	-	-	64,331	8,868
15,763	(680)	152	15,235	3,323	6	10	44,247	18,968
16,455	8,082	3,954	28,491	25,168	188	178	321,141	302,173
\$ 32,218	\$ 7,402	\$ 4,106	\$ 43,726	\$ 28,491	\$ 194	\$ 188	\$ 365,388	\$ 321,141

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**CONCURRENCY MANAGEMENT**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET -</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				<u>POSITIVE (NEGATIVE)</u>
<b>REVENUE:</b>						
Charges for services.....	\$ 964	\$ 27,933	\$ 13,403	\$ -	\$ 13,403	(\$ 14,530)
Interest.....	156	156	1,886	-	1,886	1,730
Total Revenue.....	1,120	28,089	15,289	-	15,289	(12,800)
<b>EXPENDITURES:</b>						
Planning and development.....	7,932	18,300	1,392	216	1,608	16,692
Public works.....	15,689	32,387	6,508	(954)	5,554	26,833
Total Expenditures.....	23,621	50,687	7,900	(738)	7,162	43,525
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>(22,501)</b>	<b>(22,598)</b>	<b>7,389</b>	<b>738</b>	<b>8,127</b>	<b>30,725</b>
<b>OTHER FINANCING (USES):</b>						
Transfers in.....	-	100	100	-	100	-
Transfers out.....	(248)	(248)	(248)	-	(248)	-
Total Other Financing (Uses).....	(248)	(148)	(148)	-	(148)	-
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(22,749)</b>	<b>(22,746)</b>	<b>7,241</b>	<b>738</b>	<b>7,979</b>	<b>30,725</b>
FUND BALANCE, BEGINNING.....	42,049	42,049	42,049	-	42,049	-
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 19,300</b>	<b>\$ 19,303</b>	<b>\$ 49,290</b>	<b>\$ 738</b>	<b>\$ 50,028</b>	<b>\$ 30,725</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**AIR POLLUTION CONTROL AND MONITORING**

	<u>BUDGETED AMOUNTS</u>				<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>		
<b>REVENUE:</b>						
Intergovernmental.....	\$ 2,371	\$ 3,312	\$ 2,013	\$ -	\$ 2,013	(\$ 1,299)
Interest.....	15	15	19	-	19	4
Total Revenue.....	<u>2,386</u>	<u>3,327</u>	<u>2,032</u>	<u>-</u>	<u>2,032</u>	<u>(1,295)</u>
<b>EXPENDITURES:</b>						
Environmental Resource Management.....	3,110	3,869	2,580	7	2,587	1,282
Total Expenditures.....	<u>3,110</u>	<u>3,869</u>	<u>2,580</u>	<u>7</u>	<u>2,587</u>	<u>1,282</u>
<b>EXCESS OF REVENUE OVER (UNDER)</b>						
EXPENDITURES.....	<u>(724)</u>	<u>(542)</u>	<u>(548)</u>	<u>(7)</u>	<u>(555)</u>	<u>(13)</u>
<b>OTHER FINANCING SOURCES:</b>						
Transfers in.....	-	424	424	-	424	-
Transfers out.....	(114)	(131)	(85)	-	(85)	46
Total Other Financing Sources.....	<u>(114)</u>	<u>293</u>	<u>339</u>	<u>-</u>	<u>339</u>	<u>46</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(838)</b>	<b>(249)</b>	<b>(209)</b>	<b>(7)</b>	<b>(216)</b>	<b>33</b>
FUND BALANCE, BEGINNING.....	<u>926</u>	<u>926</u>	<u>926</u>	<u>-</u>	<u>926</u>	<u>-</u>
FUND BALANCE, ENDING.....	<u>\$ 88</u>	<u>\$ 677</u>	<u>\$ 717</u>	<u>(\$ 7)</u>	<u>\$ 710</u>	<u>\$ 33</u>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**SPORTS, CONVENTION AND TOURISM DEVELOPMENT**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>				<b>FINAL BUDGET -</b>
						<b>POSITIVE</b>
						<b>(NEGATIVE)</b>
<b>REVENUE:</b>						
Intergovernmental.....	\$ 4,834	\$ 4,834	\$ 5,402	\$ -	\$ 5,402	\$ 568
Interest.....	61	114	255	-	255	141
Other.....	70	632	632	-	632	-
<b>Total Revenue.....</b>	<b>4,965</b>	<b>5,580</b>	<b>6,289</b>	<b>-</b>	<b>6,289</b>	<b>709</b>
<b>EXPENDITURES:</b>						
Admin & Finance.....	3	3	-	-	-	3
City Council.....	10,931	10,883	5,506	2,166	7,672	3,211
Housing/Neighborhoods.....	47	59	39	(2)	37	22
Parks & Recreation.....	1,266	1,869	469	15	484	1,385
Sports Complex.....	171	-	-	-	-	-
<b>Total Expenditures.....</b>	<b>12,418</b>	<b>12,814</b>	<b>6,014</b>	<b>2,179</b>	<b>8,193</b>	<b>4,621</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>						
<b>EXPENDITURES.....</b>	<b>(7,453)</b>	<b>(7,234)</b>	<b>275</b>	<b>(2,179)</b>	<b>(1,904)</b>	<b>5,330</b>
<b>OTHER FINANCING (USES):</b>						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	-	-	(7,205)	-	(7,205)	(7,205)
<b>Total Other Financing (Uses).....</b>	<b>-</b>	<b>-</b>	<b>(7,205)</b>	<b>-</b>	<b>(7,205)</b>	<b>(7,205)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(7,453)</b>	<b>(7,234)</b>	<b>(6,930)</b>	<b>(2,179)</b>	<b>(9,109)</b>	<b>(1,875)</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>13,940</b>	<b>13,940</b>	<b>13,940</b>	<b>-</b>	<b>13,940</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 6,487</b>	<b>\$ 6,706</b>	<b>\$ 7,010</b>	<b>(\$ 2,179)</b>	<b>\$ 4,831</b>	<b>(\$ 1,875)</b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**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>				
<b>REVENUE:</b>						
Sales and tourist taxes.....	\$ 107,568	\$ 115,346	\$ 104,144	\$ -	\$ 104,144	(\$ 11,202)
Intergovernmental.....	7,329	10,849	7,366	-	7,366	(3,483)
Interest.....	721	721	797	-	797	76
<b>Total Revenue.....</b>	<b>115,618</b>	<b>126,916</b>	<b>112,307</b>	<b>-</b>	<b>112,307</b>	<b>(14,609)</b>
<b>EXPENDITURES:</b>						
Public Works.....	38,758	50,056	34,890	338	35,228	14,828
Jacksonville Misc. Citywide Activities.....	101,885	101,885	79,404	-	79,404	22,481
<b>Total Expenditures.....</b>	<b>140,643</b>	<b>151,941</b>	<b>114,294</b>	<b>338</b>	<b>114,632</b>	<b>37,309</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>(25,025)</b>	<b>(25,025)</b>	<b>(1,987)</b>	<b>(338)</b>	<b>(2,325)</b>	<b>22,700</b>
<b>OTHER FINANCING (USES):</b>						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	(11,242)	(11,242)	-	-	-	11,242
<b>Total Other Financing (Uses).....</b>	<b>(11,242)</b>	<b>(11,242)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,242</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(36,267)</b>	<b>(36,267)</b>	<b>(1,987)</b>	<b>(338)</b>	<b>(2,325)</b>	<b>33,942</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>41,382</b>	<b>41,382</b>	<b>41,382</b>	<b>-</b>	<b>41,382</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 5,115</b>	<b>\$ 5,115</b>	<b>\$ 39,395</b>	<b>(\$ 338)</b>	<b>\$ 39,057</b>	<b>\$ 33,942</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**BUDGETED GENERAL GOVERNMENT**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>				<b>POSITIVE</b>
						<b>(NEGATIVE)</b>
<b>REVENUE:</b>						
Intergovernmental.....	\$ 1,567	\$ 3,519	\$ 1,734	\$ -	\$ 1,734	(\$ 1,785)
Charges for services.....	24,002	24,042	17,415	-	17,415	(6,627)
Fines and forfeitures.....	1,055	1,010	1,217	-	1,217	207
Interest.....	482	437	1,411	-	1,411	974
Other.....	432	446	2,125	-	2,125	1,679
<b>Total Revenue.....</b>	<b>27,538</b>	<b>29,454</b>	<b>23,902</b>	<b>-</b>	<b>23,902</b>	<b>(5,552)</b>
<b>EXPENDITURES:</b>						
Clerk of the Courts.....	2,592	2,592	1,198	-	1,198	1,394
Court Administration.....	5,964	5,909	3,086	46	3,132	2,777
Community Services.....	1,098	1,168	918	(151)	767	401
Environmental Resource Management.....	2,625	5,613	2,431	122	2,553	3,060
Fire / Rescue.....	501	523	489	-	489	34
Jacksonville Citywide Activities.....	1,926	1,926	-	-	-	1,926
Mayor Board.....	3	12	6	-	6	6
Neighborhoods.....	26	26	-	-	-	26
Public Defender.....	317	317	181	16	197	120
Planning and Development.....	-	-	1	-	1	(1)
Parks, Recreation & Entertainment.....	1,204	1,340	676	622	1,298	42
Public Works.....	22,342	23,934	14,839	1,416	16,255	7,679
State Attorney.....	1,893	1,924	1,687	55	1,742	182
Tax Collector.....	2	2	-	(2)	(2)	4
<b>Total Expenditures.....</b>	<b>40,493</b>	<b>45,286</b>	<b>25,512</b>	<b>2,124</b>	<b>27,636</b>	<b>17,650</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>						
<b>EXPENDITURES.....</b>	<b>(12,955)</b>	<b>(15,832)</b>	<b>(1,610)</b>	<b>(2,124)</b>	<b>(3,734)</b>	<b>12,098</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in.....	342	342	342	-	342	-
Transfers out.....	(791)	(855)	(855)	-	(855)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>(449)</b>	<b>(513)</b>	<b>(513)</b>	<b>-</b>	<b>(513)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(13,404)</b>	<b>(16,345)</b>	<b>(2,123)</b>	<b>(2,124)</b>	<b>(4,247)</b>	<b>12,098</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>39,676</b>	<b>39,676</b>	<b>39,676</b>	<b>-</b>	<b>39,676</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 26,272</b>	<b>\$ 23,331</b>	<b>\$ 37,553</b>	<b>(\$ 2,124)</b>	<b>\$ 35,429</b>	<b>\$ 12,098</b>



**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**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>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ -	\$ 258	\$ 258	\$ -	\$ 258	\$ -
Interest.....	-	-	14	-	14	14
Total Revenue.....	-	258	272	-	272	14
<b>EXPENDITURES:</b>						
Fire and Rescue.....	100	362	27	18	45	317
Total Expenditures.....	100	362	27	18	45	317
<b>EXCESS OF REVENUE (UNDER)</b>						
<b>EXPENDITURES.....</b>	<u>(100)</u>	<u>(104)</u>	<u>245</u>	<u>(18)</u>	<u>227</u>	<u>331</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	(100)	(104)	245	(18)	227	331
FUND BALANCE, BEGINNING.....	343	343	343	-	343	-
FUND BALANCE, ENDING.....	<u>\$ 243</u>	<u>\$ 239</u>	<u>\$ 588</u>	<u>(18)</u>	<u>\$ 570</u>	<u>\$ 331</u>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**EMERGENCY 9-1-1**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Charges for services.....	\$ 4,623	\$ 4,623	\$ 4,752	\$ -	\$ 4,752	\$ 129
Interest.....	26	140	199	-	199	59
Total Revenue.....	<u>4,649</u>	<u>4,763</u>	<u>4,951</u>	<u>-</u>	<u>4,951</u>	<u>188</u>
<b>EXPENDITURES:</b>						
Jacksonville Citywide Activities.....	467	467	-	-	-	467
Office of the Sheriff.....	6,915	7,016	4,626	(125)	4,501	2,515
Total Expenditures.....	<u>7,382</u>	<u>7,483</u>	<u>4,626</u>	<u>(125)</u>	<u>4,501</u>	<u>2,982</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>(2,733)</u>	<u>(2,720)</u>	<u>325</u>	<u>125</u>	<u>450</u>	<u>3,170</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>(2,733)</u>	<u>(2,720)</u>	<u>325</u>	<u>125</u>	<u>450</u>	<u>3,170</u>
FUND BALANCE, BEGINNING.....	<u>5,380</u>	<u>5,380</u>	<u>5,380</u>	<u>-</u>	<u>5,380</u>	<u>-</u>
FUND BALANCE, ENDING.....	<u>\$ 2,647</u>	<u>\$ 2,660</u>	<u>\$ 5,705</u>	<u>\$ 125</u>	<u>\$ 5,830</u>	<u>\$ 3,170</u>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**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>				
<b>REVENUE:</b>						
Property taxes.....	\$ 10,422	\$ 10,957	\$ 11,947	\$ -	\$ 11,947	\$ 990
Interest.....	-	-	82	-	82	82
Other.....	-	-	-	-	-	-
<b>Total Revenue.....</b>	<b>10,422</b>	<b>10,957</b>	<b>12,029</b>	<b>-</b>	<b>12,029</b>	<b>1,072</b>
<b>EXPENDITURES:</b>						
Jacksonville Citywide Activities.....	5,926	5,317	3,811	147	3,958	1,359
JEDC.....	855	2,100	61	1,189	1,250	850
Planning Department.....	225	225	13	212	225	-
<b>Total Expenditures.....</b>	<b>7,006</b>	<b>7,642</b>	<b>3,885</b>	<b>1,548</b>	<b>5,433</b>	<b>2,209</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES.....</b>						
	<b>3,416</b>	<b>3,315</b>	<b>8,144</b>	<b>(1,548)</b>	<b>6,596</b>	<b>3,281</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers in.....	-	-	-	-	-	-
Operating Transfers out.....	(4,514)	(4,514)	(6,675)	-	(6,675)	(2,161)
<b>Total Other Financing Sources (Uses).....</b>	<b>(4,514)</b>	<b>(4,514)</b>	<b>(6,675)</b>	<b>-</b>	<b>(6,675)</b>	<b>(2,161)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(1,098)</b>	<b>(1,199)</b>	<b>1,469</b>	<b>(1,548)</b>	<b>(79)</b>	<b>1,120</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>1,202</b>	<b>1,202</b>	<b>1,202</b>	<b>-</b>	<b>1,202</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>104</b>	<b>\$ 3</b>	<b>\$ 2,671</b>	<b>(\$ 1,548)</b>	<b>\$ 1,123</b>	<b>\$ 1,120</b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**JACKSONVILLE CHILDREN'S COMMISSION**

	<b>BUDGETED AMOUNTS</b>				<b>BUDGETARY ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	<b>ENCUMBRANCES</b>		
<b>REVENUE:</b>						
Intergovernmental.....	\$ 29,315	\$ 37,513	\$ 36,393	\$ -	\$ 36,393	(\$ 1,120)
Charges for services.....	144	144	203	-	203	59
Interest.....	-	98	260	-	260	162
Other.....	-	35	327	-	327	292
<b>Total Revenue.....</b>	<b>29,590</b>	<b>37,790</b>	<b>37,183</b>	<b>-</b>	<b>37,183</b>	<b>(607)</b>
<b>EXPENDITURES:</b>						
Jacksonville Citywide Activities.....	325	29	-	-	-	(29)
Jacksonville Children's Commission.....	52,925	60,931	56,969	(114)	56,855	4,076
<b>Total Expenditures.....</b>	<b>53,250</b>	<b>60,960</b>	<b>56,969</b>	<b>(114)</b>	<b>56,855</b>	<b>4,047</b>
<b>EXCESS OF REVENUE (UNDER) EXPENDITURES.....</b>	<b>(23,660)</b>	<b>(23,170)</b>	<b>(19,786)</b>	<b>114</b>	<b>(19,672)</b>	<b>3,498</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in.....	24,067	24,067	24,067	-	24,067	-
Transfers out.....	-	(167)	(167)	-	(167)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>24,067</b>	<b>23,900</b>	<b>23,900</b>	<b>-</b>	<b>23,900</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>407</b>	<b>730</b>	<b>4,114</b>	<b>114</b>	<b>4,228</b>	<b>3,498</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>6,221</b>	<b>6,221</b>	<b>6,221</b>	<b>-</b>	<b>6,221</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 6,628</b>	<b>\$ 6,951</b>	<b>\$ 10,335</b>	<b>\$ 114</b>	<b>\$ 10,449</b>	<b>\$ 3,498</b>

## **NON-MAJOR ENTERPRISE FUNDS:**

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

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

**The Sports Complex, Convention Center and Auditorium Fund** accounts for the operation of the Jacksonville Municipal Stadium, the Baseball Park and Veterans Memorial Arena sports complex, the Prime Osborn Convention Center and Performing Arts Center. This Fund will be closed with the creation of the separate Jacksonville Municipal Stadium, Memorial Arena, Baseball Stadium, Performing Arts Center, Convention Center and Equestrian Center funds.

**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.

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

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

**Baseball Stadium** accounts for events held at the stadium including professional minor league and college baseball games.

**Performing Arts Center** accounts for events held at the center such as the symphony, FCCJ performing arts series, dance recitals and concerts.

**Convention Center** accounts for events held at the center such as gate and trade shows, banquets, meetings, and other.

**Equestrian Center** accounts for events held at the center including horse shows / competitions, rodeos and concerts.

CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 SEPTEMBER 30, 2007  
 WITH COMPARATIVE TOTALS FOR 2006 (in thousands)

<u>ASSETS</u>	<u>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</u>	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>	<u>PUBLIC PARKING</u>	<u>MUNICIPAL STADIUM</u>
<b>CURRENT ASSETS:</b>					
Equity in cash and investments.....	\$ -	\$ 87	\$ 17	\$ 1,471	\$ 2,536
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts.....	-	54	1	-	670
Due from other funds.....	-	-	-	-	278
Due from other governments.....	-	-	-	-	167
Inventories.....	-	6	-	-	-
Prepaid expenses and other assets.....	-	-	3	-	50
Total Current Assets.....	-	147	21	1,471	3,701
<b>NONCURRENT ASSETS:</b>					
Sinking fund cash and investments.....	-	-	-	-	-
Accounts and interest receivable.....	-	-	-	-	-
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	-	32	610	1,768	-
Other capital assets, net of depreciation.....	-	25	3,310	8,458	3
Total Noncurrent Assets.....	-	57	3,920	10,226	3
<b>TOTAL ASSETS.....</b>	<b>-</b>	<b>204</b>	<b>3,941</b>	<b>11,697</b>	<b>3,704</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	-	16	179	115	1,311
Due to other funds.....	-	-	-	-	55
Accrued compensated absences, current portion.....	-	13	-	45	-
Deposits held for construction and events.....	-	-	-	92	10
Advances from other funds.....	-	-	-	-	278
Accrued interest payable.....	-	-	-	529	554
Current portion of bonds payable.....	-	-	-	4,045	-
Deferred revenue.....	-	-	-	-	-
Total Current Liabilities.....	-	29	179	4,826	2,208
<b>NONCURRENT LIABILITIES:</b>					
Accrued compensated absences.....	-	29	-	105	-
Bonds payable.....	-	-	-	10,342	-
Total Noncurrent Liabilities.....	-	29	-	10,447	-
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>58</b>	<b>179</b>	<b>15,273</b>	<b>2,208</b>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	-	57	3,920	4,455	3
Unrestricted.....	-	89	(158)	(8,031)	1,493
<b>TOTAL NET ASSETS.....</b>	<b>\$ -</b>	<b>\$ 146</b>	<b>\$ 3,762</b>	<b>\$ (3,576)</b>	<b>\$ 1,496</b>

MEMORIAL ARENA	BASEBALL STADIUM	PERFORMING ARTS	CONVENTION CENTER	EQUESTRIAN CENTER	TOTALS	
					2007	2006
\$ 1,692	\$ 467	\$ 803	\$ 2,924	\$ 117	\$ 10,114	\$ 2,996
372	17	39	51	63	1,267	679
-	-	-	3	-	281	-
-	-	-	-	-	167	-
-	-	-	-	-	6	8
213	1	-	10	3	280	263
2,277	485	842	2,988	183	12,115	3,946
-	-	-	-	-	-	1,607
-	-	-	-	-	-	1,007
-	-	-	-	-	2,410	5,215
-	-	51	20	194	12,061	11,451
-	-	51	20	194	14,471	19,280
2,277	485	893	3,008	377	26,586	23,226
446	66	103	213	42	2,491	3,547
6	1	2	2	1	67	-
-	-	-	-	-	58	54
14	-	23	151	28	318	2,703
203	-	340	2	51	874	-
295	22	114	110	29	1,653	422
-	-	-	-	-	4,045	2,695
-	-	-	-	-	-	249
964	89	582	478	151	9,506	9,670
-	-	-	-	-	134	128
-	-	-	-	-	10,342	14,207
-	-	-	-	-	10,476	14,335
964	89	582	478	151	19,982	24,005
-	-	51	20	194	8,700	10,633
1,313	396	260	2,510	32	(2,096)	(11,412)
\$ 1,313	\$ 396	\$ 311	\$ 2,530	\$ 226	\$ 6,604	\$ (779)

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUE, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007  
WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	<b>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</b>	<b>MOTOR VEHICLE INSPECTION</b>	<b>MAYPORT FERRY</b>	<b>PUBLIC PARKING SYSTEM</b>	<b>MUNICIPAL STADIUM</b>
<b>OPERATING REVENUE:</b>					
Sales and tourist taxes.....	\$ -	\$ -	\$ -	\$ -	\$ 7,402
Charges for services.....	-	424	1,033	4,820	3,534
Total Operating Revenue.....	<u>-</u>	<u>424</u>	<u>1,033</u>	<u>4,820</u>	<u>10,936</u>
<b>OPERATING EXPENSES:</b>					
Personal services.....	-	337	905	1,666	2,029
Supplies and materials.....	-	8	284	36	147
Central services.....	-	19	-	630	-
Interdepartmental charges.....	-	5	178	84	1,252
Other services and charges.....	-	67	283	1,240	8,303
Depreciation and amortization.....	-	46	287	387	1
Total Operating Expenses.....	<u>-</u>	<u>482</u>	<u>1,937</u>	<u>4,043</u>	<u>11,732</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>-</u>	<u>(58)</u>	<u>(904)</u>	<u>777</u>	<u>(796)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>					
Interest revenue.....	-	4	2	3,181	149
Interest expense.....	-	-	-	(529)	-
Other.....	-	-	-	(1,768)	4,191
Total Non-Operating Revenue (Expenses).....	<u>-</u>	<u>4</u>	<u>2</u>	<u>884</u>	<u>4,340</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS.....</b>	<u>-</u>	<u>(54)</u>	<u>(902)</u>	<u>1,661</u>	<u>3,544</u>
Transfers in.....	1,572	-	738	1,790	12,935
Transfers out.....	<u>(437)</u>	<u>-</u>	<u>-</u>	<u>(3,257)</u>	<u>(14,983)</u>
<b>CHANGES IN NET ASSETS.....</b>	<u>1,135</u>	<u>(54)</u>	<u>(164)</u>	<u>194</u>	<u>1,496</u>
<b>TOTAL NET ASSETS, BEGINNING OF YEAR.....</b>	<u>(1,135)</u>	<u>200</u>	<u>3,926</u>	<u>(3,770)</u>	<u>-</u>
<b>TOTAL NET ASSETS, END OF YEAR.....</b>	<u>\$ -</u>	<u>\$ 146</u>	<u>\$ 3,762</u>	<u>\$ (3,576)</u>	<u>\$ 1,496</u>



MEMORIAL ARENA	BASEBALL STADIUM	PERFORMING ARTS	CONVENTION CENTER	EQUESTRIAN CENTER	TOTALS	
					2007	2006
\$ -	\$ -	\$ -	\$ 5,118	\$ -	\$ 12,520	\$ -
5,979	672	2,566	837	452	20,317	21,574
<u>5,979</u>	<u>672</u>	<u>2,566</u>	<u>5,955</u>	<u>452</u>	<u>32,837</u>	<u>21,574</u>
1,588	191	779	1,075	378	8,948	14,115
158	17	59	64	68	841	4,079
-	-	-	-	-	649	976
612	214	720	417	126	3,608	1,761
5,392	713	2,392	1,884	729	21,003	11,218
-	-	9	3	8	741	731
<u>7,750</u>	<u>1,135</u>	<u>3,959</u>	<u>3,443</u>	<u>1,309</u>	<u>35,790</u>	<u>32,880</u>
<u>(1,771)</u>	<u>(463)</u>	<u>(1,393)</u>	<u>2,512</u>	<u>(857)</u>	<u>(2,953)</u>	<u>(11,306)</u>
80	5	35	106	6	3,568	2,490
-	-	-	-	-	(529)	(844)
2,366	133	728	1,075	400	7,125	94
<u>2,446</u>	<u>138</u>	<u>763</u>	<u>1,181</u>	<u>406</u>	<u>10,164</u>	<u>1,740</u>
<u>675</u>	<u>(325)</u>	<u>(630)</u>	<u>3,693</u>	<u>(451)</u>	<u>7,211</u>	<u>(9,566)</u>
638	721	941	2,133	677	22,145	10,722
-	-	-	(3,296)	-	(21,973)	(2,031)
1,313	396	311	2,530	226	7,383	(875)
-	-	-	-	-	(779)	96
<u>\$ 1,313</u>	<u>\$ 396</u>	<u>\$ 311</u>	<u>\$ 2,530</u>	<u>\$ 226</u>	<u>\$ 6,604</u>	<u>\$ (779)</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007  
WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	<b>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</b>	<b>MOTOR VEHICLE INSPECTION</b>	<b>MAYPORT FERRY</b>	<b>PUBLIC PARKING SYSTEM</b>	<b>MUNICIPAL STADIUM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts to customers.....	\$ 1,611	\$ 433	\$ 1,055	\$ 4,820	\$ 9,771
Payments to suppliers.....	(3,090)	(85)	(704)	(1,816)	(6,585)
Payments to employees.....	-	(333)	(905)	(1,660)	(2,029)
Internal activity - payments to other funds.....	-	-	-	-	55
Other receipts (expenses).....	-	-	-	(1,768)	4,191
Other operating cash payments.....	<u>(2,614)</u>	<u>(5)</u>	<u>(178)</u>	<u>1,269</u>	<u>(964)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b><u>(4,093)</u></b>	<b><u>10</u></b>	<b><u>(732)</u></b>	<b><u>845</u></b>	<b><u>\$ 4,439</u></b>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash received through transfers from other funds.....	1,572	-	738	1,790	12,935
Cash payments through transfers to other funds.....	<u>(437)</u>	<u>-</u>	<u>-</u>	<u>(3,257)</u>	<u>(14,983)</u>
<b>NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....</b>	<b><u>1,135</u></b>	<b><u>-</u></b>	<b><u>738</u></b>	<b><u>(1,467)</u></b>	<b><u>(2,048)</u></b>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Increase (decrease) to property, plant and equipment.....	203	-	(145)	1,685	(4)
Increase in construction fund cash and investments.....	1,607	-	-	-	-
Increase in capitalized lease obligations.....	-	-	-	-	-
Principal paid on long-term obligations.....	-	-	-	(3,865)	-
Interest and payments to refunded bond escrow agent.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>(529)</u>	<u>-</u>
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b><u>1,810</u></b>	<b><u>-</u></b>	<b><u>(145)</u></b>	<b><u>(2,709)</u></b>	<b><u>(4)</u></b>
<b>INVESTING ACTIVITIES:</b>					
Interest and dividends on investments.....	-	4	2	3,181	149
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES.....</b>	<b><u>-</u></b>	<b><u>4</u></b>	<b><u>2</u></b>	<b><u>3,181</u></b>	<b><u>149</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>					
	<b>(1,148)</b>	<b>14</b>	<b>(137)</b>	<b>(150)</b>	<b>2,536</b>
Cash and cash equivalents at October 1, 2006.....	<u>1,148</u>	<u>73</u>	<u>154</u>	<u>1,621</u>	<u>-</u>
Cash and cash equivalents at September 30, 2007.....	<b><u>\$ -</u></b>	<b><u>\$ 87</u></b>	<b><u>\$ 17</u></b>	<b><u>\$ 1,471</u></b>	<b><u>\$ 2,536</u></b>

<u>MEMORIAL ARENA</u>	<u>BASEBALL STADIUM</u>	<u>PERFORMING ARTS</u>	<u>CONVENTION CENTER</u>	<u>EQUESTRIAN CENTER</u>	<u>TOTALS</u>	
					<u>2007</u>	<u>2006</u>
\$ 5,394	\$ 654	\$ 2,527	\$ 5,891	\$ 386	\$ 32,542	\$ 22,444
(4,809)	(642)	(2,234)	(1,625)	(726)	(22,316)	(15,924)
(1,588)	(191)	(779)	(1,075)	(378)	(8,938)	(14,013)
6	1	2	2	1	67	-
2,366	133	728	1,075	400	7,125	94
<u>(395)</u>	<u>(214)</u>	<u>(357)</u>	<u>(264)</u>	<u>(47)</u>	<u>(3,769)</u>	<u>(1,237)</u>
<u>974</u>	<u>(259)</u>	<u>(113)</u>	<u>4,004</u>	<u>(364)</u>	<u>4,711</u>	<u>(8,636)</u>
638	721	941	2,133	677	22,145	10,722
<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,296)</u>	<u>-</u>	<u>(21,973)</u>	<u>(2,031)</u>
<u>638</u>	<u>721</u>	<u>941</u>	<u>(1,163)</u>	<u>677</u>	<u>172</u>	<u>8,691</u>
-	-	(60)	(23)	(202)	1,454	(134)
-	-	-	-	-	1,607	1,457
-	-	-	-	-	-	(95)
-	-	-	-	-	(3,865)	(2,516)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(529)</u>	<u>(844)</u>
<u>-</u>	<u>-</u>	<u>(60)</u>	<u>(23)</u>	<u>(202)</u>	<u>(1,333)</u>	<u>(2,132)</u>
<u>80</u>	<u>5</u>	<u>35</u>	<u>106</u>	<u>6</u>	<u>3,568</u>	<u>2,490</u>
<u>80</u>	<u>5</u>	<u>35</u>	<u>106</u>	<u>6</u>	<u>3,568</u>	<u>2,490</u>
1,692	467	803	2,924	117	7,118	413
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,996</u>	<u>2,583</u>
<u>\$ 1,692</u>	<u>\$ 467</u>	<u>\$ 803</u>	<u>\$ 2,924</u>	<u>\$ 117</u>	<u>\$ 10,114</u>	<u>\$ 2,996</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007  
WITH COMPARATIVE TOTALS FOR 2006 (in thousands; continued)**

	<b>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</b>	<b>MOTOR VEHICLE INSPECTION</b>	<b>MAYPORT FERRY</b>	<b>PUBLIC PARKING SYSTEM</b>	<b>MUNICIPAL STADIUM</b>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:</b>					
OPERATING INCOME (LOSS).....	\$ -	(\$ 58)	(\$ 904)	\$ 777	(\$ 796)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization.....	-	46	287	387	1
Other non-operating revenue/(expenses).....	-	-	-	(1,768)	4,191
Change in assets and liabilities:					
Decrease (increase) in receivables and other current assets, net.....	1,622	9	-	-	(670)
Increase (decrease) in due from other funds.....	-	-	-	-	(278)
Decrease (increase) in inventories.....	-	2	-	-	-
Increase (decrease) in due from other government.....	-	-	-	-	(167)
Decrease (Increase) in prepaid expenses.....	238	-	22	-	(50)
Increase in accounts payable and accrued expenses.....	(3,090)	7	(137)	(17)	1,311
Increase (decrease) in due to other funds.....	-	-	-	-	55
Increase (decrease) in due to independent agencies and other governments.....	-	-	-	-	-
Increase (decrease) in deposit held for construction & events.....	(2,614)	-	-	3	10
Increase (decrease) in current portion of bond payables.....	-	-	-	1,350	-
(Decrease) in unearned revenue.....	(249)	-	-	-	-
Increase (decrease) in advances from other funds.....	-	-	-	-	278
Increase (Decrease) in interest payable.....	-	-	-	107	554
Increase (decrease) in accrued compensated absences.....	-	4	-	6	-
<b>TOTAL ADJUSTMENTS.....</b>	<b>(4,093)</b>	<b>68</b>	<b>172</b>	<b>68</b>	<b>5,235</b>
<b>NET CASH PROVIDED(USED IN) OPERATING ACTIVITIES.....</b>	<b>(\$ 4,093)</b>	<b>\$ 10</b>	<b>(\$ 732)</b>	<b>\$ 845</b>	<b>\$ 4,439</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>					
Change in the fair value of investments.....	\$ 6	\$ -	\$ -	\$ 15	(\$ 37)
<b>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....</b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15</b>	<b>(\$ 37)</b>

<u>MEMORIAL ARENA</u>	<u>BASEBALL STADIUM</u>	<u>PERFORMING ARTS</u>	<u>CONVENTION CENTER</u>	<u>EQUESTRIAN CENTER</u>	<u>TOTALS</u>	
					<u>2007</u>	<u>2006</u>
<u>(\$ 1,771)</u>	<u>(\$ 463)</u>	<u>(\$ 1,393)</u>	<u>\$ 2,512</u>	<u>(\$ 857)</u>	<u>(\$ 2,953)</u>	<u>(\$ 11,306)</u>
-	-	9	3	8	741	731
2,366	133	728	1,075	400	7,125	94
(372)	(17)	(39)	(51)	(63)	419	897
-	-	-	(3)	-	(281)	12
-	-	-	-	-	2	(3)
-	-	-	-	-	(167)	-
(213)	(1)	-	(10)	(3)	(17)	46
446	66	103	213	42	(1,056)	347
6	1	2	2	1	67	-
-	-	-	-	-	-	-
14	-	23	151	28	(2,385)	(711)
-	-	-	-	-	1,350	1,235
-	-	-	-	-	(249)	(85)
203	-	340	2	51	874	-
295	22	114	110	29	1,231	5
-	-	-	-	-	10	102
<u>2,745</u>	<u>204</u>	<u>1,280</u>	<u>1,492</u>	<u>493</u>	<u>7,664</u>	<u>2,670</u>
<u>\$ 974</u>	<u>(\$ 259)</u>	<u>(\$ 113)</u>	<u>\$ 4,004</u>	<u>(\$ 364)</u>	<u>\$ 4,711</u>	<u>(\$ 8,636)</u>
<u>\$ 2</u>	<u>(\$ 1)</u>	<u>(\$ 1)</u>	<u>(\$ 9)</u>	<u>\$ -</u>	<u>(\$ 25)</u>	<u>\$ 21</u>
<u>\$ 2</u>	<u>(\$ 1)</u>	<u>(\$ 1)</u>	<u>(\$ 9)</u>	<u>\$ -</u>	<u>(\$ 25)</u>	<u>\$ 21</u>

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## **INTERNAL SERVICE FUNDS**

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

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

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

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

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

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

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

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

**The Banking Fund** accounts for commercial paper issued for short intermediate life assets such as personal computers, vehicles, application software, equipment, etc.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

<b>ASSETS</b>	<b>FLEET MANAGEMENT</b>	<b>COPY CENTER</b>	<b>INFORMATION TECHNOLOGIES</b>
<b>CURRENT ASSETS:</b>			
Equity in cash and investments.....	\$ 496	\$ 224	\$ 6,612
Accounts receivable.....	-	-	-
Loans receivables.....	-	-	-
Other receivables.....	-	-	-
Due from other funds.....	-	-	15
Due from independent agencies and other governments.....	647	1	538
Inventories.....	1,435	-	373
Prepaid expenses and other assets.....	-	-	-
<b>Total Current Assets.....</b>	<b>2,578</b>	<b>225</b>	<b>7,538</b>
<b>NONCURRENT ASSETS:</b>			
Advances to other funds.....	-	-	-
Loans receivable - noncurrent.....	-	-	-
Other receivables - noncurrent.....	-	-	-
<b>Total Noncurrent Assets.....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL ASSETS AND INFRASTRUCTURE (Note 1)</b>			
Land and work in progress.....	181	-	22
Other capital assets, net of depreciation.....	49,110	962	26,784
<b>Total Capital Assets, Net.....</b>	<b>49,291</b>	<b>962</b>	<b>26,806</b>
<b>TOTAL ASSETS.....</b>	<b>51,869</b>	<b>1,187</b>	<b>34,344</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	1,821	77	3,306
Due to other funds.....	-	-	-
Due to independent agencies and other governments.....	-	-	-
Capitalized lease obligations, current portion.....	-	280	63
Deposits.....	-	-	-
Unearned revenue.....	-	-	-
Accrued compensated absences, current portion.....	251	20	410
Current portion of loans payable	7,901	-	5,416
<b>Total Current Liabilities.....</b>	<b>9,973</b>	<b>377</b>	<b>9,195</b>
<b>NONCURRENT LIABILITIES:</b>			
Notes payable.....	-	-	-
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	585	46	954
Loans payable.....	17,727	-	4,776
Capitalized lease obligations.....	-	609	-
<b>Total Long-Term Liabilities.....</b>	<b>18,312</b>	<b>655</b>	<b>5,730</b>
<b>TOTAL LIABILITIES.....</b>	<b>28,285</b>	<b>1,032</b>	<b>14,925</b>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt.....	23,663	73	16,551
Unrestricted .....	(79)	82	2,868
<b>TOTAL NET ASSETS (deficit).....</b>	<b>\$ 23,584</b>	<b>\$ 155</b>	<b>\$ 19,419</b>



LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	BANKING FUND	TOTALS	
					2007	2006
\$ 1,351	\$ 51,080	\$ 6,202	\$ 4,771	\$ -	\$ 70,736	\$ 48,419
-	70	-	-	-	70	76
-	-	-	-	42,537	42,537	14,926
-	1,923	-	-	-	1,923	2,070
-	339	-	-	-	354	-
607	660	7	-	-	2,460	1,732
-	-	-	-	-	1,808	1,693
-	365	-	2,216	-	2,581	4,235
<u>1,958</u>	<u>54,437</u>	<u>\$ 6,209</u>	<u>6,987</u>	<u>42,537</u>	<u>122,469</u>	<u>73,151</u>
-	9,800	-	-	-	9,800	10,408
-	-	-	-	31,287	31,287	59,025
-	15,125	-	-	-	15,125	15,490
-	24,925	-	-	31,287	56,212	84,923
-	-	-	-	-	203	88
18	3	3	10	-	76,890	81,433
18	3	3	10	-	77,093	81,521
<u>1,976</u>	<u>79,365</u>	<u>6,212</u>	<u>6,997</u>	<u>73,824</u>	<u>255,774</u>	<u>239,595</u>
271	84	5,997	127	395	12,078	6,706
-	-	-	-	339	339	-
-	-	-	-	-	-	-
-	-	-	-	-	343	81
-	-	2	-	-	2	2
-	-	-	2,216	-	2,216	2,065
248	6	32	18	-	985	938
-	-	-	-	-	13,317	11,081
<u>519</u>	<u>90</u>	<u>6,031</u>	<u>2,361</u>	<u>734</u>	<u>29,280</u>	<u>20,873</u>
-	-	-	-	72,205	72,205	72,205
-	77,974	18	-	-	77,992	64,776
578	14	74	41	-	2,292	2,189
-	-	-	-	-	22,503	26,601
-	-	-	-	-	609	63
<u>578</u>	<u>77,988</u>	<u>92</u>	<u>41</u>	<u>72,205</u>	<u>175,601</u>	<u>165,834</u>
<u>1,097</u>	<u>78,078</u>	<u>6,123</u>	<u>2,402</u>	<u>72,939</u>	<u>204,881</u>	<u>186,707</u>
18	3	3	10	-	40,321	43,776
861	1,284	86	4,585	885	10,572	9,112
<u>\$ 879</u>	<u>\$ 1,287</u>	<u>\$ 89</u>	<u>\$ 4,595</u>	<u>\$ 885</u>	<u>\$ 50,893</u>	<u>\$ 52,888</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, 2007  
WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	<b>FLEET MANAGEMENT</b>	<b>COPY CENTER</b>	<b>INFORMATION TECHNOLOGIES</b>
<b>OPERATING REVENUE:</b>			
Charges for services.....	\$ 35,428	\$ 1,570	\$ 37,411
Charges for services for independent authorities.....	5,088	167	1,314
Other.....	996	-	5,031
Total Operating Revenue.....	<u>41,512</u>	<u>1,737</u>	<u>43,756</u>
<b>OPERATING EXPENSES:</b>			
Personal services.....	8,343	406	14,957
Supplies and materials.....	19,382	655	730
Central services.....	1,544	26	2,671
Other services and charges.....	2,319	445	13,469
Depreciation.....	14,883	193	6,811
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	217	1	72
Total Operating Expenses.....	<u>46,688</u>	<u>1,726</u>	<u>38,710</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>(5,176)</u>	<u>11</u>	<u>5,046</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>			
Interest .....	(87)	9	202
Other.....	(1,429)	(50)	(1,110)
Total Non-Operating Revenue (Expenses) .....	<u>(1,516)</u>	<u>(41)</u>	<u>(908)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS.....</b>			
	(6,692)	(30)	4,138
Transfers in.....	135	-	55
Transfers out.....	-	-	-
<b>CHANGE IN NET ASSETS.....</b>	<u>(6,557)</u>	<u>(30)</u>	<u>4,193</u>
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<u>30,141</u>	<u>185</u>	<u>15,226</u>
<b>NET ASSETS, END OF YEAR.....</b>	<u>\$ 23,584</u>	<u>\$ 155</u>	<u>\$ 19,419</u>

<b>LEGAL</b>	<b>SELF- INSURANCE</b>	<b>GROUP HEALTH</b>	<b>INSURED PROGRAMS</b>	<b>BANKING FUND</b>	<b>TOTALS</b>	
					<b>2007</b>	<b>2006</b>
\$ 6,568	\$ 32,118	\$ 73,190	\$ 10,457	\$ -	\$ 196,742	\$ 177,194
2,661	-	-	-	-	9,230	27,456
205	2	32	-	3,035	9,301	(1,043)
<u>9,434</u>	<u>32,120</u>	<u>73,222</u>	<u>10,457</u>	<u>3,035</u>	<u>215,273</u>	<u>203,607</u>
6,996	601	808	363	-	32,474	29,818
83	40	31	7	-	20,928	21,558
456	1,225	150	40	-	6,112	3,997
1,040	7,984	936	398	424	27,015	32,237
5	1	1	2	-	21,896	23,273
35	-	-	-	-	35	35
-	27,981	18	-	-	27,999	20,826
27	365	71,100	6,721	-	78,503	75,636
<u>8,642</u>	<u>38,197</u>	<u>73,044</u>	<u>7,531</u>	<u>424</u>	<u>214,962</u>	<u>207,380</u>
<u>792</u>	<u>(6,077)</u>	<u>178</u>	<u>2,926</u>	<u>2,611</u>	<u>311</u>	<u>(3,773)</u>
51	2,409	196	229	(77)	2,932	2,996
(259)	(638)	(270)	530	(2,617)	(5,843)	(5,548)
<u>(208)</u>	<u>1,771</u>	<u>(74)</u>	<u>759</u>	<u>(2,694)</u>	<u>(2,911)</u>	<u>(2,552)</u>
584	(4,306)	104	3,685	(83)	(2,600)	(6,325)
-	1,072	18	-	-	1,280	3,798
<u>(657)</u>	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(675)</u>	<u>(5,318)</u>
(73)	(3,252)	122	3,685	(83)	(1,995)	(7,845)
<u>952</u>	<u>4,539</u>	<u>(33)</u>	<u>910</u>	<u>968</u>	<u>52,888</u>	<u>60,733</u>
<u>\$ 879</u>	<u>\$ 1,287</u>	<u>\$ 89</u>	<u>\$ 4,595</u>	<u>\$ 885</u>	<u>\$ 50,893</u>	<u>\$ 52,888</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	<b>FLEET MANAGEMENT</b>	<b>COPY CENTER</b>	<b>INFORMATION TECHNOLOGIES</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers.....	\$ 41,492	\$ 1,737	\$ 43,626
Payments to suppliers.....	(22,736)	(1,117)	(15,547)
Payments to employees.....	(8,334)	(401)	(14,876)
Internal activity- payments to other funds.....	-	-	-
Other receipts.....	(1,429)	(50)	(1,110)
Other operating cash payments.....	-	-	(15)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b><u>8,993</u></b>	<b><u>169</u></b>	<b><u>12,078</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash received through transfers from other funds.....	135	-	55
Cash payments through transfers to other funds.....	-	-	-
<b>NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....</b>	<b><u>135</u></b>	<b><u>-</u></b>	<b><u>55</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Additions to property, plant and equipment.....	(10,070)	(1,153)	(6,249)
Additions to land & improvements.....	-	-	-
Increase in capitalized lease obligations.....	-	889	(81)
Proceeds (payments) - loans receivable /payable.....	1,076	-	(2,938)
Proceeds (payments) - notes payable.....	-	-	-
Principal paid on long-term obligations.....	-	-	-
<b>NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b><u>(8,994)</u></b>	<b><u>(264)</u></b>	<b><u>(9,268)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends.....	(87)	9	202
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES.....</b>	<b><u>(87)</u></b>	<b><u>9</u></b>	<b><u>202</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>			
	47	(86)	3,067
Equity in cash and investments at October 1, 2006.....	<u>449</u>	<u>310</u>	<u>3,545</u>
Equity in cash and investments at September 30, 2007.....	<u><u>\$ 496</u></u>	<u><u>\$ 224</u></u>	<u><u>\$ 6,612</u></u>

<b>LEGAL</b>	<b>SELF- INSURANCE</b>	<b>GROUP HEALTH</b>	<b>INSURED PROGRAMS</b>	<b>BANKING FUND</b>	<b>TOTALS</b>	
					<b>2007</b>	<b>2006</b>
\$ 9,270	\$ 32,802	\$ 73,231	\$ 10,306	\$ 31,082	\$ 243,546	\$ 162,525
(1,666)	(9,635)	(66,255)	(7,147)	(75,438)	(199,541)	(60,896)
(6,976)	(618)	(791)	(328)	-	(32,324)	(29,674)
-	-	-	-	339	339	-
(259)	(638)	(270)	530	(2,617)	(5,843)	(5,548)
-	(15,122)	-	151	(23,380)	(38,366)	(13,636)
<u>369</u>	<u>6,789</u>	<u>5,915</u>	<u>3,512</u>	<u>(70,014)</u>	<u>(32,189)</u>	<u>52,771</u>
-	1,072	18	-	-	1,280	3,798
<u>(657)</u>	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(675)</u>	<u>(5,318)</u>
<u>(657)</u>	<u>1,054</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>605</u>	<u>(1,520)</u>
6	-	-	(2)	-	(17,468)	(25,410)
-	-	-	-	-	-	1,355
-	-	-	-	-	808	(77)
-	-	-	-	69,491	67,629	22,756
-	-	-	-	-	-	(58,565)
-	-	-	-	-	-	(15,490)
<u>6</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>69,491</u>	<u>50,969</u>	<u>(75,431)</u>
<u>51</u>	<u>2,409</u>	<u>196</u>	<u>229</u>	<u>(77)</u>	<u>2,932</u>	<u>2,996</u>
<u>51</u>	<u>2,409</u>	<u>196</u>	<u>229</u>	<u>(77)</u>	<u>2,932</u>	<u>2,996</u>
(231)	10,252	6,129	3739	(600)	22,317	(21,184)
<u>1,582</u>	<u>40,828</u>	<u>73</u>	<u>1,032</u>	<u>600</u>	<u>48,419</u>	<u>69,603</u>
<u>\$ 1,351</u>	<u>\$ 51,080</u>	<u>\$ 6,202</u>	<u>\$ 4,771</u>	<u>\$ -</u>	<u>\$ 70,736</u>	<u>\$ 48,419</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands; continued)**

	<b>FLEET MANAGEMENT</b>	<b>COPY CENTER</b>	<b>INFORMATION TECHNOLOGIES</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss) .....	(\$ 5,176)	\$ 11	\$ 5,046
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	14,883	193	6,811
Other non-operating revenue/(expenses).....	(1,429)	(50)	(1,110)
Change in assets and liabilities:			
Decrease (increase) in receivables and other current assets, net.....	-	-	-
Decrease (increase) in due from other funds.....	-	-	(15)
Decrease (increase) in due from independent agencies and other governments.....	(20)	-	(130)
Decrease (increase) in inventories.....	(34)	-	(81)
(Increase) in receivables-non-current.....	-	-	-
Decrease (increase) in prepaid expenses.....	-	-	-
Increase (decrease) in accounts payable and accrued expenses.....	760	10	1,476
Increase (decrease) in due to other funds.....	-	-	-
Increase (decrease) in due to component units.....	-	-	-
Increase (decrease) in due to independent agencies and other governments.....	-	-	-
Increase (decrease) in compensated absences.....	9	5	81
Increase in due to independent agencies.....	-	-	-
Increase in unearned revenue.....	-	-	-
(Decrease) in liability for self-insured losses.....	-	-	-
<b>TOTAL ADJUSTMENTS.....</b>	<b>14,169</b>	<b>158</b>	<b>7,032</b>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>\$ 8,993</b>	<b>\$ 169</b>	<b>\$ 12,078</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Change in the fair value of investments.....	(\$ 5)	(\$ 2)	(\$ 24)
<b>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....</b>	<b>(\$ 5)</b>	<b>(\$ 2)</b>	<b>(\$ 24)</b>

<b>LEGAL</b>	<b>SELF- INSURANCE</b>	<b>GROUP HEALTH</b>	<b>INSURED PROGRAMS</b>	<b>BANKING FUND</b>	<b>TOTALS</b>	
					<b>2007</b>	<b>2006</b>
<u>\$ 792</u>	<u>(\$ 6,077)</u>	<u>\$ 178</u>	<u>\$ 2,926</u>	<u>\$ 2,611</u>	<u>\$ 311</u>	<u>(3,773)</u>
5	1	1	2	-	21,896	23,273
(259)	(638)	(270)	530	(2,617)	(5,843)	(5,548)
-	153	-	-	-	153	158
-	269	-	-	(23,380)	(23,126)	1,551
(164)	(423)	9	-	-	(728)	1,555
-	-	-	-	-	(115)	156
-	365	-	-	27,738	28,103	(43,191)
-	(21)	-	(151)	309	137	(187)
(25)	(21)	5,962	19	(75,014)	(66,833)	72,411
-	-	-	-	339	339	(80)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20	(17)	17	35	-	150	144
-	-	-	-	-	-	(47)
-	-	-	151	-	151	168
-	13,198	-	-	-	13,216	6,181
<u>(423)</u>	<u>12,866</u>	<u>5,737</u>	<u>586</u>	<u>(72,625)</u>	<u>(32,500)</u>	<u>56,544</u>
<u>\$ 369</u>	<u>\$ 6,789</u>	<u>\$ 5,915</u>	<u>\$ 3,512</u>	<u>(\$ 70,014)</u>	<u>\$ (32,189)</u>	<u>\$ 52,771</u>
<u>(\$ 127)</u>	<u>(\$ 161)</u>	<u>\$ (24)</u>	<u>(\$ 19)</u>	<u>\$ -</u>	<u>(\$ 362)</u>	<u>\$ 478</u>
<u>(\$ 127)</u>	<u>(\$ 161)</u>	<u>\$ (24)</u>	<u>(\$ 19)</u>	<u>\$ -</u>	<u>(\$ 362)</u>	<u>\$ 478</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, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	PENSION TRUST FUNDS				
	JACKSONVILLE			TOTALS	
	RETIREMENT SYSTEM				
	GENERAL EMPLOYEES PLAN	CORRECTIONS OFFICERS PLAN	POLICE AND FIRE PENSION PLAN	2007	2006
<b>ASSETS</b>					
Equity in cash and investments.....	\$ 54,339	\$ 3,120	\$ 6,388	\$ 63,847	\$ 30,454
Receivables (net, where applicable, of allowances for uncollectible):					
Interest and dividends.....	4,270	-	2,730	7,000	8,504
Due from other funds.....	-	-	-	-	-
Due from other governments.....	-	-	-	-	-
Accounts.....	1,634	-	3,889	5,523	4,018
Total receivables.....	<u>5,904</u>	<u>-</u>	<u>6,619</u>	<u>12,523</u>	<u>12,522</u>
Investments, at fair value:					
U.S. Government obligations.....	190,336	-	95,589	285,925	436,604
Municipal Bonds.....	-	-	-	-	455
Domestic corporate bonds.....	381,923	-	203,909	585,832	451,930
Commercial paper.....	43,256	-	-	43,256	-
Domestic stocks.....	777,303	-	605,926	1,383,229	1,237,875
International stocks.....	262,779	-	66,501	329,280	317,797
Real Estate.....	151,738	-	114,314	266,052	184,348
Equity in pooled investments.....	(80,362)	80,362	-	-	-
Total investments.....	<u>1,726,973</u>	<u>80,362</u>	<u>1,086,239</u>	<u>2,893,574</u>	<u>2,629,009</u>
Capital assets:					
Other capital assets, net of depreciation.....	17	-	79	96	100
Net capital assets.....	<u>17</u>	<u>-</u>	<u>79</u>	<u>96</u>	<u>100</u>
Securities Lending Collateral.....	146,846	-	173,175	320,021	267,382
<b>TOTAL ASSETS.....</b>	<u>1,934,079</u>	<u>83,482</u>	<u>1,272,500</u>	<u>3,290,061</u>	<u>2,939,467</u>
<b>LIABILITIES</b>					
Obligations Under Securities Lending Agreement.....	146,846	-	173,175	320,021	267,382
Accounts payable and accrued liabilities.....	4,227	89	1,234	5,550	4,989
Accrued Compensated Absences.....	47	-	19	66	32
Terminal Leave - Group Care.....	398	-	-	398	399
Terminal Leave - Pending.....	57	-	-	57	169
Due to Drop Participants.....	-	857	147,722	148,579	138,429
<b>TOTAL LIABILITIES.....</b>	<u>151,575</u>	<u>946</u>	<u>322,150</u>	<u>474,671</u>	<u>411,400</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS...</b>	<u>\$ 1,782,504</u>	<u>\$ 82,536</u>	<u>\$ 950,350</u>	<u>\$ 2,815,390</u>	<u>\$ 2,528,067</u>

(See schedule of funding progress on pages 139 - 140.)

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

	PENSION TRUST FUNDS				
	JACKSONVILLE RETIREMENT SYSTEM			TOTALS	
	GENERAL EMPLOYEES PLAN	CORRECTIONS OFFICERS PLAN	POLICE AND FIRE PENSION PLAN	2007	2006
<b>ADDITIONS</b>					
Contributions:					
Employer.....	\$ 28,410	\$ 1,843	\$ 45,508	\$ 75,761	\$ 58,518
Plan Member.....	21,470	2,237	11,451	35,158	22,254
Total contributions.....	<u>49,880</u>	<u>4,080</u>	<u>56,959</u>	<u>110,919</u>	<u>80,772</u>
Other additions:					
State insurance contributions.....	-	-	8,878	8,878	7,674
Court fines & penalties.....	-	537	1,342	1,879	1,791
Miscellaneous.....	1	-	59	60	4,092
Total other additions.....	<u>1</u>	<u>537</u>	<u>10,279</u>	<u>10,817</u>	<u>13,557</u>
Investment income:					
Net appreciation in fair value of investments.....	174,923	8,135	113,614	296,672	167,963
Interest.....	37,181	1,702	19,722	58,605	18,923
Dividends.....	16,497	755	10,785	28,037	26,587
Rebate of Commissions.....	44	2	300	346	322
Rental Income.....	-	-	1,871	1,871	871
Earnings other Miscellaneous.....	43	-	-	43	-
Total investment income.....	<u>228,688</u>	<u>10,594</u>	<u>146,292</u>	<u>385,574</u>	<u>214,666</u>
Less investment expense.....	(5,972)	(273)	(4,553)	(10,798)	(8,686)
Less rental expense.....	-	-	(186)	(186)	(222)
Net investment income.....	<u>222,716</u>	<u>10,321</u>	<u>141,553</u>	<u>374,590</u>	<u>205,758</u>
From Securities Lending Activities:					
Securities Lending.....	12,464	571	9,357	22,392	10,511
Securities Lending Expenses.....	-	-	-	-	-
Interest Expense (returned to borrower).....	(12,225)	(559)	(8,734)	(21,518)	(9,779)
Agent Fees.....	221	10	(156)	75	(183)
Total securities lending activities.....	<u>460</u>	<u>22</u>	<u>467</u>	<u>949</u>	<u>549</u>
<b>TOTAL ADDITIONS.....</b>	<b><u>273,057</u></b>	<b><u>14,960</u></b>	<b><u>209,258</u></b>	<b><u>497,275</u></b>	<b><u>300,636</u></b>
<b>DEDUCTIONS</b>					
Benefits payments.....	104,609	771	95,900	201,280	189,366
DROP Benefits.....	-	857	-	857	-
Refunds of contributions.....	3,519	-	124	3,643	3,186
Administrative expenses.....	1,213	560	2,399	4,172	3,223
<b>TOTAL DEDUCTIONS.....</b>	<b><u>109,341</u></b>	<b><u>2,188</u></b>	<b><u>98,423</u></b>	<b><u>209,952</u></b>	<b><u>195,775</u></b>
Net change in net assets.....	163,716	12,772	110,835	287,323	104,861
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<b><u>1,618,788</u></b>	<b><u>69,764</u></b>	<b><u>839,515</u></b>	<b><u>2,528,067</u></b>	<b><u>2,423,206</u></b>
<b>NET ASSETS, END OF YEAR.....</b>	<b><u>\$ 1,782,504</u></b>	<b><u>\$ 82,536</u></b>	<b><u>\$ 950,350</u></b>	<b><u>\$ 2,815,390</u></b>	<b><u>\$ 2,528,067</u></b>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2007**  
**WITH COMPARATIVE TOTALS FOR 2006 (in thousands)**

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	<u>TREASURER</u>	<u>TAX COLLECTOR</u>	<u>CLERK OF THE CIRCUIT COURTS</u>
<b>ASSETS:</b>			
Equity in cash and investments.....	\$ 1,089	\$ 25,984	\$ 28,393
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts.....	<u>25</u>	<u>-</u>	<u>508</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$ 1,114</u></b>	<b><u>\$ 25,984</u></b>	<b><u>\$ 28,901</u></b>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	\$ 1,114	\$ -	\$ -
Due to other funds.....		-	-
Due to independent agencies and other governments.....	-	7,530	15,344
Due to individuals.....	-	1,422	2,257
Deposits held in escrow.....	<u>-</u>	<u>17,032</u>	<u>11,300</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 1,114</u></b>	<b><u>\$ 25,984</u></b>	<b><u>\$ 28,901</u></b>

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<u>PLAT DEPOSITS</u>	<u>DUVAL CO SCHOOL READINESS COALITION</u>	<u>FLORIDA RETIREMENT SYSTEM</u>	<u>TOTALS</u>	
			<u>2007</u>	<u>2006</u>
\$ 241	\$ 24	\$ 45	\$ 55,776	\$ 44,998
<u>-</u>	<u>1</u>	<u>-</u>	<u>534</u>	<u>4,944</u>
<u>\$ 241</u>	<u>\$ 25</u>	<u>\$ 45</u>	<u>\$ 56,310</u>	<u>49,942</u>
\$ -	\$ 25	\$ -	\$ 1,139	\$ 282
-	-	-	-	-
-	-	45	22,919	23,498
-	-	-	3,679	698
<u>241</u>	<u>-</u>	<u>-</u>	<u>28,573</u>	<u>25,464</u>
<u>\$ 241</u>	<u>\$ 25</u>	<u>\$ 45</u>	<u>\$ 56,310</u>	<u>\$ 49,942</u>

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(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, 2007**

	<u>BALANCE OCTOBER 1, 2006</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2007</u>
<b>TREASURER</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 243	\$ 736,448	\$ 735,602	\$ 1,089
Accounts receivable.....	<u>14</u>	<u>126</u>	<u>115</u>	<u>25</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$ 257</u></b>	<b><u>\$ 736,574</u></b>	<b><u>\$ 735,717</u></b>	<b><u>\$ 1,114</u></b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities.....	<u>\$ 257</u>	\$ 186,291	\$ 185,434	<u>\$ 1,114</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 257</u></b>	<b><u>\$ 186,291</u></b>	<b><u>\$ 185,434</u></b>	<b><u>\$ 1,114</u></b>
<b>TAX COLLECTOR</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 19,196	\$ 22,929	\$ 16,141	\$ 25,984
Accounts receivable.....	<u>3,389</u>	<u>-</u>	<u>3,389</u>	<u>-</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$ 22,585</u></b>	<b><u>\$ 22,929</u></b>	<b><u>\$ 19,530</u></b>	<b><u>\$ 25,984</u></b>
<b>LIABILITIES</b>				
Due to independent agencies and other governments.....	\$ 8,345	\$ 3,523	\$ 4,338	\$ 7,530
Due to individuals.....	302	1,120	-	1,422
Deposits held in escrow.....	<u>13,938</u>	<u>14,004</u>	<u>10,910</u>	<u>17,032</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 22,585</u></b>	<b><u>\$ 18,647</u></b>	<b><u>\$ 15,248</u></b>	<b><u>\$ 25,984</u></b>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

	BALANCE OCTOBER 1, 2006	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2007
<b>CLERK OF THE CIRCUIT COURT</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 25,212	\$ 3,181	\$ -	\$ 28,393
Accounts receivable.....	1,540	-	1,032	508
<b>TOTAL ASSETS.....</b>	<b>\$ 26,752</b>	<b>\$ 3,181</b>	<b>\$ 1,032</b>	<b>\$ 28,901</b>
<b>LIABILITIES</b>				
Due to independent agencies and other governments.....	\$ 9,434	\$ 5,910	\$ -	\$ 15,344
Due to individuals.....	6,073	1,861	5,677	2,257
Deposits held in escrow.....	11,245	55	-	11,300
<b>TOTAL LIABILITIES.....</b>	<b>\$ 26,752</b>	<b>\$ 7,826</b>	<b>\$ 5,677</b>	<b>\$ 28,901</b>
 <b>PLAT DEPOSITS</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 281	\$ 50	\$ 90	\$ 241
<b>TOTAL ASSETS.....</b>	<b>\$ 281</b>	<b>\$ 50</b>	<b>\$ 90</b>	<b>\$ 241</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities.....	\$ -	\$ -	\$ -	\$ -
Deposits held in escrow.....	281	50	90	241
<b>TOTAL LIABILITIES.....</b>	<b>\$ 281</b>	<b>\$ 50</b>	<b>\$ 90</b>	<b>\$ 241</b>
 <b>DUVAL CO SCHOOL READINESS COALITION</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 23	\$ 1	\$ -	\$ 24
Accounts receivable.....	1	-	-	1
<b>TOTAL ASSETS.....</b>	<b>\$ 24</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 25</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities.....	\$ 24	\$ 1	\$ -	\$ 25
<b>TOTAL LIABILITIES.....</b>	<b>\$ 24</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 25</b>

(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, 2007**

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	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2006</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2007</u>
<b><u>FLORIDA RETIREMENT SYSTEM</u></b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 43	\$ 593	\$ 591	\$ 45
TOTAL ASSETS.....	<u>\$ 43</u>	<u>\$ 593</u>	<u>\$ 591</u>	<u>\$ 45</u>
<b>LIABILITIES</b>				
Due to independent agencies and other governments.....	\$ 43	\$ 577	\$ 575	\$ 45
TOTAL LIABILITIES.....	<u>\$ 43</u>	<u>\$ 577</u>	<u>\$ 575</u>	<u>\$ 45</u>
 <b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 44,998	\$ 763,202	\$ 752,424	\$ 55,776
Accounts receivable.....	4,944	126	4,536	534
TOTAL ASSETS.....	<u>\$ 49,942</u>	<u>\$ 763,328</u>	<u>\$ 756,960</u>	<u>\$ 56,310</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities.....	\$ 281	\$ 186,292	\$ 185,434	\$ 1,139
Due to independent agencies and other governments.....	17,822	10,010	4,913	22,919
Due to individuals.....	6,375	2,981	5,677	3,679
Deposits held in escrow.....	25,464	14,109	11,000	28,573
TOTAL LIABILITIES.....	<u>\$ 49,942</u>	<u>\$ 213,392</u>	<u>\$ 207,024</u>	<u>\$ 56,310</u>

(continued)



## **COMPONENT UNITS**

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

### **NON-MAJOR COMPONENT UNITS:**

**The Downtown Vision, Inc.** provides community enhancements, such as, security, hospitality and clean teams, within the downtown area.

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

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF NET ASSETS -**  
**NON MAJOR COMPONENT UNITS (in thousands)**  
**SEPTEMBER 30, 2007**

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	<u>DOWNTOWN VISION, INC.</u>	<u>WATER AND SEWER EXPANSION AUTHORITY</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 992	\$ 182	\$ 1,174
Cash in escrow with fiscal agent.....	-	-	-
Due from other governmental agencies.....	-	-	-
Accounts and interest receivable.....	633	11	644
Mortgage receivables.....	-	-	-
Other receivables.....	-	-	-
Other assets.....	3	1	4
Capital assets:			
Equipment.....	138	3,576	3,714
Construction work in progress.....	-	-	-
Less: accumulated depreciation.....	(122)	(88)	(210)
Total capital assets, net of depreciation.	<u>16</u>	<u>3,488</u>	<u>3,504</u>
Total assets.....	<u>1,644</u>	<u>3,682</u>	<u>5,326</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses.....	37	5	42
Deposits.....	-	-	-
Deferred revenue.....	-	-	-
Total liabilities.....	<u>37</u>	<u>5</u>	<u>42</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt..	16	3,488	3,504
Unrestricted.....	<u>1,591</u>	<u>189</u>	<u>1,780</u>
Total Net Assets.....	<u>\$ 1,607</u>	<u>\$ 3,677</u>	<u>\$ 5,284</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF ACTIVITIES -**  
**NON MAJOR COMPONENT UNITS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES						TOTAL
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental activities:							
Downtown Vision, Inc	1,020	895	-	311	186		186
Total governmental activities.....	1,020	895	-	311	186		186
Business-type activities:							
Water Sewer Expansion Authority	1,682	82	1,594	1,713	-	1,707	1,707
Total business-type activities.....	1,682	82	1,594	1,713	-	1,707	1,707
<b>Total component units.....</b>	<b>\$ 2,702</b>	<b>\$ 977</b>	<b>\$ 1,594</b>	<b>\$ 2,024</b>	<b>\$ 186</b>	<b>\$ 1,707</b>	<b>\$ 1,893</b>
General revenues:							
Unrestricted earnings on investments.....					48	55	103
Miscellaneous.....					-	-	-
Total general revenues, special items, and transfers.....					48	55	103
Change in net assets.....					234	1,762	1,996
Net assets, beginning of year.....					1,373	1,915	3,288
Net assets, beginning of year, as restated.....					1,373	1,915	3,288
Net assets (deficit), end of year.....					<u>\$ 1,607</u>	<u>\$ 3,677</u>	<u>\$ 5,284</u>

See accompanying notes.



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## **SUPPLEMENTAL INFORMATION**

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

**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands)**  
**SEPTEMBER 30, 2007**

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
<b>SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b>			
Excise Taxes Revenue Bonds, Series 1993.....	6.200-6.300%	4/1; 10/1	02/23/93
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.875-5.125%	4/1; 10/1	01/04/96
Sales Tax Revenue Bonds, Series 1996.....	5.125%	4/1; 10/1	01/07/97
Excise Taxes Revenue Bonds, Series 1996C.....	4.850%	4/1; 10/1	11/05/96
Capital Improvement Revenue Bonds, Series 1997.....	4.700-5.250%	4/1; 10/1	03/11/97
Capital Project Revenue Bonds, Series 1997-1.....	4.800% (1)	Monthly	01/22/98
Capital Project Revenue Bonds, Series 1997-2.....	4.800% (1)	Monthly	11/04/99
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	4.250-5.000%	4/1; 10/1	08/26/98
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	4.000-5.000%	4/1; 10/1	03/09/99
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	4.000-5.500%	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.....	4.250-5.500%	4/1; 10/1	07/03/02
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	3.125-5.375%	4/1; 10/1	07/03/02
Capital Improvement Revenue Bonds, Series 2002A.....	2.700-5.000%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	2.700-5.250%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	2.700-5.250%	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).....	2.250-5.250%	4/1; 10/1	07/03/03
Capital Project Revenue Bonds, Series 1997-3.....	4.800% (1)	Monthly	09/25/03
Capital Project Revenue Bonds, Series 2002-1.....	4.800% (1)	Monthly	09/21/04
Excise Taxes Revenue Bonds, Series 2005A.....	3.500-5.000%	4/1; 10/1	10/10/05
Excise Taxes Revenue Refunding Bonds, Series 2006A.....	3.375-5.000%	4/1; 10/1	12/29/03
Excise Taxes Revenue Refunding Bonds, Series 2006B (AMT).....	3.625-4.000%	4/1; 10/1	12/29/03
Excise Taxes Revenue Bonds, Taxable Series 2006C.....	4.880-5.220%	4/1; 10/1	12/29/03
Excise Taxes Revenue Bonds, Series 2007.....	3.500-5.000%	4/1; 10/1	09/19/07
<b>TOTAL PAYABLE FROM SPECIFIC REVENUE SOURCES.....</b>			
<b>SPECIAL OBLIGATION BONDS PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b>			
Transportation Revenue Bonds, Series 2001.....	4.000-5.500%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	4.100-5.500%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	2.125-5.250%	4/1; 10/1	02/19/03
Transportation Revenue Bonds, Series 2003 (Auction Rate Securities).....	4.010% (1)	35 day ARS	07/01/03
Transportation Revenue Bonds, Series 2003A (Auction Rate Securities).....	4.800% (1)	35 day ARS	09/25/03
Transportation Revenue Bonds, Series 2003B (Auction Rate Securities).....	4.800% (1)	35 day ARS	09/25/03
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	2.000-5.000%	4/1; 10/1	03/02/04
Transportation Revenue Bonds, Series 2004A (Auction Rate Securities).....	3.455% (1)	7 day ARS	09/30/04
Transportation Revenue Bonds, Series 2007.....	4.000-5.000%	4/1; 10/1	09/05/07
<b>TOTAL PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES.....</b>			
<b>TOTAL GENERAL AND SPECIAL OBLIGATION BONDS.....</b>			

- (1) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes.
- (2) Total authorization of \$99,000,000
- (3) Total authorization of \$130,000,000
- (4) Total authorization of \$90,300,000
- (5) Total authorization of \$70,000,000
- (6) Total authorization of \$750,000,000
- (7) Total authorization of \$1,500,000,000
- (8) Total authorization of \$94,000,000
- (9) Total authorization of \$147,000,000

<u>MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/20	\$ 43,605	\$ 43,605	\$ 36,060	\$ 7,545
10/01/09	7,580	7,580	-	7,580
10/01/18	65,640	65,640	61,940	3,700
10/01/06	4,055	4,055	4,055	-
10/01/25	8,285	8,285	1,590	6,695
10/01/17	99,000 (2)	30,000	8,820	21,180
10/01/22	N/A (2)	45,000	5,900	39,100
10/01/25	37,310	37,310	1,965	35,345
10/01/19	75,890	75,890	48,990	26,900
10/01/18	127,000	103,725	7,700	96,025
10/01/09	49,000	42,485	19,850	22,635
10/01/32	49,000	46,735	1,730	45,005
10/01/13	65,000	56,685	19,865	36,820
10/01/32	125,000	115,265	8,365	106,900
10/01/30	130,000 (3)	54,135	595	53,540
10/01/19	N/A (3)	42,170	3,255	38,915
10/01/25	N/A (3)	26,920	780	26,140
10/01/26	90,300 (4)	68,475	6,470	62,005
10/01/18	70,000	63,060	10,025	53,035
10/01/23	18,745	18,745	-	18,745
10/01/11	70,000 (5)	17,535	8,190	9,345
10/01/20	N/A (5)	34,540	1,095	33,445
10/01/25	N/A (2)	24,000	-	24,000
10/01/34	94,000 (8)	54,000	-	54,000
10/01/32	147,000 (9)	44,820	-	44,820
10/01/23	N/A (9)	36,540	-	36,540
10/01/23	N/A (9)	9,255	-	9,255
10/01/23	N/A (9)	23,555	-	23,555
10/01/32	N/A (9)	42,245	-	42,245
	<u>\$ 1,376,410</u>	<u>\$ 1,242,255</u>	<u>\$ 257,240</u>	<u>\$ 985,015</u>
10/01/31	\$ 550,000 (6)	\$ 179,280	\$ 9,655	\$ 169,625
10/01/30	958,000 (7)	218,430	20,215	198,215
10/01/30	N/A (7)	211,050	15,800	195,250
10/01/20	N/A (6)	47,775	5,800	41,975
10/01/32	N/A (6)	76,825	-	76,825
10/01/32	N/A (6)	76,800	-	76,800
10/01/30	N/A (7)	218,755	10,475	208,280
10/01/27	N/A (6)	80,275	1,200	79,075
10/01/37	N/A (6)	100,675	-	100,675
	<u>\$ 1,508,000</u>	<u>\$ 1,209,865</u>	<u>\$ 63,145</u>	<u>\$ 1,146,720</u>
	<u>\$ 2,884,410</u>	<u>\$ 2,452,120</u>	<u>\$ 320,385</u>	<u>\$ 2,131,735</u>

(continued)



**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)**  
**SEPTEMBER 30, 2007**

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
<b>PAYABLE FROM ENTERPRISE FUNDS:</b>			
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.875-5.125%	4/1; 10/1	01/04/96
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	4.600-5.500%	4/1; 10/1	02/28/96
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	4.750-5.750%	4/1; 10/1	09/23/99
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	3.000-5.000%	4/1; 10/1	07/03/03
<b>TOTAL PAYABLE FROM ENTERPRISE FUNDS.....</b>			
<b>PAYABLE FROM GENERAL REVENUE:</b>			
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	4.000-5.190 %	2/1; 8/1	02/01/95
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	6.610-6.880 %	2/1; 8/1	12/18/96
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	6.610-7.030 %	2/1; 8/1	11/20/96
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	6.610-7.080 %	2/1; 8/1	02/19/97
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	6.610-6.780 %	2/1; 8/1	04/02/97
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	6.610-7.080 %	2/1; 8/1	10/28/97
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	6.610-7.030 %	2/1; 8/1	10/28/97
<b>TOTAL PAYABLE FROM GENERAL REVENUE.....</b>			
<b>NOTES PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b>			
State Infrastructure Bank Loan #1	2.000 %	10/1	07/28/05
State Infrastructure Bank Loan #2	2.500 %	10/1	03/13/07
<b>TOTAL NOTES PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES...</b>			
<b>NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b>			
Commercial Paper	4.000% (1)	Monthly	11/04/04
<b>TOTAL NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES.....</b>			
<b>TOTAL BONDED INDEBTEDNESS.....</b>			

- (1) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes.
- (2) Total authorization of \$99,000,000
- (3) Total authorization of \$130,000,000
- (4) Total authorization of \$90,300,000
- (5) Total authorization of \$70,000,000
- (6) Total authorization of \$750,000,000
- (7) Total authorization of \$1,500,000,000
- (8) Total authorization of \$94,000,000
- (9) Total authorization of \$147,000,000

<b>FINAL MATURITY DATE</b>	<b>AUTHORIZED</b>	<b>ISSUED</b>	<b>RETIRED</b>	<b>OUTSTANDING</b>
10/01/09	\$ 12,270	\$ 12,270	\$ 3,435	\$ 8,835
10/01/16	19,965	19,965	5,965	14,000
10/01/16	40,835	40,835	12,315	28,520
10/01/11	N/A (5)	9,530	3,325	6,205
	<u>\$ 73,070</u>	<u>\$ 82,600</u>	<u>\$ 25,040</u>	<u>\$ 57,560</u>
08/01/14	\$ 3,845	\$ 3,845	\$ 980	\$ 2,865
08/01/12	1,065	1,065	670	395
08/01/15	2,850	2,850	845	2,005
08/01/16	1,700	1,700	825	875
08/01/10	700	700	465	235
08/01/16	775	775	195	580
08/01/15	550	550	145	405
	<u>\$ 11,485</u>	<u>\$ 11,485</u>	<u>\$ 4,125</u>	<u>\$ 7,360</u>
10/01/14	\$ 40,000	\$ 29,942	\$ 4,528	\$ 25,414
10/01/21	50,000	32,011	-	32,011
	<u>\$ 90,000</u>	<u>\$ 61,953</u>	<u>\$ 4,528</u>	<u>\$ 57,426</u>
12/31/34	<u>\$ 150,000</u>	<u>\$ 90,035</u>	<u>\$ 17,830</u>	<u>\$ 72,205</u>
	<u>\$ 150,000</u>	<u>\$ 90,035</u>	<u>\$ 17,830</u>	<u>\$ 72,205</u>
	<u><u>\$ 3,208,965</u></u>	<u><u>\$ 2,698,193</u></u>	<u><u>\$ 371,907</u></u>	<u><u>\$ 2,326,286</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, 2007**

	<b>PRINCIPAL OUTSTANDING</b>	<b>TOTAL INTEREST TO MATURITY</b>
<b>Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Tax</b>		
Excise Taxes Revenue Bonds, Series 1993.....	\$ 7,545,140	\$ 18,784,859
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	7,580,000	516,585
Sales Taxes Revenue Bonds, Series 1996.....	3,700,000	1,907,783
Capital Improvement Revenue Bonds, Series 1997.....	6,695,000	3,853,194
Capital Project Revenue Bonds, Series 1997-1.....	21,180,000	5,667,237
Capital Project Revenue Bonds, Series 1997-2.....	39,100,000	19,471,258
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	35,345,000	25,555,279
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	26,900,000	7,639,646
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	96,025,000	30,497,777
Excise Taxes Refunding Bonds, Series 2001A.....	22,635,000	1,781,875
Excise Taxes Revenue Bonds, Series 2001B.....	45,005,000	35,764,095
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	36,820,000	6,152,850
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	106,900,000	84,202,025
Capital Improvement Revenue Bonds, Series 2002A.....	53,540,000	54,799,626
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	38,915,000	14,528,113
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	26,140,000	13,959,071
Excise Taxes Revenue Bonds, Series 2002B.....	62,005,000	34,306,073
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	53,035,000	19,809,469
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	9,345,000	594,425
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	33,445,000	19,922,481
Capital Project Revenue Bonds, Series 1997-3.....	24,000,000	15,977,518
Excise Taxes Revenue Bonds, Series 2003A.....	18,745,000	7,399,360
Capital Project Revenue Bonds, Series 2002-1.....	54,000,000	50,346,333
Excise Taxes Revenue Bonds, Series 2005A.....	44,820,000	37,792,994
Excise Taxes Revenue Refunding Bonds, Series 2006A.....	36,540,000	30,490,884
Excise Taxes Revenue Refunding Bonds, Series 2006B (AMT).....	9,255,000	2,407,794
Excise Taxes Revenue Bonds, Taxable Series 2006C.....	23,555,000	10,650,184
Excise Taxes Revenue Bonds, Series 2007.....	42,245,000	31,687,174
Total.....	<u>985,015,140</u>	<u>586,465,961</u>
<b>Special Obligation Bonds Payable from Other Specific Revenue Source other than Ad Valorem</b>		
Transportation Revenue Bonds, Series 2001.....	169,625,000	167,838,088
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	198,215,000	150,502,737
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	195,250,000	142,994,283
Transportation Revenue Bonds, Series 2003 (Auction Rate Securities).....	41,975,000	15,499,552
Transportation Revenue Bonds, Series 2003A (Auction Rate Securities).....	76,825,000	68,645,400
Transportation Revenue Bonds, Series 2003B (Auction Rate Securities).....	76,800,000	68,611,200
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	208,280,000	128,892,013
Transportation Revenue Bonds, Series 2004 (Auction Rate Securities).....	79,075,000	33,333,408
Transportation Revenue Bonds, Series 2007.....	100,675,000	97,666,005
Total.....	<u>1,146,720,000</u>	<u>873,982,686</u>
<b>Payable from Enterprise Funds:</b>		
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	8,835,000	681,378
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	14,000,000	3,758,075
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	28,520,000	8,588,361
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	6,205,000	749,225
Total.....	<u>57,560,000</u>	<u>13,777,039</u>
<b>Other Long - Term Obligations:</b>		
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	2,865,000	615,040
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	395,000	81,325
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	2,005,000	682,289
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	875,000	347,993
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	235,000	34,348
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	580,000	224,854
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	405,000	137,835
Total.....	<u>7,360,000</u>	<u>2,123,684</u>
<b>Notes Payable from Other Specific Revenue Source other than Ad Valorem Taxes:</b>		
State Infrastructure Bank Loan.....	25,414,384	3,073,506
State Infrastructure Bank Loan.....	32,011,271	3,173,279
Total.....	<u>57,425,655</u>	<u>6,246,785</u>
<b>Notes Payable from Specific Revenue Source other than Ad Valorem Taxes:</b>		
Commercial Paper.....	72,205,000	7,220,500
Total.....	<u>72,205,000</u>	<u>7,220,500</u>
<b>Grand Total.....</b>	<u><u>\$ 2,326,285,795</u></u>	<u><u>\$ 1,489,816,655</u></u>

TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY	CASH IN SINKING FUND	CASH IN DEBT SERVICE RESERVE FUND	NET DEBT
\$ 26,329,999	\$ 600	-	\$ 26,329,399
8,096,585	3,104,930	-	4,991,655
5,607,783	98,982	-	5,508,801
10,548,194	405,929	-	10,142,265
26,847,237	1,832,125	-	25,015,112
58,571,258	1,339,593	-	57,231,665
60,900,279	584,793	-	60,315,486
34,539,646	4,351,189	-	30,188,457
126,522,777	9,961,866	-	116,560,911
24,416,875	7,470,846	-	16,946,029
80,769,095	2,071,003	-	78,698,092
42,972,850	6,736,921	-	36,235,929
191,102,025	4,982,902	-	186,119,123
108,339,626	1,935,245	6,169,755	100,234,626
53,443,113	3,017,181	-	50,425,932
40,099,071	1,461,636	-	38,637,436
96,311,073	3,638,185	-	92,672,889
72,844,469	3,917,796	-	68,926,673
9,939,425	1,418,206	-	8,521,219
53,367,481	1,336,299	-	52,031,183
39,977,518	109,823	-	39,867,695
26,144,360	579,001	-	25,565,359
104,346,333	2,051,942	-	102,294,391
82,612,994	782,201	-	81,830,793
67,030,884	869,939	-	66,160,945
11,662,794	185,509	-	11,477,285
34,205,184	-	-	34,205,184
73,932,174	-	2,917,774	71,014,400
<u>1,571,481,101</u>	<u>64,244,641</u>	<u>9,087,529</u>	<u>1,498,148,932</u>
337,463,088	747,412	14,903,590	321,812,086
348,717,737	6,958,196	17,034,337	324,725,205
338,244,283	6,971,020	16,184,508	315,088,755
57,474,552	262,396	-	57,212,157
145,470,400	200,543	-	145,269,857
145,411,200	200,478	-	145,210,722
337,172,013	7,253,367	14,588,372	315,330,274
112,408,408	192,835	-	112,215,573
198,341,005	296,361	6,993,943	191,050,701
<u>2,020,702,686</u>	<u>23,082,607</u>	<u>69,704,749</u>	<u>1,927,915,330</u>
9,516,378	3,085,899	-	6,430,479
17,758,075	1,532,170	-	16,225,905
37,108,361	3,158,915	-	33,949,445
6,954,225	3,208,216	-	3,746,009
<u>71,337,039</u>	<u>10,985,200</u>	<u>-</u>	<u>60,351,839</u>
3,480,040	125,524	-	3,354,516
476,325	10,167	-	466,158
2,687,289	27,906	-	2,659,383
1,222,993	10,464	-	1,212,529
269,348	7,987	-	261,361
804,854	6,933	-	797,921
542,835	4,744	-	538,091
<u>9,483,684</u>	<u>193,726</u>	<u>-</u>	<u>9,289,958</u>
28,487,890	-	-	28,487,890
35,184,550	-	-	35,184,550
<u>63,672,440</u>	<u>-</u>	<u>-</u>	<u>63,672,440</u>
79,425,500	-	-	79,425,500
<u>79,425,500</u>	<u>-</u>	<u>-</u>	<u>79,425,500</u>
<u>\$ 3,816,102,450</u>	<u>\$ 98,506,173</u>	<u>\$ 78,792,278</u>	<u>\$ 3,638,803,999</u>

(continued)



Superstructure Renovation of the Municipal Stadium		Drainage and General Capital Programs		Drainage and General Capital Programs		To Refund a Portion of Capital Improvement Revenue Bonds, Series 1994	
Capital Improvement Revenue Bonds, Series 1997		Capital Project Revenue Bonds Series 1997 - 1		Capital Project Revenue Bonds Series 1997 - 2		Capital Improvement and Refunding Revenue Bonds, Series 1998	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 215,000	\$ 341,935	\$ 1,495,000	\$ 952,714	\$ 1,000,000	\$ 1,836,498	\$ 180,000	\$ 1,675,078
230,000	331,363	1,565,000	875,335	1,100,000	1,779,121	190,000	1,667,167
240,000	319,962	1,640,000	796,964	1,100,000	1,726,357	195,000	1,658,793
250,000	307,833	1,720,000	714,776	1,200,000	1,669,191	205,000	1,649,890
265,000	294,825	1,805,000	630,233	1,200,000	1,616,033	215,000	1,640,332
275,000	280,986	1,895,000	537,988	1,300,000	1,549,667	225,000	1,630,100
290,000	266,365	1,995,000	442,687	1,400,000	1,482,908	235,000	1,619,231
305,000	250,819	2,095,000	342,591	1,400,000	1,415,754	245,000	1,607,525
320,000	234,412	2,205,000	237,883	1,500,000	1,347,864	260,000	1,594,900
340,000	217,087	2,320,000	126,426	1,600,000	1,267,844	270,000	1,581,650
355,000	198,844	2,445,000	9,639	1,700,000	1,186,694	285,000	1,567,775
375,000	179,681			4,400,000	986,283	300,000	1,553,150
395,000	159,469			4,600,000	768,473	315,000	1,538,169
415,000	138,206			4,900,000	532,567	5,035,000	1,411,106
435,000	115,894			5,200,000	284,320	5,330,000	1,164,937
460,000	92,400			5,500,000	21,684	5,640,000	904,400
485,000	67,594					5,970,000	628,663
510,000	41,475					5,640,000	352,925
535,000	14,044					4,610,000	109,488
<u>\$ 6,695,000</u>	<u>\$ 3,853,194</u>	<u>\$ 21,180,000</u>	<u>\$ 5,667,237</u>	<u>\$ 39,100,000</u>	<u>\$ 19,471,258</u>	<u>\$ 35,345,000</u>	<u>\$ 25,555,279</u>
4.70 - 5.25%		Variable Rate		Variable Rate		4.25 - 5.00%	
		Assumed at 4.80%		Assumed at 4.80%			

(continued)



<b>To Fund a Redevelopment Agreement for the Riverfront Development of the Jacksonville Shipyards</b>		<b>To Refund Excise Taxes Revenue Refunding Bonds, Series 1992 and Animal Care and Control Facility</b>		<b>To Refund Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A and Various Other Projects</b>		<b>Capital Improvements at Municipal Stadium</b>	
<b>Excise Taxes Revenue Bonds, Series 2001B</b>		<b>Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A</b>		<b>Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002</b>		<b>Capital Improvement Revenue Bonds, Series 2002A</b>	
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
\$ 915,000	\$ 2,213,272	\$ 5,605,000	\$ 1,758,719	\$ 2,250,000	\$ 5,165,156	\$ 560,000	\$ 2,619,613
955,000	2,175,395	5,895,000	1,486,319	2,320,000	5,089,400	505,000	2,604,478
995,000	2,134,674	6,155,000	1,199,481	2,400,000	5,006,800	455,000	2,589,509
1,035,000	2,091,277	6,465,000	868,206	2,485,000	4,918,206	395,000	2,575,203
1,080,000	2,045,265	6,805,000	511,362	2,580,000	4,821,625	335,000	2,562,260
1,130,000	1,996,080	2,865,000	245,438	2,680,000	4,718,038	290,000	2,550,865
1,180,000	1,943,515	3,030,000	83,325	2,785,000	4,608,737	220,000	2,541,100
1,235,000	1,887,353			2,895,000	4,493,328	155,000	2,533,600
1,290,000	1,827,370			3,015,000	4,352,591	75,000	2,529,000
1,355,000	1,763,212			3,180,000	4,186,100		2,527,500
1,420,000	1,694,515			3,350,000	4,010,606		2,527,500
1,490,000	1,621,765			3,530,000	3,825,706		2,527,500
1,565,000	1,544,608			3,720,000	3,630,863		2,527,500
1,645,000	1,462,547			3,920,000	3,425,537		2,527,500
1,730,000	1,376,062			4,130,000	3,216,938		2,527,500
1,815,000	1,285,222			4,335,000	3,005,312		2,527,500
1,910,000	1,189,769			4,555,000	2,783,063		2,527,500
2,010,000	1,089,319			4,780,000	2,549,687		2,527,500
2,110,000	983,744			5,020,000	2,304,688	945,000	2,503,875
2,220,000	872,787			5,270,000	2,047,438	8,975,000	2,255,875
2,335,000	756,066			5,535,000	1,777,313	9,425,000	1,795,875
2,450,000	633,450			5,810,000	1,491,375	9,900,000	1,312,750
2,580,000	504,556			6,105,000	1,188,506	10,395,000	805,375
2,710,000	369,000			6,415,000	869,756	10,910,000	272,750
2,850,000	226,525			6,745,000	534,206		
2,995,000	76,747			7,090,000	181,050		
<b>\$ 45,005,000</b>	<b>\$ 35,764,095</b>	<b>\$ 36,820,000</b>	<b>\$ 6,152,850</b>	<b>\$ 106,900,000</b>	<b>\$ 84,202,025</b>	<b>\$ 53,540,000</b>	<b>\$ 54,799,626</b>
4.00% - 5.125%		4.25% - 5.50%		3.125% - 5.375%		2.70% - 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, 2007**

Fiscal Year	To Crossover Refund Capital Improvement Revenue Bonds, Series 1994		To Crossover Refund Capital Improvement Revenue Bonds, Series 1995		To Fund a Grant to Shands Jacksonville Medical Center, Inc	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 2,000,000	\$ 1,815,100	\$ 820,000	\$ 1,179,063	\$ 2,085,000	\$ 2,881,241
2009	2,090,000	1,756,750	865,000	1,155,018	2,150,000	2,806,966
2010	2,195,000	1,689,731	920,000	1,127,093	2,235,000	2,719,266
2011	2,310,000	1,596,313	980,000	1,094,993	2,325,000	2,636,204
2012	2,465,000	1,476,938	1,045,000	1,059,033	2,400,000	2,549,841
2013	2,630,000	1,349,563	1,105,000	1,019,780	2,495,000	2,451,941
2014	2,810,000	1,210,050	1,175,000	975,838	2,595,000	2,346,898
2015	3,005,000	1,057,406	1,250,000	927,338	2,705,000	2,230,891
2016	3,210,000	894,263	1,335,000	867,294	2,825,000	2,106,466
2017	3,685,000	717,875	1,425,000	796,625	2,955,000	1,965,238
2018	3,920,000	527,750	1,440,000	725,000	3,110,000	1,804,638
2019	4,165,000	325,625	1,460,000	652,500	3,275,000	1,634,629
2020	4,430,000	110,750	1,485,000	578,875	3,450,000	1,454,835
2021			1,505,000	504,125	3,635,000	1,264,426
2022			1,520,000	428,500	3,830,000	1,076,730
2023			1,540,000	352,000	4,010,000	891,488
2024			1,555,000	274,625	4,200,000	691,250
2025			2,245,000	179,625	4,410,000	476,000
2026			2,470,000	61,750	4,630,000	250,000
2027					2,685,000	67,125
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
	<u>\$ 38,915,000</u>	<u>\$ 14,528,113</u>	<u>\$ 26,140,000</u>	<u>\$ 13,959,071</u>	<u>\$ 62,005,000</u>	<u>\$ 34,306,073</u>

Interest Rates: 2.70% - 5.25% 2.70% - 5.25% 3.00% - 5.375%

<b>To Refund Commercial Paper Notes and to Fund Veterans Memorial Wall Plaza and Library Systems Improvements</b>		<b>To Fund a Grant to Shands Jacksonville Medical Center, Inc (Proton Beam)</b>		<b>To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1993A</b>		<b>To Refund Excise Taxes Revenue Bonds, Series 1993 (AMT)</b>	
<b>Local Government Sales Tax Refunding and Improvement Revenue Bonds, Series 2002</b>		<b>Excise Taxes Revenue Bonds Series 2003A</b>		<b>Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B</b>		<b>Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT)</b>	
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
\$ 2,585,000	\$ 2,418,000	\$ 300,000	\$ 718,170	\$ 2,950,000	\$ 301,700	\$ 435,000	\$ 1,726,150
2,675,000	2,337,428	880,000	700,470	3,115,000	210,725	475,000	1,713,588
2,755,000	2,249,141	905,000	673,695	3,280,000	82,000	15,000	1,706,219
2,850,000	2,150,994	935,000	646,095			15,000	1,705,713
2,950,000	2,041,806	960,000	616,470			15,000	1,705,150
3,065,000	1,922,975	990,000	583,545			20,000	1,704,450
3,195,000	1,797,775	1,025,000	547,770			20,000	1,703,638
3,315,000	1,652,013	1,065,000	509,618			20,000	1,702,813
6,845,000	1,387,803	1,105,000	468,920			20,000	1,701,963
7,210,000	1,015,438	1,145,000	425,598			5,380,000	1,560,300
7,595,000	624,403	1,190,000	379,470			5,895,000	1,264,331
7,995,000	211,694	1,235,000	330,353			6,445,000	940,406
		1,285,000	278,050			7,030,000	586,688
		1,340,000	222,590			7,660,000	201,075
		1,400,000	163,490				
		1,460,000	100,745				
		1,525,000	34,313				
<b>\$ 53,035,000</b>	<b>\$ 19,809,469</b>	<b>\$ 18,745,000</b>	<b>\$ 7,399,360</b>	<b>\$ 9,345,000</b>	<b>\$ 594,425</b>	<b>\$ 33,445,000</b>	<b>\$ 19,922,481</b>
3.00% - 5.375%		3.00% - 4.5%		3.00% - 5.000%		2.25% - 5.250%	

(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, 2007**

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**Purpose: To Fund City-Wide  
Capital Improvements**

Fiscal Year	Excise Taxes Revenue Bonds Taxable Series 2007		Total Principal and Interest
	Principal	Interest	
2008		\$ 1,967,774	\$ 88,411,468
2009	\$ 950,000	1,924,775	91,497,811
2010	1,015,000	1,880,563	88,577,051
2011	1,060,000	1,836,525	77,652,849
2012	1,105,000	1,793,225	82,828,297
2013	1,145,000	1,751,088	80,335,400
2014	1,190,000	1,707,250	80,382,143
2015	1,235,000	1,658,750	77,407,612
2016	1,285,000	1,608,350	77,459,830
2017	1,335,000	1,555,950	73,916,614
2018	1,390,000	1,501,450	74,073,325
2019	1,445,000	1,444,750	74,159,286
2020	1,505,000	1,385,750	57,290,824
2021	1,560,000	1,316,650	55,282,046
2022	1,640,000	1,236,650	47,341,757
2023	1,720,000	1,152,650	47,143,598
2024	1,810,000	1,064,400	47,051,081
2025	1,900,000	971,650	45,376,033
2026	1,995,000	874,275	45,002,842
2027	2,095,000	772,025	41,733,873
2028	2,200,000	664,650	38,951,635
2029	2,310,000	557,675	37,804,535
2030	2,410,000	451,475	37,728,673
2031	2,520,000	334,250	37,648,497
2032	2,645,000	205,125	26,393,852
2033	2,780,000	69,500	26,314,332
2034			6,893,498
2035			6,822,341
2036			
2037			
2038			
	<u>\$ 42,245,000</u>	<u>\$ 31,687,174</u>	<u>\$ 1,571,481,101</u>

**Interest Rates: 3.50% - 5.00%**



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To currently refund State of Florida, Jacksonville Transportation Authority Senior Lien Refunding Bonds, Series 1992 and other Better Jacksonville Transportation Projects		Better Jacksonville Transportation Projects		Better Jacksonville Transportation Projects		Better Jacksonville Infrastructure 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)		Better Jacksonville Sales Tax Revenue Bonds Series 2004	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
-	\$ 1,714,075		\$ 3,687,600		\$ 3,686,400	\$ 5,400,000	\$ 8,181,395
1,610,000	1,650,917		3,687,600		3,686,400	5,530,000	8,045,095
1,670,000	1,585,153		3,687,600		3,686,400	5,665,000	7,909,648
1,745,000	1,516,682		3,687,600		3,686,400	5,795,000	7,772,063
1,810,000	1,445,405		3,687,600		3,686,400	5,945,000	7,617,881
1,890,000	1,371,220		3,687,600		3,686,400	6,105,000	7,444,563
2,300,000	1,287,210		3,687,600		3,686,400	6,290,000	7,250,775
2,385,000	1,193,276	\$ 2,375,000	3,630,600	\$ 2,375,000	3,629,400	6,495,000	7,038,959
2,495,000	1,095,432	2,500,000	3,513,600	2,500,000	3,512,400	6,710,000	6,811,931
4,990,000	945,358	2,100,000	3,403,200	2,100,000	3,402,000	6,950,000	6,568,538
5,190,000	741,249	2,125,000	3,301,800	2,150,000	3,300,000	7,205,000	6,298,469
5,405,000	528,819	2,225,000	3,197,400	2,250,000	3,194,400	7,490,000	6,004,569
5,135,000	317,492	2,550,000	3,082,800	2,525,000	3,079,800	7,790,000	5,698,969
5,350,000	107,268	2,625,000	2,958,600	2,625,000	2,956,200	8,100,000	5,381,169
		3,800,000	2,804,400	3,800,000	2,802,000	8,430,000	5,045,300
		3,925,000	2,619,000	3,925,000	2,616,600	8,770,000	4,685,069
		4,075,000	2,427,000	4,050,000	2,425,200	9,145,000	4,304,375
		4,225,000	2,227,800	4,200,000	2,227,200	9,530,000	3,895,619
		4,375,000	2,021,400	4,350,000	2,022,000	9,960,000	3,450,869
		4,500,000	1,808,400	4,525,000	1,809,000	10,425,000	2,979,466
		4,650,000	1,588,800	4,675,000	1,588,200	10,910,000	2,486,094
		4,825,000	1,361,400	4,825,000	1,360,200	11,410,000	1,977,075
		5,000,000	1,125,600	5,000,000	1,124,400	11,920,000	1,452,150
		5,175,000	881,400	5,175,000	880,200	26,310,000	591,975
		5,350,000	628,800	5,350,000	627,600		
		10,425,000	250,200	10,400,000	249,600		
<u>\$ 41,975,000</u>	<u>\$ 15,499,552</u>	<u>\$ 76,825,000</u>	<u>\$ 68,645,400</u>	<u>\$ 76,800,000</u>	<u>\$ 68,611,200</u>	<u>\$ 208,280,000</u>	<u>\$ 128,892,013</u>
Auction Rate Securities Hedge Fixed at 4.01%		Auction Rate Securities Assumed at 4.80%		Auction Rate Securities Assumed at 4.80%		2.00 - 5.00%	

(continued)



**CITY OF JACKSONVILLE, FLORIDA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES  
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN  
SEPTEMBER 30, 2007**

Fiscal Year	Better Jacksonville Transportation Projects Transportation Revenue Bonds Series 2004 (Auction Rate Securities)		Better Jacksonville Transportation Projects Transportation Revenue Bonds Series 2007		Total Principal and Interest
	Principal	Interest	Principal	Interest	
	2008	-	\$ 2,738,951		
2009	2,775,000	2,684,103	\$ 2,640,000	4,888,100	76,068,734
2010	2,825,000	2,587,363	3,020,000	4,746,600	73,464,457
2011	2,950,000	2,487,600	3,170,000	4,607,700	73,492,752
2012	3,050,000	2,383,950	3,300,000	4,461,800	82,291,319
2013	3,175,000	2,276,413	3,465,000	4,310,000	72,988,824
2014	3,300,000	2,164,558	3,600,000	4,150,700	73,280,193
2015	3,400,000	2,048,815	3,780,000	3,966,200	77,864,715
2016	3,525,000	1,929,186	3,970,000	3,772,450	77,833,714
2017	3,650,000	1,805,238	4,170,000	3,568,950	79,131,960
2018	3,800,000	1,676,539		3,464,700	74,711,027
2019	3,925,000	1,543,089		3,464,700	74,685,598
2020	4,075,000	1,404,889		3,464,700	74,558,237
2021	4,225,000	1,261,507		3,464,700	74,469,336
2022	4,375,000	1,112,942		3,464,700	74,359,176
2023	4,550,000	958,763		3,464,700	74,264,563
2024	4,700,000	798,969		3,464,700	81,109,288
2025	4,900,000	633,129		3,464,700	80,979,854
2026	5,075,000	460,811		3,464,700	80,812,714
2027	5,300,000	281,583	4,375,000	3,355,325	84,936,417
2028	5,500,000	95,013	4,595,000	3,131,075	84,733,700
2029			4,825,000	2,895,575	85,032,013
2030			5,065,000	2,648,325	84,834,631
2031			5,320,000	2,395,350	124,131,300
2032			5,575,000	2,129,625	43,815,150
2033			5,850,000	1,844,000	29,018,800
2034			6,145,000	1,544,125	7,689,125
2035			6,450,000	1,229,250	7,679,250
2036			6,775,000	898,625	7,673,625
2037			7,115,000	551,375	7,666,375
2038			7,470,000	186,750	7,656,750
	<u>\$ 79,075,000</u>	<u>\$ 33,333,408</u>	<u>\$ 100,675,000</u>	<u>\$ 97,666,005</u>	<u>\$ 2,020,702,686</u>

**Interest Rates:** Auction Rate Securities 4.00 - 5.00%  
Hedge Fixed at 3.455%



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**CITY OF JACKSONVILLE, FLORIDA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
PAYABLE FROM ENTERPRISE FUNDS  
SEPTEMBER 30, 2007**

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Purpose	To Refund Parking and Excise Taxes Revenue Refunding Bonds, Series 1987		To Partially Refund Excise Taxes Revenue Bonds, Series 1991A		To Partially Refund Excise Taxes Revenue Bonds, Series 1991B and Construction of Trail Ridge Landfill	
	Excise Taxes Revenue Refunding Bonds, Series 1995A		Excise Taxes Revenue Refunding Bonds, Series 1996A		Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 2,800,000	\$ 373,669	\$ 1,120,000	\$ 662,490	\$ 2,245,000	\$ 1,489,990
2009	2,935,000	230,209	1,175,000	609,117	2,355,000	1,379,268
2010	3,100,000	77,500	1,230,000	551,985	2,465,000	1,260,240
2011			1,285,000	490,983	2,590,000	1,127,390
2012			1,350,000	425,750	2,730,000	981,090
2013			1,420,000	356,500	2,880,000	823,215
2014			1,490,000	283,750	3,050,000	652,728
2015			1,565,000	207,375	3,220,000	478,100
2016			1,645,000	127,125	3,400,000	295,960
2017			1,720,000	43,000	3,585,000	100,380
2018						
2019						
	<u>\$ 8,835,000</u>	<u>\$ 681,378</u>	<u>\$ 14,000,000</u>	<u>\$ 3,758,075</u>	<u>\$ 28,520,000</u>	<u>\$ 8,588,361</u>

Interest Rates: 4.875 - 5.125%

4.60 - 5.50%

4.75 - 5.75%

**To Partially Refund  
Excise Taxes Revenue Refunding  
Bonds, Series 1993A**

<b>Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B</b>		<b>Total Principal And Interest</b>
<b>Principal</b>	<b>Interest</b>	
\$ 1,245,000	\$ 252,375	\$ 10,188,524
1,215,000	210,475	10,109,069
1,195,000	157,375	10,037,100
1,245,000	96,375	6,834,748
1,305,000	32,625	6,824,465
		5,479,715
		5,476,478
		5,470,475
		5,468,085
		5,448,380
<b>\$ 6,205,000</b>	<b>\$ 749,225</b>	<b>\$ 71,337,039</b>

3.00 - 5.00%

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(continued)



**HUD Section 108  
Program Loan for  
LaVilla Project**

**HUD Section 108  
Program Loan for  
HTV Associates Project**

**HUD Section 108  
Program Loan for  
Armor Holdings**

**U.S. Government  
Guaranteed Note  
Payable, Series 1997**

**U.S. Government  
Guaranteed Note  
Payable, Series 1997**

**U.S. Government  
Guaranteed Note  
Payable, Series 1997**

<u>Principal</u>	<u>Interest</u>
\$ 60,000	\$ 60,450
60,000	56,484
70,000	52,464
90,000	47,718
100,000	41,571
110,000	34,691
125,000	27,068
130,000	18,343
130,000	9,204
<u>\$ 875,000</u>	<u>\$ 347,993</u>

<u>Principal</u>	<u>Interest</u>
\$ 55,000	\$ 15,771
85,000	12,136
95,000	6,441
<u>\$ 235,000</u>	<u>\$ 34,348</u>

<u>Principal</u>	<u>Interest</u>
\$ 40,000	\$ 40,027
45,000	37,384
55,000	34,368
60,000	30,640
65,000	26,541
75,000	22,070
80,000	16,872
80,000	11,288
80,000	5,664
<u>\$ 580,000</u>	<u>\$ 224,854</u>

6.61 - 7.08%  
(Taxable)

6.61 - 6.78%  
(Taxable)

6.61 - 7.08%  
(Taxable)

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
 PAYABLE FROM GENERAL REVENUE  
 SEPTEMBER 30, 2007**

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**Purpose: HUD Section 108  
 Program Loan for  
 Hampton Inns**

<b>Fiscal Year</b>	<b>U.S. Government Guaranteed Note Payable, Series 1997</b>		<b>Total Principal And Interest</b>
	<b>Principal</b>	<b>Interest</b>	
2008	\$ 40,000	\$ 27,806	\$ 1,175,165
2009	40,000	25,163	1,244,353
2010	45,000	22,482	1,301,045
2011	45,000	19,432	1,245,484
2012	50,000	16,358	1,269,508
2013	55,000	12,918	1,217,724
2014	65,000	9,106	1,175,248
2015	65,000	4,570	630,291
2016			224,868
2017			
2018			
	<u>\$ 405,000</u>	<u>\$ 137,835</u>	<u>\$ 9,483,684</u>

Interest Rates: 6.61 - 7.03%  
 (Taxable)



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**CITY OF JACKSONVILLE, FLORIDA  
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
 NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES  
 OTHER THAN AD VALOREM TAXES - BANKING FUND PROGRAM  
 SEPTEMBER 30, 2007**

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**Purpose**                      **To Fund the  
 Banking Fund Program**

<b>Fiscal Year</b>	<b>Commercial Paper</b>		<b>Total Principal And Interest</b>
	<b>Principal</b>	<b>Interest</b>	
<b>2008</b>	\$ 14,441,000	\$ 2,599,380	\$ 17,040,380
<b>2009</b>	14,441,000	2,021,740	16,462,740
<b>2010</b>	14,441,000	1,444,100	15,885,100
<b>2011</b>	14,441,000	866,460	15,307,460
<b>2012</b>	14,441,000	288,820	14,729,820
<b>2013</b>			
<b>2014</b>			
<b>2015</b>			
<b>2016</b>			
<b>2017</b>			
<b>2018</b>			
<b>2019</b>			
	<u>\$ 72,205,000</u>	<u>\$ 7,220,500</u>	<u>\$ 79,425,500</u>

**Interest Rates:**            Variable Rate  
 Assumed at 4.00%

**CITY OF JACKSONVILLE, FLORIDA**  
**SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE**  
**DISCLOSURE OBLIGATION**  
**SEPTEMBER 30, 2007**

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 73,677,299	\$ 76,446,161	\$ 81,354,543
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	5,659,797	6,161,879	6,384,105
Peoples Gas	677,108	654,224	675,423
Telecommunications Tax (2)	145,230	-	-
Communications Services Taxes (2)	35,186,308	34,895,973	36,844,325
JEA	45,981,688	45,740,236	46,851,288
Miscellaneous	1,954,161	1,911,435	2,093,148
Total Utilities Service Tax	<u>89,604,292</u>	<u>89,363,747</u>	<u>92,848,289</u>
Fuel Oil Tax	162,835	107,075	112,633
Occupational License Taxes	7,492,991	7,319,694	8,143,011
Total Excise Tax Pledged Revenues	<u>97,260,118</u>	<u>96,790,516</u>	<u>101,103,934</u>
Junior Lien Excise Taxes:			
Total Excise Taxes	<u>97,260,118</u>	<u>96,790,516</u>	<u>101,103,934</u>
Total Junior Lien Excise Tax Revenues	<u>97,260,118</u>	<u>96,790,516</u>	<u>101,103,934</u>
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	620,741	1,050,527	1,247,168
Southern Bell	-	-	-
Cable Television	-	-	-
Other Franchise Fees	304,963	101,083	28,803
Total Franchise Fees	<u>925,704</u>	<u>1,151,610</u>	<u>1,275,971</u>
Communications Services Taxes (3)	6,209,348	6,158,113	6,501,940
Sports Facility Sales Tax Rebate	2,000,004	2,000,004	2,000,004
Convention Development Tax (2%)	3,610,819	3,846,824	4,799,870
Sports Facility Tourist Development Tax (2%)	3,895,264	4,154,654	5,107,721
Total Sports Facility Capital Improvements Pledged Revenues	<u>16,641,139</u>	<u>17,311,205</u>	<u>19,685,506</u>
Infrastructure Improvements (Better Jacksonville Infrastructure):			
Infrastructure Sales Tax (4)	57,970,655	60,132,294	69,336,706
Transportation Improvements (Better Jacksonville Transportation):			
Transportation Sales Tax (1)	60,379,055	61,649,656	71,717,115
Gas Tax (Constitutional Fuel Tax) (1)	8,446,937	8,860,938	9,279,565
Total Transportation Improvements Pledged Revenues	<u>\$ 68,825,992</u>	<u>\$ 70,510,594</u>	<u>\$ 80,996,680</u>

(1) Recognition of revenue per GASB 33.

(2) Beginning October 1, 2001 85% of the Communications Services Tax replaced the Telecommunications Tax.

(3) Beginning October 1, 2001 15% of the Communications Services Tax replaced the franchise fees for Southern Bell.

(4) The Infrastructure Sales Tax was approved by voters and is effective for a thirty-year period commencing January 1, 2001.

(5) Unaudited

<u>2006</u>	<u>2007</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 86,762,785	\$ 83,940,300	\$ 17,399,950	4.83 x	1.35 x
7,748,261	8,848,095			
1,229,654	1,389,953			
-	-			
38,229,496	38,019,202			
48,130,818	47,738,296			
1,945,751	1,837,374			
<u>97,283,980</u>	<u>97,832,920</u>			
228,856	92,087			
8,808,682	7,617,543			
<u>106,321,518</u>	<u>105,542,550</u>	57,763,456	1.83 x	1.40 x
106,321,518	105,542,550			
<u>106,321,518</u>	<u>105,542,550</u>	57,763,456	1.83 x	1.25 x
1,679,743	1,308,659			
-	-			
-	-			
29,784	26,596			
<u>1,709,527</u>	<u>1,335,255</u>			
6,746,382	6,709,271			
2,000,004	2,000,004			
5,200,849	5,118,358			
5,530,444	5,402,202			
<u>21,187,206</u>	<u>20,565,090</u>	11,705,488	1.76 x	1.35 x
73,226,823	70,665,463	48,010,259	1.47 x	1.35 x
76,136,231	73,543,087			
9,242,925	9,235,442			
<u>\$ 85,379,156</u>	<u>\$ 82,778,529</u>	\$ 45,201,163	1.83 x	1.35 x

**CITY OF JACKSONVILLE, FLORIDA**  
**SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE**  
**DISCLOSURE OBLIGATION (continued)**  
**SEPTEMBER 30, 2007**

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Guaranteed Entitlement Revenues:			
County Revenue Sharing:			
Cigarette Tax	\$ 566,791	\$ 723,084	\$ 639,046
Intangible Tax	-	-	-
Sales Tax	17,072,235	18,666,179	19,453,717
County Total	<u>\$ 17,639,026</u>	<u>\$ 19,389,263</u>	<u>\$ 20,092,763</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>8.83 x</u>	<u>9.70 x</u>	<u>10.05 x</u>
City Revenue Sharing:			
Cigarette Tax (1)	\$ -	\$ -	\$ -
Sales and Use Tax (1)	11,091,977	13,421,241	19,234,478
City Total	<u>\$ 11,091,977</u>	<u>\$ 13,421,241</u>	<u>\$ 19,234,478</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>1.91 x</u>	<u>2.30 x</u>	<u>3.30 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	\$ -	\$ -	\$ -
Cigarette Tax	11,046,778	11,118,432	11,707,985
Sales Tax	318,054,685	346,145,856	354,704,849
Total Receipts	<u>\$ 329,101,463</u>	<u>\$ 357,264,288</u>	<u>\$ 366,412,834</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>3.47 x</u>	<u>3.76 x</u>	<u>3.85 x</u>
State Revenue Sharing - Municipalities:			
Cigarette Tax	\$ -	\$ -	\$ -
8th Cent Motor Fuel Tax	84,519,288	88,531,815	92,375,629
Special Tax and Alternative Fuel User Decal Fee	1,135,259	1,393,234	1,240,339
Sales and Use Tax (1)	151,462,709	164,842,349	234,068,559
Total Receipts	<u>\$ 237,117,256</u>	<u>\$ 254,767,398</u>	<u>\$ 327,684,527</u>
Guaranteed Entitlement for all Florida	<u>\$ 113,749,426</u>	<u>\$ 114,793,146</u>	<u>\$ 117,644,655</u>
Average Coverage - All Florida Municipalities	<u>2.09 x</u>	<u>2.22 x</u>	<u>2.79 x</u>
JEA Contribution:			
JEA Contribution - Electric Services	\$ 67,039,278	\$ 70,039,278	\$ 68,676,624
JEA Contribution - Water and Sewer	11,456,781	13,148,260	17,260,920
Total JEA Contribution	<u>\$ 78,496,059</u>	<u>\$ 83,187,538</u>	<u>\$ 85,937,544</u>

(1) Effective July 1, 2000 the New Guaranteed Entitlement Laws eliminated the cigarette tax and replaced it with 1.0175% of the available proceeds of the sales and use tax.

(2) Unaudited

<u>2006</u>	<u>2007</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 634,648	\$ 616,030			
-	-			
20,647,084	20,018,444			
<u>\$ 21,281,732</u>	<u>\$ 20,634,474</u>			
\$ 1,999,042	\$ 1,999,042			
<u>10.65 x</u>	<u>10.32 x</u>			
\$ -	\$ -			
18,930,690	19,008,047			
<u>\$ 18,930,690</u>	<u>\$ 19,008,047</u>			
\$ 5,826,077	\$ 5,826,077			
<u>3.25 x</u>	<u>3.26 x</u>			
\$ 7,825,119	\$ 7,825,119	\$ 7,452,100	1.05 x	1.05 x
\$ -	\$ -			
11,401,876	11,193,756			
385,989,832	386,935,800			
<u>\$ 397,391,708</u>	<u>\$ 398,129,556</u>			
\$ 95,086,330	\$ 95,086,330			
<u>4.18 x</u>	<u>4.19 x</u>			
\$ -	\$ -			
94,054,299	93,497,331			
1,155,667	965,633			
253,216,128	253,836,699			
<u>\$ 348,426,094</u>	<u>\$ 348,299,663</u>			
\$ 121,827,094	\$ 124,656,646			
<u>2.86 x</u>	<u>2.80 x</u>			
\$ 71,030,760	\$ 73,100,460			
17,656,788	18,337,080			
<u>\$ 88,687,548</u>	<u>\$ 91,437,540</u>	\$ 9,947,438	9.19 x	8.26 x

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

	For the Year Ended September 30				
	1998	1999	2000	2001	2002
Revenue	\$ 20,999	\$ 15,615	\$ 16,900	\$ 15,486	\$ 16,225
Interest Revenue	4,684	2,802	3,491	2,725	2,854
Total Revenue	<u>\$ 25,683</u>	<u>\$ 18,417</u>	<u>\$ 20,391</u>	<u>\$ 18,211</u>	<u>\$ 19,079</u>
Unallocated Expenses	<u>\$ 1,519</u>	<u>\$ 1,121</u>	<u>\$ 1,105</u>	<u>\$ 1,387</u>	<u>\$ 1,705</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 10,630</u>	<u>\$ 10,200</u>	<u>\$ 9,574</u>	<u>\$ 10,882</u>	<u>\$ 11,180</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 1,414	\$ 1,434	\$ 1,795	\$ 2,122	\$ 2,756
One Year Later	2,448	2,603	3,199	4,455	5,568
Two Years Later	2,843	3,251	4,074	5,649	7,028
Three Years Later	3,461	3,549	4,515	6,697	8,039
Four Years Later	3,832	4,037	4,988	7,666	8,421
Five Years Later	4,206	4,295	5,246	8,099	8,811
Six Years Later	4,479	4,642	5,469	8,391	
Seven Years Later	4,844	4,857	5,801		
Eight Years Later	4,998	5,069			
Nine Years Later	5,328				
Reestimated incurred Claims and Expense:					
End of Policy Year	\$ 10,630	\$ 10,200	\$ 9,574	\$ 10,882	\$ 11,180
One Year Later	9,330	7,607	9,153	10,685	11,668
Two Years Later	7,043	7,102	8,123	11,075	12,356
Three Years Later	6,499	6,547	7,743	11,707	11,988
Four Years Later	6,245	6,571	7,673	11,824	12,560
Five Years Later	6,341	6,712	7,358	11,651	12,656
Six Years Later	6,336	6,949	8,473	12,376	
Seven Years Later	6,757	7,866	8,972		
Eight Years Later	7,018	7,896			
Nine Years Later	7,229				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (3,401)</u>	<u>\$ (2,304)</u>	<u>\$ (602)</u>	<u>\$ 1,494</u>	<u>\$ 1,476</u>
Available Funding	\$ 25,683	\$ 18,417	\$ 20,391	\$ 18,211	\$ 19,079
Current Reestimated Incurred Claims and Expense	<u>(7,229)</u>	<u>(7,896)</u>	<u>(8,972)</u>	<u>(12,376)</u>	<u>(12,656)</u>
Excess (Deficit) Funding	<u>\$ 18,454</u>	<u>\$ 10,521</u>	<u>\$ 11,419</u>	<u>\$ 5,835</u>	<u>\$ 6,423</u>

**For the Year Ended September 30**

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 15,543	\$ 17,658	\$ 23,797	\$ 21,723	\$ 25,140
1,349	1,437	1,782	2,095	2,807
<u>\$ 16,892</u>	<u>\$ 19,095</u>	<u>\$ 25,579</u>	<u>\$ 23,818</u>	<u>\$ 27,947</u>
<u>\$ 1,712</u>	<u>\$ 1,934</u>	<u>\$ 1,961</u>	<u>\$ 1,898</u>	<u>\$ 1,896</u>
<u>\$ 11,725</u>	<u>\$ 10,766</u>	<u>\$ 12,824</u>	<u>\$ 11,799</u>	<u>\$ 10,451</u>
\$ 2,938	\$ 2,335	\$ 3,186	\$ 2,339	\$ 1,916
5,644	3,945	5,098	4,219	
7,122	4,405	5,893		
7,675	4,790			
8,085				
\$ 11,725	\$ 10,766	\$ 12,824	\$ 11,799	\$ 10,451
13,459	9,701	11,609	10,626	
13,162	8,482	11,537		
12,543	8,423			
13,906				
<u>\$ 2,181</u>	<u>\$ (2,343)</u>	<u>\$ (1,287)</u>	<u>\$ (1,173)</u>	<u>\$ -</u>
\$ 16,892	\$ 19,095	\$ 25,579	\$ 23,818	\$ 27,947
(13,906)	(8,423)	(11,537)	(10,626)	(10,451)
<u>\$ 2,986</u>	<u>\$ 10,672</u>	<u>\$ 14,042</u>	<u>\$ 13,192</u>	<u>\$ 17,496</u>

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

\$ 111,040

continued



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

	<b>For the Year Ended September 30</b>				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Revenue	\$ 5,012	\$ 4,423	\$ 4,587	\$ 5,217	\$ 5,473
Interest Revenue	1,228	874	1,122	933	1,025
Total Revenue	<u>\$ 6,240</u>	<u>\$ 5,297</u>	<u>\$ 5,709</u>	<u>\$ 6,150</u>	<u>\$ 6,498</u>
Unallocated Expenses	<u>\$ 835</u>	<u>\$ 1,220</u>	<u>\$ 1,169</u>	<u>\$ 1,567</u>	<u>\$ 1,549</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 3,379</u>	<u>\$ 3,504</u>	<u>\$ 3,079</u>	<u>\$ 4,096</u>	<u>3,619</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 581	\$ 665	\$ 683	\$ 968	\$ 984
One Year Later	1,011	868	928	1,359	1,249
Two Years Later	1,134	1,662	1,613	1,943	1,672
Three Years Later	2,005	2,372	2,152	2,394	2,306
Four Years Later	2,266	2,489	2,561	3,145	2,572
Five Years Later	2,384	2,576	2,808	2,957	2,829
Six Years Later	2,642	2,620	3,701	3,023	
Seven Years Later	2,726	2,496	3,735		
Eight Years Later	3,068	2,499			
Nine Years Later	3,068				
Reestimated incurred Claims and Expense:					
End of Policy Year	\$ 3,379	\$ 3,504	\$ 3,079	\$ 4,096	\$ 3,619
One Year Later	2,664	2,751	2,690	3,337	3,055
Two Years Later	2,713	3,094	2,768	3,414	2,912
Three Years Later	2,770	2,945	3,146	3,466	3,100
Four Years Later	2,780	2,881	3,263	3,388	3,011
Five Years Later	2,735	2,816	3,058	3,112	2,913
Six Years Later	2,811	2,865	3,773	3,060	
Seven Years Later	2,733	2,502	3,742		
Eight Years Later	3,070	2,499			
Nine Years Later	3,070				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (309)</u>	<u>\$ (1,005)</u>	<u>\$ 663</u>	<u>\$ (1,036)</u>	<u>(706)</u>
Available Funding	\$ 6,240	\$ 5,297	\$ 5,709	\$ 6,150	\$ 6,498
Current Reestimated Incurred Claims and Expense	<u>(3,070)</u>	<u>(2,499)</u>	<u>(3,742)</u>	<u>(3,060)</u>	<u>(2,913)</u>
Excess (Deficit) Funding	<u>\$ 3,170</u>	<u>\$ 2,798</u>	<u>\$ 1,967</u>	<u>\$ 3,090</u>	<u>\$ 3,585</u>

**For the Year Ended September 30**

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 5,541	\$ 6,748	\$ 7,880	\$ 6,496	\$ 6,980
547	592	601	666	855
<u>\$ 6,088</u>	<u>\$ 7,340</u>	<u>\$ 8,481</u>	<u>\$ 7,162</u>	<u>\$ 7,835</u>
<u>\$ 1,461</u>	<u>\$ 1,422</u>	<u>\$ 1,562</u>	<u>\$ 1,648</u>	<u>\$ 1,708</u>
<u>\$ 2,989</u>	<u>\$ 3,587</u>	<u>\$ 5,186</u>	<u>\$ 4,651</u>	<u>\$ 4,365</u>
\$ 720	\$ 737	\$ 1,166	\$ 1,063	\$ 857
956	1,318	2,024	1,709	
1,808	2,349	3,344		
2,176	2,741			
2,410				
\$ 2,989	\$ 3,587	\$ 5,186	\$ 4,651	\$ 4,365
2,826	3,568	5,487	3,913	
3,128	3,533	5,261		
2,834	3,430			
2,777				
<u>\$ (212)</u>	<u>\$ (157)</u>	<u>\$ 75</u>	<u>\$ (738)</u>	<u>\$ -</u>
\$ 6,088	\$ 7,340	\$ 8,481	\$ 7,162	\$ 7,835
<u>(2,777)</u>	<u>(3,430)</u>	<u>(5,261)</u>	<u>(3,913)</u>	<u>(4,365)</u>
<u>\$ 3,311</u>	<u>\$ 3,910</u>	<u>\$ 3,220</u>	<u>\$ 3,249</u>	<u>\$ 3,470</u>

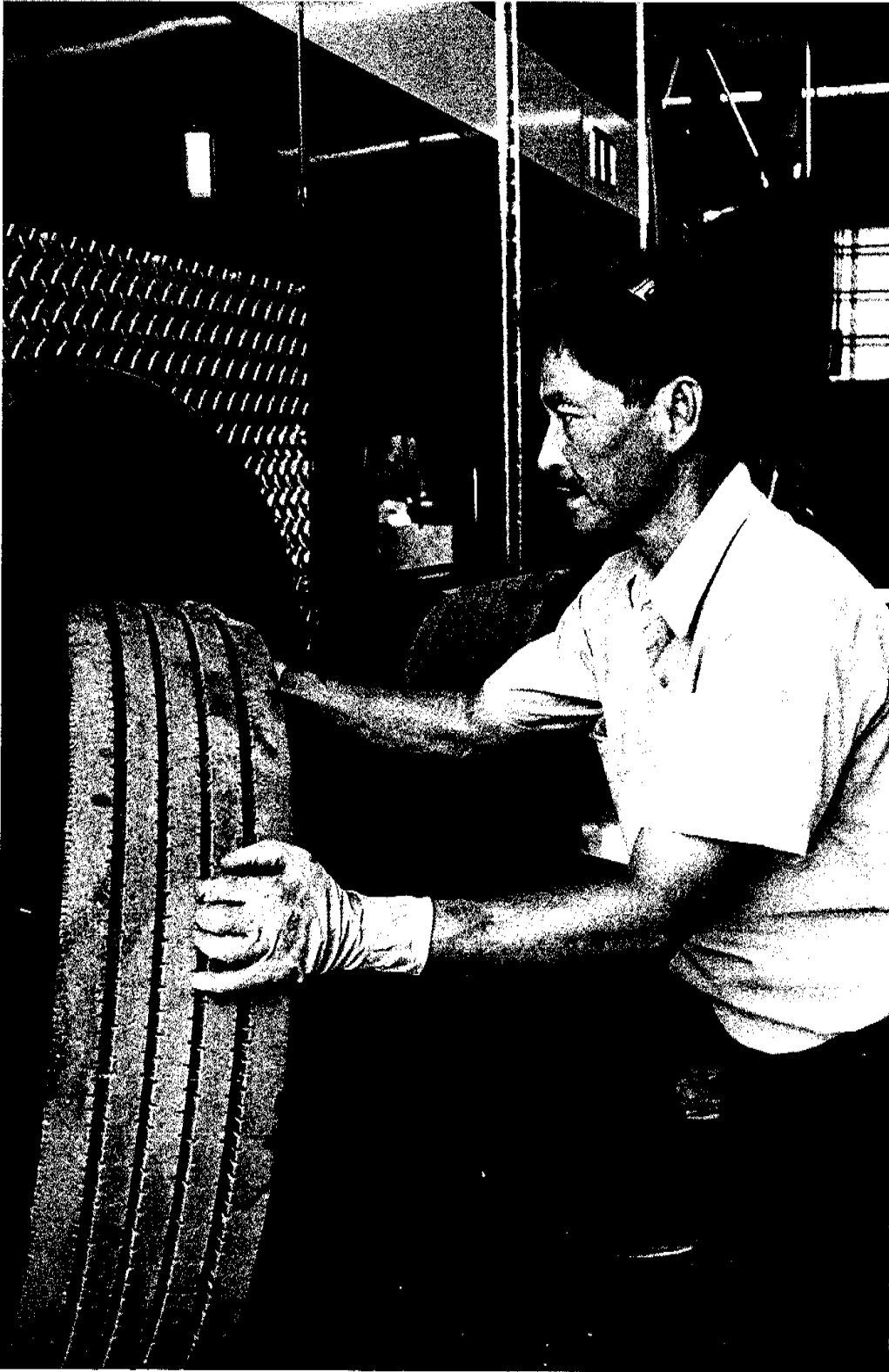
**Total Excess (Deficit) Funding of Reestimated  
Incurred Claims - 10 Years Shown.**

\$ 31,770

continued



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statistical **section**

## STATISTICAL SECTION

This part of the City of Jacksonville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

### Page(s)

#### Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

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Changes in Net Assets.....	238-239
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#### Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

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#### Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

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#### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

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#### Operating Information

These schedules contain services and infrastructure data to help the reader understand how the information in the city's financial report compares to the services the city provides and the activities it performs.

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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB statement 34 in 2002; schedules presenting government-wide information includes information beginning in that year.

**STATISTICAL SECTION – FINANCIAL TRENDS**

**CITY OF JACKSONVILLE, FLORIDA**  
**NET ASSETS BY COMPONENTS (in thousands)**  
**LAST SIX FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Governmental Activities:</b>						
Invested in capital assets, net of related deb	\$ 927,964	\$ 900,373	\$ 786,614	\$ 725,464	\$ 529,265 (2)	\$ (320,321) (1)
Restricted .....	41,702	103,733	120,823	118,224	154,165	43,894
Unrestricted.....	<u>(123,557)</u>	<u>(127,555)</u>	<u>(163,353)</u>	<u>(110,337)</u>	<u>22,856</u>	<u>287,606</u>
<b>Total governmental Activities net assets</b>	<b>\$ 846,109</b>	<b>\$ 876,551</b>	<b>\$ 744,084</b>	<b>\$ 733,351</b>	<b>\$ 706,286</b>	<b>\$ 11,179</b>
<b>Business type Activities</b>						
Invested in capital assets, net of related deb	\$ 16,341	\$ 13,375	\$ 13,742	\$ 12,289	\$ 14,258 (2)	\$ 234,802
Restricted	8,274	13,045	15,497	13,591	12,714	11,929
Unrestricted.....	<u>(105,181)</u>	<u>(118,120)</u>	<u>(104,700)</u>	<u>539</u>	<u>17,701</u>	<u>24,346</u>
<b>Total business type activities net assets</b>	<b>\$ (80,566)</b>	<b>\$ (91,700)</b>	<b>\$ (75,461)</b>	<b>\$ 26,419</b>	<b>\$ 44,673</b>	<b>\$ 271,077</b>
<b>Primary Government</b>						
Invested in capital assets, net of related deb	\$ 944,305	\$ 913,748	\$ 800,356	\$ 737,753	\$ 543,523	\$ (85,519) (1)
Restricted .....	49,976	116,778	136,320	131,815	166,879	55,823
Unrestricted.....	<u>(228,738)</u>	<u>(245,675)</u>	<u>(268,053)</u>	<u>(109,798)</u>	<u>40,557</u>	<u>311,952</u>
<b>Total primary government net assets .....</b>	<b>\$ 765,543</b>	<b>\$ 784,851</b>	<b>\$ 668,623</b>	<b>\$ 759,770</b>	<b>\$ 750,959</b>	<b>\$ 282,256</b>

**Notes:**

Net assets were reallocated in 2002 and 2005 to adjust for the consideration of outstanding non-asset backed bonds

(1) Retroactive infrastructure assets of \$541,960 were not included in 2002 Governmental Activities and Total Primary Government Net Assets, but were recorded beginning 2003.

(2) Transferred capital assets for Jacksonville Municipal stadium from an Enterprise Fund (Business Type activity) to General Government (Governmental Activities).

**CITY OF JACKSONVILLE, FLORIDA**  
**CHANGES IN NET ASSETS (in thousands)**  
**LAST SIX FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Expenses</b>						
Government Activities						
General government.....	\$ 196,784	\$ 194,406	\$ 160,341	\$ 191,705	\$ 168,844	\$ 112,505
Human services.....	108,738	106,755	107,588	100,120	101,974	95,609
Public safety.....	472,531	429,207	414,490	367,308	334,977	332,829
Culture and recreation.....	93,197	84,527	88,875	60,955	73,523	47,832
Transportation.....	316,263	216,674	236,998	129,734	299,785	91,594
Economic environment.....	77,414	74,030	83,832	74,889	77,375	81,615
Physical environment.....	69,211	55,605	52,097	44,732	9,460	13,400
Payments to component units.....	-	-	-	-	-	58,585
Interest on long term debt.....	94,114	92,682	90,738	92,477	68,656	55,745
<b>Total governmental activities expenses.....</b>	<b>\$ 1,428,252</b>	<b>\$ 1,253,886</b>	<b>\$ 1,234,959</b>	<b>\$ 1,061,920</b>	<b>\$ 1,134,594</b>	<b>\$ 889,714</b>
Business-type activities:						
Parking system.....	\$ 6,340	\$ 4,975	\$ 5,116	\$ 4,298	\$ 3,621	\$ 3,497
Sports complex.....	0	25,964	25,088	21,995	15,528	20,471
Motor vehicle inspections.....	482	439	555	451	577	706
Solid Waste.....	71,240	92,935	83,506	77,588	69,098	65,323
Ferry.....	1,937	2,346	1,943	2,063	2,040	1,871
Municipal Stadium.....	11,732	-	-	-	-	-
Memorial Arena.....	7,750	-	-	-	-	-
Baseball Stadium.....	1,135	-	-	-	-	-
Performing Arts.....	3,959	-	-	-	-	-
Convention Center.....	3,443	-	-	-	-	-
Equestrian Center.....	1,309	-	-	-	-	-
<b>Total Business type activities expenses.....</b>	<b>\$ 109,327</b>	<b>\$ 126,659</b>	<b>\$ 116,208</b>	<b>\$ 106,395</b>	<b>\$ 90,864</b>	<b>\$ 91,868</b>
<b>Total primary government expenses.....</b>	<b>\$ 1,537,579</b>	<b>\$ 1,380,545</b>	<b>\$ 1,351,167</b>	<b>\$ 1,168,315</b>	<b>\$ 1,225,458</b>	<b>\$ 981,582</b>
<b>Program Revenues</b>						
Government Activities						
Charges for services:						
General government.....	\$ 57,728	\$ 95,672	\$ 87,297	\$ 55,329	\$ 54,715	\$ 54,848
Public safety.....	45,825	45,670	40,517	42,398	39,087	8,592
Other activities.....	18,304	11,491	8,459	7,357	10,313	5,866
Operating grants and Contributions.....	180,149	158,673	175,722	83,649	85,013	86,833
Capital grants and contributions.....	52,112	76,072	50,241	67,970	31,210	26,453
<b>Total governmental activities programs revenues</b>	<b>\$ 354,118</b>	<b>\$ 387,578</b>	<b>\$ 362,236</b>	<b>\$ 256,703</b>	<b>\$ 220,338</b>	<b>\$ 182,592</b>
Business type activities:						
Charges for services:						
Sports complex.....	\$ -	\$ 16,004	\$ 16,605	\$ 13,515	\$ 8,183	\$ 9,578
Solid Waste.....	39,123	44,093	41,120	39,903	37,421	35,987
Other Activities.....	20,317	5,570	4,441	4,054	4,335	4,448
Operating grants and Contributions.....	12,520	-	-	220	49	229
Capital grants and contributions.....	-	-	-	-	-	1,371
<b>Total business type activities revenue.....</b>	<b>\$ 71,960</b>	<b>\$ 65,667</b>	<b>\$ 62,166</b>	<b>\$ 57,692</b>	<b>\$ 49,988</b>	<b>\$ 51,613</b>
<b>Total primary government program revenues</b>	<b>\$ 426,078</b>	<b>\$ 453,245</b>	<b>\$ 424,402</b>	<b>\$ 314,395</b>	<b>\$ 270,326</b>	<b>\$ 234,205</b>



**CITY OF JACKSONVILLE, FLORIDA**  
**CHANGES IN NET ASSETS (in thousands)**  
**LAST SIX FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Net (expense)revenue</b>						
Government Activities .....	\$ (1,074,134)	\$ (866,308)	\$ (872,723)	\$ (805,217)	\$ (914,256)	\$ (707,122)
Business Type activities .....	(37,367)	(60,992)	(54,042)	(48,703)	(40,876)	(40,255)
Total primary government net expense	<u>\$ (1,111,501)</u>	<u>\$ (927,300)</u>	<u>\$ (926,765)</u>	<u>\$ (853,920)</u>	<u>\$ (955,132)</u>	<u>\$ (747,377)</u>
<b>General revenues and other changes in net assets</b>						
Government Activities:						
Property taxes.....	\$ 465,918	\$ 408,942	\$ 365,456	\$ 343,870	\$ 327,388	\$ 312,551
Utility service taxes.....	104,634	104,259	99,463	95,629	95,976	93,978
Sales and tourist taxes.....	181,621	196,257	184,172	163,107	157,925	151,561
Intergovernmental - unrestricted.....	206,371	228,237	202,510	190,917	163,551	122,145
Payments from component units.....	-	-	-	-	-	111,054
Payment in lieu of taxes.....	-	-	-	83,188	81,376	2,984
Unrestricted earnings on investments.....	33,919	44,380	23,759	33,741	22,894	26,743
Miscellaneous.....	80,933	52,912	43,610	26,771	28,109	20,275
Special item - refunded state bonds.....	-	-	-	(79,218)	-	-
Transfers.....	(29,704)	(36,212)	(35,301)	(25,723)	190,184	(27,215)
Total general revenues, special items, and transfers.....	<u>\$ 1,043,692</u>	<u>\$ 998,775</u>	<u>\$ 883,669</u>	<u>\$ 832,282</u>	<u>\$ 1,067,403</u>	<u>\$ 814,076</u>
Business type activities						
Intergovernmental .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117
Unrestricted earnings on investments.....	6,165	4,765	3,368	2,594	2,729	2,787
Miscellaneous.....	12,632	3,776	1,488	2,132	1,927	2,542
Special item - pollution remediation & settlement.....	-	-	(87,995)	-	-	-
Transfers.....	29,704	36,212	35,301	25,723	(190,184)	27,215
Total business type activities.....	<u>\$ 48,501</u>	<u>\$ 44,753</u>	<u>\$ (47,838)</u>	<u>\$ 30,449</u>	<u>\$ (185,528)</u>	<u>\$ 32,661</u>
Total primary government .....	<u>\$1,092,193</u>	<u>\$1,043,528</u>	<u>\$835,831</u>	<u>\$862,731</u>	<u>\$84,798</u>	<u>\$266,866</u>
<b>Changes in net assets:</b>						
Governmental activities .....	\$ (30,442)	\$ 132,467	\$ 10,946	\$ 27,065	\$ 153,147	\$ 106,954
Business type activities .....	11,134	(16,239)	(101,880)	(18,254)	(226,404)	(7,594)
Total primary government .....	<u>\$ (19,308)</u>	<u>\$ 116,228</u>	<u>\$ (90,934)</u>	<u>\$ 8,811</u>	<u>\$ (73,257)</u>	<u>\$ 99,360</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)**  
**LAST SIX FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>General Fund</b>						
Reserved .....	\$ 57,507	\$ 53,935	\$ 14,728	\$ 18,736	\$ 11,640	\$ 14,745
Unreserved .....	<u>26,476</u>	<u>23,974</u>	<u>48,267</u>	<u>70,373</u>	<u>46,104</u>	<u>46,835</u>
<b>Total General Fund .....</b>	<u>\$ 83,983</u>	<u>\$ 77,909</u>	<u>\$ 62,995</u>	<u>\$ 89,109</u>	<u>\$ 57,744</u>	<u>\$ 61,580</u>
<b>All other Governmental funds</b>						
Reserved .....	\$ 393,177	\$ 388,723	\$ 448,536	\$ 696,431	\$ 542,300	\$ 490,181
Unreserved, reported in:						
Special revenue funds .....	185,276	176,468	148,054	113,134	95,859	73,762
Capital Projects funds .....	(38,688)	17,731	48,064	1,127	106,756	140,785
Permanent fund .....	<u>194</u>	<u>188</u>	<u>178</u>	<u>176</u>	<u>174</u>	<u>170</u>
<b>Total all other governmental funds .....</b>	<u>\$ 539,959</u>	<u>\$ 583,110</u>	<u>\$ 644,832</u>	<u>\$ 810,868</u>	<u>\$ 745,089</u>	<u>\$ 704,898</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)**  
**LAST FIVE FISCAL YEARS**  
**(modified basis of accounting)**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenue</b>						
Property taxes.....	\$ 465,918	\$ 408,942	\$ 365,456	\$ 343,870	\$ 327,388	\$ 312,551
Utility Service taxes.....	104,634	104,259	99,463	95,629	95,976	93,978
Sales and tourist taxes.....	181,621	196,257	184,172	163,107	157,925	151,561
Licenses and permits.....	8,867	10,509	9,045	8,524	8,473	10,238
Intergovernmental.....	299,696	314,959	302,213	297,639	264,146	327,358
Charges for services.....	106,887	134,977	121,036	85,789	84,424	74,309
Fines and forfeitures.....	6,103	7,347	6,192	10,771	11,218	10,946
Payment in lieu of taxes.....	95,151	88,688	85,938	83,188	81,376	2,984
Interest.....	30,994	41,384	21,676	34,489	20,404	23,118
Other.....	80,958	52,912	43,609	26,771	28,109	20,275
<b>Total Revenue.....</b>	<b>\$1,380,829</b>	<b>\$1,360,234</b>	<b>\$1,238,800</b>	<b>\$1,149,777</b>	<b>\$1,079,439</b>	<b>\$1,027,318</b>
<b>Expenditures</b>						
General government.....	\$ 148,500	\$ 136,815	\$ 139,092	\$ 117,428	\$ 109,494	\$ 102,169
Human services.....	107,651	105,979	107,104	100,212	99,206	94,375
Public safety.....	474,120	427,478	412,054	358,964	341,473	327,634
Culture and recreation.....	72,993	72,924	78,066	78,392	59,538	49,592
Transportation.....	163,433	148,107	141,195	130,473	118,073	128,928
Economic environment.....	76,991	72,270	78,323	68,675	74,242	78,241
Physical environment.....	21,874	19,307	21,215	19,271	18,435	25,608
Capital outlay.....	351,581	302,583	259,078	337,896	557,727	259,486
Debt service:						
Principal.....	66,294	64,774	53,320	47,415	31,210	35,960
Interest and fiscal charges.....	96,907	95,365	93,074	79,183	59,445	52,675
Other - cost of issuance.....	1,759	1,085	1,773	4,033	7,935	4,415
<b>Total Expenditures.....</b>	<b>\$1,582,103</b>	<b>\$1,446,687</b>	<b>\$1,384,294</b>	<b>\$1,341,942</b>	<b>\$1,476,778</b>	<b>\$1,159,083</b>
<b>Excess of Revenue Over</b>						
<b>(Under) Expenditures.....</b>	<b>\$ (201,274)</b>	<b>\$ (86,453)</b>	<b>\$ (145,494)</b>	<b>\$ (192,165)</b>	<b>\$ (397,339)</b>	<b>\$ (131,765)</b>
<b>Other Financing Sources (Uses):</b>						
Long term debt issued.....	\$ 190,455	\$ 114,170	\$ 18,319	\$ 371,775	\$ 620,496	\$ 341,910
Premium on special obligation bonds payable...	4,097	1,693	-	-	12,136	5,833
Discount on special obligation bonds payable...	-	-	-	(2,778)	-	(1,409)
Payment to escrow agent - refunded bonds.....	-	(41,457)	(40,668)	-	(172,346)	(123,854)
Transfers in.....	192,537	214,270	208,115	232,249	185,557	168,233
Transfers out.....	(222,892)	(249,031)	(232,209)	(232,721)	(211,895)	(190,906)
<b>Total Other Financing Sources(Uses):</b>	<b>\$ 164,197</b>	<b>\$ 39,645</b>	<b>\$ (46,443)</b>	<b>\$ 368,525</b>	<b>\$ 433,948</b>	<b>\$ 199,807</b>
<b>Special Item:</b>						
Payment to escrow agent - refunded state bonds	-	-	-	(79,218)	-	-
<b>Net Changes in Fund Balances</b>	<b>\$ (37,077)</b>	<b>\$ (46,808)</b>	<b>\$ (191,937)</b>	<b>\$ 97,142</b>	<b>\$ 36,609</b>	<b>\$ 68,042</b>
<b>Debt Service as Percentage of NonCapital</b>						
<b>Expenditures</b>	<b>11.70%</b>	<b>12.81%</b>	<b>12.25%</b>	<b>12.80%</b>	<b>9.05%</b>	<b>10.21%</b>

**STATISTICAL SECTION – REVENUE CAPACITY**

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

<b>Year</b>	<b>Real Property (1)</b>	<b>Personal Property (2)</b>	<b>Centrally Assessed Property (3)</b>	<b>Total Taxable Assessed Value (net of tax exempt) (5)</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Values (4)</b>	<b>Assessed as a Percentage of Actual Values</b>
1998	21,670,377	4,772,427	110,301	26,553,105	11.0158	40,153,551	66.13%
1999	23,006,705	4,971,561	114,981	28,093,247	10.9158	43,049,107	65.26%
2000	25,111,711	5,141,892	139,229	30,392,832	10.7861	45,911,503	66.20%
2001	27,377,261	5,006,119	130,200	32,513,580	10.5723	49,301,249	65.95%
2002	29,711,042	5,219,215	136,971	35,067,228	10.3675	52,707,516	66.53%
2003	32,531,312	4,925,078	187,099	37,643,489	10.1842	57,041,509	65.99%
2004	35,752,946	4,690,592	207,378	40,650,916	9.8398	61,676,160	65.91%
2005	40,901,242	4,790,934	148,554	45,840,730	9.6879	68,661,525	66.76%
2006	47,333,137	5,181,388	168,318	52,682,843	9.6500	78,317,336	67.27%
2007	56,027,568	5,229,878	178,738	61,436,184	9.6400	92,633,106	66.32%

- (1) Prior to fiscal year 1981, State Homestead Exemption Laws exempted from taxation the first \$5,000 of assessed value for qualified homeowners. For 1981, the homestead exemption was increased to \$15,000; for 1982, it was increased to \$20,000; and for 1983 and subsequent years, it was increased to \$25,000. Real property is assessed on January 1 of each year according to its just value. Assessed value includes both residential and commercial property. A breakdown of those components was not available.
- (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 the Florida Statutes.
- (5) Presented net of tax exempt property.

Note: These figures come from the Final Tax Roll that is submitted to D.O.R in October each year.

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)	
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)	10.1650	0.0192	10.1842	8.9200	0.4620	0.0385	19.6047
2004	GSD (4)	9.8398	0.0000	9.8398	9.0510	0.4620	0.0385	19.3913
2005	GSD (4)	9.6879	0.0000	9.6879	8.5650	0.4620	0.0385	18.7534
2006	GSD (4)	9.6500	0.0000	9.6500	8.4250	0.4620	0.0385	18.5755
2007	GSD (4)	9.6400	0.0000	9.6400	8.0420	0.4620	0.0385	18.1825

(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 mils 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



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**CITY OF JACKSONVILLE, FLORIDA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO**

Taxpayer	Type of Business	2007		
		Valuation	Rank	Percentage
Bell South/Jacksonville MSA Limited .....	Communications	\$363,216,104	1	0.65%
Anheuser-Busch/Metal Container Corp .....	Manufacturing	334,317,791	2	0.60%
Flagler Development Company .....	Real Estate Mngmt/Development	298,419,090	3	0.54%
Wal-Mart Properties/Stores .....	Retail	247,962,020	4	0.44%
Vistakon/Johnson & Johnson Vision .....	Manufacturing	240,555,179	5	0.43%
Blue Cross & Blue Shield .....	Insurance	209,328,324	6	0.38%
Liberty Property Limited Partnership .....	Real Estate Mngmt/Development	178,007,862	7	0.32%
WinDixie Stores/ZSF WD Jacksonville.....	Retail	164,552,579	8	0.30%
Cedar Bay Generating Co. ....	Utilities	160,458,992	9	0.29%
Mid America Apartments .....	Apartments	149,731,703	10	0.27%
Nations Bank .....	Banking			
AT&T/American TransTech .....	Telemarketing			
Prudential Insurance Co .....	Insurance			
Florida Power & Light Company .....	Utilities			
Gate Petroleum/Maritime/Lands .....	Oil/Development			
Total Taxable Assessed Value of 10 Largest Taxpayers ....		\$2,346,549,644		4.21%
Total Taxable Assessed Value of Other Taxpayers .....		53,422,578,590		95.79%
Total Taxable Assessed Value of All Taxpaycrs .....		\$55,769,128,234		100.00%

Source: Tax Collector's Office



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1998		
Valuation	Rank	Percentage
\$649,248,808	1	2.70%
285,504,555	4	1.19%
194,355,154	6	0.81%
169,428,980	8	0.70%
213,829,907	5	0.89%
364,158,514	2	1.52%
290,892,682	3	1.21%
191,169,902	7	0.80%
152,191,435	9	0.63%
140,389,022	10	0.58%
<u>\$2,651,168,959</u>		<u>11.03%</u>
<u>21,387,719,041</u>		<u>88.97%</u>
<u><u>\$24,038,888,000</u></u>		<u><u>100.00%</u></u>

**CITY OF JACKSONVILLE, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended Sept. 30</b>		<b>Taxes Levied for the Fiscal year (1)</b>	<b>Collected within the Fiscal Year of the Levy</b>	
			<b>Amount</b>	<b>Percentage of Levy</b>
1998	General Fund - General Services District	\$ 257,656,758	\$ 253,915,941	98.5%
1999	General Fund - General Services District	\$ 275,432,033	\$ 272,396,641	98.9%
2000	General Fund - General Services District	\$ 287,849,421	\$ 283,056,247	98.3%
2001	General Fund - General Services District	\$ 303,152,394	\$ 300,591,772	99.2%
2002	General Fund - General Services District	\$ 317,428,233	\$ 313,861,386	98.9%
2003	General Fund - General Services District	\$ 336,340,414	\$ 328,521,941	97.7%
2004	General Fund - General Services District	\$ 348,345,910	\$ 344,796,332	99.0%
2005	General Fund - General Services District	\$ 367,688,578	\$ 365,687,691	99.5%
2006	General Fund - General Services District	\$ 425,627,429	\$ 408,738,240	96.0%
2007	General Fund - General Services District	\$ 488,288,058	\$ 469,695,411	96.2%

(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%

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Collections in Subsequent Years	Total Collections to date	
	Amount	Percentage of Levy
\$ 14,655	\$ 253,930,596	98.5%
\$ 33,390	\$ 272,430,031	98.9%
\$ 44,627	\$ 283,100,874	98.4%
\$ 233,246	\$ 300,825,018	99.2%
\$ 136,238	\$ 313,997,624	98.9%
\$ 245,476	\$ 328,767,417	97.7%
\$ 479,721	\$ 345,276,053	99.1%
\$ 753,042	\$ 365,687,691	99.5%
\$ 1,240,809	\$ 409,979,049	96.3%
\$ -	\$ 469,695,411	96.2%



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**STATISTICAL SECTION – DEBT CAPACITY**

**CITY OF JACKSONVILLE, FLORIDA  
RATIO OF OUTSTANDING DEBT BY TYPE  
TO PERSONAL INCOME AND PER CAPITA  
LAST TEN YEARS**

*(dollars in thousands, except per capita)*

Fiscal Year	Government Activities				
	General Obligation Bonds	Special Obligation Bonds	Special Obligation Bonds - BJP	Notes Payable	Notes Payable - BJP
1998	\$ 2,785	\$ 678,686	\$ -	\$ 22,010	\$ -
1999	2,285	697,915	-	19,425	-
2000	1,755	718,300	-	16,565	-
2001	1,195	689,010	397,710	13,025	-
2002	605	881,440	395,395	11,165	-
2003	-	998,466	804,425	9,375	-
2004	-	1,035,101	1,093,855	8,980	-
2005	-	955,206	1,081,805	8,520	18,319
2006	-	985,840	1,064,210	7,995	15,920
2007	-	985,015	1,147,120	7,360	57,426

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**Government Activities (continued)**

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<b>Commercial Notes Payable</b>	<b>Banking Fund Program Notes Payable</b>	<b>Capitalized Lease Obligations</b>	<b>Due to Component Units</b>
\$ 60,000	\$ -	\$ 1,135	\$ 1,600
60,000	-	466	1,200
60,000	-	239	800
60,000	-	-	400
60,000	-	-	-
-	-	-	-
-	-	-	-
-	58,565	-	-
-	72,205	-	-
-	72,205	-	-

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(continued)

**CITY OF JACKSONVILLE, FLORIDA  
RATIO OF OUTSTANDING DEBT BY TYPE  
TO PERSONAL INCOME AND PER CAPITA  
LAST TEN YEARS**  
*(dollars in thousands, except per capita)*

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Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Revenue Bonds	Accrued Compensating Absences	Liability for Landfill (Post)closure	Capitalized Lease Obligations			
1998	\$ 64,595	\$ 3,499	\$ -	\$ 38	\$ 834,348	0.042 %	1,088.23
1999	85,100	3,097	-	-	869,488	0.042	1,117.10
2000	82,985	3,016	-	777	884,437	0.039	1,117.41
2001	79,670	3,234	-	1,332	1,245,576	0.055	1,568.94
2002	79,670	708	22,556	-	1,451,539	0.061	1,798.66
2003	76,234	723	24,724	-	1,913,947	0.077	2,314.46
2004	72,109	751	31,104	-	2,241,900	0.085	2,678.38
2005	67,990	767	44,003	-	2,235,175	0.081	2,659.42
2006	63,465	705	43,050	-	2,253,390	0.078	2,528.51
2007	57,560	714	46,600	-	2,374,000	0.078	2,644.84

(1) Source: Bureau of Economic Analysis: Regional Economic Accounts.

(2) Population figures are noted for Duval County as of April 1st of each year.  
Source: University of Florida, Bureau of Economic and Business Research





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**CITY OF JACKSONVILLE, FLORIDA  
RATIO OF GENERAL BONDED DEBT OUTSTANDING  
TO ACTUAL TAXABLE VALUE OF PROPERTY AND PER CAPITA  
LAST TEN YEARS**

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Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Redevelopment Bonds	Total		
1998	\$ 2,785,000	\$ -	\$ 2,785,000	0.07 %	\$ 3.63
1999	2,285,000	-	2,285,000	0.05	2.94
2000	1,755,000	-	1,755,000	0.04	2.22
2001	1,195,000	-	1,195,000	0.02	1.51
2002	605,000	-	605,000	0.01	0.75
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-

(1) Source: Property Appraiser's Office.

(2) Population figures are noted for Duval County as of April 1st of each year.  
Source: University of Florida, Bureau of Economic and Business Research

**CITY OF JACKSONVILLE, FLORIDA  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 as of September 30, 2007**

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<u>Governmental Unit</u>	<u>Net General Obligation Bonds (1)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Duval County School Board	\$ 6,677,419	100.000%	\$ 6,677,419
<b>Other Debt</b>			
None	-	-	-
<b>Subtotal, Overlapping Debt</b>			<u>6,677,419</u>
<b>City Direct Debt</b>			<u>-</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 6,677,419</u>

(1) The net general obligation debt outstanding includes debt which is secured by the District to levy taxes on real estate less amounts available in debt service funds.

(2) The applicable percentage is based on the District's geographical boundaries within Duval County.

Source: Duval County Public Schools - Business Services

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**CITY OF JACKSONVILLE, FLORIDA  
 LEGAL DEBT MARGIN INFORMATION  
 as of September 30, 2007**

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**Neither the City of Jacksonville charter or code nor the Florida State Statues limits the amount of debt the City of Jacksonville can issue.**

**CITY OF JACKSONVILLE, FLORIDA**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN YEARS**  
*(dollars in thousands)*

**Excise Tax Revenue Bonds**

Fiscal Year	Utility Service Taxes	Fuel Oil Taxes	Occupational License Taxes	Gross Available Revenues	Debt Service		Coverage
					Principal	Interest	
1998	\$ 68,104	\$ 238	\$ 6,523	\$ 74,864	\$ 13,565	\$ 17,404	2.42
1999	71,584	232	6,675	78,490	13,602	16,585	2.60
2000	73,341	245	6,721	80,307	16,320	16,476	2.45
2001	78,486	287	6,910	85,683	17,860	16,248	2.51
2002	87,710	164	7,089	94,964	19,155	14,586	2.81
2003	89,604	163	7,493	97,260	16,845	16,185	2.94
2004	89,364	107	7,320	96,791	23,080	17,072	2.41
2005	92,848	113	8,143	101,104	26,120	17,320	2.33
2006	97,284	229	8,809	106,322	28,570	17,388	2.31
2007	97,833	92	7,618	105,543	31,205	21,578	2.00

**Capital Improvement Revenue Bonds**

Franchise Fees	Communication Services Taxes	Sports Facility Sales Tax Rebate	Convention Development Tax (2%)	Sports Facility		Gross Available Revenues	Debt Service		Coverage
				Development Tax (2%)	Tourist Development Tax (2%)		Principal	Interest	
\$ 6,459	\$ -	\$ 2,000	\$ 2,884	\$ 3,094	\$ 3,094	\$ 14,437	\$ 260	\$ 6,332	2.19
6,469	-	2,000	3,059	3,285	3,285	14,813	1,245	5,556	2.18
7,199	-	2,000	3,134	3,365	3,365	15,698	630	6,103	2.33
7,846	-	1,833	3,475	3,738	3,738	16,892	725	6,073	2.48
2,763	6,104	2,000	3,524	3,780	3,780	18,171	1,360	6,024	2.46
926	6,209	2,000	3,611	3,895	3,895	16,641	1,475	9,189	1.56
1,152	6,158	2,000	3,847	4,155	4,155	17,311	1,610	11,642	1.31
1,276	6,502	2,000	4,800	5,108	5,108	19,686	1,750	10,441	1.61
1,710	6,746	2,000	5,201	5,530	5,530	21,187	2,215	8,530	1.97
1,335	6,709	2,000	5,118	5,402	5,402	20,565	3,675	7,733	1.80

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 LAST TEN YEARS  
 (dollars in thousands)**

Fiscal Year	Capital Project Revenue Bonds							Coverage
	JEA Contribution - Electric Services	JEA Contribution - Water and Sewer	Gross Available Revenues	Debt Service				
				Principal	Interest			
1998	\$ 52,039	\$ 9,529	\$ 61,568	\$ 260	\$ 6,332		9.34	
1999	57,056	9,438	66,494	1,245	5,556		9.78	
2000	60,898	10,536	71,434	630	6,103		10.61	
2001	62,590	11,049	73,638	725	6,073		10.83	
2002	65,490	11,117	76,606	1,955	1,062		25.39	
2003	67,039	11,457	78,496	2,000	783		28.21	
2004	70,039	13,148	83,188	2,055	903		28.12	
2005	68,677	17,261	85,938	2,205	2,875		16.92	
2006	71,031	17,657	88,688	2,265	4,478		13.15	
2007	73,100	18,337	91,438	2,430	5,103		12.14	

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**Guaranteed Entitlement Bonds**

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County Revenue Sharing	City Revenue Sharing	Gross Available Revenues	Debt Service		Coverage
			Principal	Interest	
\$ 1,999	\$ 5,826	\$ 7,825	\$ 675	\$ 4,128	1.63
1,999	5,826	7,825	3,500	4,038	1.04
1,999	5,826	7,825	3,650	3,883	1.04
1,999	5,826	7,825	3,810	3,716	1.04
1,999	5,826	7,825	3,990	3,538	1.04
1,999	5,826	7,825	-	4,058	1.93
1,999	5,826	7,825	2,000	5,421	1.05
1,999	5,826	7,825	2,060	5,360	1.05
1,999	5,826	7,825	2,120	5,298	1.05
1,999	5,826	7,825	2,185	5,233	1.05

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**CITY OF JACKSONVILLE, FLORIDA**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN YEARS**  
*(dollars in thousands)*

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Fiscal Year	Local Government Sales Tax Revenue Bonds				Better Jacksonville Infrastructure Sales Tax Bonds			
	Local Government 1/2 Cent Sales Tax	Debt Service		Coverage	Infrastructure Sales Tax	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
1998	\$ 57,610	\$ -	\$ 10,919	5.28				
1999	61,775	4,505	10,465	4.13				
2000	67,373	4,740	10,683	4.37				
2001	67,487	4,985	10,609	4.33	\$ 38,496			
2002	71,689	5,325	8,374	5.23	55,324	\$ 2,315	\$ 9,994	4.49
2003	73,677	5,680	7,985	5.18	57,971	3,310	10,822	4.10
2004	76,155	8,675	8,923	4.33	60,132	6,020	21,269	2.20
2005	81,355	8,675	8,517	4.73	69,337	7,865	29,042	1.88
2006	86,763	9,085	8,114	5.04	73,227	13,310	28,071	1.77
2007	83,940	9,480	7,748	4.87	70,665	15,799	28,011	1.61



**Transportation Revenue Bonds (Better Jax)**

<u>Transportation Sales Tax</u>	<u>Gas Tax (Constitutional Fuel Tax)</u>	<u>Gross Available Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
\$ 48,241	\$ 7,435	\$ 55,675			
51,977	7,554	59,531			
56,746	8,558	65,304			
57,496	8,475	65,972			
57,471	8,174	65,646	\$ -	\$ 8,153	8.05
60,379	8,447	68,826	110	8,971	7.58
61,650	8,861	70,511	3,580	12,492	4.39
71,717	9,280	80,997	4,185	18,148	3.63
76,136	9,280	85,416	6,684	22,039	2.97
73,543	9,235	82,779	4,495	23,283	2.98

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**STATISTICAL SECTION – DEMOGRAPHIC AND ECONOMIC INFORMATION**

**CITY OF JACKSONVILLE, FLORIDA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS**

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<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Total Personal Income (thousands) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (3)</b>	<b>Education level in Years of Schooling (4)</b>	<b>School Enrollment (5)</b>	<b>Unemployment rate (6)</b>
1998	766,705	\$ 19,822,257	\$ 25,869	N/A	N/A	127,405	3.40%
1999	778,341	\$ 20,616,898	\$ 26,666	N/A	N/A	126,354	3.20%
2000	791,507	\$ 22,548,896	\$ 28,920	34.1	12.97	125,832	3.30%
2001	793,898	\$ 22,828,124	\$ 28,879	34.1	N/A	126,919	4.20%
2002	807,012	\$ 23,651,670	\$ 29,498	34.2	13.01	128,118	5.70%
2003	826,951	\$ 24,788,824	\$ 30,546	34.6	13.16	129,553	5.50%
2004	837,037	\$ 26,371,290	\$ 32,175	35.0	13.22	127,469	5.20%
2005	859,361	\$ 27,689,855	\$ 32,221	35.4	13.26	126,535	4.20%
2006	891,192	\$ 29,074,347	\$ 32,624	35.5	13.35	125,171	3.00%
2007	897,974	\$ 30,528,064	\$ 33,997	36.1	13.16	125,063	3.90%

**Source:**

- (1) 1997-2004 Bureau of Economic Analysis: Regional Economic Accounts  
2007 - Economic and Demographic Research
- (2) 1997-2004 Bureau of Economic Analysis: Regional Economic Accounts  
2005 - 2007 See notes below
- (3) COJ Planning & Development
- (4) US Census Bureau
- (5) Florida Department of Education (FDOE) Survey 2 Data  
2007 Duval County School Board
- (6) USDA Economic Research Service  
2007 - US Dept of Labor, Bureau of Labor Statistics

**Notes:** N/A = Statistical information is not available  
 2005 - 2007 population, total personal income, per capita personal income, and education level are estimates only

**CITY OF JACKSONVILLE, FLORIDA  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR**

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<b>EMPLOYER</b>	<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of total City Employment</b>
Naval Air Station Jacksonville	25,245	1	3.93%
Naval Air Station Mayport	15,293	2	2.38%
Duval County Public Schools	14,489	3	2.26%
City of Jacksonville	8,828	4	1.38%
Baptist Health	7,000	5	1.09%
Blue Cross & Blue Shield	7,000	6	1.09%
Mayo Clinic	5,000	7	0.78%
CSX	4,400	8	0.69%
CitiBank(Citi-Cards)	4,200	9	0.65%
Bank of America	4,000	10	0.62%

Notes:

- (1) Information current as of January 07, 2008
- (2) Prior year information from nine years ago is not available.

Source: Jacksonville Cornerstone Regional Development Partnership

**STATISTICAL SECTION – OPERATING INFORMATION**

**CITY OF JACKSONVILLE, FLORIDA  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
 BY FUNCTION/PROGRAM  
 LAST 10 YEARS**

Function/Program	Full-time Equivalent Employees as of September 30									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Government .....	1,493	1,545	1,451	1,608	1,575	1,596	1,554	1,507	1,465	1,474
Human Services .....	376	421	275	283	256	207	201	202	213	236
Public Safety .....	4,493	4,522	4,505	4,093	4,069	3,953	3,897	3,832	3,723	3,697
Culture and Recreation .....	769	809	706	693	556	482	452	432	421	410
Transportation .....	421	445	478	471	470	472	466	467	484	493
Economic Environment .....	77	97	104	96	94	94	91	86	92	82
Physical Environment .....	156	161	137	133	124	122	151	144	148	132
Parking System .....	44	47	31	32	76	29	29	28	29	29
Motor Vehicle Inspection .....	9	9	10	9	11	12	11	12	12	12
Solid Waste .....	170	203	160	163	163	162	175	174	174	181
<b>Total</b>	<b>8,008</b>	<b>8,259</b>	<b>7,857</b>	<b>7,581</b>	<b>7,394</b>	<b>7,129</b>	<b>7,027</b>	<b>6,884</b>	<b>6,761</b>	<b>6,746</b>

Source: City of Jacksonville Annual Financial Plan

Note: Number of positions based on approved budget

**CITY OF JACKSONVILLE, FLORIDA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR					
	2007	2006	2005	2004	2003	2002
<b>Police</b>						
Average Daily Police Calls for service .....	4,738	4,605	4,660	4,450	4,208	4,277
Parking Violations .....	14,415	60,736	86,864	104,014	92,765	92,554
Traffic citations issued .....	220,569	208,825	208,292	212,726	234,591	240,364
Total sworn officers .....	1,665	1,591	1,609	1,622	1,622	1,584
Total civilians .....	1,335	1,236	1,125	1,175	1,118	1,107
Average daily population by institution:						
John E Goode Pretrial Detention Facility .....	2,536	2,322	2,247	2,206	2,139	1,986
James I. Montgomery Correctional Center .....	718	747	744	698	602	548
Community Corrections Division .....	314	312	337	306	333	313
<b>Fire/Rescue</b>						
Fire incidents .....	20,835	19,604	19,336	22,538	18,221	19,607
Rescue incidents .....	92,875	89,260	88,041	83,841	78,649	75,332
Rescue transports .....	49,340	45,110	44,533	42,280	38,635	36,834
Fire /Rescue Communication(9-1-1)						
No. of calls for emergency assistance .....	113,710	108,864	107,377	106,379	96,870	94,939
Fire prevention						
No. of inspection .....	8,411	10,351	14,106	12,457	7,459	N/A
No. of public education participants .....	46,195	48,722	35,278	26,421	15,221	N/A
<b>Solid Waste</b>						
Refuse collections (tons per day) .....	2,731	3,173	3,252	3,046	2,849	2,015
Recyclables collected(tons per day) .....	490	493	586	568	490	348
<b>Motor Vehicle</b>						
Number of vehicles inspected .....	10,895	11,196	11,229	10,430	13,872	17,703
<b>Animal Care and Control</b>						
Complaints received .....	16,491	34,398	32,520	30,987	36,523	26,011
Animals impounded .....	26,642	25,870	20,497	17,586	18,518	17,422
License tags dispensed .....	65,369	64,648	89,646	72,354	97,258	87,614
<b>Housing</b>						
Community Development Block Grant(CDBG)						
Limited Repair Program .....	55	53	37	44	55	66
	78	81	96	N/A	N/A	N/A
Façade program .....	6	20	10	8	13	18
Home Ownership Made Easy(HOME)						
Head Start Homeownership .....	111	46	78	174	165	144
Home-American Dream .....	6	33	36	N/A	N/A	N/A
Elderly Relocation/New Construction .....	4	4	4	1	N/A	1
State Housing Initiative Partnership(SHIP) .....						
Home Owner Rehabilitation .....	6	26	156	310	17	27

Source: City of Jax. Annual Financial plan  
Various City Departments

Notes: N/A=Statistical Information is not available



<b>FISCAL YEAR</b>			
<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
3,964	3,964	3,700	1,231
82,185	72,337	N/A	N/A
248,001	233,071	194,595	158,941
1,579	1,579	1,552	1,500
1,095	1,095	1,082	1,060
1,955	1,955	1,920	1,937
570	570	559	545
294	294	280	268
20,198	19,333	18,448	18,753
72,648	70,144	66,421	61,721
35,484	34,097	N/A	N/A
92,844	89,477	84,869	80,474
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
2,693	2,489	2,151	1,921
476	438	494	399
17,970	18,498	18,451	18,642
19,892	19,892	38,220	27,139
20,000	20,000	19,640	16,962
74,100	74,100	70,000	60,334
77	70	108	108
88	74	N/A	36
19	N/A	N/A	N/A
183	191	220	275
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
35	73	94	44

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS (continued)**

Function/Program	FISCAL YEAR					
	2007	2006	2005	2004	2003	2002
<b>Parks and Recreations</b>						
Pool Attendance .....	428,403	466,321	462,817	592,622	615,392	500,229
Camp Attendance .....	5,094	4,956	5,013	6,487	5,998	5,716
Swimming lesson(children) .....	5,529	4,458	4,447	4,687	4,129	4,054
Permits issued(Athletic, special use, picnic) .....	1,912	3,322	1,694	189	N/A	N/A
Cecil Attendance .....	264,833	211,320	173,144	164,603	N/A	N/A
Athletic volunteers .....	912,550	1,082,695	668,260	469,872	N/A	N/A
<b>Jacksonville Children's Commission</b>						
Early Learning Coalition-Child Care Service .....	13,018	13,547	13,394	13,881	15,649	13,113
Team UP Programs .....	4,129	3,987	5,267	5,002	4,300	5,128
Community Based After school programs .....	2,409	2,365	2,596	2,142	2,649	7,201
Healthy Kids and Kidcare* .....	7,430	7,042	10,931	14,435	13,635	11,396
Summer Camperships .....	4,083	4,972	6,861	6,216	5,430	7,832
<b>Summer Lunch Program .....</b>						
Lunches served daily .....	340,213	323,571	289,627	447,238	468,019	481,259
Snacks served daily .....	275,421	272,656	233,040	381,061	407,918	422,129
Number of Sites .....	157	175	157	231	236	239
Number of days served .....	57	47	43	46	44	40
Homework Zone .....	1,300	1,300	500	N/A	N/A	N/A
<b>Early Literacy</b>						
Mayor Peyton Book Club .....	8,818	8,399	8,365	4,000	N/A	N/A
Others .....	6,800	7,851	5,329	1,000	N/A	N/A
Brewer Center Child Care Facility .....	98	97	95	N/A	N/A	N/A
Workforce Dev Training Institute .....	1,500	1,142	2,718	3,699	2,600	N/A
<b>Library</b>						
Programs .....	11,417	9,243	6,874	4,827	4,824	3,024
Gate count .....	4,703,234	4,365,463	3,768,611	3,461,025	3,102,184	2,885,356
Circulation .....	8,378,103	7,948,860	6,145,880	5,460,107	5,212,422	4,773,855

Source: City of Jax. Annual Financial plan  
Various City Departments

Notes: N/A=Statistical Information is not available  
\*Healthy Kid and kidcare stat as of June 30,2007

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FISCAL YEAR			
2001	2000	1999	1998
493,131	523,837	488,023	522,509
N/A	N/A	N/A	N/A
4,558	5,491	5,139	6,179
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
9,350	9,447	9,910	13,457
2,418	4,825	2,600	N/A
21,744	25,480	34,035	33,328
9,007	858	2,500	N/A
4,916	5,116	3,439	1,666
482,570	476,094	463,758	N/A
438,851	426,252	417,174	N/A
232	200	200	N/A
44	39	44	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
3,024	2,919	3,533	N/A
2,542,511	2,324,911	2,222,142	1,818,391
4,315,518	4,021,675	3,738,166	3,577,969

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**CITY OF JACKSONVILLE, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year					
	2007	2006	2005	2004	2003	2002
<b>Police</b>						
Vehicular Patrol units						
Patrol Cars	1,468	1,418	1,418	1,208	1,164	1,144
Motorcycles	16	16	16	16	16	17
Other Vehicles	160	160	222	241	184	178
Unmarked	255	255	255	345	381	352
Horse Patrol	6	6	6	6	6	7
<b>Fire Protection</b>						
Stations	50	52	50	50	47	47
Marine Based stations	2	2	2	2	2	2
Rescue Units	31	30	30	24	24	17
<b>Parks and Recreation</b>						
Boat ramps	32	32	29	21	21	23
Community Center	53	53	53	30	30	30
Softball and Baseball Diamonds	280	287	277	267	267	209
Swimming pools	36	36	35	33	33	33
Tennis Courts	158	156	158	149	149	127
Soccer Fields	84	78	76	57	57	27
<b>Street</b>						
Miles of the streets	3,570	3,534	3,489	3,449	3,403	3,403
Street - paved (miles)	3,566	3,530	3,485	3,445	3,396	3,396
Street - unpaved (miles)	4	4	4	4	7	7
Street Maintained Primary (miles)	372	372	371	371	373	373
Interstate (miles)	115	95	95	95	95	95
<b>Parking</b>						
Downtown parking garages capacity	2,576	2,280	2,280	2,240	2,240	2,330
Downtown parking lots capacity	1,262	1,530	1,530	1,554	1,554	1,830
On Street meters	1,500	1,600	1,600	1,546	1,506	1,750
<b>Solid Waste</b>						
No. of city landfills in operation	1	1	1	1	1	1
No. of city yard waste recycling	1	2	2	2	2	2
<b>Community Services</b>						
Senior Citizen Centers	18	18	18	19	21	21
Passenger busses	26	26	26	24	24	23
<b>Library</b>						
Facilities	21	21	20	18	14	14
Square footage	785,046	785,046	785,046	417,061	362,061	356,721
No. of items held(books, DVD's, CD's, etc)	3,071,780	2,856,089	2,682,984	3,057,024	2,407,711	2,386,165

Source: City of Jacksonville Annual Financial plan  
Various City Departments

Notes: N/A=Statistical Information is not available

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<b>Fiscal Year</b>			
<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
1,122	1,115	1,060	1,041
17	15	15	14
150	150	148	148
357	341	328	314
7	5	5	5
47	50	50	47
2	2	2	2
21	21	21	17
23	21	21	19
30	55	55	27
209	223	223	226
33	31	31	32
127	144	144	141
27	28	N/A	N/A
3,351	3,351	3,324	3,305
3,347	3,347	3,320	3,301
4	4	4	4
363	363	520	487
95	95	99	99
2,330	2,318	2,238	2,767
1,830	1,742	1,670	1,595
1,750	1,652	2,000	1,800
1	1	1	1
2	2	2	2
21	21	21	21
24	23	22	19
14	14	14	14
356,721	356,721	356,721	356,721
2,325,780	2,308,039	2,370,531	2,743,905

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