

# CITY OF JACKSONVILLE, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008



PREPARED BY THE DEPARTMENT OF FINANCE  
ACCOUNTING DIVISION



**City of Jacksonville, Florida**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2008**

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**LETTER OF TRANSMITTAL**





OFFICE OF THE MAYOR

John Peyton, Mayor

May 15, 2009

Dear Citizens of Jacksonville:

It is a pleasure to present you with the City of Jacksonville's Comprehensive Annual Financial Report for Fiscal Year 2007/2008.

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

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

Sincerely,

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

John Peyton  
Mayor





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May 15, 2009

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

## **INTRODUCTION**

The Comprehensive Annual Financial Report (CAFR) of the City of Jacksonville, Florida (the City), for the fiscal year ended September 30, 2008 is hereby submitted.

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

The City, founded in 1832 and consolidated with Duval County in 1968, has an estimated population of 904,971 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 45,550 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 1,369,124. 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 the City and county services needed to maintain the quality of life that has attracted considerable growth to our community. History has proven that significant emphasis on support systems such as transportation, stormwater management, potable water, wastewater and electric capacity must be balanced carefully with quality of life amenities. These amenities, include parks, recreation, sports, entertainment and cultural opportunities to maintain the natural beauty and attractiveness of a community. For the City, these natural attributes take shape as they relate to water (the St. Johns River and its tributaries, the intracoastal waterway and the Atlantic Ocean), a tree canopy and lush vegetation, which provide the unique environment of Jacksonville MSA living.

## Growth

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

The City and the MSA continue to demonstrate the benefits of being one of the identified 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

	2008	2007	2006	2005	2004	2003	1998	Average % Growth		
								Last 3	Last 5	Last 10
Population (in thousands)										
City/County	905.0	898.0	891.2	859.4	837.0	827.0	754.0	1.8%	2.0%	2.0%
MSA	1,369.1	1,295.9	1,272.7	1,224.7	1,204.6	1,170.8	1,120.1	3.9%	3.4%	2.2%
Assessed Value (in billions)										
City (only)	55.2	47.6	41.6	37.1	34.5	32.3	23.2	16.3%	15.0%	13.8%
City/County	61.4	52.7	45.8	40.7	37.6	35.1	24.6	17.0%	15.8%	15.0%
MSA	104.0	97.1	84.8	72.2	63.7	58.3	37.1	14.7%	15.8%	18.0%
Dollar Value of Building Permits (in millions)										
City/County	2141	1948	2380	3654	2147	1971	1427	NA	NA	NA
MSA	3894	3359	4484	6203	4080	3709	4179	NA	NA	NA
Building Permits (in thousands of Units)										
City/County	13.2	14.4	22.7	27.1	24.0	23.1	23.2	NA	NA	NA
MSA	35.0	40.0	58.0	69.3	57.0	53.3	43.4	NA	NA	NA
Employment MSA (in thousands)										
Selected Segments:										
Manufacturing & Construction	75.3	86.0	86.5	102.6	97.4	91.6	68.2	-8.9%	-5.7%	1.0%
Wholesale & Retail	138.3	142.8	139.1	127.6	125.1	122.7	118.7	2.8%	2.6%	1.7%
Service	304.7	315.0	303.2	260.0	259.2	252.9	237.3	5.7%	4.4%	2.8%
Government	78.7	78.6	79.0	73.9	72.7	71.6	68.3	2.2%	2.1%	1.5%
Other	28.8	28.0	28.0	27.5	26.6	25.7	21.6	1.6%	2.1%	3.3%
Total	625.8	650.5	635.8	591.6	581.0	564.5	514.1	1.9%	1.9%	2.2%
Retail Sales in MSA (in billions)	25.9	28.5	23.1	16.9	15.5	14.5	N/A	17.8%	16.8%	N/A
Chamber/Job Recruitment										
New Jobs(1)	3393	7235	10166	10572	9674	8035	N/A	-22.6%	-16.2%	N/A
Corporate (2)	2127	2026	4449	3761	4177	3273	N/A	-14.5%	-12.3%	N/A
Port (JPA) Activity										
Cruise Passengers (in thousands)	76.0	80.0	78.0	86.0	50.0	0.0	0.0	N/A	N/A	N/A
Tons of Freight (in millions)	8.4	8.3	8.7	8.4	7.7	7.3	6.9	0.0%	2.3%	2.2%
Airport (JAA) Activity										
Passengers (in thousands)	6.0	6.3	5.9	5.7	5.1	4.9	4.1	1.8%	4.4%	4.6%
Tons of Airfreight (in millions)	81.6	83.2	86.8	85.1	83.2	76.2	59.7	-1.4%	-0.5%	3.7%

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

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

The State of Florida is the fourth largest state, with more than 18.8 million residents and, in recent history, is one of the fastest growing yet least taxed major states in the country. Local government revenue sources are restricted to property taxes and a limited array of permissive additional revenue opportunities. Because a personal income tax is constitutionally prohibited in Florida, state and local governments are continually seeking new and broader revenue opportunities to meet the service delivery and infrastructure requirements of our current and future population.

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

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

## **Limitation on Flexibility- City/County View**

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

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

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

## **State and Federal Imposed Mandates**

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

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

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

### **Framework**

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

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

By its charter, the county continues to utilize the 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.

Jacksonville Aviation Authority (JAA)

JEA (electric, water and wastewater utilities)

Jacksonville Port Authority (JPA)

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

Water Sewer Expansion Authority (WSEA)

Jacksonville Children's Commission\*

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

Jacksonville Public Library\*

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

\*Presented as part of the mayor's budget submission to City Council.

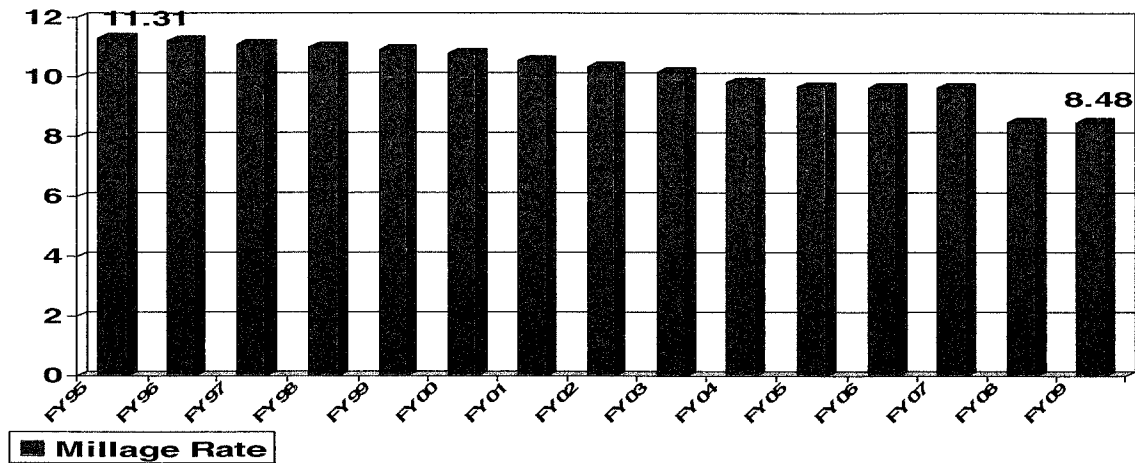


## CHALLENGES/CONCERNS

As the City addresses the various demands of growth, it is equally important that it identify the challenges the community will face over the next three to five 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% annually. While the General Counsel has determined that the vote was advisory and not mandatory, each mayor and City Council (from FY 1996 through FY 2005) abided by the rollback. The collective impact is reflected in the following schedule.



Jacksonville reduced the millage rate for 13 straight years and maintained the same millage during the 14<sup>th</sup> year. Compared to FY 1995, these reductions total 2.83 mills and are worth \$157.6 million in FY 2009 and \$685.8 million cumulatively.

Starting with the 2005-2006 budget, the mayor elected to forgo the proposed reduction resulting from the 3% limitation. The reduction for 2007-2008 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% Limitation Reduction</u>
2005-2006	9.65	.03	.61
2006-2007	9.64	.01	1.00
2007-2008*	8.48	1.16	.83
2008-2009*	8.48	0.00	(.44)

\*See discussion under Property Tax Relief – State-wide Initiative.

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>FY 2001</u>	<u>FY 2008</u>	<u>% Change</u>
Sheriff:			
Staffing	2,674	2,994	12.0%
Budget (in millions)	\$193.4	\$328.9	70.1%
Fire Rescue			
Staffing	1,076	1,303	21.1%
Budget (in millions)	\$ 86.5	\$150.4	73.9%

During the same period, the non-public safety operations (e.g. public works, parks & recreation, etc.) other than the library system, have grown at a significantly reduced rate. The Library system, which opened two 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>FY 2001</u>	<u>FY 2008</u>	<u>% Change</u>
Library System			
Staffing	204	368	80.4%
Budget (in millions)	\$14.8	\$38.2	158.1%
Other non-public safety			
Staffing	2,396	1,752	(26.9%)
Budget (in millions)	\$195.1	219.4	12.5%

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 years and then comparing the results to what would have happened with annual actuarial studies.

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 an increase in property tax revenue of \$57 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 demands 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.

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.

The constitutional amendment approved on the January 29, 2008 ballot, provide 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% 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 is often dramatic. Equally and separately, there is a tax shifting impact between homesteaded residential and other properties. Prior to the referendum, individual homestead property owners 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% 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%) 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 to increase revenues by \$27 million:

- a 3% 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 2008

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 Council members began their second, four-year term and ten 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 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 \$36.1 million impact on the City's 2008-2009 revenues. The phased implementation of three (3) new fees will produce an estimated new revenue for 2008-2009 of \$52 million to partially address the city's budget requirements.

### **2008-2009 Budget Development**

Even with the phased implementation of the three new fees, in the summer of 2007, the City anticipated that if the January 2008 referendum passed, the 2008-2009 budget might require some form of additional revenue initiative.

During 2007-2008, the City experienced a significant revenue shortfall related to sales tax and other state revenue sharing which is also principally sales tax driven. The City's three ½ cent sales tax revenues (one in the General Fund and two for Better Jacksonville Plan) experienced differing impact based on different tax limit applications.

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

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

Related to the proposed 2008-2009 General Fund budget, the City needed to address:

	<u>Millions</u>
Sales tax and other state revenue decreases	\$(11.2 )
Property tax (referendum) impact	(36.1)
Full year impact of three new fees	52.0
Crime initiative impact	<u>(30.8)</u>
Total	\$(26.1)

In addition to the above, there was the normal growth in existing services.

The \$8.8 million capital element of the crime initiative was able to be addressed by re-allocation of \$18.8 million bond proceeds refinanced by the University of Florida/Shands Medical Center and returned to the City for alternative capital application.

While the City originally anticipated a possible need for additional revenue (probably a property tax increase), during the budget development process, the Mayor determined that the economic circumstances just were not right for such an initiative. Ultimately, the City was able to balance its budget without a tax increase.

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

During 2004-2005, the City was able to settle a long standing class action suit regarding land value diminution and personal injury that arose out of a Solid Waste practice prior to the early 1970's Solid Waste produced incinerator ash and used it as a fill when mixed with soil in low lying areas. The City agreed to pay \$25 million and to allow the plaintiffs to pursue the City's then-insurance providers related thereto. While temporarily financing the cost 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 also negotiated (and finalized a settlement agreement in Fall 2007) with the U.S. Environmental Protection Agency (EPA) regarding clean-up which will involve removing 2 feet of soil around the homes and related park land, putting down a mesh and replacing the removed top cover with new soil in an area of 1,300 or more homes. The current estimate for remediation of the ash sites and other litigation of approximately \$139.3 million is accrued as a liability at the end of 2008. The initial \$15.4 million will be provided by the BJP non transportation related authorized uses, an additional \$106.7 million funding has been identified in the 2008-2013 Capital Improvement Program (CIP), with another \$17 million to be budgeted by the CIP beyond that.

### **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 three to year two 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 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 years and compares it to City established targets and related minimum and/or maximum constraints.

For the 2007-2012 five year CIP, the City increased its commitment to certain categorical allocation (e.g. street paving, building 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 to simply broaden local governments' horizon by authorizing new permissive revenue options for discretionary use.

### **Transportation**

The Metroplan Jacksonville 2030 Long Range Transportation Plan Update has indicated that the 2006-2030 needs of Northeast Florida for an improved transportation network are projected to cost an 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: Three Priorities**

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

#### **1) Increased Public Safety**

Amid growing concern for the safety of families and business owners in Jacksonville and an increasing crime rate, Mayor Peyton identified public safety as his number one priority. In 2008, he continued leadership of *The Jacksonville Journey: Take a Step*, a comprehensive, communitywide, anti-crime initiative that he initiated in December 2007. As a result of the mayor's budget recommendations to Jacksonville City Council, \$31 million in funding was secured specifically for *Journey* programs, representing one of the largest public safety investments in Jacksonville's history.

These public safety allocations, which were above and beyond previous years' investments, were based on the research and recommendations of a broad cross-section of community leaders and subject matter experts working in collaboration with the mayor. Committees focused on methods proven to dismantle the cradle-to-prison pipeline: education, law enforcement, intervention, neighborhood safety and youth development.

Committee members were charged with the task of developing a plan to end the trend of violent crime in Jacksonville. The roadmap they developed was the first step in a long-term process that will lead to a safer, more secure future for Jacksonville.

In December 2008, the RFP process began for ex-offender, early literacy, after-school and Team Up programs funded by *The Jacksonville Journey*. The process also included community center renovation and reopening projects. To date, the Juvenile Assessment Center has reopened for use in intervention and rehabilitation programs for city youth; 15 Team Up centers have opened to provide after-school supervision programs for at-risk youth; and 25 childcare centers are participating in the Early Learning Program that implements *Journey* programs to transform daycare centers into learning centers.

In late 2008, the mayor participated in the selection of the *Jacksonville Journey* Oversight Committee which is now monitoring the implementation and success of *Journey*-funded programs. Prevention, rehabilitation and intervention programming will continue to be instituted throughout 2009.

#### **2) Protection of the St. Johns River**

The St. Johns River is a vital resource directly impacting the economy, culture, history and environment of Jacksonville and its surrounding areas, and as such, it is a natural resource that Mayor Peyton is fully committed to safeguarding. In 2008, great strides were made toward the mayor's goals as set forth in the River Accord alliance entered into in 2006, an agreement outlining \$700 million in investments to be made by the city (committed \$150 million) and its partners over a ten-year period.

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

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

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

The stormwater utility generates revenue that is dedicated to meeting new and existing stormwater requirements and to improving Jacksonville's water system, including one of the city's greatest assets—the St. Johns River. This entity is responsible for the assessment and collection of a stormwater fee applied to residential and non-residential properties based on the parcel's impervious area, and the administration of those funds to implement stormwater management projects.

In addition to improving water quality, another aspect of the mayor's focus on the river is increasing access. Increased access promotes awareness and support for conservation and quality-improvement practices. Access projects continued in 2008, and will continue through 2009. The projects address weekend access, park improvements, the addition of boat ramps and marina retention.

In August 2008, Mayor Peyton submitted formal correspondence to Governor Charlie Crist conveying his concerns regarding the future health of the river and voicing his opposition to Georgia-Pacific's planned construction of a four-mile wastewater pipeline that would leave its Putnam County plant and enter the St. Johns River. The mayor's stance on preservation and maintenance of nutrient levels is unwavering.

### **3) Economic Growth**

Economic development has long been one of Mayor Peyton's top goals, with an emphasis on creating jobs and working with the Jacksonville Regional Chamber of Commerce, the Jacksonville Economic Development Commission, the Jacksonville Port Authority and other organizations to recruit new members into Jacksonville's business community. As a result, 2008 marked several milestone developments in the area of economic growth.

In March, Rail America, the short line and regional railroad company, publicly announced its decision to relocate its corporate headquarters to Jacksonville from Boca Raton. Pilot Pen also announced its relocation plans, which will bring \$7.5 million in capital investments to the city.

International banking giant Deutsche Bank announced that it will open a major financial center in Jacksonville that will initially provide 400 jobs, and will employ approximately 1,000 staff by the end of 2011.



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

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

Through continued legislation and cooperation with military leaders, the mayor actively supports Jacksonville's sizeable military presence, one that contributes an excess of \$8 billion to the local economy each year. He has worked continually with government and military administrators to promote the full utilization of Mayport and to gain the funding necessary to support it as a nuclear-capable port. In November, the Navy announced its decision to make Naval Station Mayport the permanent homeport for a nuclear-powered aircraft carrier. This partnership equates to an additional 3,200 personnel and \$460 million in infrastructure improvements for the base.

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

**CAPITAL PROJECTS - UPDATE**  
**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	All Prior Years Expense	Current Year Expense	All Years Expense	Remaining Budget Balance
Arena	\$ 129.3	\$ 127.7	\$ 0.3	\$ 128.0	\$ 1.3
Baseball Stadium	33.8	33.8	(0.0)	33.8	0.0
Equestrian Center	14.9	14.9	-	14.9	-
New Main Library	93.0	92.3	0.0	92.3	0.7
Other Library Projects	56.2	55.4	(0.1)	55.3	0.9
Court house	210.1	63.5	4.7	68.2	141.9
Septic Tank Removal	75.0	72.8	(1.5)	71.3	3.7
Parks & Recreation Projects	101.3	80.2	4.4	84.6	16.7
Economic Development	30.1	20.5	1.0	21.5	8.7
<i>*(Financing Costs included below)</i>	<u>\$ 743.7</u>	<u>\$ 561.0</u>	<u>\$ 8.8</u>	<u>\$ 569.8</u>	<u>\$ 173.8</u>

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	\$ 32.6	\$ 18.8	\$ 51.4	\$ 27.1
Kernan Blvd Improvements	139.6	31.6	45.2	76.8	62.8
Brannan Field-Chaffee Rd	77.7	33.9	0.8	34.7	43.0
Heckscher @ 9A Improvements	46.4	7.5	(0.0)	7.5	39.0
Argyle Forest Blvd Improvements	39.0	28.5	1.8	30.3	8.8
Atlantic @ Southside Intersection	35.1	1.1	0.1	1.2	34.0
East-West Industrial Corridor	26.1	12.1	7.8	19.9	6.2
Cecil Field Roads and Drainage	25.0	24.9	0.0	24.9	0.1
St. Augustine Road	25.7	21.3	3.3	24.6	1.1
Shindler Road Improvements	22.4	1.7	0.7	2.4	20.0
Broward Rd Improvements	20.3	1.5	0.6	2.1	18.2
US 1 @ Butler Blvd Intersection	20.0	0.7	0.6	1.3	18.7
County-wide Road Resurfacing	130.0	114.9	(0.1)	114.8	15.2
Drainage System Improvements	98.7	91.9	(5.6)	86.3	12.4
Intersection & Bridge Improvements	23.9	23.0	0.6	23.6	0.3
Sidewalks and Bike Lanes-Countywide	20.0	19.8	(0.1)	19.7	0.3
Other Road Improvement Projects	427.6	284.6	(88.7)	195.8	231.8
Other JTA Transportation Projects	277.3	66.9	165.4	232.2	45.1
Less Financing & Bond Issue Costs*	(26.9)	(15.8)	(1.4)	(17.2)	(9.7)
	<u>\$ 1,506.5</u>	<u>\$ 782.6</u>	<u>\$ 149.7</u>	<u>\$ 932.3</u>	<u>\$ 574.2</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 citizen committee was formed to evaluate the riverfront and alternative sites. The committee recommended an alternative site in the Brooklyn area adjacent to the current government complex, which includes the Federal Courthouse, City Hall, the new 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 experienced some controversies:

- Amended initially to \$211.0 million
- Amended a second time to \$230.0 million
- With an additional request for an additional \$54 million, the 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 which after lengthy discussion was approved to proceed at a not-to-exceed price of \$350.0 million. Currently, a guaranteed maximum price is expected to be received in the Spring of 2009, with actual construction commencing shortly thereafter.

## 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, 2008

	<b>Budget</b>	<b>Expenditures</b>	<b>Encumbered</b>	<b>Remaining Balance</b>
1. Building Consolidation and renovation	\$ 24,998,125	\$ 24,935,817	\$ 2,628	\$ 59,680
2. Main Library	6,254,700	6,232,143	14,614	7,943
3. LaVilla / Brooklyn	15,000,000		15,000,000	-
4. Council Discretionary*	2,765,292	-	-	2,765,292
5. Urban Area Traffic Improvement and Community Development	12,592,235	2,548,399	4,617,755	5,426,081
6. Replacement, construction and renovations of firestations	10,310,524	8,345,195	895,379	1,069,950
7. Improvement to the corrections facilities and jail facilities, including construction of a forensic lab	6,847,906	4,677,938	411,784	1,758,184
8. Water Resource Development	9,053,853	4,284,827	464,319	4,304,707
9. St. Johns River Bulkhead and Riverwalk Repair	2,469,200	2,179,170	118,970	171,060
10. Sidewalk Repair & Replacement	6,790,000	5,779,309	121,389	889,302
11. Improvements to Equestrian Center	2,000,000	1,989,478	6,000	4,522
12. Jacksonville Zoo	5,000,000	5,000,000	-	-
13. Senior Citizens centers expansion & Land Acquisition	1,238,704	609,351	3,459	625,894
14. Parks and Playground upgrades	17,718,645	12,872,583	1,102,366	3,743,696
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	13,212,007	8,577,168	701,275	3,933,564
18. Contingency**	-	-	-	-
Total	<u>\$ 141,251,191</u>	<u>\$ 89,031,378</u>	<u>\$ 23,459,938</u>	<u>\$ 28,759,875</u>

\* 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.

	MAJOR		NON-MAJOR			
	<u>Jacksonville Municipal Stadium</u>	<u>Veterans Memorial Arena</u>	<u>Baseball Stadium</u>	<u>Performing Arts Center</u>	<u>Convention Center</u>	<u>Equestrian Center</u>
Seating capacity	75,000	15,000	10,000	4,000	4,000	4,000
Number of events	207	97	90	329	261	99
Attendees	893,806	432,108	443,074	270,226	191,242	83,282
<b>Revenues</b>						
Rent & Naming Rights	\$ 1,547,092	\$1,094,170	\$ 141,540	\$ 485,497	\$ 726,181	\$ 146,406
Commission	794,195	774,501	82,012	119,889	315,973	71,092
Event related reimbursement	4,224,453	6,153,302	680,134	1,650,583	1,035,860	665,013
Other	153,346	157,285	170	14,356	12,672	2,890
<b>Operating Total Revenue</b>	<b>6,719,086</b>	<b>8,179,258</b>	<b>903,856</b>	<b>2,270,325</b>	<b>2,090,686</b>	<b>885,401</b>
<b>Expenses</b>						
Event related	3,551,156	2,609,548	270,029	1,005,526	585,704	216,649
Operating (excluding depreciation)	10,248,125	5,337,401	1,026,404	2,245,376	3,089,418	1,246,106
<b>Operating Total Expenses</b>	<b>13,799,281</b>	<b>7,946,949</b>	<b>1,296,433</b>	<b>3,250,902</b>	<b>3,675,122</b>	<b>1,462,755</b>
<b>Net General Fund Operating subsidy</b>	<b>7,080,195</b>	<b>0</b>	<b>392,577</b>	<b>980,577</b>	<b>1,584,436 *</b>	<b>577,354</b>
<b>Debt Service (D/S)</b>						
Expense (P&I)	11,687,271	8,155,835	2,154,888	51,879	3,366,025	118,962
<b>Revenues</b>						
Tourist Development Tax	5,498,422	0	0	0	0	0
Convention Dev. Tax	0	0	0	0	5,197,457	0
Better Jacksonville Plan		8,155,835	2,154,888	0	0	0
State Sales Tax Recapture	2,000,004	0	0	0	0	0
<b>Total Revenue</b>	<b>7,498,426</b>	<b>8,155,835</b>	<b>2,154,888</b>	<b>0</b>	<b>5,197,457</b>	<b>0</b>
<b>Net General Fund D/S subsidy</b>	<b>4,188,845</b>	<b>0</b>	<b>0</b>	<b>51,879</b>	<b>(1,831,432) *</b>	<b>118,962</b>
<b>Operating and Debt Service subsidy</b>	<b>\$ 11,269,040</b>	<b>\$0</b>	<b>\$ 392,577</b>	<b>\$ 1,032,456</b>	<b>\$0</b>	<b>\$ 696,316</b>
<b>Total subsidy</b>						<b>\$ 13,390,389</b>

\* Excess Tourist Development, attributed to the Convention Center, can be used for debt service and operation support. The Non-Major funds are combined with other enterprise funds in the Fund Statement and shown in detail in the Combining Statement - Enterprise Fund activities

**OTHER FINANCIAL INFORMATION:**

**Debt Administration**

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

	<u>Moody’s</u>	<u>S&amp;P</u>	<u>Fitch</u>
<u>General Government</u>			
Issuer Credit Rating (IRC)	n/a	AA	AA
Excise Tax Revenue Bonds	Aa3	A+	AA
Special Revenue Covenant Bonds	Aa3	AA-	AA-
Local Government Half-cent Sales Tax Bonds	Aa3	AA-	AA
Guaranteed Entitlement Revenue Bonds	A2	A	AA-
Capital Improvement Revenue Bonds	A1	n/a	AA-
Capital Projects Revenue Bonds	A1	n/a	A+
<u>Special Program</u>			
Better Jacksonville Plan			
Sales Tax Bonds	Aa3	AA-	AA
Transportation Bonds	Aa3	AA-	AA
<u>Component Units</u>			
JEA			
Electric	Aa2	AA-	AA-
Water & Sewer	Aa3	AA-	AA
St. John’s River Power Park (SJRPP)	Aa2	AA-	AA-
JAA	A2	A-	A
JPA	A2	A+	A

## Cash Management - Pensions

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.

	Jacksonville Retirement System General Employees	Corrections Officers	Police & Fire Retirement System
Active	5,151	553	2,782
Retired	4,534	88	1,916
Net Assets (in millions)	\$1,444	\$72	\$781
Earning (Market Rate)			
% Earning	-15.65%	-15.61%	-12.50%
Actual (in millions)	(\$274.0)	(\$12.9)	(\$139.1)
Contribution (in millions)			
City	\$28.2	\$3.6	\$50.6
Employee	\$22.3	\$2.2	\$11.9
State	N/A	N/A	\$9.4
Benefits (in millions)	\$109.7	\$2.8	\$101.7

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 that elect 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 Florida Law in the City Charter and in the City's Ordinance Code. The mayor is required to submit a proposed budget to Council by the second Tuesday in July of each year. The mayor's Proposed Budget is to comply with state and local legal requirements for a balanced financial plan of operation for the government's upcoming fiscal year. The Mayor's Proposed Budget identifies revenues and other financial resources which are anticipated to be available for appropriations, makes recommendations for appropriations, expenditures and uses of financial resources, and otherwise presents concise policy direction and guidance for the continuing financial operation of the City. Prior to the beginning of each new fiscal year, the Council adopts, by ordinance, a balanced 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 one (1).



## **Report Format**

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

## **Independent Audit**

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

## **Reporting Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jacksonville for its comprehensive annual financial report for the fiscal year ended September 30, 2007. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for the preparation of state and local government financial reports.

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

A Certificate of Achievement is valid one year only. The City of Jacksonville has received this Certificate for twenty-eight consecutive years (fiscal years 1980 through 2007). 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.

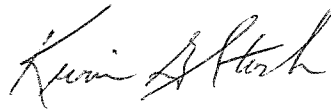
The 2008 Comprehensive Annual Financial Report represents our commitment to this goal and could not have been prepared without the efficient and dedicated efforts of the entire staff of the Department of Finance (Accounting, Budget, Risk Management and Treasury Divisions), who devoted many hours to compiling and assembling the report. We also wish to express our appreciation to all other City personnel who have contributed to its preparation. In addition, we thank the City's independent certified public accountants, Ernst & Young LLP and the Office of the Council Auditor, for their efforts and professional conduct throughout the audit engagement.

Special acknowledgment is due Mayor John Peyton, Council President Ronnie Fussell, and Council member Michael Corrigan, Finance Committee Chair, and the remaining members of the City Council, for their strong and effective leadership and continued support in the coordination and planning of the financial affairs of the City of Jacksonville in a responsible and progressive manner.

Respectfully Submitted,



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



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



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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jacksonville  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. Post".

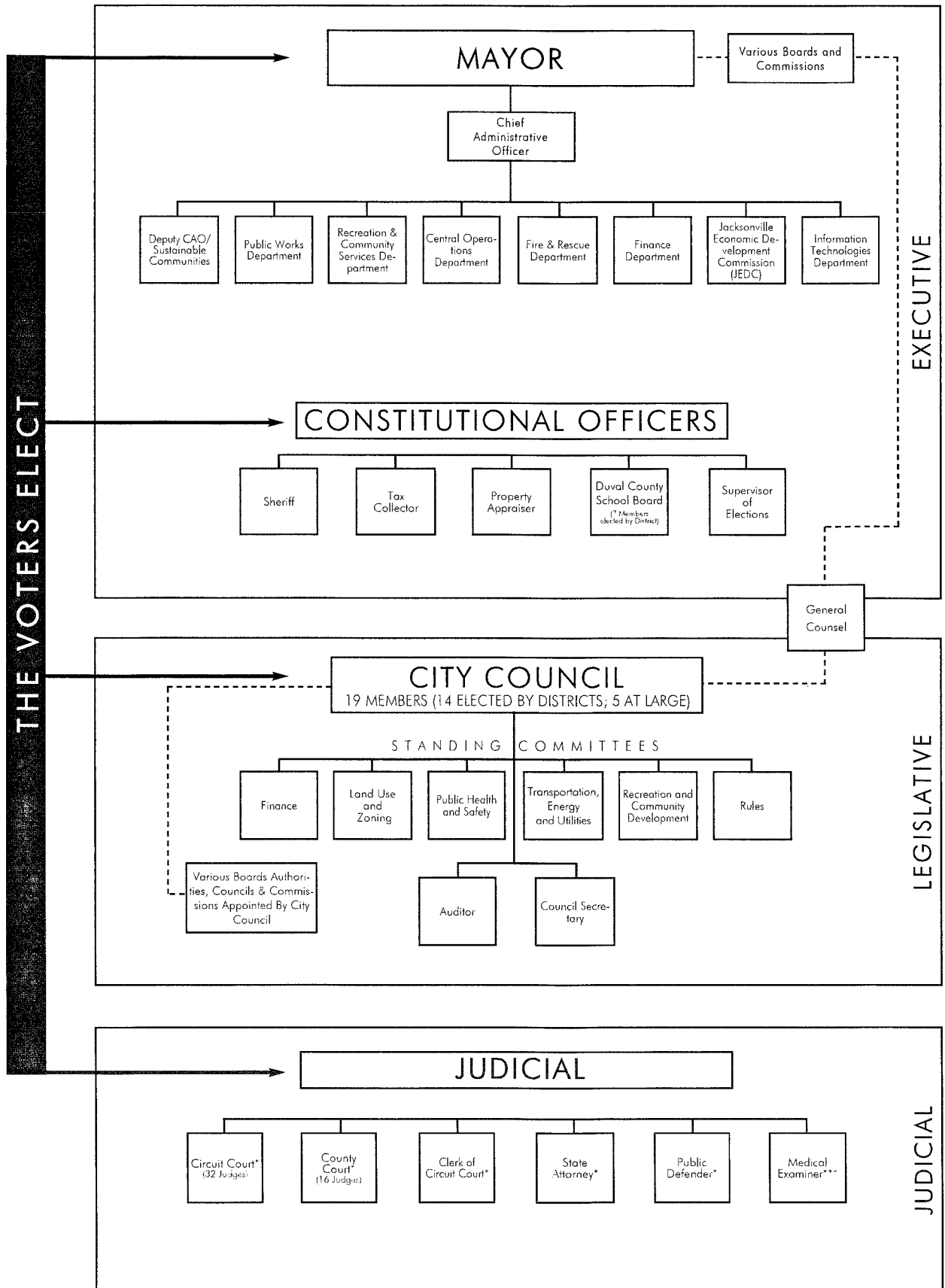
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# ORGANIZATIONAL CHART

## CITY OF JACKSONVILLE, FLORIDA



# City of Jacksonville, Florida

## City Officers and Constitutional Officeholders

---

**John Peyton, Mayor**

### City Officers

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

### Constitutional Officeholders

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

# City of Jacksonville, Florida

## City Council Officials and Staff

---

### City Council

Council President..... Ronnie Fussell  
Council Vice President.....Richard Clark

District 1 — Clay Yarborough	District 8 — E. Denise Lee
District 2 — William Bishop	District 9 — Warren A. Jones
District 3 — Richard Clark	District 10 — Reginald L. Brown
District 4 — Don Redman	District 11 — Ray Holt
District 5 — Art Shad	District 12 — Daniel J. Davis
District 6 — 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 — John R. Crescimbeni  
Group 3 At-Large — Stephen C. Joost  
Group 4 At-Large — Kevin Hyde  
Group 5 At-Large — Glorious J. Johnson

### Council Staff

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



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## 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, 2008, 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, 2008, 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%, 23%, and 12%, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. In addition, we did not audit the financial statements of the Police and Fire Pension Plan Trust Fund, which represents 36% and 34%, respectively, of the assets and net assets of the pension trust funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units and the pension trust fund, are based solely on the reports of the other auditors. The prior year summarized comparative information has been derived from the City's 2007 financial statements and, in our report dated February 21, 2008 which refers to the reports of other auditors, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with



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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, 2008, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

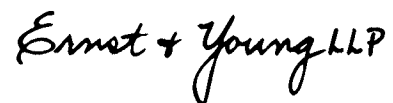
As discussed in Note 20 to the basic financial statements, beginning net assets for the Special Bonded Debt-Better Jacksonville Plan Obligations and Special Bonded Debt Obligations funds as of September 30, 2008 have been restated in connection with an accounting change.

As discussed in Note 10 to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 45 related to accounting and financial reporting by employers for postemployment benefits other than pensions.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2009 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 21 and 142 through 149 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in cursive script that reads 'Ernst & Young LLP'.

May 6, 2009



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**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

### Financial Highlights

- Capital assets were \$2.7 billion on September 30, 2008, resulting in a \$158 million, 5.7% increase over last fiscal year.
- Property tax revenues experienced an \$11 million, 2.5% increase as compared to a \$57 million, 13.9% increase in FY2007, and a \$43 million, 11.9% increase in FY2006. Capital grants and contributions increased \$4 million, JEA charter revenues increased \$3 million, and utility service taxes increased \$10 million. A decrease of \$61.8 million occurred in other various revenues, with a significant portion being a reduction in interest income, \$15.8 million in BJP project revenues, net of debt service reduction of \$9 million, gas and fuel tax revenue reduction of \$5.7 million, sales tax revenue reduction of \$6 million, and general fund sales tax reduction of \$6.4 million.
- Decreases in governmental activities expenses were net \$93 million or 7%. The major portion of the decrease occurred in transportation as a result of a \$143 million payment made to the Jacksonville Transportation Authority (JTA) for state road building within the City in fiscal year 2007 that did not reoccur in fiscal year 2008.
- There was an increase in public safety of \$38 million for additional police and fire operations expenditures; however, the largest expenditure increase of \$57 million occurred in economic & physical environment due to a \$50 million increase in the estimated liability for pollution remediation at the ash sites which was reclassified to governmental from enterprise in fiscal year 2008.
- The City continues to maintain a \$40 million emergency reserve.
- The City's general fund operations had total revenues of \$934 million and resulted in an increase in undesignated reserves of \$13.4 million or 53.7% as compared to fiscal year 2007.

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 first statutory rollback to reduce the 2007-2008 millage and a second referendum to amend the State's constitution was passed in January 2008 which further reduced 2008-2009 property tax revenue by \$36.1 million.
- In light of the actions in Tallahassee and an identified need to diversify the City revenue base, the mayor introduced, and the City Council approved three new fees common around the state but historically not used in the City:
  - A 3% franchise fee on electric, water and sewer.
  - A \$3 residential solid waste fee.
  - A \$5 per equivalent residential unit (ERU) stormwater fee.

The three fees were phased-in with partial impact in fiscal year 2008 with fees recorded of \$18 million, \$4 million and \$7.5 million, respectfully. The projections for a full year impact in fiscal year 2009 are \$39 million, \$10.6 million and \$25.5 million, respectfully.



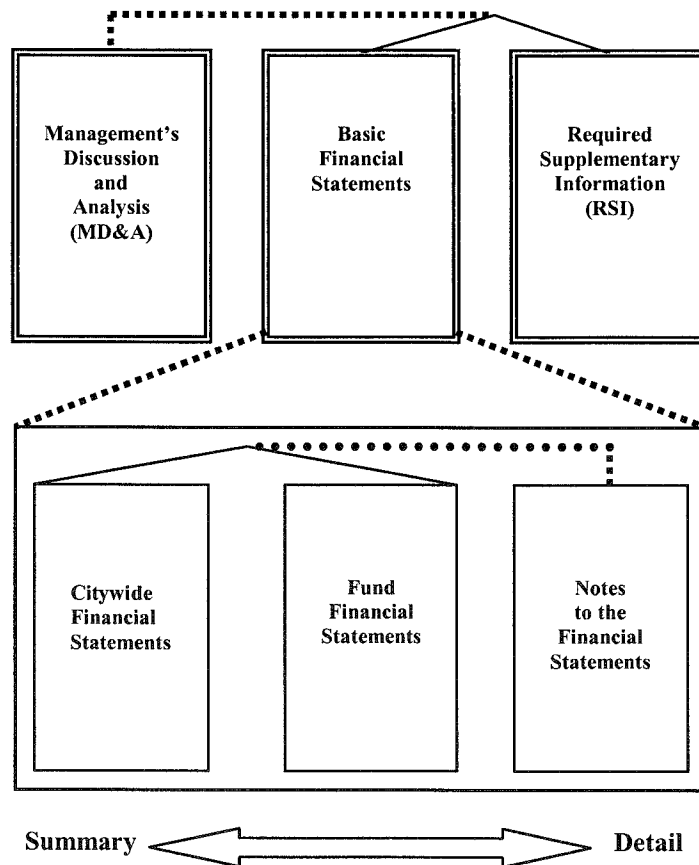
- To address the problem of violent crime, the mayor initiated a 150 member citizen commission to produce a multifaceted action plan. Included in the 2008-2009 budget was a \$31 million program to a) get tougher on convicted criminals; (b) put more police on the street; (c) guide ex-offenders away from crime and toward self-sufficiency; and (d) to provide appropriate supervision and guidance for children in after-school programs and summer activities.
- Given the referendum related property tax reduction and the crime initiative, the City originally anticipated a possible millage increase for 2008-2009, but in light of economic circumstances, elected to balance the budget without any “new” revenue proposals.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

**Figure A-1**

**COMPONENTS OF THE ANNUAL FINANCIAL REPORT**



## **Citywide Basic Financial Statements**

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

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

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

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

## **Fund Financial Statements**

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

### **Governmental Funds**

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

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

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

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

### **Proprietary Funds**

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

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

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

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

### **Fiduciary Funds**

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

### **Notes to the Financial Statements**

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

**Other Information**

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

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

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

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

**CITYWIDE FINANCIAL ANALYSIS**

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

As of September 30, 2008, 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, 2008 and September 30, 2007**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total Primary Government</b>	
	<b>Adjusted</b>		<b>Adjusted</b>		<b>2008</b>	<b>2007</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>		
Cash and Investments	\$ 710,501	\$ 609,957	\$ 94,181	\$ 78,223	804,682	\$ 688,180
Other Current Assets	339,518	280,201	32,316	29,783	371,834	309,984
Capital Assets	2,310,411	2,146,362	436,848	443,154	2,747,259	2,589,516
<b>Total assets</b>	<b>3,360,430</b>	<b>3,036,520</b>	<b>563,345</b>	<b>551,160</b>	<b>3,923,775</b>	<b>3,587,680</b>
Current Liabilities	268,192	180,581	21,732	11,687	289,924	192,268
Long-term obligations	2,401,428	2,196,351	403,475	433,487	2,804,903	2,629,838
<b>Total liabilities</b>	<b>2,669,620</b>	<b>2,376,932</b>	<b>425,207</b>	<b>445,174</b>	<b>3,094,827</b>	<b>2,822,106</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	1,000,539	966,127	108,100	113,841	1,108,639	1,079,968
Restricted	82,096	41,702	8,601	8,274	90,697	49,976
Unrestricted	(391,825)	(371,621)	21,437	7,251	(370,388)	(364,370)
<b>Total net assets (deficit)</b>	<b>\$ 690,810</b>	<b>\$ 636,208</b>	<b>\$ 138,138</b>	<b>\$ 129,366</b>	<b>828,948</b>	<b>\$ 765,574</b>

The fiscal year 2007 Capital Assets and Long-term Obligations balances were adjusted in Table A-1 for statement comparability due to transfers from general governmental funds to enterprise funds as shown in the schedule below.

	<u>Asset</u>	<u>Liability</u>	<u>Transfers In / (Out)</u>
Jacksonville Municipal Stadium	\$201,378	\$156,881	\$44,497
Veteran's Memorial Arena	112,883	115,931	( 3,048)
Baseball Stadium	29,319	30,631	( 1,312)
Performing Arts Center	25,958	1,012	24,946
Convention Center	19,933	18	19,915
Equestrian Center	<u>15,003</u>	<u>2,500</u>	<u>12,503</u>
Totals	\$404,474	\$306,973	\$97,501

Liabilities in the amount of \$112,432 were transferred from the Pollution Remediation enterprise fund to general governmental.

See Notes 6, 8, and 13 for further discussion.

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 2008 governmental activity includes \$39 million from developer contributions for infrastructure assets.

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

The City issued non-asset related debt:

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

On the following page, Table A-2 provides a summary comparison of the City's operations for the 2007 and 2008 fiscal year ends. The fiscal year 2007 transfer balances were also adjusted for the above stated reclassifications for statement comparison.

**Table A-2**  
**Statement of Activities**  
(In Thousands)  
as of September 30, 2008 and September 30, 2007

	Governmental Activities		Business Type Activities		Total Primary Government	
	2008	Adjusted 2007	2008	Adjusted 2007	2008	2007
<b>Revenues:</b>						
Program Revenues:						
Fines & charges for services	\$ 161,767	\$ 143,361	\$ 65,629	\$ 59,440	\$ 227,396	\$ 202,801
Operating grants/contributions	84,250	87,234	-	-	84,250	87,234
JEA Charter	94,188	92,915	-	-	94,188	92,915
Capital grants/contributions	56,230	52,112	-	-	56,230	52,112
General revenues:						
Property taxes	477,368	465,918	-	-	477,368	465,918
Utility service taxes	114,392	104,634	-	-	114,392	104,634
Sales and tourist taxes	179,645	181,621	12,695	12,520	192,340	194,141
Intergovernmental	185,041	206,371	-	-	185,041	206,371
Miscellaneous	64,239	97,805	11,338	18,797	75,577	116,602
<b>Total Revenues</b>	<b>1,417,120</b>	<b>1,431,971</b>	<b>89,662</b>	<b>90,757</b>	<b>1,506,782</b>	<b>1,522,728</b>
<b>Expenses</b>						
General government	174,777	201,186	-	-	174,777	201,186
Human services	102,076	108,738	-	-	102,076	108,738
Public safety	511,009	472,531	-	-	511,009	472,531
Cultural and recreational	67,054	93,197	-	-	67,054	93,197
Transportation	178,949	316,261	-	-	178,949	316,261
Economic & physical environment	203,444	146,651	-	-	203,444	146,651
Interest on long term debt	102,835	94,114	-	-	102,835	94,114
Parking system	-	-	3,921	6,340	3,921	6,340
Motor vehicle inspections	-	-	462	482	462	482
Solid Waste	-	-	69,230	71,240	69,230	71,240
Storm water services	-	-	55	-	55	-
Mayport Ferry	-	-	-	1,937	-	1,937
Municipal Stadium	-	-	11,850	11,732	11,850	11,732
Memorial Arena	-	-	8,055	7,750	8,055	7,750
Baseball Stadium	-	-	1,297	1,135	1,297	1,135
Performing Arts Center	-	-	3,264	3,959	3,264	3,959
Convention Center	-	-	3,681	3,443	3,681	3,443
Equestrian Center	-	-	1,449	1,309	1,449	1,309
<b>Total Expenses</b>	<b>1,340,144</b>	<b>1,432,678</b>	<b>103,264</b>	<b>109,327</b>	<b>1,443,408</b>	<b>1,542,005</b>
Increases (decreases) in net assets before transfers	76,976	(707)	(13,602)	(18,570)	63,374	(19,277)
Transfers	(232,306)	(239,636)	232,306	239,636	-	-
<b>Change in net assets</b>	<b>(155,330)</b>	<b>(240,343)</b>	<b>218,704</b>	<b>221,066</b>	<b>63,374</b>	<b>(19,277)</b>
Net assets (deficit), beginning of year	846,140	876,551	(80,566)	(91,700)	765,574	784,851
Net assets (deficit), end of year	<b>\$ 690,810</b>	<b>\$ 636,208</b>	<b>\$ 138,138</b>	<b>\$ 129,366</b>	<b>\$ 828,948</b>	<b>\$ 765,574</b>

### **Governmental activities:**

The City's governmental activities revenues decreased \$15 million from 2007 to 2008 (see Table A-2) and consists of:

- Increases for general revenues for property taxes were \$11 million, even though the ad valorem tax rate decreased from 9.6400 to 8.4841. Assessed property values increased by \$7.6 billion, which is less than half of the previous year's growth and reflecting the weakening housing market.
- The largest single source of decrease in revenue was a \$23 million decrease in intergovernmental revenue primarily representing a decrease of funds from the BJP project revenues net of debt service, gas and motor fuel tax and sales tax revenue of \$21.3 million and a \$6.4 million reduction in the General Fund ½ cent sales tax.
- Miscellaneous revenues decreased by \$33.5 million in fiscal year 2008, \$15 million was due to the downturn in the investment market and \$18.7 million was due to a refund received in fiscal year 2007 for investments made by the City to University of Florida & Shands Hospital. These funds will be reallocated in fiscal year 2009 CIP for capital projects.
- Fines & charges increase is due to \$15 million from the new franchise fee.
- Decreases in governmental activities expenses were \$93 million.
- Transportation expenses decreased \$137 million in 2008 as the result of fiscal year 2007 accelerated funding to the Jacksonville Transportation Authority for use on Better Jacksonville Plan projects of \$143 million that did not reoccur in fiscal year 2008.
- Public safety expenses increased \$38 million primarily due to a \$23 million increase in salaries and operations in the Sheriff's Office and the Fire Department, a \$2.9 million increase for fire department capital projects and \$9 million with the creation of the Emergency Incidents Fund that was set up as a result of Tropical Storm Fay. An emergency declaration was made by the mayor and City Council which authorized the City to request FEMA reimbursement, meeting the criteria for funding under the Stafford Act. The deficit in this fund relates to the approximate 12.5% coverage the City is ultimately responsible for. FEMA participates at 75% and the state matches 12.5%. The deficit will be eliminated by a transfer of funds from the General Fund in fiscal year 2009 as finalized numbers are processed.

### **Business Type activities:**

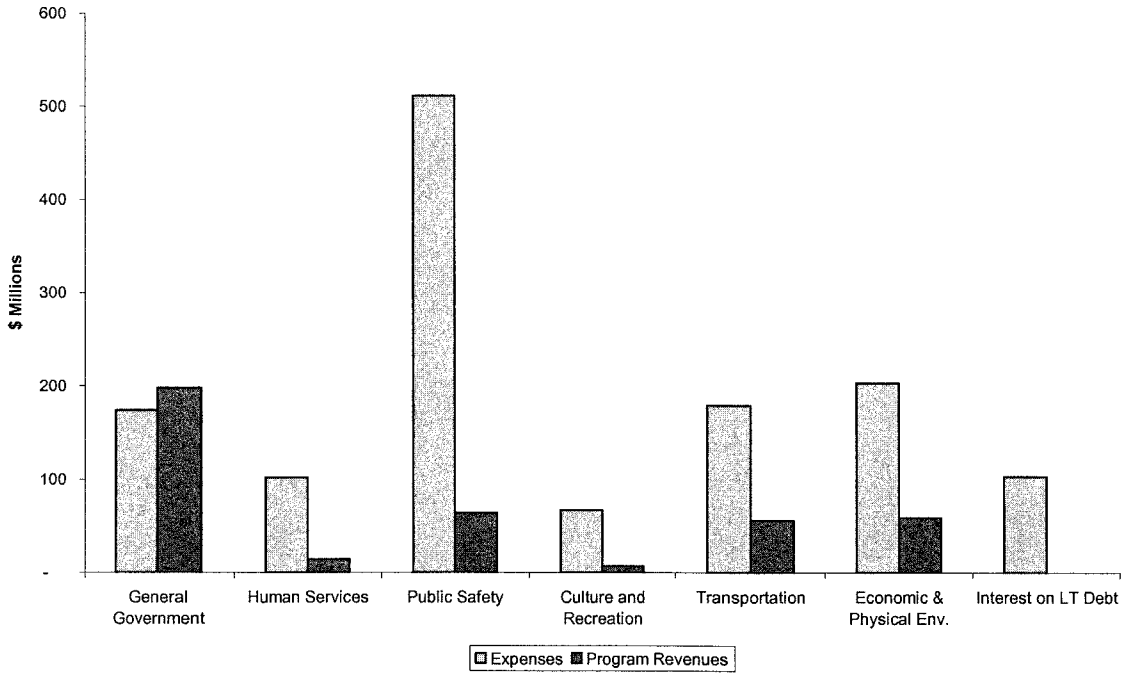
The City's business type revenues were not significantly changed from 2007 to 2008 (see Table A-2) and consists of:

- Increases in fines and charges for services due to implementing the new storm water fee of \$7.5 million in July 2008, representing a quarter of the fiscal year;
- Solid waste user fees for operations decreased even though a new \$4.0 million residential fee was enacted in April 2008 due to less tonnage recorded at the landfill;
- Miscellaneous revenues decrease \$3.9 million for the accounting loss in transferring the Mayport Ferry assets to the Jacksonville Port Authority. Interest revenues decreased in fiscal year 2008, due to the downturn in investment market:

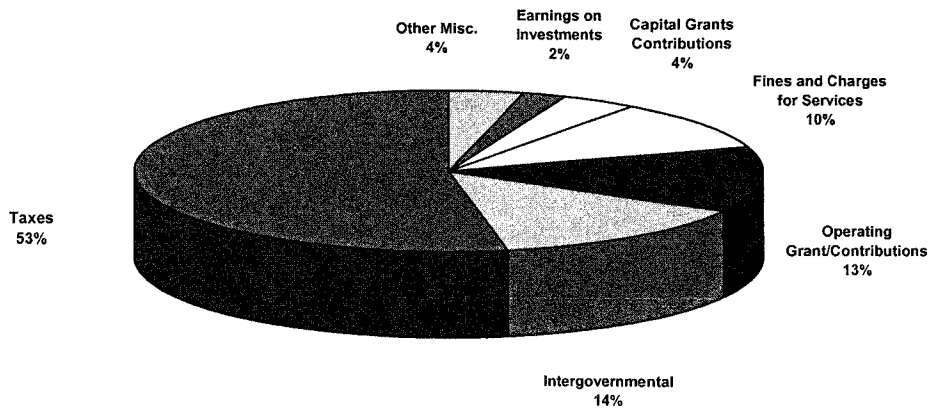
Decreases in business type activities expenses were \$6.0 million.

- Parking expenses decreased as fiscal year 2007 included a \$1.7 million expense for parking assets (a surface lot) that were transferred to developers for an economic development incentive and to resolve outstanding litigation between the parties;
- Decreases in landfill expenses due to less tonnage dumped at the landfill;
- Decreases in Mayport Ferry expenses as operations were transferred to the Jacksonville Port Authority on October 1, 2007.

**Expenses and Program Revenues - Governmental Activities**

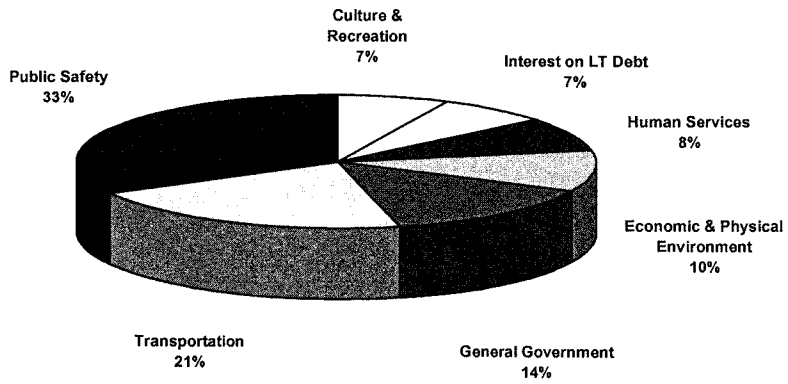


**Revenues - Governmental Activities**

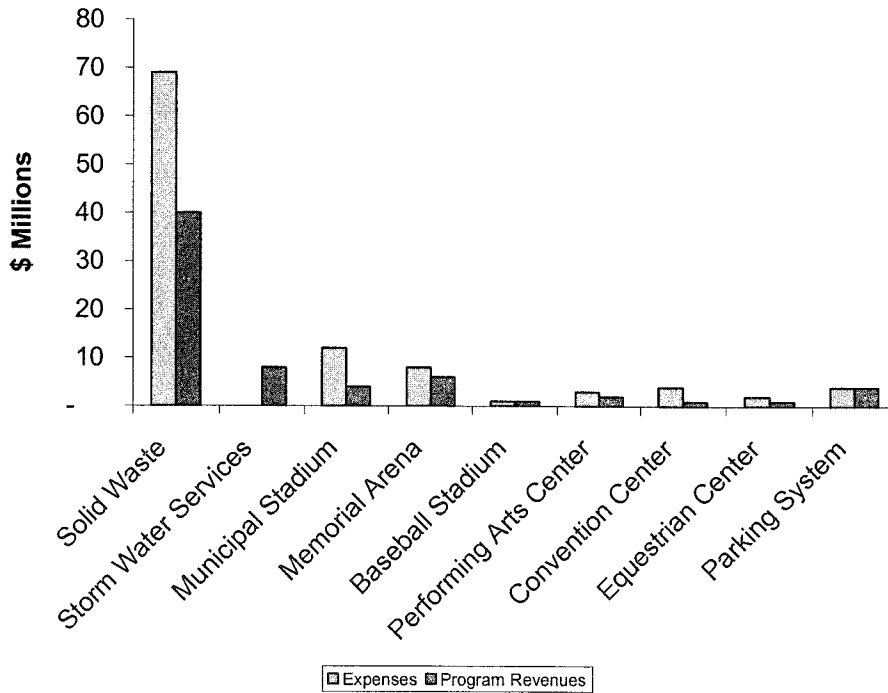




### Expenses - Governmental Activities



### 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 2008. The City of Jacksonville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund is the chief operating fund of the City of Jacksonville. At the end of the current fiscal year, the unreserved, undesignated fund balance of the General Fund was \$38 million. The General Fund's total fund balance was \$98 million, with \$40 million reserved by City Council as an emergency reserve.

The 2008 assessed tax roll is up \$4 billion over the prior year; an increase of 6.5%, which is substantially less as compared to 16.6% in 2007 and 14.9% in 2006.

Key factors affecting changes in major funds and fund balance in fiscal year 2008 operations are as follows:

### General Fund:

- Property taxes account for more than 50% of the general fund revenue and increased \$11 million or 2.4% over the previous year. The Ad Valorem millage rate was reduced for the thirteenth consecutive year, resulting in a 2.6 millage decrease over the past twelve years.

### 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 \$6.9 million in fiscal year 2008 as compared to the prior fiscal year.
- Principal and Interest payments increased \$5.5 million per the debt schedules.

### Better Jacksonville Plan Construction Project Fund:

- The Better Jacksonville Plan continued major projects with \$88.2 million on Road Improvement projects, \$35.4 million on drainage projects, and an additional \$34 million on a combination of projects such as buildings, parks, fire stations, and other miscellaneous projects.
- Additional BJP debt of \$105 million was issued in fiscal year 2008, thus reflected in the \$131 million net increase in Long term debt. See Note 8 for further reference.

**Proprietary Funds:** The City of Jacksonville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Solid Waste, the Jacksonville Municipal Stadium and the Veteran's Memorial Arena are reported as major proprietary funds in fiscal year 2008. The \$6 million increase in charges for service revenues is representative of an increase in solid waste of approximately \$0.8 million, the new stormwater fees of \$7.5 million and a reduction of \$1 million in Performing Arts ticket revenue and elimination of the \$1 million Mayport Ferry revenue as the ferry was transferred to the Jacksonville Port Authority effective October 1, 2007

**General Fund Budgetary Highlights:** The overall budgeted revenues and expenditures increased less than 2% from the original and final budgets. Budgeted revenues increased \$20 million and budgeted expenditures increased \$18 million.

- As directed through the approval of ordinance 2007-1287-E, licenses and permits revenues were increased \$18 million from the JEA franchise fees; Public Works expenditures budget was increased \$18 million for the funding of Right of Way and Ground Maintenance projects.
- The Office of the Sheriff had an original to final expenditure budget increase of \$3 million for overtime as the mayor and City Council continue to address the high crime rate in the City. The \$3 million was appropriated from the Emergency Reserve account earlier in the fiscal year. The Emergency Reserve account was replenished at the end of the fiscal year from surplus funds.
- The City was reorganized into 8 specific business units in fiscal year 2008 which created the two new departments, Central Operation and Recreation and Community Services. Recreation and Community Services original to final budget was reduced by \$1.5 million as the City fine tunes these new areas.
- The Supervisor of Elections budget increased by \$1.8 million to assure the City's procedures and equipment were high quality during an election year.
- Overall actual expenditures for fiscal 2008 were \$94 million under final budget.

Actual revenues for fiscal year 2008 were \$29 million below the final budgeted amount. Positive variances in final budget to actual occurred with \$5 million additional property tax revenue. Intergovernmental was below final budget \$20 million primarily due to a decrease of the ½ cent sales tax and state shared revenues. Interest revenues were below final budget \$8 million due to market fluxuations.

## 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, 2008, amounts to \$2.7 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 projects in fiscal year 2007, such as Buildings and Libraries, a focus was placed in fiscal year 2008 on areas such as Drainage Rehabilitation projects with an increase of \$11.7 million and \$7.1 million increase in Countywide Resurfacing. Both fiscal years experienced considerable costs in road projects due to the continuation of the Better Jacksonville Plan. Additional information on the City of Jacksonville's capital assets can be found in Notes to the Financial Statements, Footnote 6 of this report. Table A-3 FY 2007 balances have been adjusted to reflect the reclassification of assets from governmental to business-type for statement comparability.

**Table A-3**  
**Capital Assets**  
**Net of Accumulated Depreciation**  
**(In Thousands)**  
**as of September 30, 2008 and September 30, 2007**

	Governmental Activities		Business Type Activities		Total	
	2008	Adjusted 2007	2008	Adjusted 2007	2008	2007
Land	\$ 277,562	\$ 270,152	\$ 34,859	\$ 35,469	\$ 312,421	\$ 305,621
Buildings and improvements	700,771	752,154	547,911	448,891	1,248,682	1,201,045
Furniture & Equipment	293,184	101,056	7,075	7,121	300,259	108,177
Construction in progress	60,217	42,800	-	-	60,217	42,800
Infrastructure	1,641,279	1,473,594	-	-	1,641,279	1,473,594
Other Assets	19,391	81,317	-	-	19,391	81,317
Less accumulated depreciation	(681,992)	(574,710)	(152,999)	(48,328)	(834,991)	(623,038)
Total	<u>\$ 2,310,411</u>	<u>\$ 2,146,363</u>	<u>\$ 436,848</u>	<u>\$ 443,153</u>	<u>\$ 2,747,259</u>	<u>\$ 2,589,516</u>

Major project costs in fiscal year 2008 included the following:

	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2007</u>	<u>Change</u>
Road Projects	\$ 88.2 million	\$ 69.1 million	\$ 19.1
Building Projects	7.5 million	10.3 million	( 2.8)
Drainage Projects	35.4 million	23.7 million	11.7
Countywide Resurfacing	12.3 million	5.2 million	7.1
Library Projects	.0 million	5.6 million	( 5.6)
Park Department Projects	8.9 million	10.5 million	( 1.6)
Fire Department Projects	6.4 million	3.5 million	2.9
Courthouse Project	6.5 million	4.5 million	2.0
Miscellaneous Projects	<u>2.7 million</u>	<u>1.3 million</u>	<u>1.4</u>
Total	\$ 167.9 million	\$ 133.7 million	\$ 34.2

## 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 \$2.1 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	
	2008	Adjusted 2007	2008	Adjusted 2007	2008	2007
	\$	\$	\$	\$	\$	\$
Special Obligation Bonds	779,533	824,603	-	-	779,533	824,603
Special Obligation-BJP	1,090,568	1,000,557	-	-	1,090,568	1,000,557
Revenue Bonds Payable	54,215	-	357,124	364,534	411,339	364,534
Notes Payable	106,145	79,565	-	-	106,145	79,565
Notes Payable-BJP	66,414	57,426	-	-	66,414	57,426
Deferred Amounts						
Loss on Adv Ref	(4,449)	(5,099)	(1,441)	(1,742)	(5,890)	(6,841)
Issuance premiums	20,246	17,828	-	-	20,246	17,828
Issuance discounts	(3,315)	(3,471)	-	-	(3,315)	(3,471)
<b>Total</b>	<b>\$ 2,109,357</b>	<b>\$ 1,971,409</b>	<b>\$ 355,683</b>	<b>\$ 362,792</b>	<b>\$ 2,465,040</b>	<b>\$ 2,334,201</b>

The City of Jacksonville's debt increased by \$131 million as compared to fiscal year 2007.

New indebtedness of the City of Jacksonville consists of:

Closing Date	Par Amount	Source	Primary Use
September 2008	\$105,470,000	BJP Sales Tax Bonds	BJP Capital Projects
September 2008	\$ 54,215,000	Revenue Bonds – Banking Fund (BF)	Capital Projects
Various 2008	\$ 26,580,000	Increases in Commercial Paper – BF	Capital Projects

Between April and July of 2008, the City refinanced its outstanding auction rate and insured variable rate bonds due to disruptions in the municipal bond markets commencing in December 2007. While many jurisdictions replaced variable rate debt with fixed rate debt due to the scarcity of viable liquidity providers, the City was able to secure liquidity and replaced its auction rate and insured variable rate bonds with uninsured variable rate demand bonds, relying on the City's underlying credit ratings.

Even with the significant interest rate fluctuations, the City managed its debt within original approved budgeted amounts.

The liquidity agreements available in the market at the time the City refunded its auction rate bonds were typically available for a maximum term of 364 days, shorter than agreements available prior to the market

disruption. As a result, the City's liquidity agreements for its auction replacement (Transportation Revenues Bonds Series 2008A and 2008B) will expire April 24, 2009 and May 12, 2009, respectively. Those agreements have mandatory purchase provisions by the issuing bank and three year term-out provisions with escalating interest rates should the facility not be renewed or replaced. As a result, the debt is classified as a long term liability. The City intends to replace the liquidity agreements or refund the variable debt with fixed rate debt that does not require a liquidity agreement. The City converted its prior liquidity agreements on its insured variable rate bonds to the uninsured variable rate bonds. Those agreements have a stated expiration of July 15, 2011.

## **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 6.4%. This compares to the state's average unemployment rate (6.4%) and the national average unemployment rate (6.2%). The Bureau of Labor Statistics reported that forty-eight states had statistically significant unemployment rate increases from 2007;
- Inflationary trends in the region compare favorably to national indices;
- 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 2008-2009:**

- For fiscal year 2009, the City held the millage rate of 8.4841 constant from fiscal year 2008. Combined with the additional homestead exemption of \$25,000 provided by the passage of Amendment One, this reduced property taxes for the owner of a homesteaded property with an assessed value of \$125,000 by \$180 in the current fiscal year.
- The Jacksonville Journey is a major anti-crime initiative that was launched to focus on crime prevention as well as boosting law enforcement efforts. The Jacksonville Journey provides an additional \$16 million toward keeping children safe and involved in positive activities, including expanded early literacy programs, supervised after-school guidance and recreational programs and expanded activities during the summer. Capital dollars are provided to reopen closed community centers within the City as well. Another portion of this \$16 million is dedicated to expand existing juvenile crime prevention programs. In addition, the FY09 budget allocates more than \$1.5 million for programs that will help ex-offenders make the transition to being productive citizens again.
- As noted above, The Jacksonville Journey provides funding for increasing the police presence within the community. An additional \$11 million has been allocated in the FY09 budget to hire 80 police officers, 80 correctional officers and 23 emergency communications operators. In addition, almost \$1 million has been set aside to eliminate crime havens with non-police resources. Finally, approximately \$1.7 million will be used to make safety improvements near commercial areas.
- Two new rescue units will be added in the Fire and Rescue Department as well as staffing needed for deploying an additional ladder truck. A much needed new radio system for the Sheriff's Office and the Fire Department will also be funded in the FY09 budget.
- Operational expenses in the Fleet Management Division's budget will be reduced by \$1.6 million. Part of this savings will be realized by the utilization of electric vehicles and other measures to reduce the consumption of petroleum-based fuels. Other savings include \$2.8 million in Information Technology operating expenses and reductions in insurance premiums of \$2 million as the result of positive claim experience.

- Eliminated 101 non-public safety positions in a continuing effort to reduce costs and right-size the government.

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

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



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

**CITYWIDE FINANCIAL  
STATEMENTS**

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS -**  
**SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS		COMPONENT UNITS
			2008	2007	
<b>ASSETS:</b>					
Equity in cash and investments.....	\$ 598,475	\$ 94,181	\$ 692,656	\$ 683,026	\$ 1,303,193
Cash in escrow and with fiscal agents.....	112,026	-	112,026	5,154	276
Securities lending.....	83,864	-	83,864	25,472	-
Receivables, net.....	75,973	9,388	85,361	100,453	326,256
Internal balances.....	195	(195)	-	-	-
Due from independent agencies and other governments.....	153,601	167	153,768	137,057	29,595
Inventories.....	6,443	14	6,457	3,552	140,558
Prepaid expenses and other assets.....	19,442	272	19,714	18,239	280,976
Deferred charge - landfill related costs.....	-	22,362	22,362	24,864	-
Other deferred charges.....	-	308	308	347	404,869
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	338,324	34,859	373,183	349,129	1,328,927
Other capital assets, net of depreciation.....	1,972,087	401,989	2,374,076	2,240,387	6,581,543
<b>TOTAL ASSETS.....</b>	<b>3,360,430</b>	<b>563,345</b>	<b>3,923,775</b>	<b>3,587,680</b>	<b>10,396,193</b>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	104,117	8,341	112,458	84,812	243,318
Contracts payable.....	6,338	4	6,342	4,302	-
Due to component units.....	419	-	419	3,846	-
Due to independent agencies and other governments.....	2,822	-	2,822	2,500	1,088
Deposits.....	3,689	571	4,260	2,545	38,946
Accrued interest payable.....	34,004	1,939	35,943	43,641	99,410
Unearned revenue.....	27,087	9,643	36,730	24,079	39,005
Securities lending.....	86,795	-	86,795	25,472	-
Liabilities payable from restricted assets.....	-	-	-	-	100,261
Other current liabilities.....	2,921	1,234	4,155	1,071	97,397
<b>NONCURRENT LIABILITIES:</b>					
Due within one year.....	107,150	15,392	122,542	106,838	237,242
Due in more than one year.....	2,294,278	388,083	2,682,361	2,523,000	6,978,603
<b>TOTAL LIABILITIES.....</b>	<b>2,669,620</b>	<b>425,207</b>	<b>3,094,827</b>	<b>2,822,106</b>	<b>7,835,270</b>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	1,000,539	108,100	1,108,639	1,079,968	1,545,246
Restricted for:					
Debt service.....	-	-	-	-	10,011
Capital projects.....	81,973	8,601	90,574	49,853	-
Permanent fund, non-expendable.....	123	-	123	123	-
Other purposes.....	-	-	-	-	463,450
Unrestricted.....	(391,825)	21,437	(370,388)	(364,370)	542,216
<b>TOTAL NET ASSETS .....</b>	<b>\$ 690,810</b>	<b>\$ 138,138</b>	<b>\$ 828,948</b>	<b>\$ 765,574</b>	<b>\$ 2,560,923</b>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF ACTIVITIES -  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT		TOTALS		COMPONENT UNITS
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2008	2007	
<b>PRIMARY GOVERNMENT:</b>									
Governmental activities:									
General government.....	\$ 174,777	\$ 102,011	\$ 94,418	\$ 377	\$ 22,029		\$ 22,029	\$ (26,095)	
Human services.....	102,076	1,564	12,026	-	(88,486)		(88,486)	(94,505)	
Public safety.....	511,009	47,233	16,910	-	(446,866)		(446,866)	(415,134)	
Culture and recreation.....	67,054	3,625	1,252	2,054	(60,123)		(60,123)	(84,709)	
Transportation.....	178,949	6,194	285	50,446	(122,024)		(122,024)	(257,758)	
Economic environment.....	77,460	4	49,628	1,689	(26,139)		(26,139)	(21,627)	
Physical environment.....	125,984	1,136	3,919	1,664	(119,265)		(119,265)	(63,114)	
Interest on long term debt.....	102,835	-	-	-	(102,835)		(102,835)	(94,114)	
Total governmental activities.....	1,340,144	161,767	178,438	56,230	(943,709)		(943,709)	(1,057,056)	
Business-type activities:									
Parking system.....	3,921	4,211	-	-	-	290	290	(1,520)	
Motor vehicle inspections.....	462	437	-	-	-	(25)	(25)	(58)	
Solid Waste.....	69,230	39,892	-	-	-	(29,338)	(29,338)	(32,117)	
Storm Water Services.....	55	7,506	-	-	-	7,451	7,451	-	
Mayport Ferry.....	-	-	-	-	-	-	-	(904)	
Jacksonville Municipal Stadium.....	11,850	4,106	-	-	-	(7,744)	(7,744)	(8,198)	
Veterans Memorial Arena.....	8,055	5,520	-	-	-	(2,535)	(2,535)	(1,771)	
Baseball Stadium.....	1,297	680	-	-	-	(617)	(617)	(463)	
Performing Arts.....	3,264	1,650	-	-	-	(1,614)	(1,614)	(1,393)	
Convention Center.....	3,681	1,036	-	-	-	(2,645)	(2,645)	(2,606)	
Equestrian Center.....	1,449	591	-	-	-	(858)	(858)	(857)	
Total business-type activities.....	103,264	65,629	-	-	-	(37,635)	(37,635)	(49,887)	
<b>Total primary government.....</b>	<b>\$ 1,443,408</b>	<b>\$ 227,396</b>	<b>\$ 178,438</b>	<b>\$ 56,230</b>	<b>(943,709)</b>	<b>(37,635)</b>	<b>(981,344)</b>	<b>(1,106,943)</b>	
<b>COMPONENT UNITS:</b>									
Governmental activities.....	\$ 89,075	\$ 2,061	\$ 12,037	\$ 1,881					\$ (73,096)
Business-type activities.....	2,027,118	1,752,673	14,450	113,403					(146,592)
Total component units.....	<u>\$ 2,116,193</u>	<u>\$ 1,754,734</u>	<u>\$ 26,487</u>	<u>\$ 115,284</u>					<u>\$ (219,688)</u>
General revenues:									
Property taxes.....					477,368	-	477,368	465,918	-
Utility service taxes.....					114,392	-	114,392	104,634	-
Sales and tourist taxes.....					179,645	12,695	192,340	194,141	72,123
Intergovernmental - unrestricted.....					185,041	-	185,041	206,371	56,514
Unrestricted earnings on investments.....					15,263	2,516	17,779	40,198	49,767
Miscellaneous.....					48,976	8,822	57,798	76,404	41,045
Transfers.....					(232,306)	232,306	-	-	-
Total general revenues and transfers.....					788,379	256,339	1,044,718	1,087,666	219,449
Change in net assets.....					(155,330)	218,704	63,374	(19,277)	(239)
Net assets (deficit), beginning of year.....					846,140	(80,566)	765,574	784,851	3,034,137
Adjustment to beginning Net assets.....					-	-	-	-	(472,975)
Net assets (deficit), beginning of year, as restated.....					846,140	(80,566)	765,574	784,851	2,561,162
Net assets, end of year.....					<u>\$ 690,810</u>	<u>\$ 138,138</u>	<u>\$ 828,948</u>	<u>\$ 765,574</u>	<u>\$ 2,560,923</u>

See accompanying notes.



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**FUND FINANCIAL  
STATEMENTS**



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## **MAJOR GOVERNMENTAL FUNDS:**

### **GENERAL FUND**

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

### **DEBT SERVICE FUNDS**

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

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

### **CAPITAL PROJECTS FUNDS**

**The 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, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	<u>GENERAL FUND</u>	<u>SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS</u>	<u>SPECIAL BONDED DEBT- OBLIGATIONS</u>
<b>ASSETS:</b>			
Equity in cash and investments.....	\$ 72,301	\$ 82,399	\$ 18,006
Cash in escrow and with fiscal agents.....	374	40,103	69,139
Securities lending collateral.....	83,864	-	-
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts and interest.....	14,581	-	-
Mortgages.....	37	-	-
Other.....	14,795	-	-
Due from other funds.....	1,913	-	-
Due from independent agencies and other governments.....	52,362	-	-
Inventories.....	4,300	-	-
Prepaid items.....	433	-	-
<b>TOTAL ASSETS.....</b>	<u>\$ 244,960</u>	<u>\$ 122,502</u>	<u>\$ 87,145</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	\$ 38,581	\$ 42,067	\$ 68,929
Contracts payable.....	-	-	-
Due to other funds.....	1	-	-
Due to component units.....	33	-	-
Due to individuals.....	-	-	-
Deposits.....	778	-	-
Unearned revenue.....	20,614	-	-
Securities lending obligations.....	86,795	-	-
Advances from other funds.....	-	-	-
<b>TOTAL LIABILITIES.....</b>	<u>\$ 146,802</u>	<u>\$ 42,067</u>	<u>\$ 68,929</u>
<b>FUND BALANCES:</b>			
Reserved for:			
Encumbrances.....	12,606	-	-
City Council emergency use.....	40,000	-	-
Imprest cash and cash in escrow.....	374	-	-
Mortgages receivable.....	37	-	-
Inventories.....	4,300	-	-
Debt service.....	-	80,435	18,216
Unreserved:			
Designated for capital projects.....	2,423	-	-
Undesignated (deficit).....	38,418	-	-
Unreserved, reported in nonmajor:			
Special revenue funds.....	-	-	-
Capital projects funds.....	-	-	-
Debt service funds.....	-	-	-
Permanent fund.....	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<u>98,158</u>	<u>80,435</u>	<u>18,216</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<u>\$ 244,960</u>	<u>\$ 122,502</u>	<u>\$ 87,145</u>

See accompanying notes.

**BETTER  
JACKSONVILLE  
PLAN  
CONSTRUCTION  
PROJECT**

**NON MAJOR  
GOVERNMENTAL  
FUNDS**

**TOTALS**

**2008**

**2007**

\$ 543	\$ 312,056	\$ 485,305	\$ 534,067
-	2,410	112,026	5,154
-	-	83,864	-
-	2,670	17,251	12,451
-	26,835	26,872	16,671
-	489	15,284	26,935
-	-	1,913	39,781
38,802	59,888	151,052	134,423
-	-	4,300	1,738
-	-	433	-
<u>\$ 39,345</u>	<u>\$ 404,348</u>	<u>\$ 898,300</u>	<u>\$ 771,220</u>
\$ 12,369	\$ 35,814	\$ 197,760	\$ 65,170
3,542	2,796	6,338	4,302
-	1,579	1,580	40,010
-	-	33	3,846
-	441	441	197
-	2,909	3,687	2,059
-	4,042	24,656	21,863
-	-	86,795	-
-	9,164	9,164	9,800
<u>\$ 15,911</u>	<u>\$ 56,745</u>	<u>330,454</u>	<u>147,247</u>
76,563	107,779	196,948	213,375
-	-	40,000	40,000
-	2,371	2,745	5,115
-	26,835	26,872	16,671
-	-	4,300	1,738
-	142	98,793	173,785
-	40,779	43,202	28,402
(53,129)	-	(14,711)	(68,564)
-	181,662	181,662	185,307
-	(12,162)	(12,162)	27,950
-	2	2	-
-	195	195	194
<u>23,434</u>	<u>347,603</u>	<u>567,846</u>	<u>623,973</u>
<u>\$ 39,345</u>	<u>\$ 404,348</u>	<u>\$ 898,300</u>	<u>\$ 771,220</u>



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**City of Jacksonville, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**September 30, 2008**  
**(in thousands)**

Total fund balances- governmental funds \$ 567,846

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

Capital assets used in governmental activities 2,310,411  
are not financial resources and therefore are not reported in the funds

Long term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:

Bonds and notes payable	(2,096,875)	
Unamortized bond discounts	3,315	
Unamortized bond premium	(20,246)	
Unamortized loss on advance refunding of debt	4,449	

Total bonds and notes payable (2,109,357)

Certain assets and liabilities reported in governmental activities are not financial resources and therefore are not reported in the funds:

Compensated absences	(60,867)
Reduction of accounts payable in debt service funds for debt principal and interest	109,031
Unamortized bond issuance costs	16,191
Estimated settlement for Shipyards project	(2,500)
Estimated liability for self insured losses	(83,192)
Other post employment benefits (OPEB) liability	(8,073)
Accrued liability for pollution remediation	(139,330)
Accrued liability to other governments - Home program	(2,480)
Interest payable	(34,004)
Capitalized lease obligations	(609)
Miscellaneous payable liabilities	(1,129)

Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance, to individual funds. The Capital Assets and Long term liabilities are consolidated with the governmental funds on an entity-wide basis. This figure represents the net of Current Assets and Current Liabilities of the Internal Service Funds.

128,872

Net assets of governmental activities \$ 690,810

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, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	<u>GENERAL FUND</u>	<u>SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS</u>	<u>SPECIAL BONDED DEBT- OBLIGATIONS</u>
<b>REVENUE:</b>			
Property taxes.....	\$ 463,374	\$ -	\$ -
Utility Service taxes.....	114,392	-	-
Sales and tourist taxes.....	1,233	-	-
Licenses and permits.....	27,356	-	-
Intergovernmental.....	137,939	39,831	-
Charges for services.....	68,452	-	-
Fines and forfeitures.....	4,302	-	-
JEA charter.....	94,188	-	-
Interest.....	4,803	5,077	1,873
Other.....	18,284	-	-
Total Revenue.....	<u>934,323</u>	<u>44,908</u>	<u>1,873</u>
<b>EXPENDITURES:</b>			
Current:			
General government.....	122,169	-	-
Human services.....	63,301	-	-
Public safety.....	465,515	-	-
Culture and recreation.....	53,129	-	-
Transportation.....	53,079	-	-
Economic environment.....	12,845	-	-
Physical environment.....	12,737	-	-
Capital outlay.....	-	-	-
Debt service:			
Principal.....	-	20,270	53,365
Interest and fiscal charges.....	-	53,986	43,343
Other - cost of issuance.....	-	812	441
Total Expenditures.....	<u>782,775</u>	<u>75,068</u>	<u>97,149</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<u>151,548</u>	<u>(30,160)</u>	<u>(95,276)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Long term debt issued.....	4,906	284,241	134,570
Premium on special obligation bonds payable.....	-	-	-
Payment to escrow agent - refunded bonds.....	-	(274,675)	(135,785)
Transfers in.....	8,503	46,015	103,865
Transfers out.....	(150,782)	-	-
Total Other Financing Sources (Uses).....	<u>(137,373)</u>	<u>55,581</u>	<u>102,650</u>
<b>NET CHANGES IN FUND BALANCES.....</b>	<b>14,175</b>	<b>25,421</b>	<b>7,374</b>
<b>FUND BALANCES, BEGINNING OF YEAR:</b>			
Fund Balance, October 1, 2008.....	83,983	92,605	81,147
Adjustment to Beginning Fund Balance.....	-	(37,591)	(70,305)
Restated Beginning Fund Balance .....	<u>83,983</u>	<u>55,014</u>	<u>10,842</u>
<b>FUND BALANCES, END OF YEAR.....</b>	<u><b>\$ 98,158</b></u>	<u><b>\$ 80,435</b></u>	<u><b>\$ 18,216</b></u>

See accompanying notes.

BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
		2008	2007
\$ -	\$ 13,994	\$ 477,368	\$ 465,918
-	-	114,392	104,634
-	178,412	179,645	181,621
-	-	27,356	8,867
-	108,722	286,492	299,696
-	60,118	128,570	128,391
-	1,539	5,841	6,103
-	-	94,188	95,151
-	3,593	15,346	31,101
377	28,782	47,443	63,772
<u>377</u>	<u>395,160</u>	<u>1,376,641</u>	<u>1,385,254</u>
-	40,033	162,202	152,894
-	37,557	100,858	107,651
-	36,790	502,305	474,120
-	5,967	59,096	72,993
-	111,839	164,918	163,433
-	59,588	72,433	76,991
-	7,802	20,539	21,874
116,873	99,897	216,770	351,581
-	730	74,365	66,294
3,409	1,685	102,423	96,907
354	-	1,607	1,759
<u>120,636</u>	<u>401,888</u>	<u>1,477,516</u>	<u>1,586,497</u>
<u>(120,259)</u>	<u>(6,728)</u>	<u>(100,875)</u>	<u>(201,243)</u>
112,271	48,905	584,893	190,455
3,587	-	3,587	4,097
-	-	(410,460)	-
20,526	40,953	219,862	192,537
-	(94,456)	(245,238)	(222,892)
<u>136,384</u>	<u>(4,598)</u>	<u>152,644</u>	<u>164,197</u>
16,125	(11,326)	51,769	(37,046)
7,309	358,929	623,973	661,019
-	-	(107,896)	-
<u>7,309</u>	<u>358,929</u>	<u>516,077</u>	<u>661,019</u>
<u>\$ 23,434</u>	<u>\$ 347,603</u>	<u>\$ 567,846</u>	<u>\$ 623,973</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, 2008**  
(in thousands)

Net change in fund balances- total governmental funds: \$ 51,769

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	208,553	
Capital assets contributed by developers	40,903	
Capital assets transferred from proprietary funds of the city	594	
Current year depreciation	(79,769)	
Loss on disposition of assets	(975)	
		169,306

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

Bond Issuance Costs	1,607	
Amortization of issuance costs	(794)	
Amortization of bond discounts	(156)	
Amortization of bond premium	1,510	
Additional bond premium with new debt issue	(3,928)	
Amortization - loss on refunding	(649)	
		(2,410)

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	(570,126)	
State debt	(14,768)	
Debt retired with refunding issue	410,460	
Principal repayment	74,365	
		(100,069)

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	(322)	
Increases in compensated absences payable	(3,938)	
Enterprise fund bond principal paid by a governmental fund reflected as a general government expense	1,215	
Miscellaneous payable	(808)	
Payable to other governments	(2,480)	
Other post employment benefits liability	(7,640)	
Pollution remediation accrual	(50,278)	
Transfer in of liability from the Solid Waste enterprise fund for pollution remediation	(112,432)	
Net transfer of Assets to the enterprise funds Sports Venue	(97,925)	
Net effect-elimination receivable/payable	4,709	
		(372,378)

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	(83)	
Other non-operating expenses	(6,508)	
Operating income	(239)	
Transfers in, net	2,803	
		(4,027)

Change in Net Assets - Governmental Activities \$ (155,330)

See accompanying notes.



### **MAJOR ENTERPRISE FUNDS:**

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

<b>ENTERPRISE FUNDS</b>							
	<b>SOLID WASTE DISPOSAL</b>	<b>JACKSONVILLE MUNICIPAL STADIUM</b>	<b>VETERANS MEMORIAL ARENA</b>	<b>NON MAJOR ENTERPRISE</b>	<b>TOTALS</b>		<b>INTERNAL SERVICE FUNDS</b>
					<b>2008</b>	<b>* Adjusted 2007</b>	
<b>ASSETS:</b>							
Equity in cash and investments.....	\$ 57,910	\$ 98	\$ 2,239	\$ 14,207	\$ 74,454	\$ 63,507	\$ 113,170
Receivables (net, where applicable, of allowances for uncollectibles):							
Accounts.....	3,622	739	428	4,597	9,386	3,898	65
Loans receivable.....	-	-	-	-	-	-	41,738
Other.....	-	-	-	-	-	-	1,763
Due from other funds.....	-	51	14	10	75	281	12
Due from independent agencies and other governments.....	-	167	-	-	167	174	2,549
Advances to other funds.....	-	-	-	-	-	-	-
Interest and dividend receivables.....	2	-	-	-	2	-	-
Inventories.....	-	-	-	14	14	6	2,143
Prepaid expenses and other assets.....	-	29	203	40	272	280	4,335
<b>Total Current Assets.....</b>	<b>61,534</b>	<b>1,084</b>	<b>2,884</b>	<b>18,868</b>	<b>84,370</b>	<b>68,146</b>	<b>165,775</b>
<b>NONCURRENT ASSETS:</b>							
Advances to other funds.....	-	-	-	-	-	-	9,164
Sinking fund cash and investments.....	19,727	-	-	-	19,727	14,716	-
Loans receivable.....	-	-	-	-	-	-	78,648
Other receivables.....	-	-	-	-	-	-	14,738
<b>CAPITAL ASSETS:</b>							
Land and work in progress.....	1,859	23,339	1,602	8,059	34,859	35,469	203
Other capital assets, net of depreciation.....	19,916	178,040	111,706	92,327	401,989	408,111	72,057
Deferred charge - Landfill related costs.....	22,362	-	-	-	22,362	24,864	-
Other deferred charges.....	308	-	-	-	308	347	-
<b>Total Noncurrent Assets.....</b>	<b>64,172</b>	<b>201,379</b>	<b>113,308</b>	<b>100,386</b>	<b>479,245</b>	<b>483,507</b>	<b>174,810</b>
<b>TOTAL ASSETS.....</b>	<b>125,706</b>	<b>202,463</b>	<b>116,192</b>	<b>119,254</b>	<b>563,615</b>	<b>551,653</b>	<b>340,585</b>

\*2007 amounts were adjusted for comparability to 2008 to reflect the transfer of capital assets and related debt to Enterprise Funds and the reclassification of debt from Enterprise Funds to Governmental Funds, which is reflected on the entitywide statements. See Notes to the Financial Statements, Note 6 Capital Asset Activity, Note 8 Long-term Obligations and Note 15D Environmental Matters for additional information.

CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
SEPTEMBER 30, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands)

	ENTERPRISE FUNDS						
	SOLID WASTE DISPOSAL	JACKSONVILLE MUNICIPAL STADIUM	VETERANS MEMORIAL ARENA	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
					2008	* Adjusted 2007	
<b>LIABILITIES:</b>							
Accounts payable and accrued liabilities.....	\$ 5,383	\$ 1,725	\$ 574	\$ 659	\$ 8,341	\$ 7,564	\$ 15,117
Contracts payable.....	4	-	-	-	4	-	-
Due to other funds.....	-	48	10	212	270	67	150
Capitalized lease obligations, current portion.....	-	-	-	-	-	-	296
Deposits.....	147	110	18	296	571	484	2
Advances from other funds.....	-	146	846	242	1,234	874	-
Accrued interest payable.....	1,033	358	228	320	1,939	2,765	-
Current portion of bonds payable.....	3,530	3,883	2,860	4,911	15,184	14,914	-
Unearned revenue.....	2,018	-	111	7,514	9,643	-	2,431
Accrued compensated absences, current portion.....	165	-	-	43	208	215	1,052
Current portion of loans payable.....	-	-	-	-	-	-	15,672
<b>Total Current Liabilities.....</b>	<b>12,280</b>	<b>6,270</b>	<b>4,647</b>	<b>\$ 14,197</b>	<b>37,394</b>	<b>26,883</b>	<b>34,720</b>
<b>NONCURRENT LIABILITIES:</b>							
Estimated liability for self-insured losses.....	-	-	-	-	-	-	82,943
Liability for landfill closure and postclosure care.....	46,943	-	-	-	46,943	46,600	-
Accrued compensated absences.....	384	-	-	101	485	500	2,455
Capitalized lease obligations.....	-	-	-	-	-	-	313
Notes payable.....	-	-	-	-	-	-	99,515
Loans payable.....	-	-	-	-	-	-	19,125
Bonds payable.....	34,657	152,999	113,071	39,772	340,499	347,878	54,215
Other liabilities.....	105	-	-	51	156	-	433
<b>Total Noncurrent Liabilities.....</b>	<b>82,089</b>	<b>152,999</b>	<b>113,071</b>	<b>39,924</b>	<b>388,083</b>	<b>394,978</b>	<b>258,999</b>
<b>TOTAL LIABILITIES.....</b>	<b>94,369</b>	<b>159,269</b>	<b>117,718</b>	<b>54,121</b>	<b>425,477</b>	<b>421,861</b>	<b>293,719</b>
<b>NET ASSETS:</b>							
Invested in capital assets, net of related debt.....	5,949	44,497	-	57,654	108,100	118,202	41,656
Restricted for:							
Capital.....	8,601	-	-	-	8,601	8,274	-
Restricted - others.....	-	-	-	-	-	-	-
Unrestricted.....	16,787	(1,303)	(1,526)	7,479	21,437	3,316	5,210
<b>TOTAL NET ASSETS (deficit).....</b>	<b>\$ 31,337</b>	<b>\$ 43,194</b>	<b>\$ (1,526)</b>	<b>\$ 65,133</b>	<b>\$ 138,138</b>	<b>\$ 129,792</b>	<b>\$ 46,866</b>

\*2007 amounts were adjusted for comparability to 2008 to reflect the transfer of capital assets and related debt to Enterprise Funds and the reclassification of debt from Enterprise Funds to Governmental Funds, which is reflected on the entitywide statements. See Notes to the Financial Statements, Note 6 Capital Asset Activity, Note 8 Long-term Obligations and Note 15D Environmental Matters for additional information.

See accompanying notes.



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CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands)

	ENTERPRISE FUNDS						
	SOLID WASTE DISPOSAL	JACKSONVILLE MUNICIPAL STADIUM	VETERANS MEMORIAL ARENA	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
					2008	* Adjusted 2007	
<b>OPERATING REVENUE:</b>							
Sales and tourist taxes.....	\$ -	\$ 7,498	\$ -	\$ 5,197	\$ 12,695	\$ 12,520	\$ -
Charges for services.....	39,892	4,106	5,520	16,111	65,629	59,440	207,581
Charges for services for independent authorities...	-	-	-	-	-	-	11,368
Other.....	-	-	-	-	-	-	1,656
Total Operating Revenue.....	<u>39,892</u>	<u>11,604</u>	<u>5,520</u>	<u>21,308</u>	<u>78,324</u>	<u>71,960</u>	<u>220,605</u>
<b>OPERATING EXPENSES:</b>							
Personal services.....	5,663	2,029	1,676	5,316	14,684	14,627	32,653
Supplies and materials.....	106	107	132	165	510	2,646	27,864
Central services.....	3,721	24	14	863	4,622	2,570	10,456
Interdepartmental charges.....	218	802	418	1,128	2,566	3,849	-
Other services and charges.....	55,022	8,887	5,815	6,223	75,947	77,541	18,940
Depreciation and amortization.....	2,434	1	-	434	2,869	3,572	24,559
Court reporter services.....	-	-	-	-	-	-	35
Claims and losses.....	-	-	-	-	-	-	21,961
Insurance premiums and participant dividends.....	-	-	-	-	-	-	84,376
Total Operating Expenses.....	<u>67,164</u>	<u>11,850</u>	<u>8,055</u>	<u>14,129</u>	<u>101,198</u>	<u>104,805</u>	<u>220,844</u>
<b>OPERATING (LOSS) INCOME.....</b>	<u>(27,272)</u>	<u>(246)</u>	<u>(2,535)</u>	<u>7,179</u>	<u>(22,874)</u>	<u>(32,845)</u>	<u>(239)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>							
Interest revenue.....	2,150	72	90	204	2,516	6,165	(83)
Interest expense.....	(2,066)	-	-	-	(2,066)	(2,754)	-
Other.....	1,836	2,541	2,570	1,875	8,822	10,864	(6,508)
Total Non-Operating Revenue (Expenses).....	<u>1,920</u>	<u>2,613</u>	<u>2,660</u>	<u>2,079</u>	<u>9,272</u>	<u>14,275</u>	<u>(6,591)</u>
<b>(LOSS) INCOME BEFORE TRANSFERS.....</b>	<u>(25,352)</u>	<u>2,367</u>	<u>125</u>	<u>9,258</u>	<u>(13,602)</u>	<u>(18,570)</u>	<u>(6,830)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>							
Capital Contributions.....	-	44,497	(2,623)	56,051	97,925	97,925	-
Transfers in.....	144,483	8,472	501	2,927	156,383	164,178	3,042
Transfers out.....	(624)	(13,638)	(842)	(6,898)	(22,002)	(22,041)	(239)
Net Transfers.....	<u>143,859</u>	<u>39,331</u>	<u>(2,964)</u>	<u>52,080</u>	<u>232,306</u>	<u>240,062</u>	<u>2,803</u>
<b>CHANGES IN NET ASSETS.....</b>	<u>118,507</u>	<u>41,698</u>	<u>(2,839)</u>	<u>61,338</u>	<u>218,704</u>	<u>221,492</u>	<u>(4,027)</u>
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR.....</b>	<u>(87,170)</u>	<u>1,496</u>	<u>1,313</u>	<u>3,795</u>	<u>(80,566)</u>	<u>(91,700)</u>	<u>50,893</u>
<b>NET ASSETS (DEFICIT), END OF YEAR.....</b>	<u>\$ 31,337</u>	<u>\$ 43,194</u>	<u>(\$ 1,526)</u>	<u>\$ 65,133</u>	<u>\$ 138,138</u>	<u>\$ 129,792</u>	<u>\$ 46,866</u>

\*2007 amounts were adjusted for comparability to 2008 to reflect the transfer of capital assets and related debt to Enterprise Funds and the reclassification of debt from Enterprise Funds to Governmental Funds, which is reflected on the entitywide statements. See Notes to the Financial Statements, Note 6 Capital Asset Activity, Note 8 Long-term Obligations and Note 15D Environmental Matters for additional information.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	<b>ENTERPRISE FUNDS</b>		
	<b>SOLID WASTE DISPOSAL</b>	<b>JACKSONVILLE MUNICIPAL STADIUM</b>	<b>VETERANS MEMORIAL ARENA</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers.....	\$ 40,924	\$ 11,556	\$ 5,585
Payments to suppliers.....	(57,661)	(8,800)	(5,900)
Payments to employees .....	(5,532)	(2,029)	(1,676)
Internal activity- receipts from other funds.....	-	-	4
Internal activity- payments to other funds.....	-	(7)	-
Other cash receipts .....	2,344	6,751	3,420
Other operating cash payments.....	<u>(237)</u>	<u>(4,817)</u>	<u>(635)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>(20,162)</u>	<u>2,654</u>	<u>798</u>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>			
Interest payment on non-capital borrowing.....	(953)	-	-
Cash received through transfers from other funds.....	32,051	8,472	501
Cash payments through transfers to other funds.....	<u>(624)</u>	<u>(13,638)</u>	<u>(842)</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....	<u>30,474</u>	<u>(5,166)</u>	<u>(341)</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Increase to property, plant and equipment.....	(2,434)	-	-
Increase in landfill closure costs and other charges.....	4,975	-	-
Decrease in construction fund cash and investments.....	(5,011)	-	-
Proceeds from loans receivable.....	-	-	-
Proceeds on long-term obligations.....	-	-	-
Principal paid on long-term obligations.....	(3,409)	-	-
Derease in capitalized lease obligations.....	-	-	-
Proceeds on loans payable.....	-	-	-
Payments on loans payable.....	-	-	-
Proceeds on notes payable.....	-	-	-
Proceeds on bonds payable.....	-	-	-
Interest and payments to refunded bond escrow agent.....	<u>(2,066)</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(7,945)</u>	<u>2</u>	<u>-</u>
<b>INVESTING ACTIVITIES:</b>			
Interest and dividends on investments.....	<u>2,150</u>	<u>72</u>	<u>90</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>2,150</u>	<u>72</u>	<u>90</u>
NET INCREASE IN CASH AND INVESTMENTS.....	4,517	(2,438)	547
Equity in cash and investments at October 1, 2007.....	<u>53,393</u>	<u>2,536</u>	<u>1,692</u>
Equity in cash and investments at September 30, 2008.....	<u>\$ 57,910</u>	<u>\$ 98</u>	<u>\$ 2,239</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>2008</u>	<u>2007</u>	
\$ 24,420	\$ 82,485	\$ 72,355	\$ 172,589
(7,873)	(80,234)	(82,520)	(138,967)
(5,313)	(14,550)	(14,618)	(31,990)
206	210	67	150
-	(7)	-	(339)
6,271	18,786	10,864	6,089
<u>(1,593)</u>	<u>(7,282)</u>	<u>1,513</u>	<u>(29,050)</u>
<u>16,118</u>	<u>(592)</u>	<u>(12,339)</u>	<u>(21,518)</u>
-	(953)	(953)	-
2,927	43,951	51,745	3,042
<u>(6,898)</u>	<u>(22,002)</u>	<u>(22,041)</u>	<u>(239)</u>
<u>(3,971)</u>	<u>20,996</u>	<u>28,751</u>	<u>2,803</u>
(78)	(2,510)	(1,377)	(19,726)
-	4,975	5,228	-
-	(5,011)	725	-
-	-	-	799
18	18	-	-
<u>(3,970)</u>	<u>(7,379)</u>	<u>(7,109)</u>	-
-	-	-	(343)
-	-	-	2,509
-	-	-	(3,532)
-	-	-	27,310
-	-	-	54,215
<u>-</u>	<u>(2,066)</u>	<u>(2,754)</u>	<u>-</u>
<u>(4,030)</u>	<u>(11,973)</u>	<u>(5,287)</u>	<u>61,232</u>
<u>204</u>	<u>2,516</u>	<u>6,165</u>	<u>(83)</u>
<u>204</u>	<u>2,516</u>	<u>6,165</u>	<u>(83)</u>
8,321	10,947	17,290	42,434
<u>5,886</u>	<u>63,507</u>	<u>46,217</u>	<u>70,736</u>
<u>\$ 14,207</u>	<u>\$ 74,454</u>	<u>\$ 63,507</u>	<u>\$ 113,170</u>

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(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands; continued)**

	<u>SOLID WASTE DISPOSAL</u>	<u>JACKSONVILLE MUNICIPAL STADIUM</u>	<u>VETERANS MEMORIAL ARENA</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
OPERATING INCOME (LOSS).....	(\$ 27,272)	(\$ 246)	(\$ 2,535)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization.....	2,434	1	-
Interest payment on non-capital borrowing.....	953	-	-
Other non-operating revenue/(expenses).....	1,836	2,541	2,570
Change in assets and liabilities:			
Decrease (increase) in receivables and other current assets, net.....	(991)	(69)	(56)
Decrease (increase) in interest and dividend receivables.....	(2)	-	-
Increase in due from other funds.....	-	227	(14)
Decrease (increase) in due from independent agencies and other governments....	7	-	-
Decrease (increase) in due from other governments.....	-	-	-
Decrease (increase) in inventories.....	-	-	-
Decrease in receivables-non-current.....	-	-	-
Decrease (increase) in prepaid expenses.....	-	21	10
Decrease (increase) in accounts payable and accrued expenses.....	310	414	128
Decrease in due to other funds.....	-	(7)	4
Increase in contracts payable.....	4	-	-
Decrease (increase) in deposits.....	(19)	100	4
Increase (decrease) in interest payable.....	(79)	(196)	(67)
Increase in current portion of bond payables.....	165	-	-
Increase (decrease) in unearned revenue.....	2,018	-	111
Increase (decrease) in other liabilities.....	105	-	-
Increase in advances from other funds.....	-	(132)	846
Increase in estimated liability for ash sites remediations.....	-	-	-
Increase (decrease) in liability for landfill closure and postclosure care.....	343	-	-
Increase in liability for self-insured losses.....	-	-	(203)
(Decrease) increase in accrued compensated absences.....	26	-	-
TOTAL ADJUSTMENTS.....	<u>7,110</u>	<u>2,900</u>	<u>3,333</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>(\$ 20,162)</u>	<u>\$ 2,654</u>	<u>\$ 798</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Change in the fair value of investments.....	(\$ 78)	\$ 3	\$ 14
Capital assets transferred from governmental activities to proprietary funds of the city.....	-	201,379	113,308
Debts transferred from governmental activities to proprietary funds of the city.....	-	(156,882)	(115,931)
Capital assets transferred to JPA.....	-	-	-
Transfer of long term pollution remediation liability to governmental activities.....	112,432	-	-



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**ENTERPRISE FUNDS**

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<b>NON MAJOR ENTERPRISE</b>	<b>TOTALS</b>		<b>INTERNAL SERVICE FUNDS</b>
	<b>2008</b>	<b>2007</b>	
\$ 7,179	(\$ 22,874)	(\$ 32,845)	(\$ 239)
434	2,869	3,572	24,559
-	953	953	-
5,795	12,742	10,864	(6,508)
(4,375)	(5,491)	976	165
-	(2)	133	-
(4)	209	(281)	978
-	7	-	(89)
-	-	(167)	-
(8)	(8)	2	(335)
-	-	-	(46,974)
(23)	8	(17)	(1,754)
(75)	777	(540)	3,039
206	203	67	(189)
-	4	(1,330)	-
2	87	(2,373)	-
(484)	(826)	1,152	-
105	270	1,505	-
7,514	9,643	(249)	215
51	156	-	433
(151)	563	874	-
-	-	1,806	-
-	343	3,550	-
-	(203)	-	4,951
(48)	(22)	9	230
<u>8,939</u>	<u>22,282</u>	<u>20,506</u>	<u>(21,279)</u>
<u>\$ 16,118</u>	<u>(\$ 592)</u>	<u>(\$ 12,339)</u>	<u>(\$ 21,518)</u>
(\$ 534)	(\$ 595)	(\$ 103)	(\$ 2,374)
90,212	404,899	-	-
(34,161)	(306,974)	-	-
(3,920)	(3,920)	-	-
-	112,432	-	-

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(continued)

See accompanying notes.



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## **FIDUCIARY FUND LEVEL STATEMENTS**

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST FUND		AGENCY FUNDS	
	2008	2007	2008	2007	2008	2007
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Equity in cash and investments.....	\$ 38,814	\$ 63,847	\$ 221	\$ 216	\$ 60,419	\$ 55,776
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends.....	6,637	7,000	-	-	-	-
Accounts.....	2,073	5,523	-	-	2,620	534
Total receivables.....	8,710	12,523	-	-	2,620	534
Investments, at fair value:						
U.S. Government obligations.....	135,108	285,925	-	-	-	-
Domestic corporate bonds.....	654,079	585,832	-	-	-	-
Commercial paper.....	-	43,256	-	-	-	-
Domestic stocks.....	1,114,727	1,383,229	-	-	-	-
International stocks.....	238,960	329,280	-	-	-	-
Real Estate.....	276,578	266,052	-	-	-	-
Total investments.....	2,419,452	2,893,574	-	-	-	-
Total Current Assets.....	2,466,976	2,969,944	221	216	63,039	56,310
<b>CAPITAL ASSETS</b>						
Other capital assets, net of depreciation.....	44	96	-	-	-	-
Total Capital Assets, Net.....	44	96	-	-	-	-
Securities Lending Collateral.....	137,967	320,021	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>2,604,987</b>	<b>3,290,061</b>	<b>221</b>	<b>216</b>	<b>63,039</b>	<b>56,310</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Obligations Under Securities Lending Agreement.....	140,791	320,021	-	-	-	-
Accounts payable and accrued liabilities.....	7,839	5,550	4	-	211	1,139
Due to independent agencies and other governments..	-	-	-	-	14,806	22,919
Due to individuals.....	-	-	-	-	6,620	3,679
Deposits held in escrow.....	-	-	-	-	41,402	28,573
Total Current Liabilities.....	148,630	325,571	4	-	63,039	56,310
<b>NONCURRENT LIABILITIES:</b>						
Accrued compensated absences.....	83	66	-	-	-	-
Terminal Leave - Group Care.....	-	398	-	-	-	-
Terminal Leave - Pending.....	-	57	-	-	-	-
Due to participants.....	160,450	148,579	-	-	-	-
Total Current Liabilities.....	160,533	149,100	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>309,163</b>	<b>474,671</b>	<b>4</b>	<b>-</b>	<b>\$ 63,039</b>	<b>\$ 56,310</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....</b>	<b>\$ 2,295,824</b>	<b>\$ 2,815,390</b>	<b>\$ 217</b>	<b>\$ 216</b>		

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	<b>PENSION TRUST FUNDS</b>		<b>PRIVATE PURPOSE TRUST</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>ADDITIONS</b>				
Contributions:				
Employer.....	\$ 82,501	\$ 75,761	\$ -	\$ -
Plan members.....	36,521	35,158	-	-
Total contributions.....	<u>119,022</u>	<u>110,919</u>	<u>-</u>	<u>-</u>
Other additions:				
State insurance contributions.....	9,427	8,878	-	-
Court fines & penalties.....	1,758	1,879	-	-
Miscellaneous.....	80	60	-	-
Transfers in.....	24	-	8	7
Total other additions.....	<u>11,289</u>	<u>10,817</u>	<u>8</u>	<u>7</u>
Investment income:				
Net (depreciation) appreciation in fair value of investments.....	(496,729)	296,672	-	-
Interest.....	48,377	58,605	6	7
Dividends.....	33,420	28,037	-	-
Rebate of commissions.....	212	346	-	-
Rental income.....	2,070	1,871	-	-
Other miscellaneous.....	-	43	-	-
Total investment income (loss) .....	<u>(412,650)</u>	<u>385,574</u>	<u>6</u>	<u>7</u>
Less investment expense.....	(12,374)	(10,798)	-	-
Less rental expense.....	(195)	(186)	-	-
Net investment income (loss).....	<u>(425,219)</u>	<u>374,590</u>	<u>6</u>	<u>7</u>
From Securities Lending Activities:				
Securities Lending.....	7,375	22,392	-	-
Securities Lending Expenses				
Interest Expense (returned to borrower).....	(7,601)	(21,518)	-	-
Agent Fees.....	(650)	75	-	-
Total securities lending activities .....	<u>(876)</u>	<u>949</u>	<u>-</u>	<u>-</u>
<b>TOTAL ADDITIONS, NET.....</b>	<u>(295,784)</u>	<u>497,275</u>	<u>14</u>	<u>14</u>
<b>DEDUCTIONS</b>				
Benefits payments.....	187,176	201,280	-	-
DROP Benefits.....	25,485	857	-	-
Refunds of contributions.....	6,055	3,643	-	-
Administrative expenses.....	5,066	4,172	-	-
Operating expenses.....	-	-	13	14
<b>TOTAL DEDUCTIONS.....</b>	<u>223,782</u>	<u>209,952</u>	<u>13</u>	<u>14</u>
<b>CHANGE IN NET ASSETS.....</b>	<u>(519,566)</u>	<u>287,323</u>	<u>1</u>	<u>-</u>
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<u>2,815,390</u>	<u>2,528,067</u>	<u>216</u>	<u>216</u>
<b>NET ASSETS, END OF YEAR.....</b>	<u>\$ 2,295,824</u>	<u>\$ 2,815,390</u>	<u>\$ 217</u>	<u>\$ 216</u>

See accompanying notes.



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## COMPONENT UNITS

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

### MAJOR COMPONENT UNITS:

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

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

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

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

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

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

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



**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF NET ASSETS -**  
**COMPONENT UNITS (in thousands)**  
**SEPTEMBER 30, 2008**

**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.....	\$ 700,444	\$ 114,695	\$ 73,483	\$ 133,385
Cash in escrow with fiscal agent.....	-	-	-	-
Investments.....	191,742	25,647	31,960	891
Due from primary government.....	-	-	-	-
Due from other governmental agencies.....	-	19,395	10,000	200
Accounts and interest receivable.....	242,056	538	4,581	4,288
Mortgages receivable.....	-	-	-	-
Other receivables.....	-	-	13,833	11,706
Inventories.....	135,017	3,204	855	1,482
Other assets.....	267,081	761	2,313	4,802
Bond issuance costs, net.....	-	-	-	5,379
Other Deferred Charges				
Custodial Assets - Construction projects.....	-	404,869	-	-
Capital assets:				
Land and construction in progress.....	764,766	47,982	145,552	369,916
Buildings and improvements.....	-	76,385	638,870	324,720
Vehicles.....	-	39,188	-	-
Equipment.....	-	1,175	-	88,606
Utility plant in service.....	8,931,386	-	-	-
Other capital assets.....	-	19,228	1,835	-
Less: accumulated depreciation.....	(3,094,811)	-	(241,229)	(207,537)
Total capital assets, net of depreciation.....	<u>6,601,341</u>	<u>183,958</u>	<u>545,028</u>	<u>575,705</u>
Total assets.....	<u>8,137,681</u>	<u>\$ 753,067</u>	<u>682,053</u>	<u>737,838</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses.....	198,034	6,020	13,761	23,965
Deposits.....	38,560	-	-	-
Unearned revenue.....	-	-	-	5,061
Due to other governmental agencies.....	-	1,088	-	-
Interest payable.....	94,967	-	4,443	-
Other current liabilities.....	90,000	-	-	6,523
Other noncurrent liabilities.....	123,153	-	-	101,135
Liabilities payable with restricted assets.....	-	16,809	-	83,452
Long-term liabilities:				
Due within one year:				
Estimated liability for injury and damage claims.....	-	1,600	-	-
Bonds, notes payable, capital leases and contracts.....	200,780	-	17,223	17,553
Compensated absences.....	-	86	-	-
Due in more than one year:				
Estimated liability for injury and damage claims.....	-	958	-	200
Bonds, capital leases and commercial paper.....	5,909,652	-	214,739	204,011
Compensated absences.....	-	1,036	-	-
Advances to other governments.....	-	423,719	-	-
Total liabilities.....	<u>6,655,146</u>	<u>451,316</u>	<u>250,166</u>	<u>441,900</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	727,495	183,958	358,313	271,042
Restricted for:				
Debt service.....	-	-	-	10,011
Other purposes.....	427,510	-	32,793	3,147
Unrestricted.....	327,530	117,793	40,781	11,738
Total Net Assets.....	<u>\$ 1,482,535</u>	<u>\$ 301,751</u>	<u>\$ 431,887</u>	<u>\$ 295,938</u>

See accompanying notes.

<u>JACKSONVILLE HOUSING FINANCE AUTHORITY</u>	<u>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</u>	<u>NON MAJOR COMPONENT UNITS</u>	<u>TOTAL</u>
\$ 4,341	\$ 25,098	\$ 1,507	\$ 1,052,953
276	-	-	276
-	-	-	250,240
-	64	-	64
-	-	-	29,595
-	-	680	252,143
12,761	-	-	12,761
-	33,944	1,805	61,288
-	-	-	140,558
531	-	109	275,597
-	-	-	5,379
-	-	-	404,869
-	-	711	1,328,927
-	-	-	1,039,975
-	-	-	39,188
33	55	4,031	93,900
-	-	-	8,931,386
-	-	-	21,063
(32)	(50)	(310)	(3,543,969)
1	5	4,432	7,910,470
<u>17,910</u>	<u>59,111</u>	<u>\$ 8,533</u>	<u>10,396,193</u>
356	925	257	243,318
-	386	-	38,946
-	33,944	-	39,005
-	-	-	1,088
-	-	-	99,410
-	874	-	97,397
-	-	-	224,288
-	-	-	100,261
-	-	-	1,600
-	-	-	235,556
-	-	-	86
-	-	-	1,158
-	-	-	6,328,402
-	-	-	1,036
-	-	-	423,719
<u>356</u>	<u>36,129</u>	<u>257</u>	<u>7,835,270</u>
1	5	4,432	1,545,246
-	-	-	10,011
-	-	-	463,450
17,553	22,977	3,844	542,216
<u>\$ 17,554</u>	<u>\$ 22,982</u>	<u>\$ 8,276</u>	<u>\$ 2,560,923</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF ACTIVITIES -  
COMPONENT UNITS (in thousands)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				GOVERNMENTAL ACTIVITIES	
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE HOUSING FINANCE AUTHORITY
Governmental activities:						
Jacksonville Transportation Authority	\$ 72,761	\$ -	\$ -	\$ -	\$ (72,761)	\$ -
Jacksonville Housing Finance Authority	1,320	-	-	-	-	(1,320)
Jacksonville Economic Development Commission	12,457	756	10,821	442	-	-
Non Major Component Units	2,537	1,305	1,216	1,439	-	-
<b>Total governmental activities.....</b>	<b>89,075</b>	<b>2,061</b>	<b>12,037</b>	<b>1,881</b>	<b>(72,761)</b>	<b>(1,320)</b>
Business-type activities:						
JEA	1,768,752	1,633,420	-	50,328	-	-
Jacksonville Transportation Authority	107,734	17,544	12,098	12,957	-	-
Jacksonville Aviation Authority	79,265	59,346	8	20,442	-	-
Jacksonville Port Authority	71,367	42,363	2,344	29,676	-	-
<b>Total business-type activities.....</b>	<b>2,027,118</b>	<b>1,752,673</b>	<b>14,450</b>	<b>113,403</b>	<b>-</b>	<b>-</b>
<b>Total component units.....</b>	<b>\$ 2,116,193</b>	<b>\$ 1,754,734</b>	<b>\$ 26,487</b>	<b>\$ 115,284</b>	<b>\$ (72,761)</b>	<b>\$ (1,320)</b>
General revenues:						
Sales and tourist taxes.....					72,123	-
Intergovernmental - unrestricted.....					1,638	-
Payments from other governments.....					-	-
Payments (to) from primary government.....					-	-
Unrestricted earnings on investments.....					2,420	97
Gain on disposition of capital assets.....					819	-
Miscellaneous.....					161	2,038
Transfer .....					(11,100)	-
<b>Total general revenues, special items and transfers.....</b>					<b>66,061</b>	<b>2,135</b>
Change in net assets.....					(6,700)	815
Net assets, beginning of year:						
Net assets, October 1, 2008.....					593,968	16,739
Changes to beginning Net assets.....					(474,622)	-
Restated beginning Net assets .....					119,346	16,739
<b>Net assets, end of year.....</b>					<b>\$ 112,646</b>	<b>\$ 17,554</b>

See accompanying notes.

GOVERNMENTAL ACTIVITIES (continued)		BUSINESS-TYPE ACTIVITIES				TOTAL
JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION	NON MAJOR COMPONENT UNITS	JEA	JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE AVIATION AUTHORITY	JACKSONVILLE PORT AUTHORITY	GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (72,761)
-	-	-	-	-	-	(1,320)
(438)	-	-	-	-	-	(438)
-	1,423	-	-	-	-	1,423
(438)	1,423					(73,096)
-	-	(85,004)	-	-	-	(85,004)
-	-	-	(65,135)	-	-	(65,135)
-	-	-	-	531	-	531
-	-	-	-	-	3,016	3,016
-	-	(85,004)	(65,135)	531	3,016	(146,592)
\$ (438)	\$ 1,423	\$ (85,004)	\$ (65,135)	\$ 531	\$ 3,016	\$ (219,688)
-	-	-	-	-	-	72,123
-	-	-	54,650	-	-	56,288
-	-	-	-	226	-	226
-	-	-	-	-	-	-
518	146	39,681	489	6,037	379	49,767
-	-	740	-	-	-	1,559
419	-	19,448	-	12,420	5,000	39,486
-	-	-	11,100	-	-	-
937	146	59,869	66,239	18,683	5,379	219,449
499	1,569	(25,135)	1,104	19,214	8,395	(239)
22,483	5,284	1,507,670	187,777	412,673	287,543	3,034,137
-	1,423	-	224	-	-	(472,975)
22,483	6,707	1,507,670	188,001	412,673	287,543	2,561,162
\$ 22,982	\$ 8,276	\$ 1,482,535	\$ 189,105	\$ 431,887	\$ 295,938	\$ 2,560,923



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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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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 905,000 residents living in an 840.1 square mile area.

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

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

---

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

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

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

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

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

---

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

**Major Component Units**

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

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

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

---

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

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

**Component Units that do not issue a separate report**

The **Jacksonville Housing Finance Authority (JHFA)**, formerly known as the Duval County Housing Finance Authority (DCHFA), was created by City Ordinance 2003-1058, to alleviate a shortage of housing and capital investment for the people of Duval County, pursuant to Florida Statutes, Section 159.604. The Mayor appoints three of the five board members. The city has the ability to impose its will on the JHFA. The JHFA operates in conjunction with the Jacksonville Housing Commission, also created by Ordinance 2003-1058, and has the rights and duties necessary under Florida Statutes, Chapter 159, Part IV, to preserve outstanding debt, issue new debt and to shield the City from financial liability. The bonds issued and outstanding are included in Note 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. The JHFA does not issue a separate report. Therefore, JHFA fund financial statements are presented in the basic financial statements section of the City report.

The **Jacksonville Economic Development Commission (JEDC)**, created July 1, 1997, under Chapter 92-341, Laws of Florida, provides a focal point for economic development in the city that results in a centralization of economic development programs under the auspices of one agency, thus ensuring a more efficient and practical means of addressing the goals, objectives and strategies for future economic development in the city. The JEDC operates with all the powers and authority of a community redevelopment agency under Part III, Chapter 163, Florida Statutes and as an industrial development authority under Part III, Chapter 159, Florida Statutes. The mayor appoints the board members and 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 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 JEDC does not issue a separate report. Therefore, JEDC fund financial statements are presented in the basic financial statements section of the City report.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

---

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

**Non-major Component Units**

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

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

The bonds issued by the JHFA are special limited obligations of the JHFA and the principal and interest are payable from rental payments. The principal and interest on the bonds shall never constitute an indebtedness of the City of Jacksonville, Duval County, the State of Florida or any municipality or political subdivision thereof. Accordingly, the bonds issued and outstanding are included in Note 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 the mayor and confirmed by the City Council. The City has the ability to impose its will on the WSEA principally through the mayor's ability to remove board members with two-thirds approval vote from the City Council, and the City Councils authority to review and approve the WSEA annual budget. WSEA issues separate financial statements, which may be obtained from its administrative office 21 West Church Street, T - 16 Jacksonville, Florida 32202.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

---

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

**Related Organizations**

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

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

**Jointly Governed Organization**

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

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

**C. Basic Financial Statements:**

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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

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

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

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

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

**D. Fund Structure:**

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

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



**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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

Debt Service Funds:

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

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

Capital Project Funds:

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

Other Non-major Governmental Funds:

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

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

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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

In addition, the City reports the following fund types:

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

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

**Pension Trust Funds** - These funds account for the activities of the general employees and the police and fire pension funds, which accumulate resources for pension benefit payments for qualified employees.

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**E. Basis of Accounting:**

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

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

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

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

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

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

Agency funds are accounted for 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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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

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

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

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

**G. Receivables:**

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

**H. Inventories:**

Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems stated at cost, which approximates market, using the average weighted costing method. Reported inventories in governmental funds are equally offset by a reservation of fund balance since they are unavailable for appropriation. In proprietary fund types, inventories are expended when consumed.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**I. Capital Assets:**

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

Infrastructure capitalizations according to GASB 34 phase 1 were included in the City’s assets beginning in FY 2003 including the 20 year required prior totals.

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

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

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**K. Interfund Activity: (continued)**

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

**L. Restricted Assets:**

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

**M. Compensated Absences:**

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

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

**N. Risk Financing:**

The City is self-insured for general and automobile liability and up to \$1.2 million per occurrence for workers compensation. The liability for self-insured losses is based on individual case estimates for reported claims, historical loss data and valuations performed by independent actuaries at September 30, 2008, for incurred but not yet reported claims, claims development, and unallocated loss adjustment expenses. The liability for self-insured losses is accounted for in the Self-Insurance Fund (internal service fund) that pays for claims made against the City. The City has an excess liability policy which provides coverage for general liability at limits of \$1 million per occurrence and \$3 million in the aggregate, subject to a \$5 million self-insured retention; and employers liability at limits of \$1 million per occurrence and \$3 million in the aggregate subject to a \$1.2 million self-insured retention.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**O. Pension Costs:**

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

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

The City recognizes municipal solid waste landfill closure and postclosure care costs under the State of Florida's Solid Waste Management Act of 1988 (the "1988 Act"), regulations of the Federal Environmental Protection Agency (EPA), and GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs. For those landfills that stopped accepting solid waste prior to final implementation of the 1988 Act and EPA regulations, the 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 expense. A liability is recorded based upon the landfill capacity used during that year applied to the engineer's estimate of closure and postclosure care costs. (See Note 13.C.)

**Q. Long-Term Obligations:**

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**Q. Long-Term Obligations: (continued)**

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

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

**R. 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 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.

**S. Bond Discounts, Premiums and Issuance Costs:**

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

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



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**U. Use of Estimates:**

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

**V. Reclassifications:**

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

**W. Summarized Comparative Information:**

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended September 30, 2007, 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, 2008**

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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 legally restricted to separate administration (i.e. pension plan custodians and deferred compensation plan administrators). The "Equity in cash and investments" on the Citywide Financial Statements, consists of cash and investments owned by each fund and defined as resources that can be liquidated without delay or penalty. Cash and investments held separately where contractual arrangements and bond covenants require such arrangements, are classified as "restricted assets."

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

- B. Cash on Deposit:** Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the City's public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act," and covered by federal depository insurance. For amounts in excess of such federal depository insurance the Act provides that all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency.

When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sales of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

**C. Investments and Investment Practices- General Operating Investments**

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

The following schedule is presented for General Operating Investment funds to report on the Operating Fund Portfolio Characteristics.

**Operating Fund  
Portfolio Characteristics  
as of September 30, 2008**

Compliance Category	Total Aggregate Portfolio			
	Actual Year End	% of Portfolio		
		Actual Year End %	During Year	By Policy
<b>Duration<sup>1</sup></b>	1.47	N/A	1.69	5.00
<b>Liquidity</b>	\$ 219,193,526	32%	78%	100%
<b>Requirements</b>				
US Govt (USG)	\$ 56,615,436	8%	12%	100%
USG + Agencies*	\$ 182,492,087	27%	29%	100%
<b>Constraints</b>				
Agencies	\$ 125,876,650	19%	19%	45%
MBS*	\$ 95,385,836	14%	14%	35%
Agency MBS*	\$ 77,603,376	11%	11%	35%
Non-Agency MBS	\$ 17,782,460	3%	3%	15%
Corporates	\$ 127,748,290	19%	25%	60%
Corporates > 1 Year*	\$ 127,748,290	19%	24%	40%
Munis	\$ 9,446	0%	0%	10%
Bond Funds	\$ 123,422,548	18%	19%	85%
Money Market Funds*	\$ 174,828,229	26%	66%	40%
CDs	\$ 3,359,121	0%	1%	20%
Repos	\$ -	0%	0%	20%
<b>Specialty Risk</b>				
High Yield	\$ 3,718,003	1%	1%	8%
International*	\$ -	0%	0%	8%
International (non-hedged)	\$ -	0%	0%	5%
Emerging Market	\$ 2,230,802	0%	0%	8%
Duration > 8.5*	\$ 10,851,099	2%	2%	8%
<b>Sum</b>	\$ 1,348,865,199	198%		
*Classification Adjustment - Assets in more than one category	\$ 668,908,917	98%		
<b>Total<sup>2</sup></b>	\$ 679,956,282	100%		
<sup>1</sup> Fidelity Commingled Fund is excluded				
<sup>2</sup> Normal Portfolio Balance	\$ 606,000,000			

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**Operating Portfolio  
Foreign Currency Exposure  
September 30, 2008**

<u>Currency</u>	<u>Exposure</u>	<u>Percentage</u>
U.S. DOLLAR	\$ 672,592,714	98.92%
CANADIAN DOLLAR	\$ 1,755,480	0.26%
MEXICAN NEW PESO	\$ 1,270,540	0.19%
AUSTRALIAN DOLLAR	\$ 1,112,997	0.16%
SINGAPORE DOLLAR	\$ 1,053,838	0.15%
NEW ZEALAND DOLLAR	\$ 795,506	0.12%
SOUTH KOREAN WON	\$ 717,508	0.11%
INDONESIAN RUPIAN	\$ 428,586	0.06%
BRAZIL REAL	\$ 229,114	0.03%
Total	<u>\$ 679,956,282</u>	<u>100.00%</u>

All Foreign Currency held in Fixed Income funds represents 1.14% of total investments.

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

The interest rate risk of the portfolio is controlled by placing limits; a duration band on the portfolio of between 0.75 to 5.00 years. In addition, no more than 7.5% of the individual securities in the portfolio may have duration greater than 8.5 years. Operating Fund Portfolio Characteristics reports duration for the portfolio at year end.

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

**Operating Portfolio by Credit Quality  
September 30, 2008**

<u>Quality Breakdown (Moody's)</u>	<u>Active Portfolio</u>
Treasury	11%
Agency	23%
AAA	34%
AA1-AA3	17%
A1-A3	7%
BAA1-BAA3	5%
Other	3%
	<u>100%</u>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

Moody's rating definitions:

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

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

**Jacksonville Retirement System  
Distribution by Asset Type  
September 30, 2008**

	Equities	Bonds	Other	Cash	Total	Percentage
Equity (Domestic)						
Large Cap Value	\$ 118,976,090	\$ -	\$ -	\$ 2,883,090	\$ 121,859,180	8%
Large Cap Growth	\$ 158,934,461	\$ -	\$ -	\$ 3,551,440	\$ 162,485,901	11%
Large Cap Core	\$ 174,781,790	\$ -	\$ -	\$ 5,264,270	\$ 180,046,060	12%
Small Cap Value	\$ 70,429,023	\$ -	\$ -	\$ 3,832,260	\$ 74,261,283	5%
Small Cap Growth	\$ 64,772,355	\$ -	\$ -	\$ 3,763,437	\$ 68,535,792	5%
Small Cap Core	\$ 18,855,993	\$ -	\$ -	\$ 1,325,955	\$ 20,181,948	1%
Transition Account	\$ -			\$ -	\$ -	0%
Cash Account				\$ 4,530,257	\$ 4,530,257	0%
Equity (International)						
Value	\$ 92,775,071			\$ 3,880,553	\$ 96,655,624	6%
Growth	\$ 76,583,090			\$ 1,278,237	\$ 77,861,327	5%
Core	\$ 18,716,722	\$ -	\$ -	\$ -	\$ 18,716,722	1%
Bonds*						
Intermediate	\$ -	\$ 347,172,714	\$ -	\$ 29,740,954	\$ 376,913,668	25%
Aggregate	\$ -	\$ 142,746,323	\$ -	\$ -	\$ 142,746,323	9%
Other						
Real Estate	\$ -	\$ -	\$ 165,017,914	\$ 119,570	\$ 165,137,484	11%
<b>Total investments</b>	<b>\$ 794,824,595</b>	<b>\$ 489,919,037</b>	<b>\$ 165,017,914</b>	<b>\$ 60,170,023</b>	<b>\$ 1,509,931,569</b>	<b>100%</b>

\*Duration of bond portfolio is 3.72 years

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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

**General Employees Pension Fund by Credit Quality  
September 30, 2008**

Quality Breakdown (Moody's)	Portfolio (%)
Treasury	4%
Agency	37%
AAA	9%
AA1-AA3	6%
A1-A3	15%
BAA1-BAA3	8%
Outliers	21%
	<u>100%</u>

Moody’s rating definitions:

Treasury – United States Treasury Securities

Agency – Government Agency Securities

AAA – Highest Investment Grade Quality Rating

AA1–AA3 – Medium Investment Grade Quality Rating

BAA1-BAA3 – Lowest Investment Grade Quality Rating

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

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

The city measures its investment performance 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 and pension 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.

**INVESTMENT PORTFOLIO PERFORMANCE**  
(Gross of investment management fees)

	% Annual Return		
	One Year	3-Year Average	5-Year Average
<b>Operating Fund*</b>	1.33	3.46	N/A
<b>Pension Fund</b>	(15.35)	1.62	5.08
<b>Indices</b>			
Fixed Income			
Lehman Bros. Aggregate Bond	3.65	4.15	3.78
ML US Treasury 1 - 3 Year	4.48	4.68	3.31
Citigroup Treasury Bill 3-Month	2.55	3.98	3.09
Equity			
Dow Jones Industrial Average	(19.85)	3.31	5.62
S&P 500	(21.98)	0.22	5.17
Russell 1000	(22.10)	0.13	5.50
Russell 2000	(14.48)	1.83	8.15
MSCi EAFE	(30.13)	1.58	10.16

\*Excludes depository accounts

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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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), cash in escrow, cash with fiscal agents and pension portfolios as shown in the citywide financial statements.

**CASH and INVESTMENTS**

Cash and Cash Equivalents	\$ 124,725,718
Investments	679,956,282
Pension, Private Purpose Trust and Agency Funds:	
Cash and Cash Equivalents	99,454,000
Investments	2,426,089,000
Component Units:	
Cash and Cash Equivalents	1,053,228,794
Investments	250,240,206
Total Cash and Investments	<u>\$4,633,694,000</u>
Investments Schedules:	
Operating Portfolio	\$ 930,196,488
Pension Portfolio	2,426,089,000
Sub-total	3,356,285,488
Other Cash/Investments:	
Cash	537,772,747
Cash with Fiscal Agent	112,302,000
Restricted Funds	627,333,765
Total Cash and Investments	<u>\$4,633,694,000</u>

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**D. Securities Lending:**

The City participates in securities lending for both its operating and pension portfolios. The City has a contract with its custodian, The Bank of New York Mellon (the City's Operating Portfolio and the Jacksonville Retirement System) that allows the custodian, acting as agent, to lend securities held in the portfolios. The Police and Fire Pension fund withdrew from the Securities Lending program with Northern Trust Company in March 2008. The transactions are designed to be invisible to either the third party money managers or in-house staff who manage segments of various portfolios. The market for securities lending was developed to provide temporary access to a large portfolio of securities for broker/dealers who might have a need to borrow specific instruments. Securities are loaned against collateral that may include cash, U.S. Government securities and irrevocable letters of credit. U.S. securities are loaned against collateral valued at a minimum of 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral valued at a minimum of 105% of the market value of the securities plus any accrued interest. If the broker/dealer fails to return the security, upon request, then the custodian, acting as agent, will utilize the collateral to replace the security borrowed. The securities loaned are on a rolling daily basis and the cash collateral can be deposited and/or withdrawn from the investment on a daily basis. The weighted average maturity duration of the collateral investment at September 30, 2008 was 24 days for the City's Operating Portfolio and 21 days for the Jacksonville Retirement System.

The transaction establishes a rebate interest rate (assuming cash collateral), which is due back to the broker/dealer upon return of the security. The cash is then invested short-term and the City and the custodian share in the incremental return available above the rebated interest rate. The short-term fixed income instruments can be invested in high quality, dollar denominated fixed income instruments, with a policy dollar-weighted, average maturity limit of less than 30 days. The City, as a program participant, assumes the risk that (a) the overnight investment will not equal or exceed the rebate interest rate; (b) the overnight investment will experience a loss in fair value (i.e., principal); and (c) the collateral will not be sufficient if the borrower fails to return the security back to the lending bank. As noted above, cash collateral is invested in short-term income instruments. When non-cash collateral is provided the collateral must be obligations issued or guaranteed by the U.S. Government or its agencies and instrumentalities. The City cannot pledge or sell these obligations in the absence of a default by the borrower. The City would have credit risk if at any time the above-mentioned 102% daily adjusted collateral falls below 100%. As of September 30, 2008, the City of Jacksonville had no credit risk related to insufficient collateral. However, the Securities Lending program experienced a realized loss in the value of certain securities held in the collateral investment pool of \$5.7 million (\$2.9 million Operating, \$2.8 million Jacksonville Retirement System), which was reported as a reduction in income of \$2.0 million, (\$0.5 million Operating, \$1.5 million Jacksonville Retirement System), earned over the course of the year. These losses were recorded as deductions to interest revenues in the General Fund and Securities Lending gross revenue in the Pension Fund.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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

**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, 2008.

<u>Fund</u>	<u>Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount Shown on Balance Sheet</u>
General Fund	\$ 39,809	\$ (25,228)	\$ 14,581
Non-Major Special Revenue Funds:			
Budgeted General Government	48	(39)	9
Major Enterprise Fund:			
Solid Waste Disposal	5,320	(1,698)	3,622
Jacksonville Municipal Stadium	742	(3)	739
Veterans Memorial Arena	499	(71)	428
Non-Major Enterprise Funds:			
Performing Arts	48	(12)	36
Convention Center	27	(16)	11
Equestrian Center	70	(53)	17
Storm Water Services	7,895	(3,425)	4,470

<u>Fund</u>	<u>Mortgages Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount Shown on Balance Sheet</u>
Non-Major Special Revenue Funds:			
Community Development Block Grant	\$ 2,820	\$ (1,920)	\$ 900
Housing and Neighborhoods	23,106	(6,660)	16,446
State Housing Initiative Partnership	9,600	(111)	9,489

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**5. PROPERTY TAXES**

**A. Ad Valorem Property Taxes:**

Property tax collections are governed by Chapter 197, Florida Statutes. The Duval County Tax Collector bills and collects all property taxes levied within the consolidated city/county. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The total millage rate levied by the City was 8.4841 for the fiscal year ended September 30, 2008.

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

**B. Property Tax Calendar:**

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

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

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**6. CAPITAL ASSET ACTIVITY**

Capital asset activity for the year ended September 30, 2008, was as follows (in thousands):

**Primary Government**

	*Beginning Balance October 1, 2007	Additions	Dispositions/ Reclassifications	Transfers - Sports & Entertainment Venues	Ending Balance September 30, 2008
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 301,555	\$ 7,208	\$ (1)	\$ (31,200)	\$ 277,562
Art In Public Places	505	40	-	-	545
Construction in progress	42,800	15,350	(4,237)	-	53,913
Software Development In Process	4,496	2,352	(544)	-	6,304
<b>Total capital assets not being depreciated</b>	<b>349,356</b>	<b>24,950</b>	<b>(4,782)</b>	<b>(31,200)</b>	<b>338,324</b>
Capital assets being depreciated:					
Buildings	946,886	15,161	-	(438,937)	523,110
Furniture, equipment and library books	280,277	36,291	(17,945)	(5,439)	293,184
Improvements	184,256	28,696	(4)	(35,287)	177,661
Infrastructure	1,473,594	167,685	-	-	1,641,279
Purchased Software	5,174	1,122	-	-	6,296
Internal Software	11,631	918	-	-	12,549
<b>Total assets being depreciated</b>	<b>2,901,818</b>	<b>249,873</b>	<b>(17,949)</b>	<b>(479,663)</b>	<b>2,654,079</b>
Less accumulated depreciation for:					
Buildings	223,516	8,723	-	(84,811)	147,428
Furniture, equipment and library books	195,418	34,732	(16,713)	(5,201)	208,236
Improvements	35,852	6,100	-	(15,953)	25,999
Infrastructure	242,590	51,854	-	-	294,444
Purchased Software	1,526	1,789	-	-	3,315
Internal Software	1,435	1,135	-	-	2,570
<b>Total accumulated depreciation</b>	<b>700,337</b>	<b>104,333</b>	<b>(16,713)</b>	<b>(105,965)</b>	<b>681,992</b>
<b>Total capital assets being depreciated, net</b>	<b>2,201,481</b>	<b>145,540</b>	<b>(1,236)</b>	<b>(373,698)</b>	<b>1,972,087</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 2,550,837</b>	<b>\$ 170,490</b>	<b>\$ (6,018)</b>	<b>\$ (404,898)</b>	<b>\$ 2,310,411</b>

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

	Beginning Balance October 1, 2007	Additions	Dispositions/ Reclassifications	Transfers - Sports & Entertainment Venues	Ending Balance September 30, 2008
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 4,269	\$ -	\$ (610)	\$ 31,200	\$ 34,859
<b>Total capital assets not being depreciated</b>	<b>4,269</b>	<b>-</b>	<b>(610)</b>	<b>31,200</b>	<b>34,859</b>
Capital assets being depreciated:					
Buildings and improvements	75,856	41	(2,209)	474,224	547,912
Furniture and equipment	6,883	18	(5,265)	5,439	7,075
<b>Total assets being depreciated</b>	<b>82,739</b>	<b>59</b>	<b>(7,474)</b>	<b>479,663</b>	<b>554,987</b>
Less accumulated depreciation for:					
Buildings and improvements	43,520	2,822	(838)	100,764	146,268
Furniture and equipment	4,808	47	(3,326)	5,201	6,730
<b>Total accumulated depreciation</b>	<b>48,328</b>	<b>2,869</b>	<b>(4,164)</b>	<b>105,965</b>	<b>152,998</b>
<b>Total capital assets being depreciated, net</b>	<b>34,411</b>	<b>(2,810)</b>	<b>(3,310)</b>	<b>373,698</b>	<b>401,989</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 38,680</b>	<b>\$ (2,810)</b>	<b>\$ (3,920)</b>	<b>\$ 404,898</b>	<b>\$ 436,848</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**6. CAPITAL ASSET ACTIVITY**

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

Depreciation expense was charged to the functions of the Primary Government and Internal Service Funds as follows (in thousands):

**Governmental activities:**

General government	\$	28,431
Human services		832
Public safety		9,493
Culture and recreation		11,614
Transportation		402
Economic environment		57
Physical environment		53,504
Total depreciation expense - governmental activities	\$	<u>104,333</u>

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

**Business-type activities:**

Public parking system	\$	384
Motor vehicle inspections		23
Solid waste		2,434
Jacksonville Municipal Stadium		1
Performing Arts		12
Convention Center		7
Equestrian Center		8
Total depreciation expense - business-type activities	\$	<u>2,869</u>

Capital assets and associated accumulated depreciation, along with associated debt for the Sports and Entertainment venues were reclassified on September 30, 2008 from the Primary Government's Governmental Activities to the Primary Government's Business-Type Activities and as fund level Enterprise funds. The Sports and Entertainment venues consist of the Jacksonville Municipal Stadium, Veterans Memorial Arena, Baseball Stadium, Times Union Center for the Performing Arts, and the Prime Osborn Convention Center. Enterprise funds were created in FY 2007 to better track revenues, expenses, assets and liabilities for each venue.

**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**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	\$ 1,505	Emergency Incidents	Emergency Incident Funding
General Services	45	Jacksonville Municipal Stadium	Facility Fees-SMG
General Services	5	Veterans Memorial Arena	Facility Fees-SMG
General Services	3	Baseball Stadium	Facility Fees-SMG
General Services	204	Performing Arts	Temporary Interfund Loan
General Services	1	Convention Center	Facility Fees-SMG
General Services	150	Copy Center	Temporary Interfund Loan
<b>Enterprise Funds</b>			
Jacksonville Municipal Stadium	21	Emergency Incidents	Emergency Incident Funding
Jacksonville Municipal Stadium	30	General Capital Projects	Temporary Interfund Loan
Veterans Memorial Arena	14	Emergency Incidents	Emergency Incident Funding
Total	1,978		
<b>NON-MAJOR FUNDS;</b>			
<b>Enterprise Funds</b>			
Baseball Stadium	3	Emergency Incidents	Emergency Incident Funding
Equestrian Center	1	General Services	Receivable Adjustment-SMG
Equestrian Center	6	Emergency Incidents	Emergency Incident Funding
<b>Internal Service Funds</b>			
Fleet Maintenance	1	Equestrian Center	Facility Fees-SMG
ITD	3	Jacksonville Municipal Stadium	Internal Service Charges to SMG
ITD	4	Veterans Memorial Arena	Internal Service Charges to SMG
ITD	1	Baseball Stadium	Internal Service Charges to SMG
ITD	1	Performing Arts	Internal Service Charges to SMG
ITD	1	Convention Center	Internal Service Charges to SMG
ITD	1	Equestrian Center	Internal Service Charges to SMG
Total	22		
<b>TOTAL</b>	<b>\$ 2,000</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	\$ 9,164	General Projects	Interfund Loan for Redevelopment Agreement
<b>TOTAL</b>	<b>\$ 9,164</b>		

**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**7. INTERFUND RECEIVABLES, PAYABLES, ADVANCES 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):

A summary of interfund balances follows (in thousands):

<b>TRANSFERS IN</b>	<b>AMOUNT</b>	<b>TRANSFERS OUT</b>
<b>MAJOR FUNDS:</b>		
<b>General Fund</b>		
General Fund	\$ 442	Concurrency Management
General Fund	72	Air Pollution Control and Monitoring
General Fund	1,000	Sports, Convention & Tourism Dev
General Fund	270	General Government - Budgeted
General Fund	5,929	Tax Increment Districts
General Fund	29	Jacksonville Children's Commission
General Fund	74	Community Development Block Grant
General Fund	422	Special Assessment Fund
General Fund	26	Solid Waste & Disposal
General Fund	239	Office of the General Council
Total	8,503	
<b>Debt Service</b>		
Special Bonded Debt Obligations	71,167	General Fund
Special Bonded Debt Obligations	1,794	Tax Increment Districts
Special Bonded Debt Obligations	12,833	Better Jacksonville Trust Fund
Special Bonded Debt Obligations	3,017	Public Parking
Special Bonded Debt Obligations	11,688	Municipal Stadium
Special Bonded Debt Obligations	3,366	Convention Center
Special Bonded Debt Obligations BJP	46,015	Better Jacksonville Trust Fund
Total	149,880	
<b>Capital Projects</b>		
Better Jacksonville Construction Project	20,526	Better Jacksonville Trust Fund
Total	20,526	
<b>Enterprise Funds</b>		
Solid Waste Disposal	32,051	General Fund
Solid Waste Disposal	112,432	General Fund
Municipal Stadium	7,732	General Fund
Municipal Stadium	417	Memorial Arena
Municipal Stadium	323	Convention Center
Memorial Arena	425	General Fund
Memorial Arena	76	Convention Center
	153,456	



**CITY OF JACKSONVILLE , FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**NON-MAJOR FUNDS:**

**Special Revenue**

Air Pollution Control and Monitoring	431	General Fund
General Government - Budgeted	2,127	General Fund
Jacksonville Children's Commission	20,640	General Fund
General Government - Non Budgeted	40	General Fund
General Government - Non Budgeted	40	Other Federal, State & Local Grant Funds
Community Development Block Grant	237	General Fund
Community Development Block Grant	75	Tax Increment Districts
Maintenance, Parks and Recreation	1,796	General Fund
Other Federal, State & Local Grant Funds	4,634	General Fund
Other Federal, State & Local Grant Funds	97	Jacksonville Children's Commission
Housing and Neighborhoods	2,716	Community Development Block Grant
Housing and Neighborhoods	30	General Fund
Housing and Neighborhoods	433	Concurrency Management
Total	<u>33,296</u>	

**Debt Service**

Other Non-Bonded Debt Obligations	71	General Fund
Other Non-Bonded Debt Obligations	1,039	Tax Increment District
Total	<u>1,110</u>	

**Capital Projects**

General Capital Projects	2,925	General Fund
General Capital Projects	1,951	Municipal Stadium
General Capital Projects	163	Expendable Trust Fund
Grant Capital Improvement Projects	1,508	General Fund
Total	<u>6,547</u>	

**Enterprise Funds**

Public Parking System	1,822	General Fund
Mayport Ferry	157	General Fund
Baseball Stadium	313	General Fund
Baseball Stadium	8	Convention Center
Performing Arts	93	Convention Center
Equestrian Center	516	General Fund
Equestrian Center	18	Convention Center
Total	<u>2,927</u>	

**Internal Service Funds**

Fleet Management	841	General Fund
Fleet Management	82	Other Federal, State and Local Grants
Information Technology	645	General Fund
Office of the General Council	400	General Government - Budgeted
Self Insurance	1,074	General Fund
Total	<u>3,042</u>	

**Fiduciary Funds**

General Employee Pension Trust	24	General Fund
Private Purpose Trust	8	General Government-Non Budgeted
Total	<u>32</u>	

**TOTAL** \$ 379,319

In the fund financial statements, net transfers out are greater than total transfers in by \$111,840. This is due to the treatment of transfers of capital assets and debt from Enterprise Funds to the general government. No amounts were reported in the governmental funds as the amount did not involve the transfer of current financial resources.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**7. INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS (continued)**

During fiscal year 1999, the self-insurance fund advanced \$14,000,000 to the capital projects fund for the purpose of fulfilling City obligations under a redevelopment agreement for a new 900-room hotel with substantial convention and business spaces. The total capital investment for the project 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 \$9,164,026 at September 30, 2008.

In fiscal year 2003, the City passed an ordinance to enter into a redevelopment agreement with Vestcor Companies and its subsidiaries for the redevelopment of the Lynch Building and the Roosevelt Hotel into apartment buildings as City historic landmarks. In fiscal year 2003, the City used internal self-insurance funds, in an amount of \$17,816,000, to provide permanent financing for the project. The self-insurance fund will be repaid on an annual basis with funds from the Northbank Downtown Tax Increment District. The terms of the repayment are a 30-year amortization, with a 20-year term at a fixed interest rate of 6% per year. Annual payments are \$1,294,313 which includes both principal and interest with a balloon payment of \$8,290,400 at the end of the 20-year period. The balance of the loan at September 30, 2008 was \$14,738,185 which is recorded in the Self Insurance Fund.

Vestcor will repay the City an amount of \$17,816,000 to the Downtown Economic Development fund as created by ordinance 2000-1079-E. The terms of the repayment 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, 2008 was \$16,077,833 which is recorded in the Jacksonville Economic Development Commission Fund.

During fiscal year 2008, 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, 2008, 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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**JEA Charter Payment** - On October 1, 1968, the City turned its electrical department over to the newly created JEA. Additionally, on June 1, 1997, the JEA assumed the operation and all related assets and liabilities of the water and sewer system from the City. The JEA is required by the City Charter to contribute annually to the general fund of the City an amount not to exceed 5.513 mills per kilowatt per hour sold and at a rate of 2.149 mills per cubic feet of water sold. For the fiscal year ending September 30, 2008 these contributions totaled \$73,846,764 and \$20,340,780, 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 \$72.3 million in fiscal year 2008. 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 \$72.3 million transfer from the City as sales tax revenue.

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

The 1993 Bonds were partially refunded by the Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003C (the “2003C Bonds, and together with the 1993 Bonds, 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 Enhanced Joint Agency Finance Program (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, 2008, the allocation of Pledged Revenues from the City to the JPA exceeded the debt service requirements of the Bonds by the amount of \$2.89 million. During fiscal year 2008, \$3.81 million was distributed to the JPA. Additionally, \$3.5 million will remain in reserves at JPA to be applied to any future debt service shortfalls on the Bonds and the remaining amount will be expended on capital projects.

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 accounted for these expenditures in the Capital Projects Funds and did not capitalize these capital outlay expenditures.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**8. LONG-TERM OBLIGATIONS**

**A. Bonds and loans outstanding at September 30, 2008, 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 (a)	6.20-6.30%
Series 1995A	7,580	4,730	5.00-5.125%
Series 1999A	75,890	23,230	4.00-5.00%
Series 2001A	42,485	15,925	5.00%
Series 2001B	46,735	44,090	4.25-5.125%
Series 2002A	56,685	31,215	4.250-5.50%
Series 2002B	68,475	59,920	3.30-5.375%
Series 2003A	18,745	18,445	3.00-4.50%
Series 2003B	17,535	6,395 (a)	3.00-5.00%
Series 2003C (AMT)	34,540	33,010	3.00-5.250%
Series 2005A	44,820	44,820 (a)	3.50-5.00%
Series 2006A	36,540	36,540	3.375-5.00%
Series 2006B (AMT)	9,255	9,255	3.625-4.00%
Series 2006C	23,555	23,555	4.88-5.22%
Series 2007	42,245	42,245	3.50-5.00%
Local Government Sales Tax Revenue Bonds:			
Series 1996	65,640	3,700 (a)	5.125%
Series 2001	103,725	88,795	4.00-5.50%
Series 2002	63,060	50,450	3.125-5.375%
Guaranteed Entitlement Revenue Bonds:			
Series 2002	115,265	104,650	3.50-5.375%
Capital Project Revenue Bonds (\$40,000 authorized but unissued):			
Series 2008A	67,285	67,285 (a)	Variable, assumed 5.40%
Series 2008B	67,285	67,285	Variable, assumed 5.40%
<hr/>			
Total Special Obligation Bonds Payable from Specific Revenue Sources Other Than Ad Valorem Taxes	<u>\$ 1,050,950</u>	<u>\$ 783,085</u>	
Transfer to Business-Type Activities:		<u>(3,552) (a)</u>	
Total Special Obligation Bonds Payable from Specific Revenue Sources Other Than Ad Valorem Taxes after Transfer		<u>\$ 779,533</u>	

Note (a) Funding for sports venues were provided from governmental capital project bonds in prior years. Upon completion of the projects, the assets and related liabilities were transferred to Enterprise funds to properly reflect the total costs of operating the venues. Partial funding was provided from the following bond issues and amounts: ETR Series 1999A, \$17; ETR Series 2003B, \$8; ETR Series 2005A, \$2,000; LGST Series 1996 \$1,027 and Capital Project Revenue Series 2008A, \$500.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Coupon Interest Rates</u>
Transportation Revenue Bonds (\$163,719 authorized but unissued):			
Series 2001	\$ 179,280	\$ 167,030	4.10-5.50%
Series 2007	100,675	100,675	4.00-5.00%
Series 2008A	154,535	154,535	Variable, assumed 5.35%
Series 2008B	121,740	121,740	Variable, assumed 5.35%
Sales Tax Revenue Bonds (\$152,568 authorized but unissued):			
Series 2001	218,430	194,120 (b)	4.10-5.50%
Series 2003	211,050	190,680 (b)	3.00-5.250%
Series 2004	218,755	202,880 (b)	2.00-5.00%
Series 2008	<u>105,470</u>	<u>105,470</u>	4.00-5.00%
Total Special Obligation Bonds Payable from Specific Revenue Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan	<u>\$ 1,309,935</u>	\$ 1,237,130	
Transfer to Business-Type Activities:		<u>(146,562)</u>	
Total Special Obligation Bonds Payable from Specific Revenue Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan after Transfer		<u>\$ 1,090,568</u>	

**NOTES PAYABLE FROM GENERAL REVENUE:**

U.S. Government Guaranteed:			
Series 1995 (Coach)	\$ 3,845	\$ 2,580	4.32-5.19% (taxable)
Series 1996 (Sally Beauty)	1,065	320	6.70-6.88% (taxable)
Series 1996B (Hilton Hotel)	2,850	1,830	6.70-7.03% (taxable)
Series 1997 (La Villa)	1,700	815	6.70-7.08% (taxable)
Series 1997 (HTV Associates)	700	180	6.70-6.78% (taxable)
Series 1997 (Armor Holdings)	775	540	6.70-7.08% (taxable)
Series 1997 (Hampton Inns)	<u>550</u>	<u>365</u>	6.70-7.03% (taxable)
Total Notes Payable from General Revenue	<u>\$ 11,485</u>	<u>\$ 6,630</u>	

**NOTES PAYABLE FROM BJP REVENUE:**

State of Florida Infrastructure Bank (\$28,047 authorized but unissued):			
Series 2005	\$ 29,942	\$ 23,635	2.00%
Series 2007	<u>46,779</u>	<u>42,779</u>	2.50%
Total Notes Payable from BJP Revenue	<u>\$ 76,721</u>	<u>\$ 66,414</u>	

Note (b) Funding for sports venues were provided from Better Jacksonville Plan bonds in prior years. Upon completion of the projects, the assets and related liabilities were transferred to Enterprise funds to properly reflect the total costs of operating the venues. Partial funding was provided from Sales Tax Revenue Bond Series 2001, 2003 and 2004 in the total amount of \$146,562.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**BONDS and NOTES PAYABLE FROM INTERNAL SERVICE OPERATIONS:**

Special Revenue Bonds (\$116,362 authorized but unissued):			
Series 2008	\$ 54,215	\$ 54,215	3.50-5.625%
Commercial Paper Notes Maturing No Later Than 270 Days after Date of Issuance, and in No Event Later than December 31, 2034 (\$14,044 authorized but unissued):	<u>\$ 122,705</u>	<u>\$ 99,515</u>	Variable, assumed 5.36%
Total Governmental Activities	<u>\$ 2,626,011</u>	\$ 2,246,989	
Total Transfers to Business-Type Activities		<u>(150,114)</u>	
Total Governmental Activities after Transfers		<u>\$ 2,096,875</u>	

**Business-Type Activities:**

Excise Taxes Revenue Bonds:			
Series 1995A	\$ 12,270	\$ 6,035	5.00-5.125%
Series 1996A	19,965	12,880	4.70-5.50%
Series 1999B	40,835	26,275	4.875-5.75%
Series 2003B	9,530	4,960	3.00-5.00%
Capital Improvement Revenue Bonds:			
Series 1997	8,285	6,480 (c)	4.80-5.250%
Series 1998	37,310	35,165 (c)	4.30-5.00%
Series 2002A	54,135	52,980 (c)	3.00-5.00%
Series 2002B	42,170	36,915 (c)	3.00-5.250%
Series 2002C	<u>26,920</u>	<u>25,320 (c)</u>	3.00-5.250%
Total Business-type Activities	<u>\$ 251,420</u>	\$ 207,010	
Transfer from Special Obligations Bonds Payable from Specific Revenue Sources Other Than Ad Valorem Taxes		3,552	
Transfer from Special Obligation Bonds Payable from Specific Revenue Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan		<u>146,562</u>	
Total Business-type Activities after Transfers		<u>\$ 357,124</u>	

Note (c) Funding for sports venues were provided from Better Jacksonville Plan bonds in prior years. Upon completion of the projects, the assets and related liabilities were transferred to Enterprise funds to properly reflect the total costs of operating the venues. The bond series indicated above were transferred in a total block for a sum of \$156,860.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**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, 2008, 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					
2009	\$ 42,005	\$ 37,349	\$ 24,040	\$ 57,426	\$ 11,560	\$ 9,937	\$ 26,018	\$ 7,637	\$ 215,972
2010	42,580	35,807	25,135	58,789	11,995	9,425	26,410	7,924	218,065
2011	31,276	35,961	26,145	57,800	9,260	8,932	28,590	6,627	204,591
2012	38,046	34,604	39,310	56,399	9,710	8,466	28,877	5,293	220,705
2013	35,048	33,834	27,925	54,975	8,825	8,004	29,096	3,948	201,655
2014- 2018	190,905	138,139	198,920	247,472	46,285	32,664	46,172	12,775	913,332
2019- 2023	145,935	81,172	186,215	200,379	34,805	22,847	27,356	5,965	704,674
2024- 2028	118,140	49,866	320,180	139,590	43,365	13,341	5,475	3,190	693,147
2029- 2033	122,080	20,053	355,305	43,854	31,205	2,391	7,115	1,498	583,501
2034- 2038	17,070	545	33,955	4,410			1,665	47	57,692
Total Principal and Interest	783,085	467,330	1,237,130	921,094	207,010	116,007	226,774	54,904	4,013,334
Reclassifications	(3,552)		(146,562)		150,114				-
Less: Interest to be paid	-	(467,330)	-	(921,094)	-	(116,007)	-	(54,904)	(1,559,335)
Total Principal	779,533	-	1,090,568	-	357,124	-	226,774	-	2,453,999
Deferred amounts		-	-	-	-	-	-	-	-
Unamortized Discount/Premium and Deferred Loss on Advance Refunding (1)	-	-	-	-	(1,441)	-	-	-	(1,441)
Totals	<u>\$ 779,533</u>	<u>\$ -</u>	<u>\$ 1,090,568</u>	<u>\$ -</u>	<u>\$ 355,683</u>	<u>\$ -</u>	<u>\$ 226,774</u>	<u>\$ -</u>	<u>\$ 2,452,558</u>

(1) Public Parking System \$473 and Solid Waste Disposal \$968



CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

8. LONG-TERM OBLIGATIONS (continued)

C. Changes in Long-Term Liabilities:

Changes in long-term liabilities for the fiscal year ended September 30, 2008, are summarized as follows (in thousands):

	Balance October 1, 2007	Additions	Reductions	Reclassifications *	Balance September 30, 2008	Due within one year
<b>Governmental activities:</b>						
General long-term obligations:						
Special Obligation Bonds	\$ 985,015	\$ 134,570	\$ 179,640	(\$ 160,412)	\$ 779,533	\$ 38,890
Special Obligation - BJP	1,147,119	381,745	291,734	(146,562)	1,090,568	24,040
Notes Payable - General Revenue	7,360	-	730	-	6,630	840
Notes Payable - BJP	57,426	14,767	5,779	-	66,414	5,274
Special Revenue Bonds - Banking Fund	-	54,215	-	-	54,215	-
Notes Payable - Banking Fund	72,205	32,670	5,360	-	99,515	-
Total	2,269,125	617,967	483,243	(306,974)	2,096,875	69,044
Deferred amounts:						
Loss on Advance Refunding	(5,099)	-	(650)	-	(4,449)	-
Issuance premiums	17,828	3,928	1,510	-	20,246	-
Issuance discounts	(3,471)	-	(156)	-	(3,315)	-
Total bonds and notes payable	2,278,383	621,895	483,947	(306,974)	2,109,357	69,044
Accrued Compensated Absences	56,697	36,288	32,118	-	60,867	18,260
Capitalized Lease Obligations	952	-	343	-	609	296
Estimated Liability for Self- Insured Losses	77,972	24,135	18,915	-	83,192	-
Pollution Remediation	-	50,278	-	89,052	139,330	19,550
Other Post-Employment Benefits	-	8,073	-	-	8,073	-
Governmental activity long-term obligations	2,414,004	740,669	535,323	(217,922)	2,401,428	107,150
<b>Business-type activities:</b>						
Revenue Bonds	57,560	-	7,410	306,974	357,124	15,184
Less: Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	(1,742)	-	(301)	-	(1,441)	-
Total Revenue Bonds, less Unamortized Discount/Premium and Deferred						
Loss on Advance Refunding	55,818	-	7,109	306,974	355,683	15,184
Accrued Compensated Absences	714	438	459	-	693	208
Liability for Landfill Closure and Post Closure Care	46,600	859	516	-	46,943	-
Pollution Remediation	89,052 *	-	-	(89,052)	-	-
Pollution Remediation - Loans Payable	23,380 *	-	-	(23,380)	-	-
Other Post-Employment Benefits	-	156	-	-	156	-
Business-type activity long-term liabilities	215,564	1,453	8,084	194,542	403,475	15,392
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>\$ 2,629,568</u>	<u>\$ 742,122</u>	<u>\$ 543,407</u>	<u>(\$ 23,380)</u>	<u>\$ 2,804,903</u>	<u>\$ 122,542</u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of \$3,509 for compensated absences payable and \$609 for capital leases are included above in the totals for governmental activities.

Compensated absences for governmental activities are generally liquidated by the general fund.

\*Reclassifications: \$160,412 of total bonds outstanding were moved to Business-type activities (\$156,860 in complete Capital Improvement bond series and \$3,552 in bond series where the proceeds were split between Governmental and Business). \$146,562 in Special Obligation-BJP outstanding bond issues were moved to Business-type activities. \$89,052 in Pollution Remediation long-term liability was moved from Business-Type Activities to General Government. Pollution Remediation - Loans Payable was adjusted by \$23,380 for loan provided by an Internal Service Fund.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

	Range of remaining term	Approximate future principal and interest	Current year revenue received	Current year principal and interest	Principal and interest as % of revenue
Excise Taxes:	2009 - 2032	\$658,858,398	\$115,533,096	\$54,029,521	46.77%
Local Government 1/2 Cent Sales Tax:	2018	\$187,808,575	\$77,528,733	\$17,166,454	22.14%
Guaranteed Entitlement Revenues:	2032	\$183,686,869	\$7,825,119	\$7,415,156	94.76%
JEA Charter Revenues (Capital Project Bonds):	2034	\$251,409,028	\$94,187,544	\$7,073,623	7.51%
(Better Jacksonville) Transportation Sales Tax:	2027 - 2037	\$1,000,220,787	\$81,194,706	\$23,978,029	29.53%
Better Jacksonville (Infrastructure) Sales Tax:	2030	\$1,158,003,039	\$70,261,928	\$47,792,190	68.02%
Sports Facilities Capital Improvement Revenues:	2019 - 2030	\$261,924,495	\$20,618,495	\$11,405,788	55.32%

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

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

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

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**E. New Indebtedness and Refunding Issued by the City:**

On April 25, 2008, the City closed on the sale of \$154,535,000 Transportation Revenue Bonds, Series 2008A with a true interest cost of 5.079% and a targeted average coupon rate of 4.60% with a mandatory sinking schedule beginning October 1, 2011 and a maturity date of October 1, 2032. The proceeds of the 2008A bonds were used to refund the City's Transportation Revenue Bonds, Auction Rate Series 2003A bonds (\$76,825,000) and 2003B bonds (\$76,800,000). The issuance provided net proceeds of \$153,927,848 after payment of underwriter's discounts and costs of issuance totaling \$849,422 and a bond premium of \$242,270. The refunding was undertaken to address failures in the auction rate market. Since both the refunded and refunding bonds are variable, no economic gain or loss (based on the present value differences of the debt service payment streams of the old and new bonds) was realized.

On May 14, 2008, the City closed on the sale of \$121,740,000 Transportation Revenue Bonds, Series 2008B with a true interest cost of 4.089% and a targeted average coupon rate of 3.61% with a mandatory sinking schedule beginning October 1, 2008 and a maturity date of October 1, 2027. The proceeds of the 2008B bonds were used to refund the City's Transportation Revenue Bonds, Series 2003 (\$41,975,000) and 2004A (\$79,075,000). The issuance provided net proceeds of \$121,050,000 after payment of underwriter's discounts and costs of issuance totaling \$690,000. The refunding was undertaken to address failures in the auction rate market. Since both the refunded and refunding bonds are variable, no economic gain or loss (based on present value differences of debt service payment streams of old and new bonds) was realized.

On May 15, 2008, the City closed on the sale of \$32,670,000 Commercial Paper Notes, Series A, with an initial coupon of 1.60% with an initial maturity date of June 10, 2008. The issuance provided net proceeds of \$32,600,000 after payment of cost of issuance totaling \$70,000.

On July 1, 2008, the City closed on the sale of \$134,570,000 Capital Projects Revenue Bonds Series 2008A (\$67,285,000) and 2008B (\$67,285,000) with a true interest cost of 5.53% and a targeted average coupon rate of 4.84% with a mandatory sinking schedule beginning October 1, 2008 and a maturity date of October 1, 2034. The proceeds of the 2008 bonds were used to refund the City's Capital Projects Revenue Bonds Series 1997-1, Series 1997-2, Series 1997-3, and Series 2002-1. The issuance provided net proceeds of \$135,785,000 after payment of underwriter's discounts and costs of issuance totaling \$880,823 and a transfer of assets from the refunded bonds of \$2,095,823. The refunding was undertaken to restructure the old bonds and eliminate the bond insurance which was causing the bonds to trade at higher interest rates than uninsured bonds of the City. Since both the refunded and refunding bonds are variable, no economic gain or loss (based on the present value differences of the debt service payment streams of the old and new bonds) was realized.

On September 4, 2008, the City submitted a draw request on its \$50 million State Infrastructure Bank loan. The draw request was for \$14,767,631, which included \$4,616,107 for reimbursable projects and an advance of \$10,151,524 for projects to be completed within the succeeding 12 months.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

The advanced portion was inadvertently submitted and was not discovered until the receipt of funds. The City immediately alerted the program administrator of the matter, where the State agreed to allow the City to place the funds in escrow pending release upon actual project expenditures. This total draw together with previous draws of \$32,011,271 leaves an available loan balance of \$3,221,098. Interest on the loan will be paid at an annual rate of 2.5%.

On September 16, 2008, the City closed on the sale of \$105,470,000 Better Jacksonville Sales Tax, Series 2008 with a true interest cost of 4.63% and a targeted average coupon rate of 4.92% with a mandatory sinking schedule beginning October 1, 2011 and a maturity date of October 1, 2030. The proceeds of the 2008 bonds were used to fund the acquisition and construction of various capital projects constituting a part of the Better Jacksonville Plan. The issuance provided net proceeds of \$100,000,000 after payment of underwriter's discounts and costs of issuance totaling \$1,089,992 and a deposit to the Debt Service Reserve Fund of \$7,966,550.

On September 24, 2008, the City closed on the sale of \$54,215,000 Special Revenue Bonds, Series 2008 with a true interest cost of 4.97% and a targeted average coupon rate of 4.87% with a mandatory sinking schedule beginning October 1, 2011 and a maturity date of October 1, 2033. The proceeds of the 2008 bonds were used to finance the acquisition and construction of various capital equipment and capital improvements comprising the Banking Fund Projects. The issuance provided net proceeds of \$49,000,000 after payment of underwriter's discounts and costs of issuance totaling \$1,353,519, a bond premium of \$341,126, and a deposit to the Debt Service Reserve Fund of \$4,202,607.

**F. Demand Bonds Issued by the City:**

As described in Note 8D above, the City issued uninsured variable rate demand bonds to currently refund its two then outstanding auction rate series and two variable insured bonds series. The refundings addressed auction rate market failures as well as off market pricing for debt insured by downgraded bond insurers. Each demand bond series listed below meets the criteria for inclusion as long term debt of the City.

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

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

*Liquidity Agreement Terms:* Liquidity for the 2008A bonds is provided by a Standby Bond Purchase Agreement (the Agreement) with JPMorgan Chase (the Bank) dated April 1, 2008 expiring April 24, 2009.

The City paid a one year commitment fee of 32.5 basis points based on the lowest of any existing rating of any City Pledge Source.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**8. LONG-TERM OBLIGATIONS (continued)**  
**F. Demand Bonds Issued by the City: (continued)**

*Terms of take out:* The Agreement contains a mandatory purchase provision requiring the Bank to purchase the Bonds if the Agreement is not replaced or renewed by the expiration date. The Agreement requires the City to amortize the balance of the Bonds purchased by the Bank commencing April 24, 2010 and continuing for 12 equal quarterly payments of principal thereafter ending on April 24, 2012.

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

As of September 30, 2008 the Bank was not holding any Series 2008A Bonds pending remarketing.

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

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

*Liquidity Agreement Terms:* Liquidity for the 2008B bonds is provided by a Standby Bond Purchase Agreement (the Agreement) with Dexia Credit Local (the Bank) dated May 1, 2008, expiring May 12, 2009. The City paid a one year commitment fee of 32.5 basis points based on the lowest of any existing rating of any City Pledge Source.

*Terms of take out:* The Agreement contains a mandatory purchase provision requiring the Bank to purchase the Bonds if the Agreement is not replaced or renewed by the expiration date. The Agreement requires the City to amortize the balance of the Bonds purchased by the Bank commencing May 12, 2010 and continuing for 12 equal quarterly payments of principal thereafter ending on May 12, 2012.

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

As of September 30, 2008 the Bank was holding \$27,225,000 in Series 2008B Bonds pending remarketing. The full amount was remarketed by January 09, 2009.

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

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

*Liquidity Agreement Terms:* Liquidity for the Series 2008A bonds is provided by a Letter of Credit and Reimbursement Agreement (the Agreement) with the Bank of America, N.A. (the Bank) dated July 1, 2008 expiring July 15, 2011. The City paid a one year commitment fee of 55 basis points.

*Terms of take out:* The Agreement requires the City to commence repayment of any advances against the Letter of Credit within six months of an advance. Repayment is required in ten equal semiannual installments.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

There were no advances outstanding under this Agreement as of September 30, 2008.

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

*Bond terms:* The Series 2008B Capital Projects Bonds are uninsured variable rate demand bonds which mature and are remarketed every seven days at a reset interest rate.

*Liquidity Agreement Terms:* Liquidity for the Series 2008B Bonds is provided by a Letter of Credit and Reimbursement Agreement (the Agreement) with SUNTRUST Bank (the Bank) dated July 1, 2008 expiring July 15, 2011. The City paid a one year commitment fee of 52 basis points.

*Terms of take out:* The Agreement requires the City to commence repayment of any advances against the Letter of Credit within six months of an advance. Repayment is required in ten equal semiannual installments.

There were no advances outstanding under this Agreement as of September 30, 2008.

**G. Non-Asset Debt:** The City has issued debt for the benefit of its component units or other public use entities where the asset acquired or constructed will not be owned by the primary government. An expense is recorded by the City instead of a capital asset on the citywide 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	15,925,000
Series 2001B	Economic Development	44,090,000
Series 2002B	Shands Jacksonville Medical Center	59,920,000
Series 2003C (AMT)	Jacksonville Port Authority	33,010,000
Series 2003A	Shands Jacksonville Medical Center	18,445,000
 <u>Better Jacksonville Plan (BJP) Transportation Bonds</u>		
Series 2007	Jacksonville Transportation Authority (JTA) road projects	100,675,000
Series 2008 B	Refund Series 2003 and 2004 bonds that Refund the State of FL Bonds for JTA	121,740,000
 <u>BJP State Infrastructure Bank Loan</u>		
Loan #1	JTA road projects	23,635,533
Loan #2	JTA road projects	32,266,902
 <u>Other Bond Issues</u>		
Various	Misc. projects - BJP	171,387,000
Various	Misc. projects - other	52,300,869
 <u>Banking Fund Financed Projects</u>		
Various	Misc. projects - other	258,000
<b>TOTAL</b>		<b>\$ 681,198,444</b>

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**H. Defeased Debt:**

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

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, 2008</u>	<u>INVESTMENT BALANCE WITH ESCROW AGENT AT SEPTEMBER 30, 2008 (b)</u>
Sales Tax Revenue Bonds, Series 1996 (RCR)	Cash Refunded on October 10, 2002	\$14,535	\$15,829

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

**I. Lease Obligations:**

At September 30, 2008, 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). Depreciation of the items acquired through this capital lease was \$310 thousand in fiscal year 2008 and was included in depreciation expense of capital assets. This was the last year for this lease.

The City has copy equipment which was acquired through a capital lease (recorded in the Copy Center Internal Service Fund). Depreciation of the items acquired through this capital lease was \$545 thousand in fiscal year 2008 and was included in depreciation expense of capital assets.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**8. LONG-TERM OBLIGATIONS (continued)**  
**I. Lease Obligations: (continued)**

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

	Internal Service Fund Copy Center
Asset:	
Furniture and Equipment	\$ 1,154
Less: Accumulated Depreciation	(545)
Net	<u>\$ 609</u>

The future minimum lease obligations as of September 30, 2008, were as follows (in thousands):

Fiscal Year Ending September 30,	General Fund
2009	\$ 323
2010	323
Total minimum lease payments	<u>\$ 646</u>
Less: Amount representing interest	(37)
Present value of minimum lease Payments	<u>\$ 609</u>
Classified as:	
Current	\$296
Non-current	313
Total	<u>\$609</u>

The City does not have any material operating leases.

**J. Conduit Debt:**

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

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 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.



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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, 2008, the City had authorized \$2,034,577,469 in IDB's and PAB's, of which \$1,648,563,523 have been issued. From time to time, certain issues of such conduit debt may be in default or under investigation as to tax-exempt status of interest on such debt, however, this has no effect on the City's financial position.

As of September 30, 2008, the City has authorized a total of \$776,236,000 Jacksonville Housing Finance Authority (JHoFA), formerly Duval County Housing Finance Authority (DCHFA), Single Family and Multi-Family Bonds, of which \$541,721,142 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$513,290,000 and \$363,166,142, respectively, with a total amount outstanding of \$58,208,379. The amount of Multi-Family Housing Bonds authorized and issued is \$262,946,000 and \$178,555,000, respectively, with a total amount outstanding of \$107,205,000. There were \$73,500,000 Multi-Family Housing Revenue Bonds authorized but unissued during the fiscal year ended 2008. The amount of Multi-Family Housing Bonds both authorized and issued during the fiscal year ended 2008 is \$73,500,000 and \$0, respectively. Refundings of previous issues make up \$88,120,000 of the total amount authorized, \$87,875,000 of the total amount issued, and \$35,928,379 of the total amount outstanding.

As of September 30, 2008, the City has authorized \$907,415,000 of Jacksonville Health Facilities Authority (JHFA) Bonds, of which \$831,096,184 have been issued. JHFA did not issue any bonds in 2008.

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

On July 1, 2003, the City of Jacksonville entered into a 17-year floating receiver swap with Wachovia Bank rated A+. The notional amount of the swap as of September 30, 2008 was \$41,975,000 and has a termination date of October 1, 2020. There were no payments at the initiation of the swap. The City receives a floating rate of the BMA Index and pays a fixed rate of 4.01%, which could result in a basis risk if there are changes in the tax laws. The City receives payments monthly and makes payments semi-annually. The swap is related to the \$47,775,000 Transportation Revenue Bonds, Series 2003 (Auction Rate Securities), which, together with the \$80,275,000 Transportation Revenue Bonds, Series 2004A (with a swap notional amount of \$79,075,000), has been refunded by the \$121,740,000 Transportation Revenue Bonds, Series 2008B. The swap was structured as an integrated hedge with the same amortization as the bonds, which resulted in synthetic fixed rate debt. For purposes of credit, the swap is secured by 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 \$(25 million); which then requires the City to post an amount of collateral equal to the residual exposure.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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

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.

As of September 30, 2008, the underlying swap had a fair value of \$(2,066,040). 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, 2008 was \$79,075,000 and has a termination date of October 1, 2027. There were no payments at the initiation of the swap. The City pays Wachovia a fixed rate of 3.455% and receives floating based on 67% of 1-month LIBOR, which could result in a basis risk if there are changes in the tax laws. The swap is related to the \$80,275,000 Transportation Revenue Bonds, Series 2004A (Auction Rate Securities), which, together with the \$47,775,000 Transportation Revenue Bonds, Series 2003 (with a swap notional amount of \$41,975,000), has been refunded by the \$121,740,000 Transportation Revenue Bonds, Series 2008B. The swap was structured as an integrated hedge with the same amortization as the bonds, which resulted in synthetic fixed rate debt. For purposes of credit, the swap is secured by 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 \$(25 million); which then requires the City to post an amount of collateral equal to the residual exposure. Collateral is in the form of cash. A lower credit rating will also increase the amount of collateral required. The City retains the right to terminate this swap agreement at the market value prior to maturity.

As of September 30, 2008, the underlying swaps had a fair value of \$(4,011,132). This fair value was obtained by the counter-parties' mark-to-market reports submitted to the City.

As of September 30, 2008, the City was not exposed to credit risk (the risk of economic loss due to a counterparty default on the swap agreements) because each had a negative fair value. However, should interest rates change and the fair values of the swaps become positive, the City would then be exposed to credit risk in the amount of the swap's fair value.

As of September 30, 2008, the swaps expose the City to basis risk (the risk of loss due to the mismatch in interest-earning assets and interest-incurring liabilities). The agreement dated July 1, 2003 calls for the City to pay a fixed rate and receive a variable payment based on the BMA index. 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.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**8. LONG-TERM OBLIGATIONS (continued)  
K. Interest Rate Swaps with Better Jacksonville Plan: (continued)**

If the fixed rate is greater than the rates on the LIBOR index, the City will be liable for the difference.

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, 2008, the City would be liable to the counterparty for a payment equal to the swap's fair value.

**Swap Payments and Associated Debt**

Using certified rates as of September 30, 2008, debt service requirements of the variable-rate bonds and the swap payments, assuming rates remain the same for their term, are as follows (in thousands):

Fiscal Year Ending Sept. 30	Outstanding Variable-Rate Bonds			Annual Interest (Fixed)	Annual Interest (Variable)	Total
	Principal	Interest	Total			
2009	\$4,170	\$6,304	\$10,474	\$4,335	\$2,802	\$12,007
2010	4,475	6,066	10,541	4,173	2,692	12,022
2011	4,535	5,824	10,359	4,004	2,578	11,785
2012	5,160	5,566	10,726	3,829	2,466	12,089
2013	4,680	5,298	9,978	3,648	2,335	11,291
2014-2018	35,170	21,448	56,618	31,087	9,198	78,507
2019-2023	37,450	10,401	47,851	7,235	3,529	51,557
2024-2028	26,100	3,032	29,132	2,270	917	30,485
	<b>\$121,740</b>	<b>\$63,939</b>	<b>\$185,679</b>	<b>\$60,581</b>	<b>\$26,517</b>	<b>\$219,743</b>

In FY 2008, the City of Jacksonville refunded the Transportation Revenue Bonds, Series 2003 and Series 2004A. The amortization schedules for each refunded series still governs the notional amount of the outstanding swaps.

\$41,975,000 Wachovia Floating-to-Fixed rate swap

The fixed rate paid by the City is 4.010%

The VRDO (Variable Rate Debt Obligation) rate paid on the refunding series as of September 30, 2008 was 7.920%

The BMA rate for swap payments received as of September 30, 2008 was 3.776%

\$79,075,000 Wachovia Floating-to-Fixed rate swap

The fixed rate paid by the City is 3.455%

The VRDO (Variable Rate Debt Obligation) rate paid on the refunding series as of September 30, 2008 was 7.920%

**L. Interest Expense:**

Total interest expense for the fiscal year ended September 30, 2008 was \$102.8 million for governmental activities and \$2.1 million for business-type activities.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**M. 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 Bulk Power System bonds are governed by a single bond resolution; 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, 2008 was as follows (in thousands):

	Bonds Payable September 30, 2007	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, 2008	Current Portion September 30, 2008
Electric System	\$ 2,555,787	\$1,414,010	\$ (1,085,110)	\$ (24,843)	\$ -	\$ 2,859,844	\$ 67,080
Bulk Power Supply	-	15,000	-	-	-	15,000	15,000
SJRPP System	1,296,766	165,000	(40,000)	(86,415)	2,379	1,337,730	95,500
Water and Sewer System	1,784,681	501,435	(329,660)	(17,235)	-	1,939,221	23,200
District Energy System	52,785	-	-	(700)	-	52,085	-
Total	<u>\$ 5,690,019</u>	<u>\$ 2,095,445</u>	<u>\$ (1,454,770)</u>	<u>\$ (129,193)</u>	<u>\$ 2,237</u>	<u>\$ 6,203,880</u>	<u>\$ 200,780</u>

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

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

A summary of noncurrent liability activity for the year ended September 30, 2008 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Revenue bonds	\$ 132,800	\$ -	\$ 5,425	\$ 127,375	\$ 2,000
Revenue refunding bonds	102,975	-	45,620	57,355	4,795
Revenue notes	-	41,490	-	41,490	540
<b>Total</b>	<b>235,775</b>	<b>41,490</b>	<b>51,045</b>	<b>226,220</b>	<b>\$ 7,335</b>
Unamortized deferred loss on bond refunding	(6,663)	(4,281)	733	(10,211)	
Unamortized bond discount	(60)	-	3	(57)	
Unamortized bond premium	6,630	-	(508)	6,122	
<b>Total bonds and notes payable</b>	<b>\$ 235,682</b>	<b>37,209</b>	<b>\$ 51,274</b>	<b>\$ 222,074</b>	

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

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

A summary of noncurrent liability activity for the year ended September 30, 2008 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within one year
<b>Bonds payable, notes payable and capital leases:</b>					
Revenue bonds	\$ 19,275	\$ 90,000	(\$ 1,145)	\$108,130	\$ 1,190
Revenue refunding bonds	54,905	-	(1,610)	53,295	1,715
Capital leases	7,169	-	(927)	6,242	964
Commercial Paper	-	77,000	-	77,000	77,000
State Infrastructure Bank Loan	11,450	38,550	(4,900)	45,100	3,547
	<u>\$ 92,799</u>	<u>\$ 205,550</u>	<u>\$ (8,582)</u>	<u>\$ 289,767</u>	<u>\$ 84,416</u>
Less original issue discounts and deferred loss on refunding	(4,446)	(38)	3,144	(1,340)	-
<b>Total bond payables, notes payable, and capital leases</b>	<b>\$ 88,353</b>	<b>\$ 205,512</b>	<b>(\$ 5,438)</b>	<b>\$288,427</b>	<b>\$ 84,416</b>
<b>Other Non Current Liabilities:</b>					
Deferred Revenue	\$ 99,446	\$ 8,464	(\$ 2,638)	\$105,272	\$ 5,061
Insurance Reserve	200	-	-	200	-
Compensated Absences & other	1,146	503	(350)	1,299	375
Line of Credit	23,457	-	(23,457)	-	-
<b>Total Non Current Liabilities</b>	<b>\$ 212,602</b>	<b>\$ 214,479</b>	<b>\$ (31,883)</b>	<b>\$ 395,197</b>	<b>\$ 89,852</b>

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

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

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

**P. JTA – Long-Term Debt:**

Accrued compensated absences at September 30, 2008 consisted of the following (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental</b>					
<b>Activities:</b>					
Compensated absences	\$ 277	\$ 76	\$ (44)	\$ 308	\$ 21
<b>Business-type</b>					
<b>Activities:</b>					
Compensated absences	\$ 748	\$ 1,674	\$ (1,609)	\$ 813	\$ 65

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

**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.

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

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

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

(1) **Basis of Accounting** -The City's pension trust financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

(2) **Method Used to Value Investments** - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals or estimates of fair value as provided by third party fund managers. Investments that do not have an established market are reported at estimated fair value as provided by third party fund managers.

**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 \$ 288.7 million during the 2008 fiscal year, consisting of \$166.7 million City of Jacksonville payroll, \$118.3 million JEA payroll and \$3.7 million JHA payroll. The total 2008 payroll was \$404.6 million for the City, \$153.8 million for the JEA, \$10.6 million for JPA, \$12.1 million for JAA and \$7.7 million for JHA, for a total of \$588.8 million.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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**9. PENSION PLANS (continued)  
 B. City of Jacksonville Retirement System: (continued)**

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

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

At September 30, 2008, 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	4,534	88	4,622
Current employees:			
Vested	3,523	449	3,972
Nonvested	1,628	104	1,732
Total Current Employees	5,151	553	5,704
Total Membership	9,685	641	10,326

(2) Contributions - The City's funding policy provides for contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Level percentages of payroll employer contribution rates are determined using the "entry age" actuarial cost method.

Under this method, the cost of each member's projected retirement benefit is funded through a series of payments, determined as a level percentage of each year's earnings, from age at hire to assumed exit age.



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**NOTES TO FINANCIAL STATEMENTS**  
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**9. PENSION PLANS (continued)**  
**B. City of Jacksonville Retirement System: (continued)**

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

City contribution requirements are, as part of the funding policy, met through two sources; cash payments from the City, and allocations from the Past Excess Contribution account, maintained as part of the pension fund in accordance with State requirements to track prior payments made in excess of the actuarially required amounts. Contributions during fiscal year 2008 totaled \$57 million. The City contributed \$32.5 million in cash with no allocation from the past excess contribution account. Employees paid \$24.5 million. Contributions during fiscal 2007 and 2006 were \$54.5 million and \$52.9 million, respectively. These contributions were made in accordance with contribution requirements determined through an actuarial valuation performed February, 2008. 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
Actuarial value of assets – General Employees	\$1,673,435
Actuarial value of assets – Corrections	\$ 83,056
Actuarial Accrued Liability – General Employees	\$2,004,279
Actuarial Accrued Liability – Corrections	\$ 137,830

- (4) The schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over the time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**CITY OF JACKSONVILLE, FLORIDA  
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**9. PENSION PLANS**

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

(5) The Statement of Fiduciary Net Assets – Jacksonville Retirement System - General Employees and Corrections Officers Plan for the year ended September 30, 2008 is as follows (in thousands):

<b>ASSETS</b>	
Equity in cash and investments.....	\$ 16,302
Receivables (net, where applicable, of allowances for uncollectible):	
Interest and dividends.....	3,249
Accounts.....	1,686
Total receivables.....	<u>4,935</u>
Investments, at fair value:	
U.S. Government obligations.....	47,772
Domestic corporate bonds.....	471,483
Domestic stocks.....	627,370
International stocks.....	193,234
Real Estate.....	165,138
Total investments.....	<u>1,504,997</u>
Capital assets:	
Other capital assets, net of depreciation.....	11
Net capital assets.....	<u>11</u>
Securities Lending Collateral.....	137,967
<b>TOTAL ASSETS.....</b>	<b><u>1,664,212</u></b>
<b>LIABILITIES</b>	
Obligations Under Securities Lending Agreement.....	140,791
Accounts payable and accrued liabilities.....	5,720
Due to Drop Participants.....	2,497
<b>TOTAL LIABILITIES.....</b>	<b><u>149,008</u></b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS.....</b>	<b><u>\$ 1,515,204</u></b>

(6) The Statement of Changes in Fiduciary Net Assets – Jacksonville Retirement System for the year ended September 30, 2008 is as follows (in thousands):

<b>ADDITIONS</b>	
Contributions:	
Employer.....	\$ 31,905
Plan Member.....	24,454
Total contributions.....	<u>56,359</u>
Other additions:	
Miscellaneous.....	539
Transfer In.....	24
Investment income:	
Net appreciation (depreciation) in fair value of investments	
Interest and Dividends, And Securities Lending.....	(286,945)
<b>TOTAL ADDITIONS.....</b>	<b><u>(230,023)</u></b>
<b>DEDUCTIONS</b>	
Benefits payments.....	110,843
Refunds of contributions.....	5,881
Administrative expenses.....	3,089
<b>TOTAL DEDUCTIONS.....</b>	<b><u>119,813</u></b>
Net change in net assets.....	(349,836)
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<b><u>1,865,040</u></b>
<b>NET ASSETS, END OF YEAR.....</b>	<b><u>\$ 1,515,204</u></b>

**CITY OF JACKSONVILLE, FLORIDA  
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**9. PENSION PLANS**

**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 \$148 million during the fiscal year, excluding DROP participants. The Plan, as amended effective April 1, 2001, provides, in general, a 3% annual rate of accrual for retirement benefits after 20 years of credited membership, regardless of age, with a minimum benefit of 60% of the average salary received for the 52 pay periods immediately preceding retirement. An additional 2% for each completed year over 20 up to a maximum of 80% may be earned. There is no mandatory retirement age. Effective April 1, 2000, the Fund provides for a cost of living increase to pensioners and their beneficiaries of 3% per annum. The Plan uses a level percent closed amortization method with 23.5 years remaining in its amortization period. Pension benefits may be vested after a minimum of five years of membership. Benefits are computed based on average salary for the 52 pay periods immediately preceding vesting multiplied by 3% times the number of credited years of service. Employees, in this category, may alternatively select a 100% payout of member contributions to the Plan without interest, upon withdrawal from the Plan.

At September 30, 2008, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	1,916
DROP Participants	248
Active plan members	<u>2,534</u>
Total current employees	<u>2,782</u>
Total membership	<u>4,698</u>

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

The State of Florida requires funding of pension contributions to be made based upon an actuarial valuation; the most recent valuation is as of October 1, 2006. The City Council has the authority to amend its contribution to the Plan to not less than the minimum state requirement.

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

(3) Net Assets Available for Benefits - Net assets available for benefits are designated pursuant to an agreement between the Police and Fire Pension Plan Board of Trustees and the City effective April 1, 2000, consisting of the following actuarially computed components as of September 30, 2008 (in thousands):

Combined Reserve Account <sup>(1)</sup>	\$ 18,794
Base benefits fund	761,826
Total net assets available for benefits	\$ 780,620

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

The City stabilization reserve account was established for the purpose of cushioning actuarial losses in the base benefits fund and giving the City greater flexibility in its funding of the Plan. The enhanced benefits account was established to hold any remaining State premium tax refunds not assigned to offset City contribution requirements. The base benefits fund consists of the assets pledged to provide fund benefits. The combined balances as of September 30, 2008, 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 \$9.4 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.

**CITY OF JACKSONVILLE, FLORIDA  
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**9. PENSION PLANS (continued)**

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

The Agreement stipulated that \$6.5 million of the \$9.4 million remittance received during the fiscal year is to be allocated for expenditures authorized within the current benefit structure, with the remaining \$2.9 million being uncommitted and earmarked for use in funding future benefits and/or ad-hoc, non-recurring expenditures as authorized by the Trustees of the Plan. During the fiscal year, \$1.6 million of the \$2.9 million uncommitted element was expended for ad-hoc non-recurring expenditures.

(6) Annual Pension Cost and Contributions - The Fund had an annual pension cost of \$65,389,407 for the fiscal year ended September 30, 2008, which was equal to the actual and required contributions. Three-year trend information is as follows:

Plan Fiscal Years Ended September 30th	Annual Pension Cost ("APC")	Percentage of APC Contributed	Net Pension Obligation
2006	\$53,263,387	100%	-
2007	55,926,556	100%	-
2008	65,389,407	100%	-

**D. Florida Retirement System:**

(1) Plan Description - The City also participates in the Florida Retirement System (FRS), a multiple-employer cost-sharing retirement system which covers less than 1% of the City's full-time employees. FRS is a defined-benefit contributory retirement plan, administered by the State of Florida, Division of Retirement. The City payroll for employees covered by FRS was \$3.2 million during the fiscal year; the City's total payroll for all employees was \$437.4 million.

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

(2) Contributions – For the fiscal years ended September 30, 2008, 2007, and 2006, the City contributed \$569,000, \$577,000 and \$528,000 respectively, to the System for covered employees. For the fiscal year ended September 30, 2008, the contributions represented less than 1% of the System's total contributions required by all participating employers of \$3.2 billion. Contributions in fiscal years 2007 and 2006 were also less than 1% of the total contributions required by all participating employers, which amounted to approximately \$3.0 and \$2.3 billion per year.

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

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

The funding methods and the determination of benefits payable are provided in various Acts of the State Legislature. These Acts require that employers make contributions actuarially determined at the rates in effect at September 30, 2008, 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, 2008 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. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)**

Plan Description: The City provides retirees with the option to purchase health insurance from the City's single employer, experience rated health insurance contract plan (Plan) that provides medical benefits to active and eligible retirees at the City's group rate as mandated by Florida Statute 112.0801 and therefore has an implicit rate subsidy benefit for the retirees' participation. As of the valuation date, the Plan had approximately 7,779 active participants and 1,472 retirees receiving benefits. The Plan does not issue a separate publicly available financial report.

Transition Year: GASB Statement #45 was implemented prospectively resulting in a zero net OPEB obligation at transition. There was neither an OPEB asset or liability at transition.

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
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**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

The City has elected to calculate the ARC and related information using the Entry Age Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years. Annual requirements include a 4% discount rate, compounded annually, based on assumptions that the plan will be unfunded. The annual health care cost trend rate was assumed to decline gradually over the next several years from 10% at October 1, 2007 to an ultimate rate of 5% on and after 2012. The economic rates are based on an assumed inflation rate of 3.5% per annum.

The actuarial accrued liability (AAL) was determined as of September 30, 2007, based on the above assumptions and cost method, and applied to member data current at April 2007. Liabilities were developed based on age adjusted costs for retirees currently receiving Plan benefits as of September 30, 2007, with an AAL calculated to be \$175.1 million, which is unfunded (or 0% funded). The annual covered payroll is \$436.9 million, resulting in an unfunded AAL of 40.1%. The actuarial calculations reflect a long-term perspective using methods and assumptions that are designed to reduce short-term volatility in AAL and actuarial value of assets. The Plan provisions affecting the valuation were those in effect on April 1, 2007.

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

Plan Obligation:

Annual Required COJ Contribution (ARC)	\$ 13,280,398
Interest on Plan Obligation	-
Adjustment to ARC	-
Annual Plan Retiree Cost	<u>13,280,398</u>
Contributions Made	<u>(5,037,444)</u>
Change in Plan Obligation	8,242,954
Plan Obligation Beginning of Year	-
Plan Obligation End of Year	<u><u>\$ 8,242,954</u></u>

At fiscal year end 2008, the City accrued \$8.073 million in the Governmental Statement of Net Assets, \$156,000 in the Business-Type Statement of Net Assets, and \$15,000 in the Jacksonville Economic Development Commission (JEDC), a discreetly presented component unit.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**11. DEFERRED COMPENSATION PROGRAM AND 401A PLAN**

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

The City also provides a defined contribution plan under the Internal Revenue Code, Section 401(a). The plan provides an employer-paid, pre-tax allowance for employees under certain union contracts, managerial and confidential, and some appointed personnel. It also allows employees to participate on a post-tax basis. This benefit does not replace a pension plan, or serve in lieu of a qualified pension plan. The City contributes from .25% to 1.00% of the base salary of the employee depending on the bargaining unit and specific leave plan. For the year ended September 30, 2008, the City contributed \$1,051,855 for 401A plan benefits.

**12. RISK FINANCING**

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

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

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

**Major Categories of Policies purchased to transfer risk**

<u>Type of Policy</u>	<u>Principal Named Insured</u> <sup>(1)</sup>
Crime Policy	City, JAA, JPA
Excess Workers’ Compensation And General Liability Policy	City, JEA, JAA, JPA, JHA
Aircraft Hull and Liability Policy	City, JEA, JAA, JPA, JHA
Watercraft Hull and Liability Policy	City, JEA, JPA, JHA
Wharfinger Policy	City
Fine Arts Policy	City

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



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

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

<u>Retention Level</u>	<u>Coverage</u>	<u>Policy Limit</u>
\$5,000,000	General Liability	\$1,000,000 <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)	\$500,000,000 <sup>(2) (3) (4)</sup>
\$50,000	Boiler & Machinery	\$100,000,000
\$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 above the policy per occurrence and aggregate limits.

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

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

<sup>(4)</sup>The property policy provides coverage only to the City, Jacksonville Airport Authority, and Jacksonville Port Authority. The property retention and limits are shared between the entities.

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

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

<b>Estimated Risk Management Liability <sup>(1) (3)</sup></b>		
<b>(In thousands)</b>		
	<u>Discounted <sup>(2)</sup></u>	<u>Undiscounted</u>
Low	\$56,076,051	\$67,908,840
Middle	\$62,511,519	\$75,675,616
High	\$68,946,990	\$83,442,392

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

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

<sup>(3)</sup> Actuarial ULAE projections are \$6,106,816 discounted and \$7,249,334 undiscounted. Actuarial ULAE projections are not included.

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

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

The City maintains separate fiscal year accounting, which allows any excess revenues available to be returned to the City itself, and component units and the accumulation of an operating reserve authorized by the City of Jacksonville Ordinance Code Section 106.106. As of September 30, 2008, the City has available excess revenues in the Self-Insurance fund of \$2,513 (in thousands) and an operating reserve in the amount of \$1,923 (in thousands) for a combined net asset of \$4,436 (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, 2008.

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		Workers		Totals	
	Liability		Compensation			
	2008	2007	2008	2007	2008	2007
Unpaid claims and claims adjustment expenses at beginning of fiscal year	\$ 11,252	\$ 11,567	\$ 66,722	\$ 59,272	\$ 77,974	\$ 70,839
Incurred claims and claim adjustment expenses:						
Provisions for insured events of the current fiscal year	5,066	2,899	13,175	5,130	18,241	8,029
Increases (decreases) in provision for insured events of prior fiscal years	1,073	1,350	4,552	14,123	5,625	15,473
Total incurred claims and claim adjustment Expenses	6,139	4,249	17,727	19,253	23,866	23,502
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,942	1,691	2,894	2,715	4,837	4,406
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	3,496	2,873	10,582	9,088	14,078	11,961
Total Payments	5,438	4,564	13,476	11,803	18,915	16,367
Total unpaid claims and claim adjustment expenses at end of fiscal year	\$ 11,953	\$ 11,252	\$ 70,973	\$ 66,722	\$ 82,925	\$ 77,974

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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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, 2008, (in thousands):

	<b>Fund Balance/ Net Asset</b>
Major Enterprise Fund:	
Veterans Memorial Arena	\$ (1,526)
Non-Major Enterprise Fund:	
Baseball Stadium	(988)
Public Parking	(419)
Non-Major Special Revenue Fund:	
Public Safety	(544)
Internal Service Funds:	
Banking Fund	(368)
Copy Center	(187)

The Veterans Memorial Arena Net Asset deficit is due to transferring \$112.9 million net book value for assets and \$115.9 million of related debt to the enterprise fund from Governmental Activities citywide. The transfer was made to align all activity for the arena into one fund. The deficit will be eliminated over time as the bond principal payments will be greater under the debt schedule as compared to the reduction in net book value for the assets due to the straight line depreciation recorded over the life of the assets in the fund.

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

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.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**B. Fund Deficits: (continued)**

Public Safety - The Emergency Incidents fund was set up as a result of Tropical Storm Fay. An emergency declaration was made by the mayor and City Council which authorized the City to request FEMA reimbursement, meeting the criteria for funding under the Stafford Act.

The deficit in this fund relates to the approximate \$1.1 million, 12.5%, coverage the City is ultimately responsible for. FEMA participates at 75% and the state matches 12.5%. The deficit will be eliminated by a transfer of funds from the General Fund in fiscal year 2009 as finalized numbers are processed.

The Banking Fund Net Asset deficit is due to recording the GASB #31 Fair Value adjustment on investments. As discussed in Note 3 of the CAFR, the market declined significantly towards the end of the fiscal year. The fair value of investments is expected to recover sufficiently enough in FY2009 to eliminate the deficit. The fund is monitored closely and rates charged to customers will be adjusted accordingly if needed.

The Copy Center's rates are being reviewed and will be adjusted to eliminate the fund deficit in FY2009.

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

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

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

Costs. A liability of the Solid Waste Disposal Enterprise Fund (the "Fund") is recorded based upon landfill capacity used at fiscal year-end and a current operating expense of the Fund in the fiscal year in which the MSWLF costs are recovered through earned, operating revenue.

**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 estimated liability for MSWLF closure and postclosure care costs at September 30, 2008, is (in thousands):

	Balance, September 30, 2007	Accrual of Costs	Payment of Costs	Balance, September 30, 2008
Closed Landfills -				
Postclosure care costs	\$ 12,271	(\$ 477)	(\$461)	\$ 11,333
Operating Landfill -				
Closure and Postclosure care costs	<u>33,567</u>	<u>1,343</u>	<u>-</u>	<u>34,910</u>
Total Landfill Postclosure Care Costs	45,838	866	(461)	46,243
Waste Dump Site -				
Long Term Care Costs	<u>762</u>	<u>(7)</u>	<u>(55)</u>	<u>700</u>
Total Liability for Landfill Closure, Postclosure, Decontamination and Long Term Care Costs	<u>\$ 46,600</u>	<u>\$859</u>	<u>(\$516)</u>	<u>\$ 46,943</u>

At September 30, 2008, the closure and postclosure care costs for the closed landfills (North and East sites) had been fully accrued as these two landfills both stopped accepting solid waste in April 1992. Of the total MSWLF closure and postclosure care cost liability, \$46.6 million had been paid for the cost of closure and \$0.343 million had been reduced for postclosure care costs through September 30, 2008.

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 2007, \$24.9 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2008, \$2.5 million of this deferred charge was expensed to solid waste operations, resulting in a balance at September 30, 2008, of \$22.4 million. It is the intent of the City that these costs be recovered from future operating revenues of the Solid Waste Disposal Enterprise Fund, and accordingly will be recognized as operating expenses as such revenue is earned.

The total closure and postclosure liability for the operating landfill (Trailridge) is \$34.9 million. This total is based on the estimated capacity used of 66.2811% or 13,201,343 tons used with a total estimated capacity of 19,916,904 tons. The City will recognize the remaining estimated cost of closure and postclosure costs of \$44.8 million as the remaining capacity is filled.

**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)**

These amounts are based upon what it would cost to perform all closure and postclosure care in 2008. The City expected to close the landfill in approximately four years (2012); however, it is presently extending the life of the landfill by increasing the capacity (Phase III) and the life to 24 more years (2036). As mentioned, actual costs may be higher due to inflation, changes in technology, or changes in environmental regulations.

The liability for the Waste Dump Site at September 30, 2008, 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, 2008, this proof of financial responsibility has been met by the City under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$36.9 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, 2008 (in thousands):

	<u>Trail Ridge</u>	<u>North</u>	<u>East</u>	<u>Total</u>
Current cost of closure (1)	\$12,717,663	\$ -	\$ -	\$12,717,663
Annual cost of postclosure care (2)	-	872,324	372,842	1,245,166
Total estimated closure and postclosure care costs	<u>\$ 12,717,663</u>	<u>\$ 872,324</u>	<u>\$ 372,842</u>	<u>\$ 13,962,829</u>
Balance in escrow account (3)	\$ 35,770,701	\$ 872,324	\$ 372,842	\$ 37,015,867
City funding above state minimum (4)	\$ 23,053,038	\$ -	\$ -	\$ 23,053,038

1) Trail Ridge – Total submitted cost of \$ 15,897,079 x 16/20 (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, 2008 16 years of the 20 year landfill life have passed), North – landfill was certified closed in October 1999, East landfill was certified closed in April 1995.

**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)**

2) Trail Ridge – Total cost of \$ 24,595,757 x 0/30 (since landfill is not closed yet, 30 year post closure care period has not begun) North – total cost of \$ 17,446,486 x 1/20 (requirement is to fund one year of postclosure care), East – total cost of \$ 7,456,837 x 1/20 (requirement is fund one year postclosure care).

3) The \$37,015,867 escrowed amounts are accounted for in the Solid Waste Disposal Fund, in separate subfund 443 - Landfill Closure per City of Jacksonville Ordinance and is legally restricted. It consists of 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 \$ 23,053,038 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 30 years from the first National Football League (NFL) regular season play in 1995; Amendment 5, executed September 6, 2002, extends the lease an additional five years.

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
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**14. LESSOR OPERATING LEASE (continued)**  
**A. Jacksonville Jaguars, Inc. (continued)**

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

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

A summary of scheduled lease payments is as follows:

<u>Year</u>	<u>Payment</u>
2009	\$ 4,002,881
2010	3,964,861
2011	4,127,519
2012	4,091,334
2013	4,047,200
2014 - 2018	22,219,581
2019 - 2023	21,075,785
2024 - 2028	28,273,742
2029 - 2030	9,786,485

**B. Shands Jacksonville**

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



**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 or federal laws.

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

**B. Grants and Contracts:**

The City participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal or state audit may become a liability of the City. All City agencies and departments are required to comply with various federal regulations issued by the U.S. Office of Management and Budget if such agency or department is a recipient of federal grant, contracts or their sponsored agreements. Certain agencies and departments may not be in total compliance with these regulations. Failure to comply may result in questions concerning the allocability of related direct and indirect charges pursuant to such agreements. It is believed that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the City.

**C. Self-Insurance:**

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

**D. Environmental Matters:**

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

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)**

**D. Environmental Matters (continued)**

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, 2008, except as disclosed in Note 13.C.

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

The City and the U. S. Environmental Protection Agency (EPA) signed an agreement in 1999 to develop a plan to remediate the four sites. In order to make the sites and surrounding areas safe from a variety of residual pollutants, the City has proposed to the EPA a plan to clean up the areas by removing the top two feet of soil, placing a barrier, and then replacing the topsoil with untainted dirt. The project is estimated to take several years to complete once started and a cost estimate of \$98.4 million has been accrued based on the City's estimate used in its five year capital project plan. Approximately \$10 million was appropriated in the FY2009 budget.

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 \$35.4 million, which has been accrued by the City and included in the City's five year capital projects plan.

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

**D. Environmental Matters (continued)**

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

During the fiscal year 2009 budget process, City management concluded that the pollution remediation costs for the Ash sites, EPA sites, and various other sites would be paid from general revenue sources, including the issuance of general governmental debt. It was determined that solid waste rates would not be used as a revenue source since the liability was not due to current operating functions of the solid waste enterprise fund and therefore, the liability was transferred from the solid waste enterprise fund to the entity wide governmental activities column in the Statement of Net Assets. Fiscal Year 2007 amounts were adjusted accordingly in the applicable financial statements for comparative purposes.

**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 that over time, this agreement 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 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 as due to independent agencies and other governments. The arrangement with the replacement developer provides for an eventual repayment of this amount from excess tax increment revenues after certain priority uses thereof.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**F. Other Litigation:**

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

The City is involved in a state law claim for negligent maintenance of a city right of way. A possible settlement was negotiated and is pending court approval. Maximum potential liability exposure is \$200,000.

The City is involved in a federal civil rights claim pending in United States District Court. 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. 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 class action suit on behalf of persons in Duval County whose driver's licenses were suspended following a failure to schedule a hearing to contest a civil traffic citation. In the event of liability, the City would be responsible for 15% at the most, with the remainder being attributable to the state.

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 indemnify the City pursuant to a contract. Maximum potential liability exposure is \$100,000.

The City is involved in a without cause termination of a contract claim. The parties mediated the claim and have come to an agreed upon resolution which would result in a settlement of \$286,000 and full release of further claims, pending approval by the Mayor's Office and City Council.

The City is involved in two Fair Labor Standards Act claims including allegations that the City failed to properly compensate employees. Trial is scheduled for November 2009 for one claim and the date is pending for the other. Maximum potential liability exposure is \$500,000 and \$400,000, respectively.

The City is involved in a state law claim for negligence involving a City garbage truck striking a stopped car at a red light. Maximum potential liability exposure is \$100,000.

The City is involved in a federal court matter concerning a breach of contract and prompt payment claims. The plaintiff is seeking \$11,000,000 from the City and JEA collectively. An offer of \$170,000 to the plaintiff is pending, per the City Construction Dispute Resolution Board opinion. If the offer is rejected, the suit will continue in federal court.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

**F. Other Litigation: (continued)**

Since September 30, 2008, the City settled several legal matters including: federal civil rights claims, state law claims for negligence and a federal equal pay act and retaliation claim. The City does not consider the settlement amounts to be material.

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

**G. Construction Commitments:** At September 30, 2008, the City had major construction contracts for the following projects:

<b>Animal Care and Control Building</b>	\$ 7,776,543
<b>Public Works Projects</b>	
Ed Ball Building	1,256,284
<b>New Fire Stations and Renovations</b>	2,180,610
<b>Economic Development Projects</b>	
Beaver Street Fisheries/Farmers' Market	500,000
Edward Waters College	550,000
Hallmark Partners-Phase 1 & 11	9,578,551
Miles Development-Phase 1 & 11	5,421,449
Pinnacle Project	800,000
Shipyards project	3,122,399
<b>Infrastructure Projects</b>	
Towncenter District	751,086
Ped / Veh RR Crossing Grade Separation	11,704,344
Landscape and Beautification	1,696,873
<b>Public Works/Banking Fund Improvement Projects</b>	3,356,282
<b>Courthouse Project</b>	147,991,772
<b>Public Works Road Projects</b>	91,729,911
<b>Countywide Resurfacing</b>	1,200,659
<b>Drainage Rehab Projects</b>	7,419,457
<b>Septic Tank Remediation</b>	20,119,220
<b>Total</b>	<u>\$ 317,155,440</u>

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**16. SUBSEQUENT EVENTS**

**A. JEA Debt Issuance**

On November 25, 2008, JEA issued \$77,945,000 of its Bulk Power Supply System Revenue Bonds, Scherer 4 Project Issue, 2008 Series A to fund capital expenditures and repay the \$15,000,000 prior year line of credit balance and the \$3,000,000 October 2008 line of credit draw related to Bulk Power Supply capital expenditures.

**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 2008	\$ 28,756	\$ 8,527

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 City's General Fund an amount not to exceed 5.5 mills per kilowatt hour delivered by JEA to retail users in JEA's service area, and to wholesale customers under firm contracts having an original term of more than one year, other than sales of energy to FPL from JEA's St. Johns River Power Park System. The contribution for Fiscal Year 2008 amounted to \$73,847,000. The JEA Water and Sewer System is required to contribute annually to the City's General Fund 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 2008 amounted to \$20,341,000.

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, 2008**

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

**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 Year 2008, JEA made principal and interest payments to the City of \$1,996,000. The total remaining principal amount due to the City as of September 30, 2008 was \$1,070,000.

**Franchise Fees** - Effective April 1, 2008, the City enacted a 3% franchise fee from designated revenues of the Electric and Water and Sewer Utility systems. The ordinance authorizes JEA to pass through these fees to its electric and water and sewer funds. For the year ended September 30, 2008, JEA accrued \$14,979,000 and \$3,361,000 in its electric and water and sewer funds, which are included in JEA operating revenues and expenses.

**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 \$2.9 million in fiscal year 2008.

**Change in Accounting** - JEA has elected early implementation of GASB No. 53, Accounting and Financial Reporting for Derivative Instruments. The annual changes in the fair value of effective hedging derivative instruments are required to be deferred – reported as deferred inflows and deferred outflows and included in noncurrent assets and liabilities on the balance sheet. Deferral of changes in fair value generally last until the transaction involving the hedged item ends. JEA currently has two types of hedges, both have been associated with an item that is eligible to be hedged and determined to be effective. As such, JEA has restated its 2007 financial statements to reflect the adoption. The effect of the early adoption was to increase 2007 beginning net assets by \$2,404 thousand. Additional information may be provided 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.

**B. Non-major component unit** - A non-major component unit changed the presentation to its financial statements from that of a business type activity to a governmental activity (as defined in GASB statement 34) to better reflect the operating characteristics of the organization. As a result, there was a \$ 1.4 million change to beginning net assets.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

C. JTA - JTA governmental activities net assets invested in capital assets and restricted net assets as of September 30, 2007 have been restated to reflect a change in the method of applying an accounting principle as it pertained to the recognition of revenue related to custodial construction projects. The impact of this restatement is a reduction of net assets invested in capital assets of \$364,213,187 and a reduction of restricted net assets of \$110,408,471. Business type activities net assets invested in capital assets have been restated to reflect the correction of an error in the capitalization and depreciation of completed construction projects. The impact of this restatement is a reduction of \$1,589,092 in net assets at September 30, 2007. Business type activities unrestricted net assets have been restated to reflect the correction of an error in the accrual of the liability for compensated absences. The impact of this restatement is a reduction of \$256,855 in net assets at September 30, 2007. Additionally, business type activities net assets have been restated to reflect the correction of an error in the deferral of revenue recognition. The impact of this restatement is an increase of \$2,070,336 in net assets at September 30, 2007. Additional information may be provided in JTA's separately issued financial report, which may be obtained from its administrative office at 100 North Myrtle Avenue, Jacksonville, Florida 32203.

**18. NET ASSETS:**

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

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

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

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

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.



**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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

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 24)	\$ (391,825)
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.	449,704
Economic Incentives to be repaid by TIF revenue and/or Developer	<u>46,494</u>
Governmental - Unrestricted Net Assets (adjusted for dedicated revenue funded portions)	<u>\$ 104,373</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 dedicated revenue funded portions of non-assets debt) more truly reflect the General Government’s available (although partially tentatively targeted) portion of net assets.

**19. EMERGENCY RESERVE:**

Within the Fiscal Year 2008 budget ordinance, the City reauthorized a \$40 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 the Council.

**20. RESTATEMENT OF FUND BALANCE**

The City implemented a change in application of accounting principles relative to the accumulation of debt service resources and the related repayment of debt. The City historically provided resources to its governmental debt service funds during each fiscal year ending on September 30<sup>th</sup> in anticipation of the debt service payment being made on October 1, the first day of the subsequent fiscal year. These accumulated resources were reported as fund balance in the City’s debt service funds. The City elected to report a liability as of September 30, 2008 for the debt service payments made on the next day, October 1. Both methods are acceptable under Generally Accepted Accounting Principles.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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**20. RESTATEMENT OF FUND BALANCE (continued)**

This change in application resulted in the need to restate fund balances at the beginning of the current fiscal year. The schedule below shows the changes to beginning Fund Balances.

	Special Bonded Debt – Better Jacksonville Plan <u>Obligations</u>	Governmental Funds- Special Bonded <u>Debt Obligations</u>
Beginning Fund Balance, October 1, 2007	\$ 92,605	\$ 81,147
Less adjustments from change in application of accounting principle	<u>(37,591)</u>	<u>(70,305)</u>
Fund Balance, October 1, 2007 as restated	<u>\$ 55,014</u>	<u>\$ 10,842</u>

**Required Supplementary  
Information**

**REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF JACKSONVILLE, FLORIDA  
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL (in thousands)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	GENERAL FUND					VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES	BUDGETARY ACTUAL	
<b>REVENUE:</b>						
Property taxes.....	\$ 458,068	\$ 458,510	\$ 463,374	\$ -	\$ 463,374	\$ 4,864
Utility service taxes.....	116,223	116,223	114,392	-	114,392	(1,831)
Sales and use taxes.....	1,411	1,411	1,233	-	1,233	(178)
Licenses and permits.....	9,635	27,365	27,356	-	27,356	(9)
Intergovernmental.....	156,515	156,515	137,939	-	137,939	(18,576)
Charges for services.....	71,807	71,817	68,452	-	68,452	(3,365)
Fines and forfeitures.....	5,039	5,039	4,302	-	4,302	(737)
JEA Charter	94,188	94,188	94,188	-	94,188	-
Interest.....	12,301	12,301	4,803	-	4,803	(7,498)
Other.....	17,648	17,694	18,284	-	18,284	590
<b>Total Revenue.....</b>	<b>942,835</b>	<b>961,063</b>	<b>934,323</b>	<b>-</b>	<b>934,323</b>	<b>(26,740)</b>
<b>EXPENDITURES AND ENCUMBRANCES:</b>						
Central Operations.....	20,293	20,939	19,018	557	19,575	1,364
City Council.....	8,909	9,089	8,096	93	8,189	900
Clerk of the Courts.....	5,297	5,739	3,985	-	3,985	1,754
Courts.....	1,076	1,156	1,099	39	1,138	18
Environmental and Compliance.....	16,300	17,082	15,913	373	16,286	796
Finance.....	9,626	9,635	8,117	60	8,177	1,458
Fire/Rescue.....	151,139	150,400	141,046	564	141,610	8,790
General Counsel.....	350	712	607	-	607	105
Health Administrator.....	775	775	323	442	765	10
Housing and Neighborhoods.....	55	33	16	-	16	17
Jacksonville Human Rights Commission.....	1,195	1,222	1,088	5	1,093	129
Mayor.....	2,336	2,399	2,314	2	2,316	83
Mayor's Boards and Commissions.....	445	455	403	2	405	50
Medical Examiner.....	2,795	3,118	2,895	46	2,941	177
Metropolitan Planning Organization.....	14	14	-	-	-	14
Property Appraiser.....	9,337	9,358	8,955	-	8,955	403
Public Defender.....	800	816	814	-	814	2
Planning and Development.....	8,567	8,504	5,975	1,399	7,374	1,130
Pension Funds.....	15	15	-	-	-	15
Public Libraries.....	38,132	38,212	34,466	438	34,904	3,308
Public Works.....	74,611	93,547	85,123	3,600	88,723	4,824
Recreation and Community Services	50,377	48,868	46,932	1,148	48,080	788
State Attorney.....	520	530	502	8	510	20
Supervisor of Elections.....	8,576	10,360	9,727	330	10,057	303
Office of the Sheriff.....	325,724	328,974	316,389	3,112	319,501	9,473
Tax Collector.....	15,289	15,890	13,688	223	13,911	1,979
Federal Program Reserve.....	1,140	601	-	-	-	601
Contribution to Shands-Jacksonville.....	23,776	23,776	23,776	-	23,776	-
Cash Carryover Reserves.....	40,000	37,000	-	-	-	37,000
Jacksonville Misc. Citywide Activities.....	41,048	37,304	31,508	165	31,673	5,631
<b>Total Expenditures.....</b>	<b>858,517</b>	<b>876,523</b>	<b>782,775</b>	<b>12,606</b>	<b>795,381</b>	<b>81,142</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>						
<b>EXPENDITURES.....</b>	<b>84,318</b>	<b>84,540</b>	<b>151,548</b>	<b>(12,606)</b>	<b>138,942</b>	<b>54,402</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Long Term Debt Issued.....	-	8,380	4,906	-	4,906	(3,474)
Operating transfers in.....	6,782	8,736	8,503	-	8,503	(233)
Operating transfers out.....	(153,003)	(158,025)	(150,782)	-	(150,782)	7,243
<b>Total Other Financing Sources (Uses).....</b>	<b>(146,221)</b>	<b>(140,909)</b>	<b>(137,373)</b>	<b>-</b>	<b>(137,373)</b>	<b>3,536</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>						
	<b>(61,903)</b>	<b>(56,369)</b>	<b>14,175</b>	<b>(12,606)</b>	<b>1,569</b>	<b>57,938</b>
<b>FUND BALANCES - BEGINNING.....</b>	<b>83,983</b>	<b>83,983</b>	<b>83,983</b>	<b>-</b>	<b>83,983</b>	<b>-</b>
<b>FUND BALANCES - ENDING.....</b>	<b>22,080</b>	<b>27,614</b>	<b>98,158</b>	<b>(12,606)</b>	<b>85,552</b>	<b>57,938</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

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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, and is effective on October 1.

The City presents a Budgetary Comparison Schedule as Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget. For the Fiscal Year 2008, 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, 2008. 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, 2008**

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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 if the total transferred funds for a specific purpose, project or issue is under \$750,000 during the fiscal year. These transfers are reported to the Finance Committee on a quarterly basis.

**E. Supplemental Appropriations** - The City Council may, through passage of an ordinance, amend the budget in any manner permissible under state and local law, with one exception. Bond covenants, trust and agency agreements, and certain clauses of ordinances in effect may restrict certain budgetary items in terms of amount or use.

In certain instances the City may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2008 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, 2008**

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Annual Required Contributions</u>	<u>City Cash Contributions</u>	<u>Allotted from Past Excess Contributions</u>	<u>Total Employer Contributions</u>	<u>Percentage Contributed</u>
<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%
2008	29,371	29,488	-	29,488	100%
<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%
2008	4,329	4,350	-	4,350	100%

Certain adjustments are made to the annual required contribution if the plan carries a net pension obligation (NPO). The net pension obligation (asset if a credit) is defined in GASB No. 27 as the cumulative difference at the date of adoption (or transition) between annual requirements and actual contributions plus the cumulative difference between the requirements and contributions after that date. For 2008, additional interest credits attributable to the timing of contribution payments resulted in a net pension credit (negative NPO) of \$117 thousand for General Employees and \$21 thousand for Corrections.

Note that the net pension asset is not the same as "past excess contributions," which stands for the difference, including interest, between the City's contributions for a plan year and that year's funding requirement determined as though the fund's assets did not include any contributions made in a prior year in excess of that year's requirement.



**CITY OF JACKSONVILLE, FLORIDA  
 REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 POLICE AND FIRE RETIREMENT SYSTEM  
 SEPTEMBER 30, 2008**

(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%
2008	65,389	47,145	443	7,150	54,738	10,651	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.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
SEPTEMBER 30, 2008**

(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%
9/30/2008	1,673,435	2,004,279	330,844	83.49%	262,345	126.1%
<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%
9/30/2008	83,056	137,830	54,774	60.26%	26,334	208.0%

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

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

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POLICE AND FIRE RETIREMENT SYSTEM  
SEPTEMBER 30, 2008**

(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>
09/30/01	(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	1,464,508	534,054	63.53%	143,006	373.45%
09/30/08		761,826	(3) 1,550,548	788,721	49.13%	148,277	531.92%

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

(2) The values published for GASB in January, 2002 were later 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, 2008, the value of the City Budget Stabilization Account was \$5,779,865 and the Enhanced Benefit Account was \$13,013,713. These amounts are not included in the Actuarial Value of Assets.

**CITY OF JACKSONVILLE, FLORIDA  
 REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 CITY OF JACKSONVILLE POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
 SEPTEMBER 30, 2008**

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(in thousands)

<u>Valuation Date (1)</u>	<u>Accuarial Accrued Liability (AAL) (2)</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded AAL (UAAL)</u>	<u>Percentage Funded</u>	<u>Annual Covered Payroll (3)</u>	<u>UAAL as Percentage of Payroll</u>
9/30/2007	\$175,117	\$0	\$175,117	0.00%	\$436,926	40.08%

(1) Valuation information was only available for FY2007 study. The City plans to do a new valuation study in FY2009.

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

(3) FY2008 Annual Covered Payroll



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**Combining Individual Fund  
Statements & Schedules**

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

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

#### **DEBT SERVICE FUNDS**

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

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

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

#### **CAPITAL PROJECTS FUNDS**

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

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

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

**The Grant Projects Fund** accounts for monies received by the City under various federal, state and local grants restricted to expenditure of specific capital improvements funded under the grant program.

**The River City Renaissance Project Fund** accounts for proceeds of a comprehensive capital improvement initiative (the "River City Renaissance") for projects concerning the environment, children, health and social services, economic development, neighborhoods and downtown, parks and recreation, and the arts.

#### **PERMANENT FUND**

**The Permanent Fund** is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry. The City accounts for its Cemetery Maintenance Funds as a Permanent Fund.

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (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.....	\$ 56,836	\$ 640	\$ 4,871	\$ 3,435
Cash in escrow and with fiscal agents.....	-	-	100	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	-	-
Mortgages.....	-	-	-	-
Others.....	-	-	-	-
Due from other funds.....	-	-	-	-
Due from independent agencies and other governments.....	-	259	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 56,836</u></b>	<b><u>\$ 899</u></b>	<b><u>\$ 4,971</u></b>	<b><u>\$ 3,435</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 75	\$ 83	\$ 374	\$ 839
Contracts payable.....	257	-	-	-
Due to other funds.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	362	-	-	2,000
Advances from other funds.....	-	-	-	-
Unearned revenue.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>694</u></b>	<b><u>83</u></b>	<b><u>374</u></b>	<b><u>2,839</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	3,048	6	1,183	46
Cash in escrow.....	-	-	100	-
Mortgages receivable.....	-	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	-
Undesignated .....	53,094	810	3,314	550
Total Fund Balances.....	<u>56,142</u>	<u>816</u>	<u>4,597</u>	<u>596</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 56,836</u></b>	<b><u>\$ 899</u></b>	<b><u>\$ 4,971</u></b>	<b><u>\$ 3,435</u></b>

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**SPECIAL REVENUE FUNDS**

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<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>
\$ 19,148	\$ 36,477	\$ 591	\$ 5,861	\$ 2,457	\$ 7,891
-	-	-	-	-	-
-	9	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,859	641	7,731	197	-	2,476
<u>\$ 38,007</u>	<u>\$ 37,127</u>	<u>\$ 8,322</u>	<u>\$ 6,058</u>	<u>\$ 2,457</u>	<u>\$ 10,367</u>
\$ 18	\$ 1,239	\$ 7,317	\$ 404	\$ 90	\$ 1,005
7	7	-	-	-	-
-	-	1,549	-	-	-
-	-	-	-	-	-
-	409	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25	1,655	8,866	404	90	1,005
531	4,875	24	348	1,029	1,098
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
37,451	30,597	(568)	5,306	1,338	8,264
37,982	35,472	(544)	5,654	2,367	9,362
<u>\$ 38,007</u>	<u>\$ 37,127</u>	<u>\$ 8,322</u>	<u>\$ 6,058</u>	<u>\$ 2,457</u>	<u>\$ 10,367</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2008  
 WITH COMPARATIVE TOTALS FOR 2007 (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.....	\$ 922	\$ 567	\$ 2,901	\$ 125
Cash in escrow and with fiscal agents.....	391	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	-	-
Mortgages.....	900	-	-	-
Others.....	-	-	-	-
Due from other funds.....	-	-	-	-
Due from independent agencies and other governments.....	1,690	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 3,903</u></b>	<b><u>\$ 567</u></b>	<b><u>\$ 2,901</u></b>	<b><u>\$ 125</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ 376	\$ -	\$ 113	\$ -
Contracts payable.....	5	-	-	-
Due to other funds.....	-	-	-	-
Due to individuals.....	-	-	-	-
Deposits.....	6	-	-	-
Advances from other funds.....	-	-	-	-
Unearned revenue.....	900	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>1,287</u></b>	<b><u>-</u></b>	<b><u>113</u></b>	<b><u>-</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	1,072	-	196	-
Cash in escrow.....	391	-	-	-
Mortgages receivable.....	900	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	-
Undesignated .....	253	567	2,592	125
Total Fund Balances.....	<u>2,616</u>	<u>567</u>	<u>2,788</u>	<u>125</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 3,903</u></b>	<b><u>\$ 567</u></b>	<b><u>\$ 2,901</u></b>	<b><u>\$ 125</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	
					2008	2007
\$ 10,026 40	\$ 10,795 -	\$ 3,313 1,840	\$ 6,626 -	\$ 13,299 -	\$ 186,781 2,371	\$ 199,405 2,374
-	-	-	-	2,661	2,670	405
-	-	16,446	9,489	-	26,835	16,632
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,738	11,244	760	-	96	49,691	39,675
<u>\$ 15,804</u>	<u>\$ 22,039</u>	<u>\$ 22,359</u>	<u>\$ 16,115</u>	<u>\$ 16,056</u>	<u>\$ 268,348</u>	<u>\$ 258,491</u>
\$ 2,570	\$ -	\$ 842	\$ 894	\$ 338	\$ 16,577	\$ 15,338
-	-	-	-	-	276	326
-	-	-	-	-	1,549	-
-	-	-	-	441	441	197
-	-	76	-	56	2,909	1,250
-	-	-	-	-	-	-
-	-	-	-	2,653	3,553	1,252
<u>2,570</u>	<u>-</u>	<u>918</u>	<u>894</u>	<u>3,488</u>	<u>25,305</u>	<u>18,363</u>
7,084 40	- -	2,242 1,840	8,782 -	611 -	32,175 2,371	35,815 2,374
-	-	16,446	9,489	-	26,835	16,632
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,110	22,039	913	(3,050)	11,957	181,662	185,307
<u>13,234</u>	<u>22,039</u>	<u>21,441</u>	<u>15,221</u>	<u>12,568</u>	<u>243,043</u>	<u>240,128</u>
<u>\$ 15,804</u>	<u>\$ 22,039</u>	<u>\$ 22,359</u>	<u>\$ 16,115</u>	<u>\$ 16,056</u>	<u>\$ 268,348</u>	<u>\$ 258,491</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands; continued)**

	<b>DEBT SERVICE FUNDS</b>			
	<b>GENERAL BONDED DEBT OBLIGATIONS</b>	<b>OTHER NON-BONDED DEBT OBLIGATIONS</b>	<b>TOTALS</b>	
			<b>2008</b>	<b>*Adjusted 2007</b>
<b>ASSETS</b>				
Equity in cash and investments.....	\$ -	\$ 144	\$ 144	\$193
Cash in escrow and with fiscal agents.....	39	-	39	39
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	-	-
Mortgages.....	-	-	-	-
Others.....	-	-	-	-
Due from other funds.....	-	-	-	-
Due from independent agencies and other governments.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b><u>\$ 39</u></b>	<b><u>\$ 144</u></b>	<b><u>\$ 183</u></b>	<b><u>\$ 232</u></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 individuals.....	-	-	-	-
Deposits.....	-	-	-	-
Advances from other funds.....	-	-	-	-
Unearned revenue.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b><u>39</u></b>	<b><u>-</u></b>	<b><u>39</u></b>	<b><u>\$ 39</u></b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	-	-	-	-
Cash in escrow.....	-	-	-	-
Mortgages receivable.....	-	-	-	-
Debt service.....	-	142	142	193
Unreserved:				
Designated for capital projects.....	-	-	-	-
Undesignated .....	-	2	2	-
Total Fund Balances.....	<u>-</u>	<u>144</u>	<u>144</u>	<u>193</u>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b><u>\$ 39</u></b>	<b><u>\$ 144</u></b>	<b><u>\$ 183</u></b>	<b><u>\$ 232</u></b>

\*2007 amounts were adjusted for comparability to 2008 to reflect the reporting of the Special Bonded Debt Obligations Fund as major and the Bond Projects Capital Projects Fund as non-major in 2008.

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**CAPITAL PROJECTS FUNDS**

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<u>GENERAL PROJECTS</u>	<u>BOND PROJECTS</u>	<u>GRANT PROJECTS</u>	<u>RIVER CITY RENAISSANCE PROJECT</u>	<u>TOTALS</u>	
				<u>2008</u>	<u>*Adjusted 2007</u>
\$ 80,448	\$ 38,224	\$ 2,130	\$ 4,134	\$ 124,936	\$ 92,168
-	-	-	-	-	106
-	-	-	-	-	557
-	-	-	-	-	-
489	-	-	-	489	-
-	-	-	-	-	39,729
971	-	9,226	-	10,197	3,916
<u>\$ 81,908</u>	<u>\$ 38,224</u>	<u>\$ 11,356</u>	<u>\$ 4,134</u>	<u>\$ 135,622</u>	<u>\$ 136,476</u>
\$ 11,945	\$ 5,241	\$ 2,011	\$ 1	\$ 19,198	\$ 6,560
548	1,633	313	26	2,520	1,702
30	-	-	-	30	-
-	-	-	-	-	-
-	-	-	-	-	-
9,164	-	-	-	9,164	9,800
489	-	-	-	489	-
<u>22,176</u>	<u>6,874</u>	<u>2,324</u>	<u>27</u>	<u>\$ 31,401</u>	<u>\$ 18,062</u>
24,628	43,512	7,428	36	75,604	64,081
-	-	-	-	-	106
-	-	-	-	-	-
-	-	-	-	-	-
35,104	-	1,604	4,071	40,779	26,277
-	(12,162)	-	-	(12,162)	27,950
<u>59,732</u>	<u>31,350</u>	<u>9,032</u>	<u>4,107</u>	<u>104,221</u>	<u>118,414</u>
<u>\$ 81,908</u>	<u>\$ 38,224</u>	<u>\$ 11,356</u>	<u>\$ 4,134</u>	<u>\$ 135,622</u>	<u>\$ 136,476</u>

\*2007 amounts were adjusted for comparability to 2008 to reflect the reporting of the Special Bonded Debt Obligations Fund as major and the Bond Projects Capital Projects Fund as non-major in 2008.

(continued)

**CITY OF JACKSONVILLE, FLORIDA  
COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands; continued)**

	PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	CEMETERY MAINTENANCE FUNDS		TOTALS	
	2008	2007	2008	*Adjusted 2007
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 195	\$ 194	\$ 312,056	\$ 291,960
Cash in escrow and with fiscal agents.....	-	-	2,410	2,519
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts .....	-	-	2,670	962
Mortgages.....	-	-	26,835	16,632
Others.....	-	-	489	-
Due from other funds.....	-	-	-	39,729
Due from independent agencies and other governments.....	-	-	59,888	43,591
<b>TOTAL ASSETS.....</b>	<b>\$ 195</b>	<b>\$ 194</b>	<b>\$ 404,348</b>	<b>\$ 395,393</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities.....	\$ -	\$ -	\$ 35,814	\$ 21,937
Contracts payable.....	-	-	2,796	2,028
Due to other funds.....	-	-	1,579	-
Due to individuals.....	-	-	441	197
Deposits.....	-	-	2,909	1,250
Advances from other funds.....	-	-	9,164	9,800
Unearned revenue.....	-	-	4,042	1,252
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>56,745</b>	<b>36,464</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances.....	-	-	107,779	99,896
Cash in escrow.....	-	-	2,371	2,480
Mortgages receivable.....	-	-	26,835	16,632
Debt service.....	-	-	142	193
Unreserved:				
Designated for capital projects.....	-	-	40,779	26,277
Undesignated .....	195	194	169,697	213,451
Total Fund Balances.....	195	194	347,603	358,929
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 195</b>	<b>\$ 194</b>	<b>\$ 404,348</b>	<b>\$ 395,393</b>

\*2007 amounts were adjusted for comparability to 2008 to reflect the reporting of the Special Bonded Debt Obligations Fund as major and the Bond Projects Capital Projects Fund as non-major in 2008.





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**CITY OF JACKSONVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

**SPECIAL REVENUE FUNDS**

	<u>CONCURRENCY MANAGEMENT</u>	<u>AIR POLLUTION CONTROL AND MONITORING</u>	<u>TOURISM DEVELOPMENT</u>	<u>CLERK OF THE COURT</u>
<b>REVENUE:</b>				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	5,498	-
Intergovernmental.....	-	2,267	-	-
Charges for services.....	10,459	-	-	25,141
Fines and forfeitures.....	-	-	-	-
Interest.....	1,008	-	72	-
Other.....	-	-	815	-
Total Revenue.....	<u>11,467</u>	<u>2,267</u>	<u>6,385</u>	<u>25,141</u>
<b>EXPENDITURES:</b>				
Current:				
General government.....	3,511	-	-	26,486
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	726	-
Transportation.....	229	-	-	-
Economic environment.....	-	-	7,072	-
Physical environment.....	-	2,527	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
Other - cost of issuance.....	-	-	-	-
Total Expenditures.....	<u>3,740</u>	<u>2,527</u>	<u>7,798</u>	<u>26,486</u>
<b>EXCESS OF REVENUE OVER (UNDER)</b>				
EXPENDITURES.....	<u>7,727</u>	<u>(260)</u>	<u>(1,413)</u>	<u>(1,345)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term debt issued.....	-	-	-	-
Premium on special obligation bonds payable.....	-	-	-	-
Transfers in.....	-	431	-	-
Transfers out.....	<u>(875)</u>	<u>(72)</u>	<u>(1,000)</u>	<u>-</u>
Total Other Financing Sources (Uses).....	<u>(875)</u>	<u>359</u>	<u>(1,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>6,852</b>	<b>99</b>	<b>(2,413)</b>	<b>(1,345)</b>
FUND BALANCES, BEGINNING OF YEAR.....	<u>49,290</u>	<u>717</u>	<u>7,010</u>	<u>1,941</u>
<b>FUND BALANCES, END OF YEAR.....</b>	<b><u>\$ 56,142</u></b>	<b><u>\$ 816</u></b>	<b><u>\$ 4,597</u></b>	<b><u>\$ 596</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>
\$ -	\$ -	\$ -	\$ -	\$ 13,994	\$ -
102,652	-	-	-	-	-
7,121	1,639	7,916	-	-	32,331
-	15,544	40	4,680	-	195
-	1,246	-	-	-	-
129	733	4	115	-	102
-	2,859	-	-	176	16
<u>109,902</u>	<u>22,021</u>	<u>7,960</u>	<u>4,795</u>	<u>14,170</u>	<u>32,644</u>
-	7,359	-	-	194	-
-	1,094	-	-	-	26,172
-	11,770	9,092	4,846	-	-
-	111	-	-	-	-
111,315	-	-	-	-	-
-	-	-	-	5,444	27,960
-	5,225	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>111,315</u>	<u>25,559</u>	<u>9,092</u>	<u>4,846</u>	<u>5,638</u>	<u>54,132</u>
<u>(1,413)</u>	<u>(3,538)</u>	<u>(1,132)</u>	<u>(51)</u>	<u>8,532</u>	<u>(21,488)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	2,127	-	-	-	20,640
-	(670)	-	-	(8,836)	(125)
-	1,457	-	-	(8,836)	20,515
(1,413)	(2,081)	(1,132)	(51)	(304)	(973)
<u>39,395</u>	<u>37,553</u>	<u>588</u>	<u>5,705</u>	<u>2,671</u>	<u>10,335</u>
<u>\$ 37,982</u>	<u>\$ 35,472</u>	<u>(\$ 544)</u>	<u>\$ 5,654</u>	<u>\$ 2,367</u>	<u>\$ 9,362</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, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (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.....	7,121	-	-	-
Charges for services.....	-	-	1,709	-
Fines and forfeitures.....	-	-	-	-
Interest.....	42	2	91	-
Other.....	257	-	332	-
<b>Total Revenue.....</b>	<b>7,420</b>	<b>2</b>	<b>2,132</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	-	-	29
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	3,818	-
Transportation.....	-	-	295	-
Economic environment.....	3,977	-	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
Other - cost of issuance.....	-	-	-	-
<b>Total Expenditures.....</b>	<b>3,977</b>	<b>-</b>	<b>4,113</b>	<b>29</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>				
<b>EXPENDITURES.....</b>	<b>3,443</b>	<b>2</b>	<b>(1,981)</b>	<b>(29)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term debt issued.....	-	-	-	-
Premium on special obligation bonds payable.....	-	-	-	-
Transfers in.....	312	-	1,796	-
Transfers out.....	(2,790)	-	-	-
<b>Total Other Financing Sources (Uses).....</b>	<b>(2,478)</b>	<b>-</b>	<b>1,796</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>965</b>	<b>2</b>	<b>(185)</b>	<b>(29)</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<b>1,651</b>	<b>565</b>	<b>2,973</b>	<b>154</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 2,616</b>	<b>\$ 567</b>	<b>\$ 2,788</b>	<b>\$ 125</b>

See accompanying notes.

**SPECIAL REVENUE FUNDS**

OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST	HOUSING AND NEIGHBORHOODS	STATE HOUSING INITIATIVE PARTNERSHIP	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2008	2007
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,994	\$ 11,947
-	70,262	-	-	-	178,412	180,211
17,234	-	6,404	8,086	202	90,321	91,583
-	-	4	-	2,346	60,118	64,856
-	-	-	-	293	1,539	1,458
72	309	60	108	119	2,966	6,641
56	-	1,672	1,112	12,985	20,280	16,188
<u>17,362</u>	<u>70,571</u>	<u>8,140</u>	<u>9,306</u>	<u>15,945</u>	<u>367,630</u>	<u>372,884</u>
234	-	-	-	2,220	40,033	38,729
9,746	-	-	-	545	37,557	37,084
8,063	-	-	-	3,019	36,790	31,256
778	-	-	-	534	5,967	6,202
-	-	-	-	-	111,839	122,294
679	-	8,750	5,704	2	59,588	59,884
36	-	-	-	14	7,802	7,651
-	-	-	-	3,979	3,979	10,241
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>19,536</u>	<u>-</u>	<u>8,750</u>	<u>5,704</u>	<u>10,313</u>	<u>303,555</u>	<u>313,341</u>
<u>(2,174)</u>	<u>70,571</u>	<u>(610)</u>	<u>3,602</u>	<u>5,632</u>	<u>64,075</u>	<u>59,543</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,731	-	3,179	-	80	33,296	34,787
(122)	(79,373)	-	-	(593)	(94,456)	(72,507)
<u>4,609</u>	<u>(79,373)</u>	<u>3,179</u>	<u>-</u>	<u>(513)</u>	<u>(61,160)</u>	<u>(37,720)</u>
2,435	(8,802)	2,569	3,602	5,119	2,915	21,823
<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>\$ 13,234</u>	<u>\$ 22,039</u>	<u>\$ 21,441</u>	<u>\$ 15,221</u>	<u>\$ 12,568</u>	<u>\$ 243,043</u>	<u>\$ 240,128</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, 2008  
 WITH COMPARATIVE TOTALS FOR 2007 (in thousands; continued)**

	<b>DEBT SERVICE FUNDS</b>			
	<b>GENERAL BONDED DEBT OBLIGATIONS</b>	<b>OTHER NON-BONDED DEBT OBLIGATIONS</b>	<b>TOTALS</b>	
			<b>2008</b>	<b>*Adjusted 2007</b>
<b>REVENUE:</b>				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	-	-	-	-
Charges for services.....	-	-	-	-
Fines and forfeitures.....	-	-	-	-
Interest.....	-	16	16	16
Other.....	-	-	-	-
<b>Total Revenue.....</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	-	-
Transportation.....	-	-	-	-
Economic environment.....	-	-	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	730	730	635
Interest on fiscal charges.....	-	445	445	480
Other - cost of issuance.....	-	-	-	-
<b>Total Expenditures.....</b>	<b>-</b>	<b>1,175</b>	<b>1,175</b>	<b>1,115</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>-</b>	<b>(1,159)</b>	<b>(1,159)</b>	<b>(1,099)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term debt issued.....	-	-	-	-
Premium on special obligation bonds payable.....	-	-	-	-
Transfers in.....	-	1,110	1,110	1,114
Transfers out.....	-	-	-	-
<b>Total Other Financing Sources (Uses).....</b>	<b>-</b>	<b>1,110</b>	<b>1,110</b>	<b>1,114</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>-</b>	<b>(49)</b>	<b>(49)</b>	<b>15</b>
<b>FUND BALANCES, BEGINNING OF YEAR.....</b>	<b>-</b>	<b>193</b>	<b>193</b>	<b>178</b>
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ -</b>	<b>\$ 144</b>	<b>\$ 144</b>	<b>\$ 193</b>

\*2007 amounts were adjusted for comparability to 2008 to reflect the reporting of the Special Bonded Debt Obligations Fund as major and the Bond Projects Capital Projects Fund as non-major in 2008.

**CAPITAL PROJECTS FUNDS**

<u>GENERAL PROJECTS</u>	<u>BOND PROJECTS</u>	<u>GRANT PROJECTS</u>	<u>RIVER CITY RENAISSANCE PROJECT</u>	<u>TOTALS</u>	
				<u>2008</u>	<u>*Adjusted 2007</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,487	-	15,914	-	18,401	14,303
-	-	-	-	-	-
-	-	-	-	-	-
160	373	52	26	611	3,497
8,240	-	261	-	8,501	28,351
<u>10,887</u>	<u>373</u>	<u>16,227</u>	<u>26</u>	<u>27,513</u>	<u>46,151</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,077	43,711	16,105	25	95,918	73,952
-	-	-	-	-	-
1,240	-	-	-	1,240	-
-	-	-	-	-	392
<u>37,317</u>	<u>43,711</u>	<u>16,105</u>	<u>25</u>	<u>97,158</u>	<u>74,344</u>
<u>(26,430)</u>	<u>(43,338)</u>	<u>122</u>	<u>1</u>	<u>(69,645)</u>	<u>(28,193)</u>
48,905	-	-	-	48,905	42,245
-	-	-	-	-	1,147
5,039	-	1,508	-	6,547	2,726
-	-	-	-	-	(3,313)
<u>53,944</u>	<u>-</u>	<u>1,508</u>	<u>-</u>	<u>55,452</u>	<u>42,805</u>
27,514	(43,338)	1,630	1	(14,193)	14,612
<u>32,218</u>	<u>74,688</u>	<u>7,402</u>	<u>4,106</u>	<u>118,414</u>	<u>103,802</u>
<u>\$ 59,732</u>	<u>\$ 31,350</u>	<u>\$ 9,032</u>	<u>\$ 4,107</u>	<u>\$ 104,221</u>	<u>\$ 118,414</u>

\*2007 amounts were adjusted for comparability to 2008 to reflect the reporting of the Special Bonded Debt Obligations Fund as major and the Bond Projects Capital Projects Fund as non-major in 2008.

(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, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands; continued)**

	PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	CEMETERY MAINTENANCE FUNDS		TOTALS	
	2008	2007	2008	*Adjusted 2007
<b>REVENUE:</b>				
Property taxes.....	\$ -	\$ -	\$ 13,994	\$ 11,947
Sales and tourist taxes.....	-	-	178,412	180,211
Intergovernmental.....	-	-	108,722	105,886
Charges for services.....	-	-	60,118	64,856
Fines and forfeitures.....	-	-	1,539	1,458
Interest.....	-	6	3,593	10,160
Other.....	1	-	28,782	44,539
Total Revenue.....	1	6	395,160	\$ 419,057
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	-	40,033	38,729
Human services.....	-	-	37,557	37,084
Public safety.....	-	-	36,790	31,256
Culture and recreation.....	-	-	5,967	6,202
Transportation.....	-	-	111,839	122,294
Economic environment.....	-	-	59,588	59,884
Physical environment.....	-	-	7,802	7,651
Capital outlay.....	-	-	99,897	84,193
Debt service:				
Principal.....	-	-	730	635
Interest on fiscal charges.....	-	-	1,685	480
Other - cost of issuance.....	-	-	-	392
Total Expenditures.....	-	-	401,888	388,800
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>1</b>	<b>6</b>	<b>(6,728)</b>	<b>30,257</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Long term debt issued.....	-	-	48,905	42,245
Premium on special obligation bonds payable.....	-	-	-	1,147
Transfers in.....	-	-	40,953	38,627
Transfers out.....	-	-	(94,456)	(75,820)
Total Other Financing Sources (Uses).....	-	-	(4,598)	6,199
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1</b>	<b>6</b>	<b>(11,326)</b>	<b>36,456</b>
FUND BALANCES, BEGINNING OF YEAR.....	194	188	358,929	322,473
<b>FUND BALANCES, END OF YEAR.....</b>	<b>\$ 195</b>	<b>\$ 194</b>	<b>\$ 347,603</b>	<b>\$ 358,929</b>

\*2007 amounts were adjusted for comparability to 2008 to reflect the reporting of the Special Bonded Debt Obligations Fund as major and the Bond Projects Capital Projects Fund as non-major in 2008.





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**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 110 - CONCURRENCY MANAGEMENT**

	<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.....	\$ 750	\$ 9,993	\$ 10,459	\$ -	\$ 10,459	\$ 466
Interest.....	110	110	1,008	-	1,008	898
Total Revenue.....	860	10,103	11,467	-	11,467	1,364
<b>EXPENDITURES:</b>						
Planning and development.....	17,187	21,305	3,511	667	4,178	17,127
Public works.....	25,880	31,631	229	2,381	2,610	29,021
Total Expenditures.....	43,067	52,936	3,740	3,048	6,788	46,148
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>(42,207)</b>	<b>(42,833)</b>	<b>7,727</b>	<b>(3,048)</b>	<b>4,679</b>	<b>47,512</b>
<b>OTHER FINANCING (USES):</b>						
Operating Transfers in.....	-	-	-	-	-	-
Operating Transfers out.....	(248)	(875)	(875)	-	(875)	-
Total Other Financing (Uses).....	(248)	(875)	(875)	-	(875)	-
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(42,455)</b>	<b>(43,708)</b>	<b>6,852</b>	<b>(3,048)</b>	<b>3,804</b>	<b>47,512</b>
FUND BALANCE, BEGINNING.....	49,290	49,290	49,290	-	49,290	-
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 6,835</b>	<b>\$ 5,582</b>	<b>\$ 56,142</b>	<b>(\$ 3,048)</b>	<b>\$ 53,094</b>	<b>\$ 47,512</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 120 - AIR POLLUTION CONTROL AND MONITORING**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ 1,811	\$ 2,853	\$ 2,267	\$ -	\$ 2,267	(\$ 586)
Interest.....	12	12	-	-	-	(12)
Total Revenue.....	1,823	2,865	2,267	-	2,267	(598)
<b>EXPENDITURES:</b>						
Environmental Resource Management.....	2,834	3,884	2,527	-	2,527	1,357
Total Expenditures.....	2,834	3,884	2,527	-	2,527	1,357
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>						
	(1,011)	(1,019)	(260)	-	(260)	759
<b>OTHER FINANCING SOURCES:</b>						
Operating Transfers in.....	424	431	431	-	431	-
Operating Transfers out.....	(114)	(115)	(72)	-	(72)	43
Total Other Financing Sources.....	310	316	359	-	359	43
<b>NET CHANGE IN FUND BALANCES.....</b>	(701)	(703)	99	-	99	802
<b>FUND BALANCE, BEGINNING.....</b>	717	717	717	-	717	-
<b>FUND BALANCE, ENDING.....</b>	<u>\$ 16</u>	<u>\$ 14</u>	<u>\$ 816</u>	<u>\$ -</u>	<u>\$ 816</u>	<u>\$ 802</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 130 - SPORTS, CONVENTION AND TOURISM DEVELOPMENT**

	<u>BUDGETED AMOUNTS</u>			<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>			
<b>REVENUE:</b>						
Intergovernmental.....	\$ 5,843	\$ 5,843	\$ 5,498	\$ -	\$ 5,498	\$ (345)
Interest.....	60	94	72	-	72	(22)
Other.....	-	815	815	-	815	-
Total Revenue.....	<u>5,903</u>	<u>6,752</u>	<u>6,385</u>	<u>-</u>	<u>6,385</u>	<u>(367)</u>
<b>EXPENDITURES:</b>						
Admin & Finance.....	3	3	-	-	-	3
City Council.....	11,315	11,221	7,072	1,183	8,255	2,966
Housing/Neighborhoods.....	20	23	-	-	-	23
Parks & Recreation.....	1,400	1,244	726	-	726	518
Recreation and Community.....	-	3	-	-	-	3
Sports Complex.....	-	-	-	-	-	-
Total Expenditures.....	<u>12,738</u>	<u>12,494</u>	<u>7,798</u>	<u>1,183</u>	<u>8,981</u>	<u>3,513</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>						
	<u>(6,835)</u>	<u>(5,742)</u>	<u>(1,413)</u>	<u>(1,183)</u>	<u>(2,596)</u>	<u>3,146</u>
<b>OTHER FINANCING (USES):</b>						
Operating Transfers out.....	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>
Total Other Financing (Uses).....	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES.....</b>						
	<u>(7,835)</u>	<u>(6,742)</u>	<u>(2,413)</u>	<u>(1,183)</u>	<u>(3,596)</u>	<u>3,146</u>
<b>FUND BALANCE, BEGINNING.....</b>						
	<u>7,010</u>	<u>7,010</u>	<u>7,010</u>	<u>-</u>	<u>7,010</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>						
	<u>(\$ 825)</u>	<u>\$ 268</u>	<u>\$ 4,597</u>	<u>(\$ 1,183)</u>	<u>\$ 3,414</u>	<u>\$ 3,146</u>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 140 - TRANSPORTATION FUND**

	<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>						
Sales and tourist taxes.....	\$ 125,365	\$ 117,983	\$ 102,652	\$ -	\$ 102,652	(\$ 15,331)
Intergovernmental.....	-	7,382	7,121	-	7,121	(261)
Interest.....	620	620	129	-	129	(491)
Total Revenue.....	<u>125,985</u>	<u>125,985</u>	<u>109,902</u>	<u>-</u>	<u>109,902</u>	<u>(16,083)</u>
<b>EXPENDITURES:</b>						
Public Works.....	38,129	38,119	31,580	531	32,111	6,008
Jacksonville Misc. Citywide Activities.....	106,237	115,087	79,735	-	79,735	35,352
Total Expenditures.....	<u>144,366</u>	<u>153,206</u>	<u>111,315</u>	<u>531</u>	<u>111,846</u>	<u>41,360</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>						
	<u>(18,381)</u>	<u>(27,221)</u>	<u>(1,413)</u>	<u>(531)</u>	<u>(1,944)</u>	<u>25,277</u>
<b>OTHER FINANCING (USES):</b>						
Operating Transfers out.....	(15,781)	-	-	-	-	-
Total Other Financing (Uses).....	<u>(15,781)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES.....</b>						
	<u>(34,162)</u>	<u>(27,221)</u>	<u>(1,413)</u>	<u>(531)</u>	<u>(1,944)</u>	<u>25,277</u>
<b>FUND BALANCE, BEGINNING.....</b>						
	<u>39,394</u>	<u>39,394</u>	<u>39,395</u>	<u>-</u>	<u>39,395</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>						
	<u>\$ 5,232</u>	<u>\$ 12,173</u>	<u>\$ 37,982</u>	<u>(\$ 531)</u>	<u>\$ 37,451</u>	<u>\$ 25,277</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 150 - BUDGETED GENERAL GOVERNMENT**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ 1,740	\$ 3,555	\$ 1,639	\$ -	\$ 1,639	(\$ 1,916)
Charges for services.....	21,093	21,093	15,544	-	15,544	(5,549)
Fines and forfeitures.....	1,138	1,138	1,246	-	1,246	108
Interest.....	752	752	733	-	733	(19)
Other.....	316	495	2,859	-	2,859	2,364
<b>Total Revenue.....</b>	<b>25,039</b>	<b>27,033</b>	<b>22,021</b>	<b>-</b>	<b>22,021</b>	<b>(5,012)</b>
<b>EXPENDITURES:</b>						
Clerk of the Courts.....	2,654	2,654	846	-	846	1,808
Court Administration.....	6,928	6,928	2,580	203	2,783	4,145
Community Services.....	250	209	41	-	41	168
Environmental Resource Management.....	5,052	6,196	2,800	73	2,873	3,323
Fire / Rescue.....	518	518	510	-	510	8
Jacksonville Citywide Activities.....	3,484	3,485	-	-	-	3,485
Mayor Board.....	7	74	62	1	63	11
Neighborhoods.....	21	21	-	-	-	21
Public Defender.....	470	470	294	51	345	125
Planning and Development.....	13,119	15,857	13,334	9	13,343	2,514
Public Library.....	-	112	111	1	112	-
Parks, Recreation & Entertainment.....	664	664	610	14	624	40
Recreation & Community.....	675	675	675	-	675	-
Public Works.....	8,687	9,615	2,183	4,514	6,697	2,918
State Attorney.....	1,946	1,954	1,513	85	1,598	356
Tax Collector.....	2	2	-	-	-	2
<b>Total Expenditures.....</b>	<b>44,477</b>	<b>49,434</b>	<b>25,559</b>	<b>4,951</b>	<b>30,510</b>	<b>18,924</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>	<b>(19,438)</b>	<b>(22,401)</b>	<b>(3,538)</b>	<b>(4,951)</b>	<b>(8,489)</b>	<b>13,912</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers in.....	297	2,127	2,127	-	2,127	-
Operating Transfers out.....	(270)	(670)	(670)	-	(670)	-
<b>Total Other Financing Sources (Uses).....</b>	<b>27</b>	<b>1,457</b>	<b>1,457</b>	<b>-</b>	<b>1,457</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(19,411)</b>	<b>(20,944)</b>	<b>(2,081)</b>	<b>(4,951)</b>	<b>(7,032)</b>	<b>13,912</b>
<b>FUND BALANCE, BEGINNING.....</b>	<b>37,553</b>	<b>37,553</b>	<b>37,553</b>	<b>-</b>	<b>37,553</b>	<b>-</b>
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 18,142</b>	<b>\$ 16,609</b>	<b>\$ 35,472</b>	<b>(\$ 4,951)</b>	<b>\$ 30,521</b>	<b>\$ 13,912</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 160 - PUBLIC SAFETY**

	<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>						
Intergovernmental.....	\$ -	\$ 224	\$ 7,916	\$ -	\$ 7,916	\$ 7,692
Charges for services.....	-	-	40	-	40	40
Interest.....	-	7	4	-	4	(3)
Total Revenue.....	-	231	7,960	-	7,960	7,729
<b>EXPENDITURES:</b>						
Central Operations.....	-	-	45	-	45	(45)
Environmental.....	-	-	49	-	49	(49)
Finance.....	-	-	7	-	7	(7)
Fire and Rescue.....	335	566	890	24	914	(348)
Information Technology.....	-	-	1	-	1	(1)
Jacksonville Economic Dev Comm.....	-	-	44	-	44	(44)
Public Works.....	-	-	7,495	-	7,495	(7,495)
Sheriff's Office.....	-	-	561	-	561	(561)
Total Expenditures.....	335	566	9,092	24	9,116	(8,550)
<b>EXCESS OF REVENUE (UNDER)</b>						
<b>EXPENDITURES.....</b>	<b>(335)</b>	<b>(335)</b>	<b>(1,132)</b>	<b>(24)</b>	<b>(1,156)</b>	<b>(821)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(335)</b>	<b>(335)</b>	<b>(1,132)</b>	<b>(24)</b>	<b>(1,156)</b>	<b>(821)</b>
FUND BALANCE, BEGINNING.....	588	588	588	-	588	-
FUND BALANCE, ENDING.....	<u>\$ 253</u>	<u>\$ 253</u>	<u>(\$ 544)</u>	<u>(\$ 24)</u>	<u>(\$ 568)</u>	<u>(\$ 821)</u>

An Emergency Incidents Fund (Special Revenue Fund, which is reflected above), was established as a result of an emergency declaration that was made by the Mayor and Council, in response to Tropical Storm Fay. The provisions of Emergency Declarations provide that it shall supersede any other provisions of law inconsistent with the exercise of its provisions. Rules, regulations and orders of emergency declarations shall supersede any other rules, regulations and orders with which they may be in conflict. This allows the government emergency powers and authority required to respond to a disaster or emergency.

**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 170 - 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.....	\$ 4,775	\$ 4,775	\$ 4,680	\$ -	\$ 4,680	(\$ 95)
Interest.....	16	16	115	-	115	99
Total Revenue.....	<u>4,791</u>	<u>4,791</u>	<u>4,795</u>	<u>-</u>	<u>4,795</u>	<u>4</u>
<b>EXPENDITURES:</b>						
Jacksonville Citywide Activities.....	351	351	-	-	-	351
Office of the Sheriff.....	6,886	6,886	4,846	362	5,208	1,678
Total Expenditures.....	<u>7,237</u>	<u>7,237</u>	<u>4,846</u>	<u>362</u>	<u>5,208</u>	<u>2,029</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....</b>						
	<u>(2,446)</u>	<u>(2,446)</u>	<u>(51)</u>	<u>(362)</u>	<u>(413)</u>	<u>2,033</u>
<b>NET CHANGE IN FUND BALANCES.....</b>						
	<u>(2,446)</u>	<u>(2,446)</u>	<u>(51)</u>	<u>(362)</u>	<u>(413)</u>	<u>2,033</u>
<b>FUND BALANCE, BEGINNING.....</b>						
	<u>5,705</u>	<u>5,705</u>	<u>5,705</u>	<u>-</u>	<u>5,705</u>	<u>-</u>
<b>FUND BALANCE, ENDING.....</b>						
	<u>\$ 3,259</u>	<u>\$ 3,259</u>	<u>\$ 5,654</u>	<u>(\$ 362)</u>	<u>\$ 5,292</u>	<u>\$ 2,033</u>



**CITY OF JACKSONVILLE, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**NONMAJOR GOVERNMENTAL FUNDS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 180 - 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.....	\$ 14,129	\$ 14,129	\$ 13,994	\$ -	\$ 13,994	(\$ 135)
Other.....	-	-	176	-	176	176
Total Revenue.....	14,129	14,129	14,170	-	14,170	41
<b>EXPENDITURES:</b>						
Jacksonville Citywide Activities.....	8,380	7,741	4,830	436	5,266	2,475
JEDC.....	1,439	1,189	687	502	1,189	-
Planning Department.....	212	212	121	91	212	-
Total Expenditures.....	10,031	9,142	5,638	1,029	6,667	2,475
<b>EXCESS OF REVENUE OVER EXPENDITURES.....</b>						
	4,098	4,987	8,532	(1,029)	7,503	2,516
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers out.....	(6,769)	(7,658)	(8,836)	-	(8,836)	(1,178)
Total Other Financing Sources (Uses).....	(6,769)	(7,658)	(8,836)	-	(8,836)	(1,178)
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(2,671)</b>	<b>(2,671)</b>	<b>(304)</b>	<b>(1,029)</b>	<b>(1,333)</b>	<b>1,338</b>
FUND BALANCE, BEGINNING.....	2,672	2,672	2,671	-	2,671	-
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2,367</b>	<b>(\$ 1,029)</b>	<b>\$ 1,338</b>	<b>\$ 1,338</b>

**CITY OF JACKSONVILLE, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

**FUND 190 - JACKSONVILLE CHILDREN'S COMMISSION**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
<b>REVENUE:</b>						
Intergovernmental.....	\$ 28,119	\$ 34,740	\$ 32,331	\$ -	\$ 32,331	(\$ 2,409)
Charges for services.....	180	180	195	-	195	15
Interest.....	148	148	102	-	102	(46)
Other.....	32	32	16	-	16	(16)
Total Revenue.....	28,479	35,100	32,644	-	32,644	(2,456)
<b>EXPENDITURES:</b>						
Jacksonville Children's Commission.....	50,972	58,424	54,132	1,110	55,242	3,182
Total Expenditures.....	50,972	58,424	54,132	1,110	55,242	3,182
<b>EXCESS OF REVENUE (UNDER)</b>						
<b>EXPENDITURES.....</b>	<b>(22,493)</b>	<b>(23,324)</b>	<b>(21,488)</b>	<b>(1,110)</b>	<b>(22,598)</b>	<b>726</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers in.....	20,640	20,640	20,640	-	20,640	-
Operating Transfers out.....	-	(125)	(125)	-	(125)	-
Total Other Financing Sources (Uses).....	20,640	20,515	20,515	-	20,515	-
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(1,853)</b>	<b>(2,809)</b>	<b>(973)</b>	<b>(1,110)</b>	<b>(2,083)</b>	<b>726</b>
FUND BALANCE, BEGINNING.....	10,336	10,336	10,335	-	10,335	-
<b>FUND BALANCE, ENDING.....</b>	<b>\$ 8,483</b>	<b>\$ 7,527</b>	<b>\$ 9,362</b>	<b>(\$ 1,110)</b>	<b>\$ 8,252</b>	<b>\$ 726</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.

**Storm Water Services Fund** accounts for the storm water utility financed by service charges, to be used to pay the expenses of constructing and maintaining the storm water management system.

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

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

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

<u>ASSETS</u>	<u>PUBLIC PARKING SYSTEM</u>	<u>STORM- WATER SERVICES</u>	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>	<u>BASEBALL STADIUM</u>
<b>CURRENT ASSETS:</b>					
Equity in cash and investments.....	\$ 620	\$ 10,274	\$ 78	\$ -	\$ 447
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts.....	-	4,470	63	-	-
Due from other funds.....	-	-	-	-	3
Due from other governments.....	-	-	-	-	-
Inventories.....	-	-	14	-	-
Prepaid expenses and other assets.....	-	-	-	-	4
Total Current Assets.....	<u>620</u>	<u>14,744</u>	<u>155</u>	<u>-</u>	<u>454</u>
<b>NONCURRENT ASSETS:</b>					
Sinking fund cash and investments.....	-	-	-	-	-
Accounts and interest receivable.....	-	-	-	-	-
<b>CAPITAL ASSETS:</b>					
Land and work in progress.....	1,768	-	32	-	-
Other capital assets, net of depreciation.....	<u>8,115</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>29,319</u>
Total Noncurrent Assets.....	<u>9,883</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>29,319</u>
<b>TOTAL ASSETS.....</b>	<b><u>10,503</u></b>	<b><u>14,744</u></b>	<b><u>190</u></b>	<b><u>-</u></b>	<b><u>29,773</u></b>
<b><u>LIABILITIES</u></b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accrued liabilities.....	161	55	18	-	90
Due to other funds.....	-	-	-	-	3
Accrued compensated absences, current portion	31	-	12	-	-
Deposits .....	93	-	-	-	-
Advances from other funds.....	-	-	-	-	2
Accrued interest payable.....	-	-	-	-	35
Current portion of bonds payable.....	4,150	-	-	-	756
Unearned revenue.....	<u>-</u>	<u>7,502</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities.....	<u>4,435</u>	<u>7,557</u>	<u>30</u>	<u>-</u>	<u>886</u>
<b>NONCURRENT LIABILITIES:</b>					
Notes payable .....	-	-	-	-	-
Accrued compensated absences.....	72	-	29	-	-
Bonds payable.....	6,372	-	-	-	29,875
Other liabilities.....	<u>43</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities.....	<u>6,487</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>29,875</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>10,922</u></b>	<b><u>7,557</u></b>	<b><u>67</u></b>	<b><u>-</u></b>	<b><u>30,761</u></b>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt.....	-	-	35	-	-
Restricted for debt service.....	-	-	-	-	-
Restricted - capital.....	-	-	-	-	-
Restricted - others.....	-	-	-	-	-
Unrestricted.....	<u>(419)</u>	<u>7,187</u>	<u>88</u>	<u>-</u>	<u>(988)</u>
<b>TOTAL NET ASSETS.....</b>	<b><u>\$ (419)</u></b>	<b><u>\$ 7,187</u></b>	<b><u>\$ 123</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (988)</u></b>

\*2007 amounts were adjusted for comparability to 2008 to reflect the reporting of the Jacksonville Municipal Stadium and Veterans Memorial Arena as major in 2008. Additionally, 2007 amounts were adjusted for comparability to 2008 to reflect the transfer of capital assets and related debt to Enterprise Funds and the reclassification of debt from Enterprise Funds to Governmental Funds, which is reflected on the entitywide statements. See Notes to the Financial Statements Note 6 Capital Asset Activity and Note 8 Long-term Obligations for additional information.

PERFORMING ARTS	CONVENTION CENTER	EQUESTRIAN CENTER	TOTALS	
			2008	*Adjusted 2007
\$ 36	\$ 2,651	\$ 101	\$ 14,207	\$ 5,886
36	11	17	4,597	225
-	-	7	10	3
-	-	-	-	-
-	-	-	14	6
8	24	4	40	17
80	2,686	129	\$ 18,868	\$ 6,137
-	-	-	-	-
-	-	-	-	-
1,000	5,259	-	8,059	8,669
24,996	14,705	15,189	92,327	96,012
25,996	19,964	15,189	100,386	104,681
26,076	22,650	15,318	119,254	110,818
90	198	47	659	734
205	2	2	212	6
-	-	-	43	58
57	121	25	296	294
240	-	-	242	393
115	136	34	320	804
-	3	2	4,911	4,806
-	-	12	7,514	-
707	460	122	14,197	7,095
-	-	-	-	-
-	-	-	101	134
1,012	15	2,498	39,772	43,742
-	-	-	51	-
1,012	15	2,498	39,924	43,876
1,719	475	2,620	54,121	50,971
24,984	19,946	12,689	57,654	66,061
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(627)	2,229	9	7,479	(6,214)
\$ 24,357	\$ 22,175	\$ 12,698	\$ 65,133	\$ 59,847

(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, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	<b>PUBLIC PARKING SYSTEM</b>	<b>STORM- WATER SERVICES</b>	<b>MOTOR VEHICLE INSPECTION</b>	<b>MAYPORT FERRY</b>	<b>BASEBALL STADIUM</b>
<b>OPERATING REVENUE:</b>					
Sales and tourist taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services.....	4,211	7,506	437	-	680
Total Operating Revenue.....	<u>4,211</u>	<u>7,506</u>	<u>437</u>	<u>-</u>	<u>680</u>
<b>OPERATING EXPENSES:</b>					
Personal services.....	2,100	55	347	-	286
Supplies and materials.....	35	-	7	-	11
Central services.....	791	-	25	-	-
Interdepartmental charges.....	67	-	4	-	170
Other services and charges.....	544	-	56	-	830
Depreciation and amortization.....	384	-	23	-	-
Total Operating Expenses.....	<u>3,921</u>	<u>55</u>	<u>462</u>	<u>-</u>	<u>1,297</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>290</u>	<u>7,451</u>	<u>(25)</u>	<u>-</u>	<u>(617)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>					
Interest revenue.....	2	155	5	-	13
Interest expense.....	-	-	-	-	-
Other.....	4,056	(419)	(3)	(3,919)	211
Total Non-Operating Revenue (Expenses).....	<u>4,058</u>	<u>(264)</u>	<u>2</u>	<u>(3,919)</u>	<u>224</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....</b>					
	<u>4,348</u>	<u>7,187</u>	<u>(23)</u>	<u>(3,919)</u>	<u>(393)</u>
Capital Contributions.....	-	-	-	-	(1,312)
Transfers in.....	1,822	-	-	157	321
Transfers out.....	<u>(3,013)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET ASSETS.....</b>	<u>3,157</u>	<u>7,187</u>	<u>(23)</u>	<u>(3,762)</u>	<u>(1,384)</u>
<b>TOTAL NET ASSETS, BEGINNING OF YEAR.....</b>	<u>(3,576)</u>	<u>-</u>	<u>146</u>	<u>3,762</u>	<u>396</u>
<b>TOTAL NET ASSETS, END OF YEAR.....</b>	<u>\$ (419)</u>	<u>\$ 7,187</u>	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ (988)</u>

\*2007 amounts were adjusted for comparability to 2008 to reflect the reporting of the Jacksonville Municipal Stadium and Veterans Memorial Arena as major in 2008. Additionally, 2007 amounts were adjusted for comparability to 2008 to reflect the transfer of capital assets and related debt to Enterprise Funds and the reclassification of debt from Enterprise Funds to Governmental Funds, which is reflected on the entitywide statements. See Notes to the Financial Statements Note 6 Capital Asset Activity and Note 8 Long-term Obligations for additional information.

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PERFORMING ARTS	CONVENTION CENTER	EQUESTRIAN CENTER	TOTALS	
			2008	*Adjusted 2007
\$ -	\$ 5,197	\$ -	\$ 5,197	\$ 5,118
1,650	1,036	591	16,111	10,804
<u>1,650</u>	<u>6,233</u>	<u>591</u>	<u>21,308</u>	<u>15,922</u>
800	1,290	438	5,316	5,331
39	42	31	165	536
2	5	40	863	649
509	291	87	1,128	1,744
1,902	2,046	845	6,223	7,308
12	7	8	434	740
<u>3,264</u>	<u>3,681</u>	<u>1,449</u>	<u>14,129</u>	<u>16,308</u>
<u>(1,614)</u>	<u>2,552</u>	<u>(858)</u>	<u>7,179</u>	<u>(386)</u>
9	17	3	204	3,339
-	-	-	-	(529)
612	1,046	291	1,875	568
<u>621</u>	<u>1,063</u>	<u>294</u>	<u>2,079</u>	<u>3,378</u>
<u>(993)</u>	<u>3,615</u>	<u>(564)</u>	<u>9,258</u>	<u>2,992</u>
24,946	19,915	12,502	56,051	56,051
93	-	534	2,927	8,573
<u>-</u>	<u>(3,885)</u>	<u>-</u>	<u>(6,898)</u>	<u>(6,990)</u>
24,046	19,645	12,472	61,338	60,626
311	2,530	226	3,795	(779)
<u>\$ 24,357</u>	<u>\$ 22,175</u>	<u>\$ 12,698</u>	<u>\$ 65,133</u>	<u>\$ 59,847</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	<u>PUBLIC PARKING SYSTEM</u>	<u>STORM - WATER SERVICES</u>	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts to customers.....	\$ 4,211	\$ 10,538	\$ 428	\$ 4
Payments to suppliers.....	(1,853)	-	(94)	(179)
Payments to employees.....	(2,104)	(55)	(340)	-
Internal activity - receipts from other funds.....	-	-	-	-
Other receipts.....	4,056	55	-	-
Other operating cash payments.....	39	(419)	(7)	1
	<u>4,349</u>	<u>10,119</u>	<u>(13)</u>	<u>(174)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>				
	<u>4,349</u>	<u>10,119</u>	<u>(13)</u>	<u>(174)</u>
<b>NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received through transfers from other funds.....	1,822	-	-	157
Cash payments through transfers to other funds.....	(3,013)	-	-	-
	<u>(1,191)</u>	<u>-</u>	<u>-</u>	<u>157</u>
<b>NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....</b>				
	<u>(1,191)</u>	<u>-</u>	<u>-</u>	<u>157</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Increase to property, plant and equipment.....	(41)	-	(1)	-
Decrease to property, plant and equipment.....	-	-	-	-
Increase in construction fund cash and investments.....	-	-	-	-
Proceeds on long-term obligations.....	-	-	-	-
Principal paid on long-term obligations.....	(3,970)	-	-	-
Interest and payments to refunded bond escrow agent.....	-	-	-	-
	<u>(4,011)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>				
	<u>(4,011)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
<b>INVESTING ACTIVITIES:</b>				
Interest and dividends on investments.....	2	155	5	-
	<u>2</u>	<u>155</u>	<u>5</u>	<u>-</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES.....</b>				
	<u>2</u>	<u>155</u>	<u>5</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>				
	(851)	10,274	(9)	(17)
Cash and cash equivalents at October 1, 2007.....	1,471	-	87	17
Cash and cash equivalents at September 30, 2008.....	<u>\$ 620</u>	<u>\$ 10,274</u>	<u>\$ 78</u>	<u>\$ -</u>



<u>BASEBALL STADIUM</u>	<u>PERFORMING ARTS</u>	<u>CONVENTION CENTER</u>	<u>EQUESTRIAN CENTER</u>	<u>TOTALS</u>	
				<u>2008</u>	<u>*Adjusted 2007</u>
\$ 691	\$ 1,645	\$ 6,262	\$ 641	\$ 24,420	\$ 17,377
(804)	(1,955)	(2,082)	(906)	(7,873)	(10,982)
(286)	(800)	(1,290)	(438)	(5,313)	(5,321)
2	203	-	1	206	6
211	612	1,046	291	6,271	2,336
<u>(168)</u>	<u>(575)</u>	<u>(323)</u>	<u>(141)</u>	<u>(1,593)</u>	<u>(4,178)</u>
<u>(354)</u>	<u>(870)</u>	<u>3,613</u>	<u>(552)</u>	<u>16,118</u>	<u>(762)</u>
321	93	-	534	2,927	8,572
<u>-</u>	<u>-</u>	<u>(3,885)</u>	<u>-</u>	<u>(6,898)</u>	<u>(6,990)</u>
<u>321</u>	<u>93</u>	<u>(3,885)</u>	<u>534</u>	<u>(3,971)</u>	<u>1,582</u>
-	1	(36)	(1)	(78)	(433)
-	-	-	-	-	1,888
-	-	-	-	-	1,607
-	-	18	-	18	-
-	-	-	-	(3,970)	(3,865)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(529)</u>
<u>-</u>	<u>1</u>	<u>(18)</u>	<u>(1)</u>	<u>(4,030)</u>	<u>(1,332)</u>
<u>13</u>	<u>9</u>	<u>17</u>	<u>3</u>	<u>204</u>	<u>3,339</u>
<u>13</u>	<u>9</u>	<u>17</u>	<u>3</u>	<u>204</u>	<u>3,339</u>
(20)	(767)	(273)	(16)	8,321	7,118
<u>467</u>	<u>803</u>	<u>2,924</u>	<u>117</u>	<u>5,886</u>	<u>2,996</u>
<u>\$ 447</u>	<u>\$ 36</u>	<u>\$ 2,651</u>	<u>\$ 101</u>	<u>\$ 14,207</u>	<u>\$ 10,114</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands; continued)**

	<u>PUBLIC PARKING SYSTEM</u>	<u>STORM - WATER SERVICES</u>	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:</b>				
OPERATING INCOME (LOSS).....	\$ 290	\$ 7,451	(\$ 25)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization.....	384	-	23	-
Other non-operating revenue/(expenses).....	4,056	(419)	(3)	1
Change in assets and liabilities:				
Decrease (increase) in receivables and other current assets, net.....	-	(4,470)	(9)	1
Increase (decrease) in due from other funds.....	-	-	-	-
Decrease (increase) in inventories.....	-	-	(8)	-
Decrease (increase) in prepaid expenses.....	-	-	-	3
Increase in accounts payable and accrued expenses.....	46	55	2	(179)
Increase (decrease) in due to other funds.....	-	-	-	-
Increase (decrease) in deposit.....	1	-	-	-
Increase (decrease) in current portion of bond payables.....	105	-	-	-
(Decrease) in unearned revenue.....	-	7,502	-	-
Increase in other liabilities.....	43	-	8	-
Increase (decrease) in advances from other funds .....	-	-	-	-
Increase (decrease) in interest payable.....	(529)	-	-	-
Increase (decrease) in accrued compensated absences.....	(47)	-	(1)	-
TOTAL ADJUSTMENTS.....	4,059	2,668	12	(174)
NET CASH PROVIDED(USED IN) OPERATING ACTIVITIES.....	<u>\$ 4,349</u>	<u>\$ 10,119</u>	<u>(\$ 13)</u>	<u>(\$ 174)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>				
Change in the fair value of investments.....	(\$ 28)	(\$ 419)	(\$ 3)	\$ -
Capital assets transferred from proprietary funds of the city.....	-	-	-	-
Debts transferred from proprietary funds of the city.....	-	-	-	-
Capital assets transferred to JPA.....	-	-	-	(3,920)

<u>BASEBALL STADIUM</u>	<u>PERFORMING ARTS</u>	<u>CONVENTION CENTER</u>	<u>EQUESTRIAN CENTER</u>	<u>TOTALS</u>	
				<u>2008</u>	<u>*Adjusted 2007</u>
<u>(\$ 617)</u>	<u>(\$ 1,614)</u>	<u>\$ 2,552</u>	<u>(\$ 858)</u>	<u>\$ 7,179</u>	<u>(\$ 386)</u>
-	12	7	8	434	740
211	612	1,046	291	5,795	568
14	3	40	46	(4,375)	1,461
-	-	3	(7)	(4)	(3)
-	-	-	-	(8)	2
(3)	(8)	(14)	(1)	(23)	246
24	(13)	(15)	5	(75)	(2,813)
2	203	-	1	206	(54)
-	34	(30)	(3)	2	(2,409)
-	-	-	-	105	1,350
-	-	-	12	7,514	(249)
-	-	-	-	51	-
2	(100)	(2)	(51)	(151)	393
13	1	26	5	(484)	382
-	-	-	-	(48)	10
<u>263</u>	<u>744</u>	<u>1,061</u>	<u>306</u>	<u>8,939</u>	<u>(376)</u>
<u>(\$ 354)</u>	<u>(\$ 870)</u>	<u>\$ 3,613</u>	<u>(\$ 552)</u>	<u>\$ 16,118</u>	<u>(\$ 762)</u>

(\$ 13)	\$ 14	(\$ 85)	\$ -	(\$ 534)	\$ 10
29,319	25,958	19,933	15,002	90,212	-
(30,631)	(1,012)	(18)	(2,500)	(34,161)	-
-	-	-	-	(3,920)	-



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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, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (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.....	\$ 2,375	\$ 20	\$ 2,537
Accounts receivable.....	-	-	-
Loans receivables.....	-	-	-
Other receivables.....	-	-	-
Due from other funds.....	2	-	10
Due from independent agencies and other governments.....	986	2	320
Inventories.....	1,673	-	470
Prepaid expenses and other assets.....	-	-	-
<b>Total Current Assets.....</b>	<b>5,036</b>	<b>22</b>	<b>3,337</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.....	46,800	673	24,511
<b>Total Capital Assets, Net.....</b>	<b>46,981</b>	<b>673</b>	<b>24,533</b>
<b>TOTAL ASSETS.....</b>	<b>52,017</b>	<b>695</b>	<b>27,870</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	2,867	52	3,800
Due to other funds.....	-	150	-
Capitalized lease obligations, current portion.....	-	296	-
Deposits.....	-	-	-
Unearned revenue.....	-	-	-
Accrued compensated absences, current portion.....	242	19	449
Current portion of loans payable.....	10,870	-	4,802
<b>Total Current Liabilities.....</b>	<b>13,979</b>	<b>517</b>	<b>9,051</b>
<b>NONCURRENT LIABILITIES:</b>			
Notes payable.....	-	-	-
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	564	44	1,048
Loans payable.....	17,267	-	1,858
Bonds payable.....	-	-	-
Capitalized lease obligations.....	-	313	-
Other liabilities.....	129	8	185
<b>Total Long-Term Liabilities.....</b>	<b>17,960</b>	<b>365</b>	<b>3,091</b>
<b>TOTAL LIABILITIES.....</b>	<b>31,939</b>	<b>882</b>	<b>12,142</b>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt.....	18,844	64	22,675
Unrestricted.....	1,234	(251)	(6,947)
<b>TOTAL NET ASSETS (deficit).....</b>	<b>\$ 20,078</b>	<b>\$ (187)</b>	<b>\$ 15,728</b>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>BANKING FUND</u>	<u>TOTALS</u>	
					<u>2008</u>	<u>2007</u>
\$ 1,895	\$ 61,602	\$ 7,465	\$ 5,547	\$31,729	\$ 113,170	\$ 70,736
-	65	-	-	-	65	70
-	-	-	-	41,738	41,738	42,537
-	1,763	-	-	-	1,763	1,923
-	-	-	-	-	12	354
565	676	-	-	-	2,549	2,460
-	-	-	-	-	2,143	1,808
-	387	-	2,431	1,517	4,335	2,581
<u>2,460</u>	<u>64,493</u>	<u>7,465</u>	<u>7,978</u>	<u>74,984</u>	<u>165,775</u>	<u>122,469</u>
-	9,164	-	-	-	9,164	9,800
-	-	-	-	78,648	78,648	31,287
-	14,738	-	-	-	14,738	15,125
-	23,902	-	-	78,648	102,550	56,212
-	-	-	-	-	203	203
17	46	1	9	-	72,057	76,890
17	46	1	9	-	72,260	77,093
<u>2,477</u>	<u>88,441</u>	<u>7,466</u>	<u>7,987</u>	<u>153,632</u>	<u>340,585</u>	<u>255,774</u>
380	1,012	6,633	103	270	15,117	12,078
-	-	-	-	-	150	339
-	-	-	-	-	296	343
-	-	2	-	-	2	2
-	-	-	2,431	-	2,431	2,216
258	15	50	19	-	1,052	985
-	-	-	-	-	15,672	13,317
<u>638</u>	<u>1,027</u>	<u>6,685</u>	<u>2,553</u>	<u>270</u>	<u>34,720</u>	<u>29,280</u>
-	-	-	-	99,515	99,515	72,205
-	82,925	18	-	-	82,943	77,992
602	34	118	45	-	2,455	2,292
-	-	-	-	-	19,125	22,503
-	-	-	-	54,215	54,215	-
-	-	-	-	-	313	609
75	19	13	4	-	433	-
<u>677</u>	<u>82,978</u>	<u>149</u>	<u>49</u>	<u>153,730</u>	<u>258,999</u>	<u>175,601</u>
<u>1,315</u>	<u>84,005</u>	<u>6,834</u>	<u>2,602</u>	<u>154,000</u>	<u>293,719</u>	<u>204,881</u>
17	46	1	9	-	41,656	40,321
1,145	4,390	631	5,376	(368)	5,210	10,572
<u>\$ 1,162</u>	<u>\$ 4,436</u>	<u>\$ 632</u>	<u>\$ 5,385</u>	<u>\$ (368)</u>	<u>\$ 46,866</u>	<u>\$ 50,893</u>

(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, 2008  
WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
<b>OPERATING REVENUE:</b>			
Charges for services.....	\$ 43,581	\$ 1,530	\$ 36,375
Charges for services for independent authorities.....	7,410	1	1,179
Other.....	1,400	-	212
Total Operating Revenue.....	<u>52,391</u>	<u>1,531</u>	<u>37,766</u>
<b>OPERATING EXPENSES:</b>			
Personal services.....	7,510	402	15,146
Supplies and materials.....	26,497	644	559
Central services.....	1,869	38	6,195
Other services and charges.....	2,028	404	11,176
Depreciation.....	16,888	289	7,369
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	276	1	76
Total Operating Expenses.....	<u>55,068</u>	<u>1,778</u>	<u>40,521</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>(2,677)</u>	<u>(247)</u>	<u>(2,755)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>			
Interest .....	(339)	(4)	(30)
Other.....	(1,413)	(91)	(1,551)
Total Non-Operating Revenue (Expenses) .....	<u>(1,752)</u>	<u>(95)</u>	<u>(1,581)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS.....</b>			
	(4,429)	(342)	(4,336)
Transfers in.....	923	-	645
Transfers out.....	-	-	-
<b>CHANGE IN NET ASSETS.....</b>	<u>(3,506)</u>	<u>(342)</u>	<u>(3,691)</u>
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<u>23,584</u>	<u>155</u>	<u>19,419</u>
<b>NET ASSETS, END OF YEAR.....</b>	<u>\$ 20,078</u>	<u>(\$ 187)</u>	<u>\$ 15,728</u>



<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>BANKING FUND</u>	<u>TOTALS</u>	
					<u>2008</u>	<u>2007</u>
\$ 6,556	\$ 30,406	\$ 78,526	\$ 8,180	\$ 2,427	\$ 207,581	\$ 196,742
2,778	-	-	-	-	11,368	9,230
18	1	25	-	-	1,656	9,301
<u>9,352</u>	<u>30,407</u>	<u>78,551</u>	<u>8,180</u>	<u>2,427</u>	<u>220,605</u>	<u>215,273</u>
7,317	1,105	789	384	-	32,653	32,474
82	33	35	14	-	27,864	20,928
592	1,281	422	59	-	10,456	6,112
900	3,466	238	399	329	18,940	27,015
4	4	3	2	-	24,559	21,896
35	-	-	-	-	35	35
-	21,961	-	-	-	21,961	27,999
32	374	76,410	7,207	-	84,376	78,503
<u>8,962</u>	<u>28,224</u>	<u>77,897</u>	<u>8,065</u>	<u>329</u>	<u>220,844</u>	<u>214,962</u>
<u>390</u>	<u>2,183</u>	<u>654</u>	<u>115</u>	<u>2,098</u>	<u>(239)</u>	<u>311</u>
(19)	858	(32)	96	(613)	(83)	2,932
(249)	(966)	(79)	579	(2,738)	(6,508)	(5,843)
(268)	(108)	(111)	675	(3,351)	(6,591)	(2,911)
122	2,075	543	790	(1,253)	(6,830)	(2,600)
400	1,074	-	-	-	3,042	1,280
(239)	-	-	-	-	(239)	(675)
283	3,149	543	790	(1,253)	(4,027)	(1,995)
<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>
<u>\$ 1,162</u>	<u>\$ 4,436</u>	<u>\$ 632</u>	<u>\$ 5,385</u>	<u>(\$ 368)</u>	<u>\$ 46,866</u>	<u>\$ 50,893</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers.....	\$ 52,052	\$ 1,530	\$ 37,984
Payments to suppliers.....	(29,862)	(1,112)	(17,609)
Payments to employees.....	(7,411)	(397)	(14,828)
Internal activity- receipts from other funds.....	-	150	-
Internal activity - payments to other funds.....	-	-	-
Other receipts.....	-	-	5
Other operating cash payments.....	(1,415)	(91)	(1,551)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b><u>13,364</u></b>	<b><u>80</u></b>	<b><u>4,001</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash received through transfers from other funds.....	923	-	645
Cash payments through transfers to other funds.....	-	-	-
<b>NET CASH PROVIDED BY (USED IN)</b> <b>NONCAPITAL FINANCING ACTIVITIES.....</b>	<b><u>923</u></b>	<b><u>-</u></b>	<b><u>645</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Increase to property, plant and equipment.....	(14,578)	-	(5,096)
Decrease in capitalized lease obligations.....	-	(280)	(63)
Proceeds from loans receivable.....	-	-	-
Proceeds from loans payable.....	2,509	-	-
Payments of loans payable.....	-	-	(3,532)
Proceeds from notes payable.....	-	-	-
Proceeds from bonds payable.....	-	-	-
<b>NET CASH (USED IN) CAPITAL AND</b> <b>RELATED FINANCING ACTIVITIES.....</b>	<b><u>(12,069)</u></b>	<b><u>(280)</u></b>	<b><u>(8,691)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends.....	(339)	(4)	(30)
<b>NET CASH PROVIDED BY</b> <b>INVESTING ACTIVITIES.....</b>	<b><u>(339)</u></b>	<b><u>(4)</u></b>	<b><u>(30)</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND</b> <b>CASH EQUIVALENTS.....</b>			
	1,879	(204)	(4,075)
Equity in cash and investments at October 1, 2007.....	<u>496</u>	<u>224</u>	<u>6,612</u>
Equity in cash and investments at September 30, 2008.....	<u><u>\$ 2,375</u></u>	<u><u>\$ 20</u></u>	<u><u>\$ 2,537</u></u>

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	BANKING FUND	TOTALS	
					2008	2007
\$ 9,394	\$ 31,557	\$ 78,558	\$ 7,965	\$ (46,451)	\$ 172,589	\$ 243,546
(1,532)	(4,226)	(76,469)	(7,703)	(454)	(138,967)	(199,541)
(7,208)	(1,057)	(714)	(375)	-	(31,990)	(32,324)
-	-	-	-	-	150	-
-	5,290	-	794	(339)	(339)	339
(249)	(22,927)	(79)	-	(2,738)	(29,050)	(44,739)
<u>405</u>	<u>8,637</u>	<u>1,296</u>	<u>681</u>	<u>(49,982)</u>	<u>(21,518)</u>	<u>(32,189)</u>
400	1,074	-	-	-	3,042	1,280
(239)	-	-	-	-	(239)	(675)
<u>161</u>	<u>1,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,803</u>	<u>605</u>
(3)	(47)	(1)	(1)	-	(19,726)	(17,468)
-	-	-	-	-	(343)	808
-	-	-	-	799	799	2,714
-	-	-	-	-	2,509	1,076
-	-	-	-	-	(3,532)	63,839
-	-	-	-	27,310	27,310	-
-	-	-	-	54,215	54,215	-
<u>(3)</u>	<u>(47)</u>	<u>(1)</u>	<u>(1)</u>	<u>82,324</u>	<u>61,232</u>	<u>50,969</u>
(19)	858	(32)	96	(613)	(83)	2,932
<u>(19)</u>	<u>858</u>	<u>(32)</u>	<u>96</u>	<u>(613)</u>	<u>(83)</u>	<u>2,932</u>
544	10,522	1,263	776	31,729	42,434	22,317
1,351	51,080	6,202	4,771	-	70,736	48,419
<u>\$ 1,895</u>	<u>\$ 61,602</u>	<u>\$ 7,465</u>	<u>\$ 5,547</u>	<u>\$ 31,729</u>	<u>\$ 113,170</u>	<u>\$ 70,736</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands; continued)**

	<b>FLEET MANAGEMENT</b>	<b>COPY CENTER</b>	<b>INFORMATION TECHNOLOGIES</b>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss) .....	(\$ 2,677)	(\$ 247)	(\$ 2,755)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	16,888	289	7,369
Other non-operating revenue/(expenses).....	(1,413)	(91)	(1,551)
Change in assets and liabilities:			
Decrease in receivables and other current assets, net.....	-	-	-
Decrease (increase) in due from other funds.....	(2)	-	5
Decrease (increase) in due from independent agencies and other governments.....	(339)	(1)	218
(Increase) in inventories.....	(238)	-	(97)
Decrease (increase) in receivables-non-current.....	-	-	-
Decrease (increase) in prepaid expenses.....	-	-	-
Increase (decrease) in accounts payable and accrued expenses.....	1,046	(25)	494
Increase (decrease) in due to other funds.....	-	150	-
Increase (decrease) in compensated absences.....	(30)	(3)	133
Increase in other liabilities.....	129	8	185
Increase in unearned revenue.....	-	-	-
Increase in liability for self-insured losses.....	-	-	-
<b>TOTAL ADJUSTMENTS.....</b>	<b>16,041</b>	<b>327</b>	<b>6,756</b>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>\$ 13,364</b>	<b>\$ 80</b>	<b>\$ 4,001</b>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	(\$ 125)	\$ 1	(\$ 72)
<b>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....</b>	<b>(\$ 125)</b>	<b>\$ 1</b>	<b>(\$ 72)</b>

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	BANKING FUND	TOTALS	
					2008	2007
<u>\$ 390</u>	<u>\$ 2,183</u>	<u>\$ 654</u>	<u>\$ 115</u>	<u>\$ 2,098</u>	<u>(\$ 239)</u>	<u>\$ 311</u>
4	4	3	2	-	24,559	21,896
(249)	(966)	(79)	579	(2,738)	(6,508)	(5,843)
-	165	-	-	-	165	153
-	975	-	-	0	978	(23,126)
42	(16)	7	-	-	(89)	(728)
-	-	-	-	-	(335)	(115)
-	387	-	-	(47,361)	(46,974)	28,103
-	(22)	-	(215)	(1,517)	(1,754)	137
109	928	636	(24)	(125)	3,039	(66,833)
-	-	-	-	(339)	(189)	339
34	29	62	5	-	230	150
75	19	13	4	-	433	-
-	-	-	215	-	215	151
-	4,951	-	-	-	4,951	13,216
<u>15</u>	<u>6,454</u>	<u>642</u>	<u>566</u>	<u>(52,080)</u>	<u>(21,279)</u>	<u>(32,500)</u>
<u>\$ 405</u>	<u>\$ 8,637</u>	<u>\$ 1,296</u>	<u>\$ 681</u>	<u>(\$ 49,982)</u>	<u>\$ (21,518)</u>	<u>\$ (32,189)</u>
<u>(\$ 70)</u>	<u>(\$ 1,617)</u>	<u>\$ (282)</u>	<u>(\$ 209)</u>	<u>\$ -</u>	<u>(\$ 2,374)</u>	<u>(\$ 362)</u>
<u>(\$ 70)</u>	<u>(\$ 1,617)</u>	<u>\$ (282)</u>	<u>(\$ 209)</u>	<u>\$ -</u>	<u>(\$ 2,374)</u>	<u>(\$ 362)</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, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	<b>PENSION TRUST FUNDS</b>				
	<b>JACKSONVILLE</b>			<b>TOTALS</b>	
	<b>RETIREMENT SYSTEM</b>				
	<b>GENERAL EMPLOYEES PLAN</b>	<b>CORRECTIONS OFFICERS PLAN</b>	<b>POLICE AND FIRE PENSION PLAN</b>	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>					
Equity in cash and investments.....	\$ 10,583	\$ 5,719	\$ 22,512	\$ 38,814	\$ 63,847
Receivables (net, where applicable, of allowances for uncollectible):					
Interest and dividends.....	3,249	-	3,388	6,637	7,000
Accounts.....	1,686	-	387	2,073	5,523
Total receivables.....	<u>4,935</u>	<u>-</u>	<u>3,775</u>	<u>8,710</u>	<u>12,523</u>
Investments, at fair value:					
U.S. Government obligations.....	47,772	-	87,336	135,108	285,925
Domestic corporate bonds.....	471,483	-	182,596	654,079	585,832
Commercial paper.....	-	-	-	-	43,256
Domestic stocks.....	627,370	-	487,357	1,114,727	1,383,229
International stocks.....	193,234	-	45,726	238,960	329,280
Real Estate.....	165,138	-	111,440	276,578	266,052
Equity in pooled investments.....	(69,477)	69,477	-	-	-
Total investments.....	<u>1,435,520</u>	<u>69,477</u>	<u>914,455</u>	<u>2,419,452</u>	<u>2,893,574</u>
Capital assets:					
Other capital assets, net of depreciation.....	11	-	33	44	96
Net capital assets.....	<u>11</u>	<u>-</u>	<u>33</u>	<u>44</u>	<u>96</u>
Securities Lending Collateral.....	137,967	-	-	137,967	320,021
<b>TOTAL ASSETS.....</b>	<u>1,589,016</u>	<u>75,196</u>	<u>940,775</u>	<u>2,604,987</u>	<u>3,290,061</u>
<b>LIABILITIES</b>					
Obligations Under Securities Lending Agreement.....	140,663	128	-	140,791	320,021
Accounts payable and accrued liabilities.....	5,580	76	2,183	7,839	5,550
Accrued Compensated Absences.....	64	-	19	83	66
Terminal Leave - Group Care.....	-	-	-	-	398
Terminal Leave - Pending.....	-	-	-	-	57
Due to Participants.....	-	2,497	157,953	160,450	148,579
<b>TOTAL LIABILITIES.....</b>	<u>146,307</u>	<u>2,701</u>	<u>160,155</u>	<u>309,163</u>	<u>474,671</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS..</b>	<u>\$ 1,442,709</u>	<u>\$ 72,495</u>	<u>\$ 780,620</u>	<u>\$ 2,295,824</u>	<u>\$ 2,815,390</u>
(See schedule of funding progress on pages 147 - 148.)					



**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (in thousands)**

	PENSION TRUST FUNDS				
	JACKSONVILLE RETIREMENT SYSTEM			TOTALS	
	GENERAL EMPLOYEES PLAN	CORRECTIONS OFFICERS PLAN	POLICE AND FIRE PENSION PLAN	2008	2007
<b>ADDITIONS</b>					
Contributions:					
Employer.....	\$ 28,273	\$ 3,632	\$ 50,596	\$ 82,501	\$ 75,761
Plan Member.....	22,291	2,163	12,067	36,521	35,158
Total contributions.....	50,564	5,795	62,663	119,022	110,919
Other additions:					
State insurance contributions.....	-	-	9,427	9,427	8,878
Court fines & penalties.....	-	539	1,219	1,758	1,879
Miscellaneous.....	-	-	80	80	60
Transfers in.....	24	-	-	24	-
Total other additions.....	24	539	10,726	11,289	10,817
Investment income:					
Net appreciation in fair value of investments.....	(314,528)	(15,031)	(167,170)	(496,729)	296,672
Interest.....	27,710	1,403	19,264	48,377	58,605
Dividends.....	21,494	1,099	10,827	33,420	28,037
Rebate of Commissions.....	17	-	195	212	346
Rental Income.....	-	-	2,070	2,070	1,871
Earnings other Miscellaneous.....	-	-	-	-	43
Total investment income (loss).....	(265,307)	(12,529)	(134,814)	(412,650)	385,574
Less investment expense.....	(7,381)	(362)	(4,631)	(12,374)	(10,798)
Less rental expense.....	-	-	(195)	(195)	(186)
Net investment income (loss).....	(272,688)	(12,891)	(139,640)	(425,219)	374,590
From Securities Lending Activities:					
Securities Lending.....	3,045	144	4,186	7,375	22,392
Securities Lending Expenses.....					
Interest Expense (returned to borrower).....	(3,884)	(184)	(3,533)	(7,601)	(21,518)
Agent Fees.....	(465)	(22)	(163)	(650)	75
Total securities lending activities.....	(1,304)	(62)	490	(876)	949
<b>TOTAL ADDITIONS.....</b>	<b>(223,404)</b>	<b>(6,619)</b>	<b>(65,761)</b>	<b>(295,784)</b>	<b>497,275</b>
<b>DEDUCTIONS</b>					
Benefits payments.....	109,705	1,138	76,333	187,176	201,280
DROP Benefits.....	-	-	25,485	25,485	857
Refunds of contributions.....	5,797	84	174	6,055	3,643
Administrative expenses.....	889	2,200	1,977	5,066	4,172
<b>TOTAL DEDUCTIONS.....</b>	<b>116,391</b>	<b>3,422</b>	<b>103,969</b>	<b>223,782</b>	<b>209,952</b>
Net change in net assets.....	(339,795)	(10,041)	(169,730)	(519,566)	287,323
<b>NET ASSETS, BEGINNING OF YEAR.....</b>	<b>1,782,504</b>	<b>82,536</b>	<b>950,350</b>	<b>2,815,390</b>	<b>2,528,067</b>
<b>NET ASSETS, END OF YEAR.....</b>	<b>\$ 1,442,709</b>	<b>\$ 72,495</b>	<b>\$ 780,620</b>	<b>\$ 2,295,824</b>	<b>\$ 2,815,390</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2008**  
**WITH COMPARATIVE TOTALS FOR 2007 (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.....	\$ 160	\$ 38,864	\$ 21,089
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts.....	<u>24</u>	<u>-</u>	<u>2,595</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$ 184</u></b>	<b><u>\$ 38,864</u></b>	<b><u>\$ 23,684</u></b>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities.....	\$ 184	\$ -	\$ -
Due to other funds.....	-	-	-
Due to independent agencies and other governments.....	-	6,351	8,410
Due to individuals.....	-	3,316	3,304
Deposits held in escrow.....	<u>-</u>	<u>29,197</u>	<u>11,970</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 184</u></b>	<b><u>\$ 38,864</u></b>	<b><u>\$ 23,684</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>2008</u>	<u>2007</u>
\$ 235	\$ 26	\$ 45	\$ 60,419	\$ 55,776
<u>-</u>	<u>1</u>	<u>-</u>	<u>2,620</u>	<u>534</u>
<u>\$ 235</u>	<u>\$ 27</u>	<u>\$ 45</u>	<u>\$ 63,039</u>	<u>56,310</u>
\$ -	\$ 27	\$ -	\$ 211	\$ 1,139
-	-	-	-	-
-	-	45	14,806	22,919
-	-	-	6,620	3,679
<u>235</u>	<u>-</u>	<u>-</u>	<u>41,402</u>	<u>28,573</u>
<u>\$ 235</u>	<u>\$ 27</u>	<u>\$ 45</u>	<u>\$ 63,039</u>	<u>\$ 56,310</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, 2008**

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	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2008</u>
<b>TREASURER</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 1,089	\$ 774,214	\$ 775,143	\$ 160
Accounts receivable.....	<u>25</u>	<u>25</u>	<u>26</u>	<u>24</u>
TOTAL ASSETS.....	<u>\$ 1,114</u>	<u>\$ 774,239</u>	<u>\$ 775,169</u>	<u>\$ 184</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities.....	<u>\$ 1,114</u>	<u>\$ 190,960</u>	<u>\$ 191,890</u>	<u>\$ 184</u>
TOTAL LIABILITIES.....	<u>\$ 1,114</u>	<u>\$ 190,960</u>	<u>\$ 191,890</u>	<u>\$ 184</u>
<b>TAX COLLECTOR</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 25,984	\$ 13,051	\$ 171	\$ 38,864
Accounts receivable.....	<u>-</u>	<u>3,389</u>	<u>3,389</u>	<u>-</u>
TOTAL ASSETS.....	<u>\$ 25,984</u>	<u>\$ 16,440</u>	<u>\$ 3,560</u>	<u>\$ 38,864</u>
<b>LIABILITIES</b>				
Due to independent agencies and other governments.....	\$ 7,530	\$ 6,294	\$ 7,473	\$ 6,351
Due to individuals.....	1,422	1,894	-	3,316
Deposits held in escrow.....	<u>17,032</u>	<u>12,165</u>	<u>-</u>	<u>29,197</u>
TOTAL LIABILITIES.....	<u>\$ 25,984</u>	<u>\$ 20,353</u>	<u>\$ 7,473</u>	<u>\$ 38,864</u>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2008</u>
<b><u>CLERK OF THE CIRCUIT COURT</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 28,393	\$ -	\$ 7,304	\$ 21,089
Accounts receivable.....	508	2,087	-	2,595
<b>TOTAL ASSETS.....</b>	<b><u>\$ 28,901</u></b>	<b><u>\$ 2,087</u></b>	<b><u>\$ 7,304</u></b>	<b><u>\$ 23,684</u></b>
<b><u>LIABILITIES</u></b>				
Due to independent agencies and other governments.....	\$ 15,344	\$ -	\$ 6,934	\$ 8,410
Due to individuals.....	2,257	1,047	-	3,304
Deposits held in escrow.....	11,300	670	-	11,970
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 28,901</u></b>	<b><u>\$ 1,717</u></b>	<b><u>\$ 6,934</u></b>	<b><u>\$ 23,684</u></b>
<b><u>PLAT DEPOSITS</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 241	\$ 21	\$ 27	\$ 235
<b>TOTAL ASSETS.....</b>	<b><u>\$ 241</u></b>	<b><u>\$ 21</u></b>	<b><u>\$ 27</u></b>	<b><u>\$ 235</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	\$ -	\$ -	\$ -	\$ -
Deposits held in escrow.....	241	22	28	235
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 241</u></b>	<b><u>\$ 22</u></b>	<b><u>\$ 28</u></b>	<b><u>\$ 235</u></b>
<b><u>DUVAL CO SCHOOL READINESS COALITION</u></b>				
<b><u>ASSETS</u></b>				
Equity in cash and investments.....	\$ 24	\$ 2	\$ -	\$ 26
Accounts receivable.....	1	-	-	1
<b>TOTAL ASSETS.....</b>	<b><u>\$ 25</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 27</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities.....	\$ 25	\$ 2	\$ -	\$ 27
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 25</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 27</u></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, 2008**

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	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2008</u>
<b>FLORIDA RETIREMENT SYSTEM</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	\$ 45	\$ 574	\$ 574	\$ 45
TOTAL ASSETS.....	<u>\$ 45</u>	<u>\$ 574</u>	<u>\$ 574</u>	<u>\$ 45</u>
<b>LIABILITIES</b>				
Due to independent agencies and other governments.....	\$ 45	\$ 566	\$ 566	\$ 45
TOTAL LIABILITIES.....	<u>\$ 45</u>	<u>\$ 566</u>	<u>\$ 566</u>	<u>\$ 45</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in cash and investments.....	55,776	\$ 787,862	\$ 783,219	\$ 60,419
Accounts receivable.....	<u>534</u>	<u>5,501</u>	<u>3,415</u>	<u>2,620</u>
TOTAL ASSETS.....	<u>\$ 56,310</u>	<u>\$ 793,363</u>	<u>\$ 786,634</u>	<u>\$ 63,039</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities.....	\$ 1,139	\$ 190,962	\$ 191,890	\$ 211
Due to independent agencies and other governments.....	22,919	6,860	14,973	14,806
Due to individuals.....	3,679	2,941	-	6,620
Deposits held in escrow.....	<u>28,573</u>	<u>12,857</u>	<u>28</u>	<u>41,402</u>
TOTAL LIABILITIES.....	<u>\$ 56,310</u>	<u>\$ 213,620</u>	<u>\$ 206,891</u>	<u>\$ 63,039</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, 2008**

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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.....	\$ 855	\$ 652	\$ 1,507
Cash in escrow with fiscal agent.....	-	-	-
Due from other governmental agencies.....	-	-	-
Accounts and interest receivable.....	659	21	680
Mortgage receivables.....	-	-	-
Other receivables.....	-	1,805	1,805
Other assets.....	109	-	109
Capital assets:			
Equipment.....	152	3,879	4,031
Construction work in progress.....	-	711	711
Less: accumulated depreciation.....	(138)	(172)	(310)
Total capital assets, net of depreciation.	<u>14</u>	<u>4,418</u>	<u>4,432</u>
Total assets.....	<u>1,637</u>	<u>6,896</u>	<u>8,533</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses.....	44	213	257
Deposits.....	-	-	-
Deferred revenue.....	-	-	-
Total liabilities.....	<u>44</u>	<u>213</u>	<u>257</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt..	14	4,418	4,432
Unrestricted.....	<u>1,579</u>	<u>2,265</u>	<u>3,844</u>
Total Net Assets.....	<u>\$ 1,593</u>	<u>\$ 6,683</u>	<u>\$ 8,276</u>



**CITY OF JACKSONVILLE, FLORIDA  
 COMBINING STATEMENT OF ACTIVITIES -  
 NON MAJOR COMPONENT UNITS (in thousands)  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				GOVERNMENTAL ACTIVITIES		TOTAL
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	DOWNTOWN VISION, INC	WATER SEWER EXPANSION AUTHORITY	
Governmental activities:							
Downtown Vision, Inc	1,236	889	-	303	(44)		(44)
Water Sewer Expansion Authority	1,301	416	1,216	1,136	-	1,467	1,467
<b>Total component units.....</b>	<b>\$ 2,537</b>	<b>\$ 1,305</b>	<b>\$ 1,216</b>	<b>\$ 1,439</b>	<b>\$ (44)</b>	<b>\$ 1,467</b>	<b>\$ 1,423</b>
General revenues:							
Unrestricted earnings on investments.....					30	116	146
Miscellaneous.....					-	-	-
Total general revenues.....					30	116	146
Change in net assets.....					(14)	1,583	1,569
Net assets, beginning of year:							
Net assets, October 1, 2008.....					1,607	3,677	5,284
Changes to beginning Net assets.....					-	1,423	1,423
Restated beginning Net assets .....					1,607	5,100	6,707
Net assets, end of year.....					<b>\$ 1,593</b>	<b>\$ 6,683</b>	<b>\$ 8,276</b>

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, 2008**

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
<b>SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE</b>			
<b>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.....	5.000 - 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 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.....	4.250 - 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...	3.500 - 5.375%	4/1; 10/1	07/03/02
Excise Taxes Revenue Bonds, Series 2002B.....	3.300 - 5.375%	4/1; 10/1	11/26/02
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	3.125 - 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).....	3.000 - 5.250%	4/1; 10/1	07/03/03
Excise Taxes Revenue Bonds, Series 2005A.....	3.500 - 5.000%	4/1; 10/1	10/10/05
Excise Taxes Revenue Refunding Bonds, Series 2006A.....	3.375 - 5.000%	4/1; 10/1	12/29/03
Excise Taxes Revenue Refunding Bonds, Series 2006B (AMT).....	3.625 - 4.000%	4/1; 10/1	12/29/03
Excise Taxes Revenue Bonds, Taxable Series 2006C.....	4.880 - 5.220%	4/1; 10/1	12/29/03
Excise Taxes Revenue Bonds, Series 2007.....	3.500 - 5.000%	4/1; 10/1	09/19/07
Capital Project Revenue Bonds, Series 2008A.....	5.400% (1)	Monthly	07/01/08
Capital Project Revenue Bonds, Series 2008B.....	5.400% (1)	Monthly	07/01/08
Total .....			

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

Transportation Revenue Bonds, Series 2001.....	4.100 - 5.500%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	4.100 - 5.500%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	3.000 - 5.250%	4/1; 10/1	02/19/03
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	2.000 - 5.000%	4/1; 10/1	03/02/04
Transportation Revenue Bonds, Series 2007.....	4.000 - 5.000%	4/1; 10/1	09/05/07
Transportation Revenue Bonds, Series 2008A.....	5.350% (1)	Monthly	04/25/08
Transportation Revenue Bonds, Series 2008B.....	5.350% (1)	Monthly	05/14/08
Better Jacksonville Sales Tax Revenue Bonds, Series 2008.....	4.000 - 5.000%	4/1; 10/1	09/16/08
Total .....			

**TOTAL GENERAL AND SPECIAL OBLIGATION BONDS.....**

- (1) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes.
- (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
- (9) Total authorization of \$147,000,000
- (10) Total authorization of \$222,729,615

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/20	\$ 43,605	\$ 43,605	\$ 36,060	\$ 7,545
10/01/09	7,580	7,580	2,850	4,730
10/01/18	65,640	65,640	61,940	3,700
10/01/19	75,890	75,890	52,660	23,230
10/01/18	127,000	103,725	14,930	88,795
10/01/09	49,000	42,485	26,560	15,925
10/01/32	49,000	46,735	2,645	44,090
10/01/13	65,000	56,685	25,470	31,215
10/01/32	125,000	115,265	10,615	104,650
10/01/26	90,300 (4)	68,475	8,555	59,920
10/01/18	70,000	63,060	12,610	50,450
10/01/23	18,745	18,745	300	18,445
10/01/11	70,000 (5)	17,535	11,140	6,395
10/01/20	N/A (5)	34,540	1,530	33,010
10/01/32	147,000 (9)	44,820	0	44,820
10/01/23	N/A (9)	36,540	0	36,540
10/01/23	N/A (9)	9,255	0	9,255
10/01/23	N/A (9)	23,555	0	23,555
10/01/32	N/A (9)	42,245	0	42,245
10/01/34	67,285	67,285	0	67,285
10/01/34	67,285	67,285	0	67,285
	<u>\$ 1,138,330</u>	<u>\$ 1,050,950</u>	<u>\$ 267,865</u>	<u>\$ 783,085</u>
10/01/31	\$ 550,000 (6)	\$ 179,280	\$ 12,250	\$ 167,030
10/01/30	958,000 (7)	218,430	24,310	194,120
10/01/30	N/A (7)	211,050	20,370	190,680
10/01/30	N/A (7)	218,755	15,875	202,880
10/01/37	N/A (6)	100,675	0	100,675
10/01/32	N/A (6)	154,535	0	154,535
10/01/27	N/A (6)	121,740	0	121,740
10/01/30	N/A (7)	105,470	0	105,470
	<u>\$ 1,508,000</u>	<u>\$ 1,309,935</u>	<u>\$ 72,805</u>	<u>\$ 1,237,130</u>
	<u>\$ 2,646,330</u>	<u>\$ 2,360,885</u>	<u>\$ 340,670</u>	<u>\$ 2,020,215</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)**  
**SEPTEMBER 30, 2008**

	<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.....	5.000 - 5.125%	4/1; 10/1	01/04/96
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	4.700 - 5.500%	4/1; 10/1	02/28/96
Capital Improvement Revenue Bonds, Series 1997.....	4.800 - 5.250%	4/1; 10/1	03/11/97
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	4.300 - 5.000%	4/1; 10/1	08/26/98
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B....	4.875 - 5.750%	4/1; 10/1	09/23/99
Capital Improvement Revenue Bonds, Series 2002A.....	3.000 - 5.000%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	3.000 - 5.250%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	3.000 - 5.250%	4/1; 10/1	09/09/02
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	3.000 - 5.000%	4/1; 10/1	07/03/03
Total .....			
<b>PAYABLE FROM GENERAL REVENUE:</b>			
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	4.320 - 5.190 %	2/1; 8/1	02/01/95
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	6.700 - 6.880 %	2/1; 8/1	12/18/96
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	6.700 - 7.030 %	2/1; 8/1	11/20/96
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	6.700 - 7.080 %	2/1; 8/1	02/19/97
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	6.700 - 6.780 %	2/1; 8/1	04/02/97
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	6.700 - 7.080 %	2/1; 8/1	10/28/97
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	6.700 - 7.030 %	2/1; 8/1	10/28/97
Total .....			
<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
Total .....			
<b>NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:</b>			
Special Revenue Bonds, Series 2008.....	3.500 - 5.625%	4/1; 10/1	09/24/08
Commercial Paper.....	5.360% (1)	Monthly	11/04/04
Total .....			
<b>TOTAL BONDED INDEBTEDNESS.....</b>			

- (1) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes  
(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  
(9) Total authorization of \$147,000,000  
(10) Total authorization of \$222,729,615

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/09	\$ 12,270	\$ 12,270	\$ 6,235	\$ 6,035
10/01/16	19,965	19,965	7,085	12,880
10/01/25	8,285	8,285	1,805	6,480
10/01/25	37,310	37,310	2,145	35,165
10/01/16	40,835	40,835	14,560	26,275
10/01/30	130,000 (3)	54,135	1,155	52,980
10/01/19	N/A (3)	42,170	5,255	36,915
10/01/25	N/A (3)	26,920	1,600	25,320
10/01/11	N/A (5)	9,530	4,570	4,960
	<u>\$ 248,665</u>	<u>\$ 251,420</u>	<u>\$ 44,410</u>	<u>\$ 207,010</u>
08/01/14	\$ 3,845	\$ 3,845	\$ 1,265	\$ 2,580
08/01/12	1,065	1,065	745	320
08/01/15	2,850	2,850	1,020	1,830
08/01/16	1,700	1,700	885	815
08/01/10	700	700	520	180
08/01/16	775	775	235	540
08/01/15	550	550	185	365
	<u>\$ 11,485</u>	<u>\$ 11,485</u>	<u>\$ 4,855</u>	<u>\$ 6,630</u>
10/01/14	\$ 40,000	\$ 29,942	\$ 6,307	\$ 23,635
10/01/21	50,000	46,779	4,000	42,779
	<u>\$ 90,000</u>	<u>\$ 76,721</u>	<u>\$ 10,307</u>	<u>\$ 66,414</u>
10/01/33	222,730 (10)	54,215	0	54,215
12/31/34	\$ 150,000	\$ 122,705	\$ 23,190	\$ 99,515
	<u>\$ 372,730</u>	<u>\$ 176,920</u>	<u>\$ 23,190</u>	<u>\$ 153,730</u>
	<u>\$ 3,369,210</u>	<u>\$ 2,877,431</u>	<u>\$ 423,431</u>	<u>\$ 2,453,999</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, 2008**

	<b>PRINCIPAL OUTSTANDING</b>	<b>TOTAL INTEREST TO MATURITY</b>
<b>Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Taxes:</b>		
Excise Taxes Revenue Bonds, Series 1993.....	\$ 7,545,140	\$ 18,784,859
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4,730,000	206,872
Sales Taxes Revenue Bonds, Series 1996.....	3,700,000	1,718,158
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	23,230,000	6,514,506
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	88,795,000	25,753,948
Excise Taxes Refunding Bonds, Series 2001A.....	15,925,000	817,875
Excise Taxes Revenue Bonds, Series 2001B.....	44,090,000	33,550,823
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	31,215,000	4,394,131
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	104,650,000	79,036,869
Excise Taxes Revenue Bonds, Series 2002B.....	59,920,000	31,424,832
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	50,450,000	17,391,469
Excise Taxes Revenue Bonds, Series 2003A.....	18,445,000	6,681,190
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	6,395,000	292,725
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	33,010,000	18,196,331
Excise Taxes Revenue Bonds, Series 2005A.....	44,820,000	35,711,081
Excise Taxes Revenue Refunding Bonds, Series 2006A.....	36,540,000	28,797,241
Excise Taxes Revenue Refunding Bonds, Series 2006B (AMT).....	9,255,000	2,047,756
Excise Taxes Revenue Bonds, Taxable Series 2006C.....	23,555,000	9,450,600
Excise Taxes Revenue Bonds, Series 2007.....	42,245,000	29,719,400
Capital Project Revenue Bonds, Series 2008A.....	67,285,000	58,419,514
Capital Project Revenue Bonds, Series 2008B.....	67,285,000	58,419,514
Total.....	783,085,140	467,329,693
<b>Special Obligation Bonds Payable from Other Specific Revenue Source other than Ad Valorem Taxes:</b>		
Transportation Revenue Bonds, Series 2001.....	167,030,000	159,336,518
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	194,120,000	140,522,837
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	190,680,000	133,876,888
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	202,880,000	120,710,618
Transportation Revenue Bonds, Series 2007.....	100,675,000	92,464,200
Transportation Revenue Bonds, Series 2008A.....	154,535,000	140,500,859
Transportation Revenue Bonds, Series 2008B.....	121,740,000	63,939,210
Better Jacksonville Sales Tax Revenue Bonds, Series 2008.....	105,470,000	69,742,696
Total.....	1,237,130,000	921,093,826
<b>Payable from Enterprise Funds:</b>		
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	6,035,000	307,709
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	12,880,000	3,095,585
Capital Improvement Revenue Bonds, Series 1997.....	6,480,000	3,511,259
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	35,165,000	23,880,201
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	26,275,000	7,042,398
Capital Improvement Revenue Bonds, Series 2002A.....	52,980,000	52,180,014
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	36,915,000	12,713,013
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	25,320,000	12,780,009
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	4,960,000	496,850
Total.....	207,010,000	116,007,037
<b>Other Long - Term Obligations:</b>		
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	2,580,000	478,316
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	320,000	54,616
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	1,830,000	544,611
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	815,000	287,543
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associaties).....	180,000	18,577
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	540,000	184,827
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	365,000	110,029
Total.....	6,630,000	1,678,519
<b>Notes Payable from Other Specific Revenue Source other than Ad Valorem Taxes:</b>		
State Infrastructure Bank Loan.....	23,635,333	2,854,244
State Infrastructure Bank Loan.....	42,778,902	7,133,999
Total.....	66,414,235	9,988,243
<b>Bonds and Notes Payable from Internal Service Operations:</b>		
Special Revenue Bonds, Series 2008.....	54,215,000	29,902,509
Commercial Paper.....	99,515,000	13,335,011
Total.....	153,730,000	43,237,520
Grand Total.....	\$ 2,453,999,375	\$ 1,559,334,838

TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY	CASH IN SINKING FUND	CASH IN DEBT SERVICE RESERVE FUND	NET DEBT
\$ 26,329,999	\$ 13,511	\$ -	\$ 26,316,488
4,936,872	190,780	-	4,746,092
5,418,158	129	-	5,418,029
29,744,506	147,008	-	29,597,498
114,548,948	8,290	-	114,540,658
16,742,875	561,178	-	16,181,697
77,640,823	191,956	-	77,448,867
35,609,131	478,498	-	35,130,633
183,686,869	-	-	183,686,869
91,344,832	318,252	-	91,026,580
67,841,469	3,445	-	67,838,024
25,126,190	101,370	-	25,024,820
6,687,725	110,709	-	6,577,016
51,206,331	72,855	-	51,133,476
80,531,081	1,262,311	-	79,268,771
65,337,241	107,823	-	65,229,417
11,302,756	22,921	-	11,279,835
33,005,600	271,436	-	32,734,164
71,964,400	121,177	-	71,843,223
125,704,514	536,758	-	125,167,756
125,704,514	536,758	-	125,167,756
<u>1,250,414,833</u>	<u>5,057,164</u>	<u>-</u>	<u>1,245,357,669</u>
326,366,518	1,956,876	13,504,473	310,905,168
334,642,837	2,056,477	13,829,708	318,756,653
324,556,888	1,996,555	13,584,632	308,975,702
323,590,618	1,982,870	14,453,797	307,153,951
193,139,200	1,324,339	8,139,632	183,675,228
295,035,859	1,453,440	-	293,582,419
185,679,210	1,842,583	-	183,836,627
175,212,696	402,433	7,514,008	167,296,254
<u>2,158,223,826</u>	<u>13,015,574</u>	<u>71,026,249</u>	<u>2,074,182,002</u>
6,342,709	191,185	-	6,151,524
15,975,585	115,327	-	15,860,258
9,991,259	3,344	-	9,987,915
59,045,201	-	-	59,045,201
33,317,398	-	-	33,317,398
105,160,014	364,400	5,413,500	99,382,113
49,628,013	450,801	-	49,177,211
38,100,009	236,726	-	37,863,282
5,456,850	47,452	-	5,409,398
<u>323,017,037</u>	<u>1,409,236</u>	<u>5,413,500</u>	<u>316,194,301</u>
3,058,316	68,441	-	2,989,875
374,616	11,588	-	363,028
2,374,611	31,502	-	2,343,109
1,102,543	11,752	-	1,090,791
198,577	9,046	-	189,531
724,827	7,793	-	717,034
475,029	5,469	-	469,560
<u>8,308,519</u>	<u>145,591</u>	<u>-</u>	<u>8,162,928</u>
26,489,578	-	-	26,489,578
49,912,901	-	-	49,912,901
<u>76,402,479</u>	<u>-</u>	<u>-</u>	<u>76,402,479</u>
84,117,509	-	-	84,117,509
112,850,011	-	-	112,850,011
<u>196,967,520</u>	<u>-</u>	<u>-</u>	<u>196,967,520</u>
<u>\$ 4,013,334,214</u>	<u>\$ 19,627,565</u>	<u>\$ 76,439,749</u>	<u>\$ 3,917,266,899</u>

(continued)







<b>To Refund Commercial Paper Notes and to Fund Veterans Memorial Wall Plaza and Library Systems Improvements</b>		<b>To Fund City-Wide Capital Improvement Projects</b>		<b>To Partially Refund 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>	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 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				
<u>\$ 50,450,000</u>	<u>\$ 17,391,469</u>	<u>\$ 18,445,000</u>	<u>\$ 6,681,190</u>	<u>\$ 6,395,000</u>	<u>\$ 292,725</u>	<u>\$ 33,010,000</u>	<u>\$ 18,196,331</u>
3.125% - 5.375%		3.000% - 4.500%		3.000% - 5.000%		3.000% - 5.250%	

**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, 2008**

Fiscal Year	To Fund City-Wide Capital Improvements and River City Marketplace Road and Utility Improvements		To Refund the Sunshine State Governmental Finance Commission Bonds, Series 1995A and various Capital Improvements		To Refund the Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT)	
	Excise Taxes Revenue Bonds Series 2005A		Excise Taxes Revenue Refunding Bonds Series 2006A		Excise Taxes Revenue Refunding Bonds Series 2006B (AMT)	
	Principal	Interest	Principal	Interest	Principal	Interest
2009		\$ 2,081,913		\$ 1,693,644		\$ 360,038
2010	\$ 510,000	2,072,988		1,693,644		360,038
2011	525,000	2,054,875		1,693,644		360,038
2012	545,000	2,035,809	\$ 1,370,000	1,670,525	\$ 1,490,000	333,031
2013	565,000	2,015,338	1,420,000	1,622,556	1,830,000	271,713
2014	585,000	1,993,775	1,465,000	1,571,153	1,895,000	199,500
2015	605,000	1,970,706	1,520,000	1,516,100	1,975,000	122,100
2016	630,000	1,946,006	1,575,000	1,456,100	2,065,000	41,300
2017	655,000	1,920,306	-	1,424,600		
2018	685,000	1,893,078	-	1,424,600		
2019	710,000	1,863,863	-	1,424,600		
2020	740,000	1,833,050	-	1,424,600		
2021	2,535,000	1,763,456	1,660,000	1,383,100		
2022	2,645,000	1,643,463	1,740,000	1,298,100		
2023	2,775,000	1,507,963	1,830,000	1,208,850		
2024	2,915,000	1,365,713	1,920,000	1,115,100		
2025	3,060,000	1,225,900	2,015,000	1,016,725		
2026	3,195,000	1,079,088	2,115,000	913,475		
2027	3,355,000	915,338	2,225,000	810,538		
2028	3,520,000	752,263	2,325,000	708,163		
2029	2,565,000	613,747	2,430,000	601,175		
2030	2,680,000	492,456	2,535,000	483,125		
2031	2,805,000	365,616	2,665,000	353,125		
2032	2,935,000	227,375	2,795,000	216,625		
2033	3,080,000	77,000	2,935,000	73,375		
2034						
2035						
2036						
2037						
2038						
2039						
	<u>\$ 44,820,000</u>	<u>\$ 35,711,081</u>	<u>\$ 36,540,000</u>	<u>\$ 28,797,241</u>	<u>\$ 9,255,000</u>	<u>\$ 2,047,756</u>

Interest Rates: 3.500% - 5.000%

3.375% - 5.000%

3.625% - 4.000%





**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, 2008**

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**Purpose: To Paritall Refund the  
Capital Projects Revenue Bonds,  
Series 1997-1, 1997-2, 1997-3  
and 2002-1**

<b>Fiscal Year</b>	<b>Capital Projects Revenue Refunding Bonds Series 2008B</b>		<b>Total Principal and Interest</b>
	<b>Principal</b>	<b>Interest</b>	
2009	\$ 325,000	\$ 3,614,807	\$ 79,353,460
2010	1,340,000	3,546,998	78,387,904
2011	1,405,000	3,471,468	67,236,659
2012	1,720,000	3,389,288	72,650,117
2013	1,305,000	3,307,786	68,881,088
2014	1,620,000	3,221,763	69,495,527
2015	1,695,000	3,130,629	66,499,852
2016	1,780,000	3,043,245	66,652,108
2017	2,075,000	2,924,287	63,333,495
2018	1,960,000	2,818,009	63,063,236
2019	1,850,000	2,717,690	62,816,399
2020	2,150,000	2,610,105	46,461,390
2021	2,250,000	2,482,026	44,458,433
2022	2,365,000	2,354,914	36,566,260
2023	2,640,000	2,213,671	36,804,571
2024	2,595,000	2,079,086	36,426,780
2025	2,575,000	1,934,394	34,523,069
2026	2,855,000	1,781,571	34,743,412
2027	2,990,000	1,620,821	32,556,891
2028	3,135,000	1,456,230	29,755,915
2029	3,380,000	1,270,981	28,764,384
2030	3,360,000	1,089,577	28,329,271
2031	3,615,000	895,631	28,428,009
2032	3,790,000	693,737	28,347,330
2033	3,975,000	478,205	28,264,082
2034	4,185,000	253,301	8,876,602
2035	4,350,000	19,294	8,738,587
2036			
2037			
2038			
2039			
	<u>\$ 67,285,000</u>	<u>\$ 58,419,514</u>	<u>\$ 1,250,414,833</u>

Interest Rates: Variable Rate  
Assumed at 5.40%



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<b>Better Jacksonville Infrastructure Projects</b>		<b>Better Jacksonville Transportation Projects</b>		<b>To Refund the Transportation Revenue Bonds, Series 2003A &amp; Series 2003B (Auction Rate Securities)</b>	
<b>Better Jacksonville Sales Tax Revenue Bonds Series 2004</b>		<b>Transportation Revenue Bonds Series 2007</b>		<b>Transportation Revenue Bonds Series 2008A</b>	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 5,530,000	\$ 8,045,095	\$ 2,640,000	\$ 4,888,100		\$ 8,261,964
5,665,000	7,909,648	3,020,000	4,746,600		8,261,964
5,795,000	7,772,063	3,170,000	4,607,700		8,261,964
5,945,000	7,617,881	3,300,000	4,461,800	\$ 2,700,000	8,151,717
6,105,000	7,444,563	3,465,000	4,310,000		8,117,612
6,290,000	7,250,775	3,600,000	4,150,700	1,350,000	8,051,369
6,495,000	7,038,959	3,780,000	3,966,200	11,250,000	7,493,409
6,710,000	6,811,931	3,970,000	3,772,450	11,875,000	6,879,933
6,950,000	6,568,538	4,170,000	3,568,950	11,450,000	6,247,255
7,205,000	6,298,469		3,464,700		6,196,941
7,490,000	6,004,569		3,464,700		6,196,941
7,790,000	5,698,969		3,464,700		6,213,918
8,100,000	5,381,169		3,464,700		6,196,941
8,430,000	5,045,300		3,464,700		6,196,941
8,770,000	4,685,069		3,464,700		6,196,941
9,145,000	4,304,375		3,464,700		6,213,918
9,530,000	3,895,619		3,464,700	10,460,000	5,683,677
9,960,000	3,450,869		3,464,700	11,005,000	5,097,708
10,425,000	2,979,466	4,375,000	3,355,325	11,560,000	4,482,110
10,910,000	2,486,094	4,595,000	3,131,075	12,155,000	3,845,237
11,410,000	1,977,075	4,825,000	2,895,575	12,770,000	3,154,852
11,920,000	1,452,150	5,065,000	2,648,325	13,430,000	2,439,739
26,310,000	591,975	5,320,000	2,395,350	14,110,000	1,688,359
		5,575,000	2,129,625	14,830,000	900,944
		5,850,000	1,844,000	15,590,000	68,506
		6,145,000	1,544,125		
		6,450,000	1,229,250		
		6,775,000	898,625		
		7,115,000	551,375		
		7,470,000	186,750		
<u>\$ 202,880,000</u>	<u>\$ 120,710,618</u>	<u>\$ 100,675,000</u>	<u>\$ 92,464,200</u>	<u>\$ 154,535,000</u>	<u>\$ 140,500,859</u>

2.000% - 5.000%

4.000% - 5.000%

Variable Rate  
Assumed at 5.35%

**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, 2008**

Purpose:		To Refund the Transportation Revenue Bonds, Series 2003 & Series 2004A (Auction Rate Securities)		Better Jacksonville Infrastructure Projects		
Fiscal Year	Transportation Revenue Bonds Series 2008B		Better Jacksonville Sales Tax Revenue Bonds Series 2008		Total Principal and Interest	
	Principal	Interest	Principal	Interest		
2009	\$ 4,170,000	\$ 6,304,014	\$ 0	\$ 2,755,133	\$ 81,465,824	
2010	4,475,000	6,066,105	2,665,000	5,033,100	83,924,110	
2011	4,535,000	5,823,913	2,985,000	4,920,100	83,945,446	
2012	5,160,000	5,565,930	3,105,000	4,798,300	95,708,912	
2013	4,680,000	5,298,470	3,230,000	4,671,600	82,899,874	
2014	5,615,000	5,002,382	3,355,000	4,539,900	84,768,076	
2015	5,695,000	4,698,259	3,490,000	4,385,550	93,839,843	
2016	5,955,000	4,392,959	3,665,000	4,206,675	93,737,663	
2017	8,915,000	3,917,408	3,850,000	4,018,800	95,134,628	
2018	8,990,000	3,437,102	4,040,000	3,821,550	78,912,033	
2019	9,285,000	2,941,991	4,245,000	3,614,425	78,700,247	
2020	9,310,000	2,450,942	4,455,000	3,396,925	78,215,041	
2021	9,730,000	1,926,004	4,680,000	3,168,550	78,062,255	
2022	4,430,000	1,665,871	4,915,000	2,928,675	75,801,321	
2023	4,695,000	1,416,025	5,160,000	2,676,800	75,814,966	
2024	4,780,000	1,163,967	5,415,000	2,412,425	82,618,429	
2025	4,965,000	896,211	5,685,000	2,134,925	92,391,538	
2026	5,210,000	618,743	5,970,000	1,843,550	92,253,504	
2027	5,460,000	327,932	6,270,000	1,537,550	96,350,026	
2028	5,685,000	24,981	6,585,000	1,224,406	96,156,312	
2029			6,895,000	904,256	96,384,521	
2030			7,225,000	559,875	96,239,245	
2031			7,585,000	189,625	135,592,684	
2032					47,589,694	
2033					23,352,506	
2034					7,689,125	
2035					7,679,250	
2036					7,673,625	
2037					7,666,375	
2038					7,656,750	
2039						
	<u>\$ 121,740,000</u>	<u>\$ 63,939,210</u>	<u>\$ 105,470,000</u>	<u>\$ 69,742,696</u>	<u>\$ 2,158,223,826</u>	

Interest Rates: Variable Rate Assumed at 5.35% 4.000% - 5.000%

Hedges Fixed at 3.455% and 4.010%



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<b>To Refund a Portion of Capital Improvement Revenue Bonds, Series 1994</b>		<b>To Partially Refund Excise Taxes Revenue Bonds, Series 1991B and Construction of Trail Ridge Landfill</b>		<b>Capital Improvements at Alltel Stadium</b>		<b>To Crossover Refund Capital Improvement Revenue Bonds, Series 1994</b>	
<b>Capital Improvement and Refunding Revenue Bonds, Series 1998</b>		<b>Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B</b>		<b>Capital Improvement Revenue Bonds, Series 2002A</b>		<b>Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B</b>	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 190,000	\$ 1,667,167	\$ 2,355,000	\$ 1,372,283	\$ 505,000	\$ 2,604,478	\$ 2,090,000	\$ 1,756,750
195,000	1,658,793	2,465,000	1,253,255	455,000	2,589,509	2,195,000	1,689,731
205,000	1,649,890	2,590,000	1,120,405	395,000	2,575,203	2,310,000	1,596,313
215,000	1,640,332	2,730,000	974,105	335,000	2,562,260	2,465,000	1,476,938
225,000	1,630,100	2,880,000	816,230	290,000	2,550,865	2,630,000	1,349,563
235,000	1,619,231	3,050,000	645,743	220,000	2,541,100	2,810,000	1,210,050
245,000	1,607,525	3,220,000	471,115	155,000	2,533,600	3,005,000	1,057,406
260,000	1,594,900	3,400,000	290,675	75,000	2,529,000	3,210,000	894,263
270,000	1,581,650	3,585,000	98,588		2,527,500	3,685,000	717,875
285,000	1,567,775				2,527,500	3,920,000	527,750
300,000	1,553,150				2,527,500	4,165,000	325,625
315,000	1,538,169				2,527,500	4,430,000	110,750
5,035,000	1,411,106				2,527,500		
5,330,000	1,164,937				2,527,500		
5,640,000	904,400				2,527,500		
5,970,000	628,663				2,527,500		
5,640,000	352,925				2,527,500		
4,610,000	109,488				2,527,500		
				945,000	2,503,875		
				8,975,000	2,255,875		
				9,425,000	1,795,875		
				9,900,000	1,312,750		
				10,395,000	805,375		
				10,910,000	272,750		
<u>\$ 35,165,000</u>	<u>\$ 23,880,201</u>	<u>\$ 26,275,000</u>	<u>\$ 7,042,398</u>	<u>\$ 52,980,000</u>	<u>\$ 52,180,014</u>	<u>\$ 36,915,000</u>	<u>\$ 12,713,013</u>

4.300% - 5.000%

4.875% - 5.750%

3.000% - 5.000%

3.000% - 5.250%

(continued)



**CITY OF JACKSONVILLE, FLORIDA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
PAYABLE FROM ENTERPRISE FUNDS  
SEPTEMBER 30, 2008**

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Purpose	To Crossover Refund Capital Improvement Revenue Bonds, Series 1995		To Partially Refund Excise Taxes Revenue Refunding Bonds, Series 1993A		Total Principal And Interest
	Principal	Interest	Principal	Interest	
	<u>Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C</u>		<u>Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B</u>		
Fiscal Year	Principal	Interest	Principal	Interest	
2009	\$ 865,000	\$ 1,155,018	\$ 1,215,000	\$ 210,475	\$ 21,496,859
2010	920,000	1,127,093	1,195,000	157,375	21,420,203
2011	980,000	1,094,993	1,245,000	96,375	18,191,994
2012	1,045,000	1,059,033	1,305,000	32,625	18,175,867
2013	1,105,000	1,019,780			16,829,024
2014	1,175,000	975,838			16,812,076
2015	1,250,000	927,338			16,800,178
2016	1,335,000	867,294			16,782,668
2017	1,425,000	796,625			17,007,325
2018	1,440,000	725,000			11,546,869
2019	1,460,000	652,500			11,538,456
2020	1,485,000	578,875			11,539,763
2021	1,505,000	504,125			11,535,937
2022	1,520,000	428,500			11,521,831
2023	1,540,000	352,000			11,516,300
2024	1,555,000	274,625			11,508,382
2025	2,245,000	179,625			11,496,525
2026	2,470,000	61,750			11,249,157
2027					11,230,875
2028					11,220,875
2029					11,212,750
2030					11,200,375
2031					11,182,750
2032					
2033					
2034					
2035					
	<u>\$ 25,320,000</u>	<u>\$ 12,780,009</u>	<u>\$ 4,960,000</u>	<u>\$ 496,850</u>	<u>\$ 323,017,037</u>

Interest Rates: 3.000% - 5.250%

3.000% - 5.000%



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**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	\$ 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>\$ 815,000</u>	<u>\$ 287,543</u>

<u>Principal</u>	<u>Interest</u>
\$ 85,000	\$ 12,136
95,000	6,441
<u>\$ 180,000</u>	<u>\$ 18,577</u>

<u>Principal</u>	<u>Interest</u>
\$ 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>\$ 540,000</u>	<u>\$ 184,827</u>

6.700% - 7.080%  
(Taxable)

6.700% - 6.780%  
(Taxable)

6.700% - 7.080%  
(Taxable)

**CITY OF JACKSONVILLE, FLORIDA  
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
 PAYABLE FROM GENERAL REVENUE  
 SEPTEMBER 30, 2008**

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

Fiscal Year	U.S. Government Guaranteed Note Payable, Series 1997		Total Principal And Interest
	Principal	Interest	
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>\$ 365,000</u>	<u>\$ 110,029</u>	<u>\$ 8,308,519</u>

Interest Rates: 6.700% - 7.030%  
 (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 - BETTER JACKSONVILLE PLAN  
SEPTEMBER 30, 2008**

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Purpose	Better Jacksonville Infrastructure Projects		Better Jacksonville Infrastructure Projects		Total Principal And Interest
	State Infrastructure Bank Loan #1; Dated 7/28/05		State Infrastructure Bank Loan #2; Dated 3/13/07		
	Principal	Interest	Principal	Interest	
<b>Fiscal Year</b>					
2009	\$ 1,974,717	\$ 469,483	\$ 3,299,718	\$ 700,282	\$ 6,444,200
2010	2,014,311	429,989	3,013,020	986,980	6,444,300
2011	2,058,997	389,703	3,088,346	911,654	6,448,700
2012	2,098,777	348,523	3,165,555	834,445	6,447,300
2013	2,138,653	306,547	3,244,693	755,307	6,445,200
2014	2,183,626	263,774	3,325,811	674,189	6,447,400
2015	2,228,698	220,102	3,408,956	591,044	6,448,800
2016	2,268,872	175,528	3,494,180	505,820	6,444,400
2017	2,314,150	130,150	3,581,534	418,466	6,444,300
2018	2,364,533	83,867	3,671,073	328,927	6,448,400
2019	1,990,001	36,577	3,762,850	237,150	6,026,578
2020			3,856,921	143,079	4,000,000
2021			1,866,245	46,656	1,912,901
2022					
2023					
2024					
2025					
	<u>\$ 23,635,333</u>	<u>\$ 2,854,244</u>	<u>\$ 42,778,902</u>	<u>\$ 7,133,999</u>	<u>\$ 76,402,479</u>

**Interest Rates:**                      2.00%    2.50%

**CITY OF JACKSONVILLE, FLORIDA  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -  
BONDS AND NOTES PAYABLE FROM INTERNAL SERVICE OPERATIONS -  
BANKING FUND PROGRAM  
SEPTEMBER 30, 2008**

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Purpose	To Fund the Loan Pool Program		To Fund the Acquisition and Construction of Various Capital Improvement Projects		Total Principal And Interest
	Commercial Paper		Special Revenue Bonds Series 2008		
	Principal	Interest	Principal	Interest	
<b>Fiscal Year</b>					
2009	\$ 19,903,000	\$ 4,800,604		\$ 1,262,316	\$ 25,965,920
2010	\$ 19,903,000	3,733,803	\$ 535,000	2,416,751	26,588,554
2011	\$ 19,903,000	2,667,002	2,595,000	2,357,964	27,522,966
2012	\$ 19,903,000	1,600,201	2,685,000	2,265,564	26,453,765
2013	\$ 19,903,000	533,400	2,775,000	2,170,014	25,381,414
2014			2,880,000	2,071,051	4,951,051
2015			2,975,000	1,964,870	4,939,870
2016			3,085,000	1,847,389	4,932,389
2017			3,210,000	1,721,489	4,931,489
2018			3,340,000	1,588,401	4,928,401
2019			3,480,000	1,432,514	4,912,514
2020			3,655,000	1,263,276	4,918,276
2021			3,815,000	1,095,201	4,910,201
2022			3,990,000	914,601	4,904,601
2023			940,000	796,339	1,736,339
2024			990,000	748,089	1,738,089
2025			1,040,000	696,819	1,736,819
2026			1,090,000	641,959	1,731,959
2027			1,145,000	583,563	1,728,563
2028			1,210,000	520,231	1,730,231
2029			1,275,000	451,894	1,726,894
2030			1,345,000	379,844	1,724,844
2031			1,420,000	303,806	1,723,806
2032			1,495,000	223,644	1,718,644
2033			1,580,000	138,094	1,718,094
2034			1,665,000	46,828	1,711,828
	<u>\$ 99,515,000</u>	<u>\$ 13,335,011</u>	<u>\$ 54,215,000</u>	<u>\$ 29,902,509</u>	<u>\$ 196,967,520</u>

Interest Rates:            Variable Rate                            3.500% - 5.625%  
                                 Assumed at 5.36%



**CITY OF JACKSONVILLE, FLORIDA**  
**SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE**  
**DISCLOSURE OBLIGATION**  
**SEPTEMBER 30, 2008**

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 76,446,161	\$ 81,354,543	\$ 86,762,785
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	\$ 6,161,879	\$ 6,384,105	\$ 7,748,261
Peoples Gas	654,224	675,423	1,229,654
Communications Services Taxes (2)	34,895,973	36,844,325	38,229,496
JEA	45,740,236	46,851,288	48,130,818
Miscellaneous	1,911,435	2,093,148	1,945,751
Total Utilities Service Tax	<u>\$ 89,363,747</u>	<u>\$ 92,848,289</u>	<u>\$ 97,283,980</u>
Fuel Oil Tax	107,075	112,633	228,856
Occupational License Taxes	7,319,694	8,143,011	8,808,682
Total Excise Tax Pledged Revenues	<u>\$ 96,790,516</u>	<u>\$ 101,103,934</u>	<u>\$ 106,321,518</u>
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	\$ 1,050,527	\$ 1,247,168	\$ 1,679,743
Other Franchise Fees	101,083	28,803	29,784
Total Franchise Fees	<u>\$ 1,151,610</u>	<u>\$ 1,275,971</u>	<u>\$ 1,709,527</u>
Communications Services Taxes (3)	6,158,113	6,501,940	6,746,382
Sports Facility Sales Tax Rebate	2,000,004	2,000,004	2,000,004
Convention Development Tax (2%)	3,846,824	4,799,870	5,200,849
Sports Facility Tourist Development Tax (2%)	4,154,654	5,107,721	5,530,444
Total Sports Facility Capital Improvements Pledged Revenues	<u>\$ 17,311,205</u>	<u>\$ 19,685,506</u>	<u>\$ 21,187,206</u>
Infrastructure Improvements (Better Jacksonville Infrastructure):			
Infrastructure Sales Tax (4)	\$ 60,132,294	\$ 69,336,706	\$ 73,226,823
Transportation Improvements (Better Jacksonville Transportation):			
Transportation Sales Tax (1)	\$ 61,649,656	\$ 71,717,115	\$ 76,136,231
Gas Tax (Constitutional Fuel Tax) (1)	8,860,938	9,279,565	9,096,361
Total Transportation Improvements Pledged Revenues	<u>\$ 70,510,594</u>	<u>\$ 80,996,680</u>	<u>\$ 85,232,592</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>2007</u>	<u>2008</u>		<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 83,940,300	\$ 77,528,733		\$ 17,399,950	4.46 x	1.35 x
\$ 8,848,095	\$ 9,081,524				
1,389,953	640,072				
38,019,202	38,477,809				
47,738,296	56,386,853				
1,837,374	2,944,255				
<u>\$ 97,832,920</u>	<u>\$ 107,530,513</u>				
92,087	70,790				
7,617,543	7,931,793				
<u>\$ 105,542,550</u>	<u>\$ 115,533,096</u>		\$ 54,886,420	2.11 x	1.40 x
\$ 1,308,659	\$ 1,107,702				
26,596	24,708				
<u>\$ 1,335,255</u>	<u>\$ 1,132,410</u>				
6,709,271	6,790,202				
2,000,004	2,000,004				
5,118,358	5,197,457				
5,402,202	5,498,422				
<u>\$ 20,565,090</u>	<u>\$ 20,618,495</u>		\$ 11,705,488	1.76 x	1.35 x
\$ 70,665,463	\$ 70,261,928	Senior Lien Only	\$ 49,528,188	1.42 x	1.35 x
		with Junior	\$ 55,974,488	1.26 x	1.10 x
\$ 73,543,087	\$ 72,338,853				
9,235,442	8,855,852				
<u>\$ 82,778,529</u>	<u>\$ 81,194,705</u>		\$ 49,159,788	1.65 x	1.35 x

**CITY OF JACKSONVILLE, FLORIDA**  
**SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE**  
**DISCLOSURE OBLIGATION (continued)**  
**SEPTEMBER 30, 2008**

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Guaranteed Entitlement Revenues:			
County Revenue Sharing:			
Cigarette Tax	\$ 723,084	\$ 639,046	\$ 634,648
Sales Tax	18,666,179	19,453,717	20,647,084
County Total	<u>\$ 19,389,263</u>	<u>\$ 20,092,763</u>	<u>\$ 21,281,732</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>9.70 x</u>	<u>10.05 x</u>	<u>10.65 x</u>
City Revenue Sharing:			
Cigarette Tax (1)	\$ 0	\$ 0	\$ 0
Sales and Use Tax (1)	13,421,241	19,234,478	18,930,690
City Total	<u>\$ 13,421,241</u>	<u>\$ 19,234,478</u>	<u>\$ 18,930,690</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>2.30 x</u>	<u>3.30 x</u>	<u>3.25 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	\$ 0	\$ 0	\$ 0
Cigarette Tax	11,118,432	11,707,985	11,401,876
Sales Tax	346,145,856	354,704,849	385,989,832
Total Receipts	<u>\$ 357,264,288</u>	<u>\$ 366,412,834</u>	<u>\$ 397,391,708</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>3.76 x</u>	<u>3.85 x</u>	<u>4.18 x</u>
State Revenue Sharing - Municipalities:			
Cigarette Tax	\$ 0	\$ 0	\$ 0
8th Cent Motor Fuel Tax	88,531,815	92,375,629	94,054,299
Special Tax and Alternative Fuel User Decal Fee	1,393,234	1,240,339	1,155,667
Sales and Use Tax (1)	164,842,349	234,068,559	253,216,128
Total Receipts	<u>\$ 254,767,398</u>	<u>\$ 327,684,527</u>	<u>\$ 348,426,094</u>
Guaranteed Entitlement for all Florida	<u>\$ 114,793,146</u>	<u>\$ 117,644,655</u>	<u>\$ 121,827,094</u>
Average Coverage - All Florida Municipalities	<u>2.22 x</u>	<u>2.79 x</u>	<u>2.86 x</u>
JEA Charter Revenue:			
JEA Charter Revenue - Electric Services	\$ 70,039,278	\$ 68,676,624	\$ 71,030,760
JEA Charter Revenue - Water and Sewer	13,148,260	17,260,920	17,656,788
Total JEA Charter Revenue	<u>\$ 83,187,538</u>	<u>\$ 85,937,544</u>	<u>\$ 88,687,548</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>2007</u>	<u>2008</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 616,030	\$ 573,449			
20,018,444	18,701,945			
<u>\$ 20,634,474</u>	<u>\$ 19,275,394</u>			
\$ 1,999,042	\$ 1,999,042			
<u>10.32 x</u>	<u>9.64 x</u>			
\$ 0	\$ 0			
19,008,047	17,066,682			
<u>\$ 19,008,047</u>	<u>\$ 17,066,682</u>			
\$ 5,826,077	\$ 5,826,077			
<u>3.26 x</u>	<u>2.93 x</u>			
<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	\$ 7,452,100	1.05 x	1.05 x
\$ 0	\$ 0			
11,193,756	10,949,509			
386,935,800	366,556,753			
<u>\$ 398,129,556</u>	<u>\$ 377,506,262</u>			
\$ 95,086,330	\$ 95,086,330			
<u>4.19 x</u>	<u>3.97 x</u>			
\$ 0	\$ 0			
93,497,331	90,580,061			
965,633	808,795			
253,836,699	240,467,686			
<u>\$ 348,299,663</u>	<u>\$ 331,856,542</u>			
\$ 124,699,266	\$ 124,697,122			
<u>2.79 x</u>	<u>2.66 x</u>			
\$ 73,100,460	\$ 73,846,764			
18,337,080	20,340,780			
<u>\$ 91,437,540</u>	<u>\$ 94,187,544</u>	\$ 10,370,473	9.08 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				
	1999	2000	2001	2002	2003
Revenue	\$ 15,615	\$ 16,900	\$ 15,486	\$ 16,225	\$ 15,543
Interest Revenue	2,802	3,491	2,725	2,854	1,349
Total Revenue	<u>\$ 18,417</u>	<u>\$ 20,391</u>	<u>\$ 18,211</u>	<u>\$ 19,079</u>	<u>\$ 16,892</u>
Unallocated Expenses	<u>\$ 1,121</u>	<u>\$ 1,106</u>	<u>\$ 1,387</u>	<u>\$ 1,705</u>	<u>\$ 1,712</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 10,200</u>	<u>\$ 9,574</u>	<u>\$ 10,882</u>	<u>\$ 11,180</u>	<u>\$ 11,725</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 1,434	\$ 1,795	\$ 2,122	\$ 2,756	\$ 2,938
One Year Later	2,603	3,199	4,455	5,568	5,644
Two Years Later	3,251	4,074	5,649	7,028	7,122
Three Years Later	3,549	4,515	6,697	8,039	7,675
Four Years Later	4,037	4,988	7,666	8,421	8,085
Five Years Later	4,295	5,246	8,099	8,811	8,566
Six Years Later	4,642	5,469	8,391	9,230	
Seven Years Later	4,857	5,801	8,647		
Eight Years Later	5,069	6,039			
Nine Years Later	5,779				
Reestimated incurred Claims and Expense:					
End of Policy Year	\$ 10,200	\$ 9,574	\$ 10,882	\$ 11,180	\$ 11,725
One Year Later	7,607	9,153	10,685	11,668	13,459
Two Years Later	7,102	8,123	11,075	12,356	13,162
Three Years Later	6,547	7,743	11,707	11,988	12,543
Four Years Later	6,571	7,673	11,824	12,560	13,906
Five Years Later	6,712	7,358	11,651	12,656	13,858
Six Years Later	6,949	8,473	12,376	12,376	
Seven Years Later	7,866	8,972	12,516		
Eight Years Later	7,896	8,993			
Nine Years Later	8,658				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (1,542)</u>	<u>\$ (581)</u>	<u>\$ 1,634</u>	<u>\$ 1,196</u>	<u>\$ 2,133</u>
Available Funding	\$ 18,417	\$ 20,391	\$ 18,211	\$ 19,079	\$ 16,892
Current Reestimated Incurred Claims and Expense	<u>(8,658)</u>	<u>(8,993)</u>	<u>(12,516)</u>	<u>(12,376)</u>	<u>(13,858)</u>
Excess (Deficit) Funding	<u>\$ 9,759</u>	<u>\$ 11,398</u>	<u>\$ 5,695</u>	<u>\$ 6,703</u>	<u>\$ 3,034</u>

**For the Year Ended September 30**

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 17,658	\$ 23,797	\$ 21,723	\$ 25,140	\$ 22,124
1,437	1,782	2,095	2,807	1,404
<u>\$ 19,095</u>	<u>\$ 25,579</u>	<u>\$ 23,818</u>	<u>\$ 27,947</u>	<u>\$ 23,528</u>
\$ 1,934	\$ 1,962	\$ 1,898	\$ 1,896	\$ 2,113
<u>\$ 10,766</u>	<u>\$ 12,824</u>	<u>\$ 11,799</u>	<u>\$ 10,451</u>	<u>\$ 13,091</u>
\$ 2,335	\$ 3,186	\$ 2,339	\$ 1,916	\$ 2,742
3,945	5,098	4,219	4,003	
4,405	5,893	4,755		
4,790	6,490			
5,271				
\$ 10,766	\$ 12,824	\$ 11,799	\$ 10,451	\$ 13,091
9,701	11,609	10,626	10,523	
8,482	11,537	9,941		
8,423	11,397			
8,734				
<u>\$ (2,032)</u>	<u>\$ (1,427)</u>	<u>\$ (1,858)</u>	<u>\$ 72</u>	<u>\$ -</u>
\$ 19,095	\$ 25,579	\$ 23,818	\$ 27,947	\$ 23,528
(8,734)	(11,397)	(9,941)	(10,523)	(13,091)
<u>\$ 10,361</u>	<u>\$ 14,182</u>	<u>\$ 13,877</u>	<u>\$ 17,424</u>	<u>\$ 10,437</u>

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

\$ 102,870

continued

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

	For the Year Ended September 30				
	1999	2000	2001	2002	2003
Revenue	\$ 4,423	\$ 4,587	\$ 5,217	\$ 5,473	\$ 5,541
Interest Revenue	874	1,122	933	1,025	547
Total Revenue	<u>\$ 5,297</u>	<u>\$ 5,709</u>	<u>\$ 6,150</u>	<u>\$ 6,498</u>	<u>\$ 6,088</u>
Unallocated Expenses	<u>\$ 1,220</u>	<u>\$ 1,169</u>	<u>\$ 1,567</u>	<u>\$ 1,549</u>	<u>\$ 1,461</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 3,117</u>	<u>\$ 3,079</u>	<u>\$ 4,096</u>	<u>\$ 3,619</u>	<u>2,989</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 625	\$ 683	\$ 968	\$ 984	\$ 720
One Year Later	868	928	1,359	1,249	956
Two Years Later	1,662	1,613	1,943	1,672	1,808
Three Years Later	2,372	2,152	2,394	2,306	2,176
Four Years Later	2,489	2,561	3,145	2,572	2,410
Five Years Later	2,576	2,808	2,957	2,829	2,795
Six Years Later	2,620	2,929	3,023	2,859	
Seven Years Later	2,621	3,735	3,042		
Eight Years Later	2,499	3,742			
Nine Years Later	2,499				
Reestimated incurred Claims and Expense:					
End of Policy Year	\$ 3,117	\$ 3,079	\$ 4,096	\$ 3,619	\$ 2,989
One Year Later	2,751	2,690	3,337	3,055	2,826
Two Years Later	3,094	2,768	3,414	2,912	3,128
Three Years Later	2,945	3,146	3,466	3,100	2,834
Four Years Later	2,881	3,263	3,388	3,011	2,777
Five Years Later	2,816	3,058	3,112	2,913	3,011
Six Years Later	2,865	3,773	3,060	2,865	
Seven Years Later	2,502	3,742	3,045		
Eight Years Later	2,499	3,770			
Nine Years Later	2,499				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (618)</u>	<u>\$ 691</u>	<u>\$ (1,051)</u>	<u>\$ (754)</u>	<u>22</u>
Available Funding	\$ 5,297	\$ 5,709	\$ 6,150	\$ 6,498	\$ 6,088
Current Reestimated Incurred Claims and Expense	<u>(2,499)</u>	<u>(3,770)</u>	<u>(3,045)</u>	<u>(2,865)</u>	<u>(3,011)</u>
Excess (Deficit) Funding	<u>\$ 2,798</u>	<u>\$ 1,939</u>	<u>\$ 3,105</u>	<u>\$ 3,633</u>	<u>\$ 3,077</u>

**For the Year Ended September 30**

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 6,748	\$ 7,880	\$ 6,496	\$ 6,980	\$ 8,283
592	601	666	855	510
<u>\$ 7,340</u>	<u>\$ 8,481</u>	<u>\$ 7,162</u>	<u>\$ 7,835</u>	<u>\$ 8,793</u>
<u>\$ 1,422</u>	<u>\$ 1,562</u>	<u>\$ 1,648</u>	<u>\$ 1,708</u>	<u>\$ 1,911</u>
<u>\$ 3,587</u>	<u>\$ 5,186</u>	<u>\$ 4,651</u>	<u>\$ 4,365</u>	<u>\$ 5,994</u>
\$ 737	\$ 1,166	\$ 1,063	\$ 857	\$ 1,495
1,318	2,024	1,709	1,371	
2,349	3,344	2,294		
2,741	3,821			
2,929				
\$ 3,587	\$ 5,186	\$ 4,651	\$ 4,365	\$ 5,994
3,568	5,487	3,913	3,779	
3,533	5,261	3,627		
3,430	5,005			
3,198				
<u>\$ (389)</u>	<u>\$ (181)</u>	<u>\$ (1,024)</u>	<u>\$ (586)</u>	<u>\$ -</u>
\$ 7,340	\$ 8,481	\$ 7,162	\$ 7,835	\$ 8,793
(3,198)	(5,005)	(3,627)	(3,779)	(5,994)
<u>\$ 4,142</u>	<u>\$ 3,476</u>	<u>\$ 3,535</u>	<u>\$ 4,056</u>	<u>\$ 2,799</u>

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

\$ 32,560

continued





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## 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.....	252-253
Fund Balances, Governmental Funds.....	254
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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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Principal Property Tax Payers.....	262-263
Property Tax Levies and Collections.....	264-265

#### Debt CapaCity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Ratios of General Bonded Debt Outstanding to Actual Taxable Value of Property and Per Capita.....	272
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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 SEVEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2008</u>	<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 debt	\$1,000,539	(3) \$1,063,627	\$900,373	\$786,614	\$725,464	\$529,265	(2) \$(320,321) (1)
Restricted .....	82,096	41,702	103,733	120,823	118,224	154,165	43,894
Unrestricted.....	(391,825)	(4) (259,189)	(127,555)	(163,353)	(110,337)	22,856	287,606
<b>Total governmental Activities net assets</b>	<b>\$ 690,810</b>	<b>\$ 846,140</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 debt	\$ 108,100	(3) \$ 16,341	\$ 13,375	\$ 13,742	\$ 12,289	\$ 14,258	(2) \$ 234,802
Restricted	8,601	8,274	13,045	15,497	13,591	12,714	11,929
Unrestricted.....	21,437	(4) (105,181)	(118,120)	(104,700)	539	17,701	24,346
<b>Total business type activities net assets</b>	<b>\$ 138,138</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 debt	\$1,108,639	\$1,079,968	\$913,748	\$800,356	\$737,753	\$543,523	\$ (85,519) (1)
Restricted .....	90,697	49,976	116,778	136,320	131,815	166,879	55,823
Unrestricted.....	(370,388)	(364,370)	(245,675)	(268,053)	(109,798)	40,557	311,952
<b>Total primary government net assets .....</b>	<b>\$ 828,948</b>	<b>\$ 765,574</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).

(3) The City transferred \$404,898 of capital assets associated with the sports venues from Governmental Activities to Business Type Activities.

(4) The Pollution Remediation Liability of \$162,710, previously considered a liability of Business Type Activities, was reclassified to a liability of Governmental Type Activities.

**CITY OF JACKSONVILLE, FLORIDA**  
**CHANGES IN NET ASSETS (in thousands)**  
**LAST SEVEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2008</u>	<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.....	\$ 174,777	\$ 201,186	\$ 194,406	\$ 160,341	\$ 191,705	\$ 168,844	\$ 112,505
Human services.....	102,076	108,738	106,755	107,588	100,120	101,974	95,609
Public safety.....	511,009	472,531	429,207	414,490	367,308	334,977	332,829
Culture and recreation.....	67,054	93,197	84,527	88,875	60,955	73,523	47,832
Transportation.....	178,949	316,261	216,674	236,998	129,734	299,785	91,594
Economic environment.....	77,460	77,440	74,030	83,832	74,889	77,375	81,615
Physical environment.....	125,984	69,211	55,605	52,097	44,732	9,460	13,400
Payments to component units.....	-	-	-	-	-	-	58,585
Interest on long term debt.....	102,835	94,114	92,682	90,738	92,477	68,656	55,745
<b>Total governmental activities expenses.....</b>	<b>\$ 1,340,144</b>	<b>\$ 1,432,678</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.....	\$ 3,921	\$ 6,340	\$ 4,975	\$ 5,116	\$ 4,298	\$ 3,621	\$ 3,497
Sports complex.....	-	-	25,964	25,088	21,995	15,528	20,471
Motor vehicle inspections.....	462	482	439	555	451	577	706
Storm Water Services.....	69,230	-	-	-	-	-	-
Solid Waste.....	55	71,240	92,935	83,506	77,588	69,098	65,323
Mayport Ferry.....	-	1,937	2,346	1,943	2,063	2,040	1,871
Jacksonville Municipal Stadium.....	11,850	11,732	-	-	-	-	-
Veterans Memorial Arena.....	8,055	7,750	-	-	-	-	-
Baseball Stadium.....	1,297	1,135	-	-	-	-	-
Performing Arts.....	3,264	3,959	-	-	-	-	-
Convention Center.....	3,681	3,443	-	-	-	-	-
Equestrian Center.....	1,449	1,309	-	-	-	-	-
<b>Total business type activities expenses.....</b>	<b>\$ 103,264</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>\$ 1,443,408</b>	<b>\$ 1,542,005</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.....	\$ 102,011	\$ 79,232	\$ 95,672	\$ 87,297	\$ 55,329	\$ 54,715	\$ 54,848
Public safety.....	47,233	45,825	45,670	40,517	42,398	39,087	8,592
Other activities.....	12,523	18,304	11,491	8,459	7,357	10,313	5,866
Operating grants and Contributions.....	178,438	180,149	158,673	175,722	83,649	85,013	86,833
Capital grants and contributions.....	56,230	52,112	76,072	50,241	67,970	31,210	26,453
<b>Total governmental activities programs revenues</b>	<b>\$ 396,435</b>	<b>\$ 375,622</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.....	39,892	39,123	44,093	41,120	39,903	37,421	35,987
Other Activities.....	25,737	20,317	5,570	4,441	4,054	4,335	4,448
Operating grants and Contributions.....	-	-	-	-	220	49	229
Capital grants and contributions.....	-	-	-	-	-	-	1,371
<b>Total business type activities revenue.....</b>	<b>\$ 65,629</b>	<b>\$ 59,440</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>\$ 462,064</b>	<b>\$ 435,062</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 SEVEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2008	2007	2006	2005	2004	2003	2002
<b>Net (expense)revenue</b>							
Government Activities .....	\$ (943,709)	\$ (1,057,056)	\$ (866,308)	\$ (872,723)	\$ (805,217)	\$ (914,256)	\$ (707,122)
Business Type activities .....	(37,635)	(49,887)	(60,992)	(54,042)	(48,703)	(40,876)	(40,255)
<b>Total primary government net expense</b>	<b>\$ (981,344)</b>	<b>\$ (1,106,943)</b>	<b>\$ (927,300)</b>	<b>\$ (926,765)</b>	<b>\$ (853,920)</b>	<b>\$ (955,132)</b>	<b>\$ (747,377)</b>
<b>General revenues and other changes in net assets</b>							
<b>Government Activities:</b>							
Property taxes.....	\$ 477,368	\$ 465,918	\$ 408,942	\$ 365,456	\$ 343,870	\$ 327,388	\$ 312,551
Utility service taxes.....	114,392	104,634	104,259	99,463	95,629	95,976	93,978
Sales and tourist taxes.....	179,645	181,621	196,257	184,172	163,107	157,925	151,561
Intergovernmental - unrestricted.....	185,041	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.....	15,263	34,033	44,380	23,759	33,741	22,894	26,743
Miscellaneous.....	48,976	63,772	52,912	43,610	26,771	28,109	20,275
Special item - refunded state bonds.....	-	-	-	-	(79,218)	-	-
Transfers.....	(232,306)	(29,704)	(36,212)	(35,301)	(25,723)	190,184	(27,215)
<b>Total general revenues, special items, and transfers</b>	<b>\$ 788,379</b>	<b>\$ 1,026,645</b>	<b>\$ 998,775</b>	<b>\$ 883,669</b>	<b>\$ 832,282</b>	<b>\$1,067,403</b>	<b>\$ 814,076</b>
<b>Business type activities</b>							
Intergovernmental .....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117
Unrestricted earnings on investments.....	2,516	6,165	4,765	3,368	2,594	2,729	2,787
Sales and tourist taxes.....	12,695	12,520	-	-	-	-	-
Miscellaneous.....	8,822	12,632	3,776	1,488	2,132	1,927	2,542
Special item - pollution remediation & settlement	-	-	-	(87,995)	-	-	-
Transfers.....	232,306	29,704	36,212	35,301	25,723	(190,184)	27,215
<b>Total business type activities.....</b>	<b>\$ 256,339</b>	<b>\$ 61,021</b>	<b>\$ 44,753</b>	<b>\$ (47,838)</b>	<b>\$ 30,449</b>	<b>\$ (185,528)</b>	<b>\$ 32,661</b>
<b>Total primary government .....</b>	<b>\$1,044,718</b>	<b>\$1,087,666</b>	<b>\$1,043,528</b>	<b>\$835,831</b>	<b>\$862,731</b>	<b>\$84,798</b>	<b>\$266,866</b>
<b>Changes in net assets:</b>							
Governmental activities .....	\$ (155,330)	\$ (30,411)	\$ 132,467	\$ 10,946	\$ 27,065	\$ 153,147	\$ 106,954
Business type activities .....	218,704	11,134	(16,239)	(101,880)	(18,254)	(226,404)	(7,594)
<b>Total primary government .....</b>	<b>\$ 63,374</b>	<b>\$ (19,277)</b>	<b>\$ 116,228</b>	<b>\$ (90,934)</b>	<b>\$ 8,811</b>	<b>\$ (73,257)</b>	<b>\$ 99,360</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)**  
**LAST SEVEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>General Fund</b>							
Reserved .....	\$ 57,317	\$ 57,507	\$ 53,935	\$ 14,728	\$ 18,736	\$ 11,640	\$ 14,745
Unreserved .....	40,841	26,476	23,974	48,267	70,373	46,104	46,835
<b>Total General Fund .....</b>	<u>\$ 98,158</u>	<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 .....	\$ 312,341	\$ 393,177	\$ 388,723	\$ 448,536	\$ 696,431	\$ 542,300	\$ 490,181
Unreserved, reported in:							
Special revenue funds .....	181,662	185,307	176,468	148,054	113,134	95,859	73,762
Capital Projects funds .....	(24,510)	(38,688)	17,731	48,064	1,127	106,756	140,785
Permanent fund .....	195	194	188	178	176	174	170
<b>Total all other governmental funds .....</b>	<u>\$ 469,688</u>	<u>\$ 539,990</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 SEVEN FISCAL YEARS**  
**(modified basis of accounting)**

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Revenue</b>							
Property taxes.....	\$ 477,368	\$ 465,918	\$ 408,942	\$ 365,456	\$ 343,870	\$ 327,388	\$ 312,551
Utility Service taxes.....	114,392	104,634	104,259	99,463	95,629	95,976	93,978
Sales and tourist taxes.....	179,645	181,621	196,257	184,172	163,107	157,925	151,561
Licenses and permits.....	27,356	8,867	10,509	9,045	8,524	8,473	10,238
Intergovernmental.....	286,492	299,696	314,959	302,213	297,639	264,146	327,358
Charges for services.....	128,570	128,391	134,977	121,036	85,789	84,424	74,309
Fines and forfeitures.....	5,841	6,103	7,347	6,192	10,771	11,218	10,946
Payment in lieu of taxes.....	94,188	95,151	88,688	85,938	83,188	81,376	2,984
Interest.....	15,346	31,101	41,384	21,676	34,489	20,404	23,118
Other.....	47,443	63,772	52,912	43,609	26,771	28,109	20,275
<b>Total Revenue.....</b>	<b>\$1,376,641</b>	<b>\$1,385,254</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.....	\$ 162,202	\$ 152,894	\$ 136,815	\$ 139,092	\$ 117,428	\$ 109,494	\$ 102,169
Human services.....	100,858	107,651	105,979	107,104	100,212	99,206	94,375
Public safety.....	502,305	474,120	427,478	412,054	358,964	341,473	327,634
Culture and recreation.....	59,096	72,993	72,924	78,066	78,392	59,538	49,592
Transportation.....	164,918	163,433	148,107	141,195	130,473	118,073	128,928
Economic environment.....	72,433	76,991	72,270	78,323	68,675	74,242	78,241
Physical environment.....	20,539	21,874	19,307	21,215	19,271	18,435	25,608
Capital outlay.....	216,770	351,581	302,583	259,078	337,896	557,727	259,486
Debt service:							
Principal.....	74,365	66,294	64,774	53,320	47,415	31,210	35,960
Interest and fiscal charges.....	102,423	96,907	95,365	93,074	79,183	59,445	52,675
Other - cost of issuance.....	1,607	1,759	1,085	1,773	4,033	7,935	4,415
<b>Total Expenditures.....</b>	<b>\$1,477,516</b>	<b>\$1,586,497</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>\$ (100,875)</b>	<b>\$ (201,243)</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.....	\$ 584,893	\$ 190,455	\$ 114,170	\$ 18,319	\$ 371,775	\$ 620,496	\$ 341,910
Premium on special obligation bonds payable....	3,587	4,097	1,693	-	-	12,136	5,833
Discount on special obligation bonds payable....	-	-	-	-	(2,778)	-	(1,409)
Payment to escrow agent - refunded bonds.....	(410,460)	-	(41,457)	(40,668)	-	(172,346)	(123,854)
Transfers in.....	219,862	192,537	214,270	208,115	232,249	185,557	168,233
Transfers out.....	(245,238)	(222,892)	(249,031)	(232,209)	(232,721)	(211,895)	(190,906)
<b>Total Other Financing Sources(Uses):</b>	<b>\$ 152,644</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>\$ 51,769</b>	<b>\$ (37,046)</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>14.06%</b>	<b>11.66%</b>	<b>12.81%</b>	<b>12.25%</b>	<b>12.80%</b>	<b>9.05%</b>	<b>10.21%</b>





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**STATISTICAL SECTION – REVENUE CAPACITY**

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

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Year	Real Property					Centrally Assessed Property (1)
	Residential Real Property	Commercial Real Property	Industrial Real Property	Other Real Property	Personal Property	
2007	31,686,651	13,394,365	3,199,698	5,338,289	7,899,162	167,104
2008	36,941,849	15,093,348	3,777,631	6,643,841	8,305,449	177,308

(1) Centrally assessed property is primarily railroad property and private car line property, which must be separately assessed.

(2) Estimated actual values are the total "just" values of property subject to taxation, as defined by Section 193.011 of the Florida Statutes.

Note: \* The information in the schedule is presented to conform with the requirements to GASB statement 44. Prior to the change in format, real assessed values were presented in aggregate. Additionally, all assessed value columns were presented net of tax exempt property. The City is not able to present data in the current format prior to 2007. Additionally information presented for 2007 and 2008 differ from the original final tax roll due to subsequent Value Board Adjustment modifications.

Source: Property Appraiser's Office

Unaudited - see accompanying independent auditors' report.

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<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Values (2)</u>	<u>Assessed as a Percentage of Actual Values</u>
14,055,282	47,629,987	9.6400	70,926,829	67.15%
15,713,214	55,226,212	8.4841	83,838,185	65.87%

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(continued)

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

Year	City of Jacksonville				Overlapping Rates			
	District (Note 1)	Operating Millage	Debt Service Millage	Total City Millage	Other Taxing Authorities			Combined Millage Total
					Total School Millage	Water Management District Millage	FIND Millage (Note 3)	
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	0.0385	19.7400
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
2008	GSD (4)	8.4841	0.0000	8.4841	7.7550	0.4158	0.0345	16.6894

(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.

(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

Source: Property Appraiser's Office

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Unaudited - see accompanying independent auditors' report.



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**CITY OF JACKSONVILLE, FLORIDA  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT AND NINE YEARS AGO**

Taxpayer	Type of Business	2008		
		Valuation	Rank	Percentage
AT&T/Bell South/Communications .....	Communications	\$455,501,336	1	0.75%
FDG Properties/Flagler Development Company .....	Real Estate Mgmt/Development	384,520,304	2	0.63%
Anheuser-Busch/Metal Container Corp .....	Manufacturing	304,077,607	3	0.50%
Vistakon/Johnson & Johnson Vision .....	Manufacturing	246,630,623	4	0.40%
Wal-Mart Properties/Stores .....	Retail	239,275,131	5	0.39%
St Johns Town Center LLC.....	Retail	228,388,756	6	0.37%
Liberty Property Limited Partnership .....	Real Estate Mgmt/Development	197,625,530	7	0.32%
Blue Cross & Blue Shield .....	Insurance	180,057,281	8	0.29%
Mid America Apartments .....	Apartments	167,468,756	9	0.27%
Cedar Bay Generating Co. ....	Utilities	158,599,113	10	0.26%
Nations Bank .....	Banking			
AT&T/American TransTech .....	Telemarketing			
Jacksonville Port Authority.....	Marine and Aviation Facilities			
Florida Power & Light Company .....	Utilities			
Gran Central Corp.....	Real Estate Owner/Developer			
Total Taxable Assessed Value of 10 Largest Taxpayers ....		\$2,562,144,437		4.20%
Total Taxable Assessed Value of Other Taxpayers .....		58,507,185,109		95.80%
Total Taxable Assessed Value of All Taxpayers .....		\$61,069,329,546		100.00%

Note: Back in 1999 BellSouth and AT&T were separate companies. Since then AT&T bought out BellSouth to become one company.  
 Source: Tax Collector's Office

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1999		
<u>Valuation</u>	<u>Rank</u>	<u>Percentage</u>
\$612,139,766	1	2.38%
304,918,894	3	1.18%
184,585,109	7	0.72%
175,295,894	8	0.68%
222,477,991	4	0.86%
336,503,939	2	1.31%
207,741,005	6	0.81%
218,188,774	5	0.85%
170,260,688	9	0.66%
147,191,023	10	0.57%
<u>\$2,579,303,083</u>		<u>10.02%</u>
<u>23,162,499,917</u>		<u>89.98%</u>
<u><u>\$25,741,803,000</u></u>		<u><u>100.00%</u></u>

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(continued)



**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>
1999	General Fund - General Services District	\$ 275,432,033	\$ 272,396,641	98.9%
2000	General Fund - General Services District	\$ 287,849,421	\$ 283,056,247	98.3%
2001	General Fund - General Services District	\$ 303,152,394	\$ 300,591,772	99.2%
2002	General Fund - General Services District	\$ 317,428,233	\$ 313,861,386	98.9%
2003	General Fund - General Services District	\$ 336,340,414	\$ 328,521,941	97.7%
2004	General Fund - General Services District	\$ 348,345,910	\$ 344,796,332	99.0%
2005	General Fund - General Services District	\$ 367,688,578	\$ 365,687,691	99.5%
2006	General Fund - General Services District	\$ 425,627,429	\$ 408,738,240	96.0%
2007	General Fund - General Services District	\$ 488,288,058	\$ 469,695,411	96.2%
2008	General Fund - General Services District	\$ 496,920,528	\$ 479,028,328	96.4%

(1) Tax levies are final certified amounts net of discounts allowed. The discount schedule is as follows:

For taxes paid in:

- November - 4%
- December - 3%
- January - 2%
- February - 1%

Source: Tax Collector's Office

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Collections in Subsequent Years	Total Collections to date	
	Amount	Percentage of Levy
\$ 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%
\$ 741,088	\$ 470,436,499	96.3%
\$ -	\$ 479,028,328	96.4%

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Unaudited - see accompanying independent auditors' report.



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**STATISTICAL SECTION – DEBT CAPACITY**

**CITY OF JACKSONVILLE, FLORIDA**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**TO PERSONAL INCOME AND PER CAPITA**  
**LAST TEN YEARS**  
*(dollars in thousands, except per capita)*

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<b>Government Activities</b>				
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Special Obligation Bonds</b>	<b>Special Obligation Bonds - BJP</b>	<b>Notes Payable</b>
<b>1999</b>	2,285	697,915	-	19,425
<b>2000</b>	1,755	718,300	-	16,565
<b>2001</b>	1,195	689,010	397,710	13,025
<b>2002</b>	605	881,440	395,395	11,165
<b>2003</b>	-	998,466	804,425	9,375
<b>2004</b>	-	1,035,101	1,093,855	8,980
<b>2005</b>	-	955,206	1,081,805	8,520
<b>2006</b>	-	985,840	1,064,210	7,995
<b>2007</b>	-	985,015	1,147,120	7,360
<b>2008</b>	-	783,085	1,237,130	6,630

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**Government Activities (continued)**

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<b>Notes Payable - BJP</b>	<b>Commercial Notes Payable</b>	<b>Internal Service Fund's Bond and Notes Payable</b>	<b>Capitalized Lease Obligations</b>	<b>Due to Component Units</b>
-	60,000	-	466	1,200
-	60,000	-	239	800
-	60,000	-	-	400
-	60,000	-	18,444	-
-	-	-	19,455	-
-	-	-	18,882	-
18,319	-	58,565	991	-
15,920	-	72,205	144	-
57,426	-	72,205	952	-
66,414	-	153,730	609	-

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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)*

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			
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	-	1,469,983	0.062	1,821.51
2003	76,234	723	24,724	-	1,933,402	0.078	2,337.99
2004	72,109	751	31,104	-	2,260,782	0.086	2,700.93
2005	67,990	767	44,003	-	2,236,166	0.081	2,602.13
2006	63,465	705	43,050	-	2,253,534	0.078	2,528.67
2007	57,560	714	46,600	-	2,374,952	0.078	2,644.79
2008	207,010	693	46,943	-	2,502,244	0.081	2,765.00

(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**

---

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Redevelopment Bonds	Total		
1999	\$ 2,785,000	\$ -	\$ 2,785,000	0.07 %	\$ 3.58
2000	2,285,000	-	2,285,000	0.05	2.89
2001	1,755,000	-	1,755,000	0.04	2.21
2002	1,195,000	-	1,195,000	0.02	1.48
2003	605,000	-	605,000	0.01	0.73
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-

(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, 2008**

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As of September 30, 2008 the City of Jacksonville has no direct and overlapping debt as net general obligation bonds reported in preceding years were paid off.

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**CITY OF JACKSONVILLE, FLORIDA  
LEGAL DEBT MARGIN INFORMATION  
as of September 30, 2008**

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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)*

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**Excise Tax Revenue Bonds**

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<b>Fiscal Year</b>	<b>Utility Service Taxes</b>	<b>Fuel Oil Taxes</b>	<b>Occupational License Taxes</b>	<b>Gross Available Revenues</b>	<b>Debt Service</b>		<b>Coverage</b>
					<b>Principal</b>	<b>Interest</b>	
<b>1999</b>	71,584	232	6,675	78,490	13,602	16,585	2.60
<b>2000</b>	73,341	245	6,721	80,307	16,320	16,476	2.45
<b>2001</b>	78,486	287	6,910	85,683	17,860	16,248	2.51
<b>2002</b>	87,710	164	7,089	94,964	19,155	14,586	2.81
<b>2003</b>	89,604	163	7,493	97,260	16,845	16,185	2.94
<b>2004</b>	89,364	107	7,320	96,791	23,080	17,072	2.41
<b>2005</b>	92,848	113	8,143	101,104	26,120	17,320	2.33
<b>2006</b>	97,284	229	8,809	106,322	28,570	17,388	2.31
<b>2007</b>	97,833	92	7,618	105,543	31,205	21,578	2.00
<b>2008</b>	107,531	71	7,932	115,533	32,930	21,100	2.14

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**Capital Improvement Revenue Bonds**

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Franchise Fees	Communication Services Taxes	Sports Facility Sales Tax Rebate	Convention Development Tax (2%)	Sports Facility		Gross Available Revenues	Debt Service		Coverage
				Tourist Development Tax (2%)			Principal	Interest	
6,469	-	2,000	3,059	3,285	14,813	1,245	5,556	2.18	
7,199	-	2,000	3,134	3,365	15,698	630	6,103	2.33	
7,846	-	1,833	3,475	3,738	16,892	725	6,073	2.48	
2,763	6,104	2,000	3,524	3,780	18,171	1,360	6,024	2.46	
926	6,209	2,000	3,611	3,895	16,641	1,475	9,189	1.56	
1,152	6,158	2,000	3,847	4,155	17,311	1,610	11,642	1.31	
1,276	6,502	2,000	4,800	5,108	19,686	1,750	10,441	1.61	
1,710	6,746	2,000	5,201	5,530	21,187	2,215	8,530	1.97	
1,335	6,709	2,000	5,118	5,402	20,565	3,675	7,733	1.80	
1,132	6,790	2,000	5,197	5,498	20,618	3,775	7,631	1.81	

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(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN YEARS**  
*(dollars in thousands)*

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<b>Capital Project Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>JEA Charter Revenue Electric Services</b>	<b>JEA Charter Revenue Water and Sewer</b>	<b>Gross Available Revenues</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
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
2008	73,847	20,341	94,188	2,495	4,262	13.94

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(continued)

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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	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
1,999	5,826	7,825	2,250	5,165	1.06

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(continued)

**CITY OF JACKSONVILLE, FLORIDA**  
**PLEGDED 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	
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
2008	77,529	9,815	7,351	4.52	70,262	19,844	27,948	1.47

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**Transportation Revenue Bonds (Better Jax)**

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Transportation Sales Tax	Gas Tax (Constitutional Fuel Tax)	Gross Available Revenues	Debt Service		Coverage
			Principal	Interest	
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
72,339	8,856	81,195	2,595	24,408	3.01

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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) (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>Education level in Years of Schooling (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment rate (4)</b>
1999	778,341	\$ 20,616,898	\$ 26,666	N/A	N/A	126,354	3.2%
2000	791,507	\$ 22,548,896	\$ 28,920	34.1	12.97	125,832	3.3%
2001	793,898	\$ 22,828,124	\$ 28,879	34.1	N/A	126,919	4.2%
2002	807,012	\$ 23,651,670	\$ 29,498	34.2	13.01	128,118	5.7%
2003	826,951	\$ 24,788,824	\$ 30,546	34.6	13.16	129,553	5.5%
2004	837,037	\$ 26,371,290	\$ 32,175	35.0	13.22	127,469	5.2%
2005	859,361	\$ 27,689,855	\$ 32,221	35.4	13.26	126,535	4.2%
2006	891,192	\$ 29,074,347	\$ 32,624	35.5	13.35	125,171	3.0%
2007	897,974	\$ 30,528,064	\$ 33,997	36.1	13.16	125,063	3.9%
2008	904,971	\$ 30,844,161	\$ 34,022	35.3	13.25	125,403	6.4%

**Source:**

- (1) Office of Economic and Demographic Research
- (2) U.S. Census Bureau
- (3) Duval County Public Schools, Budget Department
- (4) U.S. Department of Labor - Bureau of Labor Statistics

**Notes:**

N/A = Statistical information is not available  
 2005 - 2008 population, total personal income, per capita personal income, and education level are estimates.

**CITY OF JACKSONVILLE, FLORIDA  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR**

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<b>EMPLOYER</b>	<b>2008</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of total City Employment</b>
Naval Air Station Jacksonville	25,245	1	3.68%
Duval County Public Schools	14,489	2	2.11%
Naval Air Station Mayport	10,000	3	1.46%
City of Jacksonville	8,828	4	1.29%
Baptist Health	8,100	5	1.18%
Blue Cross & Blue Shield	7,000	6	1.02%
Mayo Clinic	5,000	7	0.73%
CitiBank(Citi-Cards)	4,600	8	0.67%
CSX	4,400	9	0.64%
Bank of America	4,000	10	0.58%

Notes:

- (1) Information current as of November 2008
- (2) Prior year information from nine years ago is not available.

Source: Jacksonville Cornerstone Regional Development Partnership  
 Florida Agency for Workforce Innovation

**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									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government .....	1,681	1,493	1,545	1,451	1,608	1,575	1,596	1,554	1,507	1,465
Human Services .....	207	376	421	275	283	256	207	201	202	213
Public Safety .....	4,467	4,493	4,522	4,505	4,093	4,069	3,953	3,897	3,832	3,723
Culture and Recreation .....	562	769	809	706	693	556	482	452	432	421
Transportation .....	518	421	445	478	471	470	472	466	467	484
Economic Environment .....	32	77	97	104	96	94	94	91	86	92
Physical Environment .....	231	156	161	137	133	124	122	151	144	148
Parking System .....	51	44	47	31	32	76	29	29	28	29
Motor Vehicle Inspection .....	12	9	9	10	9	11	12	11	12	12
Solid Waste .....	153	170	203	160	163	163	162	175	174	174
<b>Total</b>	<b>7,914</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>

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					
	2008	2007	2006	2005	2004	2003
<b>Police</b>						
Average Daily Police Calls for service .....	5,045	4,738	4,605	4,660	4,450	4,208
Traffic citations issued .....	216,644	220,569	208,825	208,292	212,726	234,591
Total sworn officers .....	1,704	1,665	1,591	1,609	1,622	1,622
Total civilians .....	1,348	1,335	1,236	1,125	1,175	1,118
Average daily population by institution						
John E Goode Pretrial Detention Facility .....	2,578	2,536	2,322	2,247	2,206	2,139
James I. Montgomery Correctional Center .....	677	718	747	744	698	602
Community Corrections Division .....	297	314	312	337	306	333
<b>Fire/Rescue</b>						
Fire incidents .....	21,667	20,835	19,604	19,336	22,538	18,221
Rescue incidents .....	92,150	92,875	89,260	88,041	83,841	78,649
Rescue transports .....	51,013	49,340	45,110	44,533	42,280	38,635
Fire /Rescue Communication(9-1-1)						
No. of calls for emergency assistance .....	113,817	113,710	108,864	107,377	106,379	96,870
Fire prevention						
No. of inspection .....	8,406	8,411	10,351	14,106	12,457	7,459
No. of public education participants .....	70,388	46,195	48,722	35,278	26,421	15,221
<b>Solid Waste</b>						
Refuse collections (tons per day) .....	2,591	2,731	3,173	3,252	3,046	2,849
Recyclables collected(tons per day) .....	505	490	493	586	568	490
<b>Motor Vehicle</b>						
Number of vehicles inspected .....	10,929	10,895	11,196	11,229	10,430	13,872
<b>Animal Care and Control</b>						
Complaints received .....	16,138	16,491	34,398	32,520	30,987	36,523
Animals impounded .....	25,368	26,642	25,870	20,497	17,586	18,518
License tags dispensed .....	65,318	65,369	64,648	89,646	72,354	97,258
<b>Housing</b>						
Community Development Block Grant(CDBG)						
Limited Repair Program .....	44	55	53	37	44	55
Utility top-in Program .....	88	78	81	96	N/A	N/A
Façade program .....	3	6	20	10	8	13
Home Ownership Made Easy(HOME)						
Head Start Homeownership .....	105	111	46	78	174	165
Home-American Dream .....	27	6	33	36	N/A	N/A
Elderly Relocation/New Construction .....	1	4	4	4	1	N/A
State Housing Initiative Partnership(SHIP)						
Home Owner Rehabilitation .....	28	6	26	156	310	17

Source: City of Jacksonville Annual Financial plan  
Various City Departments

Notes: N/A=Statistical Information is not available

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FISCAL YEAR			
2002	2001	2000	1999
4,277	3,964	3,964	3,700
240,364	248,001	233,071	194,595
1,584	1,579	1,579	1,552
1,107	1,095	1,095	1,082
1,986	1,955	1,955	1,920
548	570	570	559
313	294	294	280
19,607	20,198	19,333	18,448
75,332	72,648	70,144	66,421
36,834	35,484	34,097	N/A
94,939	92,844	89,477	84,869
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
2,015	2,693	2,489	2,151
348	476	438	494
17,703	17,970	18,498	18,451
26,011	19,892	19,892	38,220
17,422	20,000	20,000	19,640
87,614	74,100	74,100	70,000
66	77	70	108
N/A	88	74	N/A
18	19	N/A	N/A
144	183	191	220
N/A	N/A	N/A	N/A
1	N/A	N/A	N/A
27	35	73	94

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**CITY OF JACKSONVILLE, FLORIDA  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS (continued)**

Function/Program	FISCAL YEAR					
	2008	2007	2006	2005	2004	2003
<b>Parks and Recreations</b>						
Pool Attendance .....	411,354	428,403	466,321	462,817	592,622	615,392
Camp Attendance .....	2,082	5,094	4,956	5,013	6,487	5,998
Swimming lesson(children) .....	4,444	5,529	4,458	4,447	4,687	4,129
Permits issued(Athletic, special use, picnic) .....	1,696	1,912	3,322	1,694	189	N/A
Cecil Attendance .....	269,046	264,833	211,320	173,144	164,603	N/A
Athletic volunteers .....	1,081,745	912,550	1,082,695	668,260	469,872	N/A
<b>Jacksonville Children's Commission</b>						
Early Learning Coalition-Child Care Service .....	12,844	13,018	13,547	13,394	13,881	15,649
Team UP Programs .....	4,722	4,129	3,987	5,267	5,002	4,300
Community Based After school programs .....	2,507	2,409	2,365	2,596	2,142	2,649
Summer Camperships .....	3,524	4,083	4,972	6,861	6,216	5,430
<b>Summer Lunch Program</b>						
Lunches served daily .....	340,838	340,213	323,571	289,627	447,238	468,019
Snacks served daily .....	299,416	275,421	272,656	233,040	381,061	407,918
Number of sites .....	201	157	175	157	231	236
Number of days served .....	49	57	47	43	46	44
<b>Early Literacy</b>						
Mayor Peyton Book Club .....	8,900	8,818	8,399	8,365	4,000	N/A
Others .....	5,531	6,800	7,851	5,329	1,000	N/A
Workforce Dev Training Institute .....	3,713	1,500	1,142	2,718	3,699	2,600
<b>Library</b>						
Programs .....	11,194	11,417	9,243	6,874	4,827	4,824
Gate count .....	4,829,892	4,703,234	4,365,463	3,768,611	3,461,025	3,102,184
Circulation .....	8,824,972	8,378,103	7,948,860	6,145,880	5,460,107	5,212,422

Source: City of Jacksonville Annual Financial plan  
 Various City Departments

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FISCAL YEAR			
2002	2001	2000	1999
500,229	493,131	523,837	488,023
5,716	N/A	N/A	N/A
4,054	4,558	5,491	5,139
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
13,113	9,350	9,447	9,910
5,128	2,418	4,825	2,600
7,201	21,744	25,480	34,035
7,832	4,916	5,116	3,439
481,259	482,570	476,094	463,758
422,129	438,851	426,252	417,174
239	232	200	200
40	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
3,024	3,024	2,919	3,533
2,885,356	2,542,511	2,324,911	2,222,142
4,773,855	4,315,518	4,021,675	3,738,166

**CITY OF JACKSONVILLE, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year					
	2008	2007	2006	2005	2004	2003
<b>Police</b>						
Vehicular Patrol units						
Patrol Cars .....	1,468	1,468	1,418	1,418	1,208	1,164
Motorcycles .....	20	16	16	16	16	16
Other Vehicles .....	164	160	160	222	241	184
Unmarked .....	285	255	255	255	345	381
Horse Patrol .....	6	6	6	6	6	6
<b>Fire Protection</b>						
Stations .....	52	50	52	50	50	47
Marine Based stations .....	2	2	2	2	2	2
Rescue Units .....	31	31	30	30	24	24
<b>Parks and Recreation</b>						
Boat ramps .....	22	22	29	29	21	21
Community Center .....	65	65	53	53	57	30
Softball and Baseball Diamonds .....	210	210	277	277	283	267
Swimming pools .....	35	35	35	35	34	33
Tennis Courts .....	156	156	158	158	146	149
Soccer Fields .....	68	64	76	76	73	57
<b>Street</b>						
Miles of the streets .....	3,603	3,570	3,534	3,489	3,449	3,403
Street - paved (miles) .....	3,599	3,566	3,530	3,485	3,445	3,396
Street - unpaved (miles) .....	4	4	4	4	4	7
Street Maintained Primary (miles) .....	372	372	372	371	371	373
Interstate (miles) .....	95	95	95	95	95	95
<b>Parking</b>						
Downtown parking garages capacity .....	2,576	2,576	2,280	2,280	2,240	2,240
Downtown parking lots capacity .....	1,262	1,262	1,530	1,530	1,554	1,554
On Street meters .....	1,450	1,500	1,600	1,600	1,546	1,506
<b>Solid Waste</b>						
No. of city landfills in operation .....	1	1	1	1	1	1
No. of city yard waste recycling .....	1	1	2	2	2	2
<b>Community Services</b>						
Senior Citizen Centers .....	18	18	18	18	19	21
Passenger busses .....	26	26	26	26	24	24
<b>Library</b>						
Facilities .....	21	21	21	20	18	14
Square footage .....	785,046	785,046	785,046	785,046	417,061	362,061
No. of items held(books, DVD's, CD's, etc) ...	3,113,359	3,071,780	2,856,089	2,682,984	3,057,024	2,407,711

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>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
1,144	1,122	1,115	1,060
17	17	15	15
178	150	150	148
352	357	341	328
7	7	5	5
47	47	50	50
2	2	2	2
17	21	21	21
25	23	21	21
47	30	55	55
213	209	223	223
33	33	31	31
135	127	144	144
30	27	28	N/A
3,403	3,351	3,351	3,324
3,396	3,347	3,347	3,320
7	4	4	4
373	363	363	520
95	95	95	99
2,330	2,330	2,318	2,238
1,830	1,830	1,742	1,670
1,750	1,750	1,652	2,000
1	1	1	1
2	2	2	2
21	21	21	21
23	24	23	22
14	14	14	14
356,721	356,721	356,721	356,721
2,386,165	2,325,780	2,308,039	2,370,531

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