

CITY OF JACKSONVILLE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001



PREPARED BY THE DEPARTMENT OF ADMINISTRATION AND FINANCE
ACCOUNTING DIVISION

City of Jacksonville, Florida

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2001

TABLE OF CONTENTS

INTRODUCTORY SECTION

LETTERS OF TRANSMITTAL	i - xx
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	xxii
ORGANIZATIONAL CHART	xxiii
LISTING OF CITY OFFICERS, CONSTITUTIONAL OFFICEHOLDERS, AND CITY COUNCIL OFFICIALS AND STAFF	xxiv - xxv

FINANCIAL SECTION

REPORT OF INDEPENDENT ACCOUNTANTS.....	1 - 3
----------------------------------------	-------

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED STATEMENTS

Combined Balance Sheet - All Fund Types, Account Groups, and Component Units.....	6 - 11
Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds, and Similar Discretely Presented Component Units	12 - 13
Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual - All Budgeted Governmental Fund Types	14 - 15
Combined Statement of Revenue, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types, Similar Trust Funds, and Similar Discretely Presented Component Units	16 - 19

FINANCIAL SECTION (CONTINUED)

Combined Statement of Cash Flows - All Proprietary Fund
Types, Nonexpendable Trust Funds and Similar Discretely
Presented Component Units 20 - 23

Statement of Plan Net Assets24

Statement of Changes in Plan Net Assets25

COMPONENT UNITS

Combining Balance Sheet - Discretely Presented Component Units -
Governmental Fund Types 28 - 29

Combining Statement of Revenue, Expenditures, and Changes
in Fund Balances - Discretely Presented Component Units -
Governmental Fund Types 30 - 31

Combining Balance Sheet - Discretely Presented Component Units -
Proprietary and Similar Fund Types..... 32 - 35

Combining Statement of Revenue, Expenses, and Changes
in Retained Earnings - Discretely Presented Component Units -
Proprietary and Similar Fund Types..... 36 - 37

Combining Statement of Cash Flows - Discretely Presented Component Units -
Proprietary and Similar Fund Types..... 38 - 39

NOTES TO FINANCIAL STATEMENTS 41 - 164

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Employer Contributions -
General Employees Retirement System166

Schedule of Employer Contributions -
Police and Fire Retirement System167

Schedule of Funding Progress -
General Employees and Police and Fire Retirement Systems.....168

FINANCIAL SECTION (CONTINUED)

**COMBINING INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS,
AND SUPPLEMENTAL INFORMATION**

GOVERNMENTAL FUND TYPES

GENERAL FUND

Balance Sheet - General Fund.....	170
Statement of Revenue, Expenditures and Changes in Fund Balances - General Fund	171

SPECIAL REVENUE FUNDS

Combining Balance Sheet - All Special Revenue Funds.....	176 - 179
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - All Special Revenue Funds.....	180 - 183
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - All Budgeted Special Revenue Funds	184 - 193

DEBT SERVICE FUNDS

Combining Balance Sheet - All Debt Service Funds.....	196
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - All Debt Service Funds.....	197

CAPITAL PROJECTS FUNDS

Combining Balance Sheet - All Capital Projects Funds.....	200 - 201
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - All Capital Projects Funds.....	202 - 203

PROPRIETARY FUND TYPES

ENTERPRISE FUNDS

Combining Balance Sheet - All Enterprise Funds	206 - 209
Combining Statement of Revenue, Expenses and Changes in Retained Earnings (Deficit) - All Enterprise Funds.....	210 - 211
Combining Statement of Cash Flows - All Enterprise Funds.....	212 - 215

FINANCIAL SECTION (CONTINUED)

INTERNAL SERVICE FUNDS

Combining Balance Sheet - All Internal Service Funds	218 - 221
Combining Statement of Revenue, Expenses and Changes in Retained Earnings - All Internal Service Funds	222 - 223
Combining Statement of Cash Flows - All Internal Service Funds	224 - 227

FIDUCIARY FUND TYPES

TRUST AND AGENCY FUNDS

Combining Balance Sheet - All Trust and Agency Funds	232 - 233
Statement of Revenue, Expenses and Changes in Fund Balances - Fiduciary Funds - Nonexpendable Trust Funds	234
Statement of Revenue, Expenditures and Changes in Fund Balances - Fiduciary Funds - Expendable Trust Fund	235
Combining Statements of Changes in Assets and Liabilities - Fiduciary Funds - All Agency Funds	236 - 238
Statement of Cash Flows - Nonexpendable Trust Funds	239

ACCOUNT GROUPS

Schedule of Changes in General Fixed Assets - By Source	242
Schedule of General Fixed Assets - By Function and Activity	243
Schedule of Changes in General Fixed Assets - By Function and Activity	244
Statement of General Long-Term Obligations	246

FINANCIAL SECTION (CONTINUED)

SUPPLEMENTAL INFORMATION

Schedule of Long-Term Bonded Indebtedness 248 - 251

Schedule of Debt Service Requirements Compared
to Cash in Sinking Fund Long-Term Obligations 252 - 253

Schedule of Debt Service Requirements to Maturity -
General Obligation Bonds Payable from Ad Valorem Taxes.....254

Schedule of Debt Service Requirements to Maturity -
Special Obligation Bonds Payable from Specific Revenue
Sources Other Than Ad Valorem Taxes 255 - 262

Schedule of Debt Service Requirements to Maturity -
Special Obligation Bonds Payable from Specific Revenue
Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan263

Schedule of Debt Service Requirements to Maturity -
Payable from Enterprise Funds 264 - 265

Schedule of Debt Service Requirements to Maturity -
Payable from General Revenue..... 266 - 268

Summary of Pledged Revenues and Bond Coverage
Disclosure Obligation 270 - 273

STATISTICAL SECTION (UNAUDITED)

General Governmental Revenues..... 276 - 277

General Governmental Expenditures 278 - 279

Tax Revenue by Source 280 - 281

Property Tax Levies and Collections 282 - 283

Assessed and Estimated Actual Values of Taxable Property284

Property Tax Rates - Direct and Overlapping Governments285

Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net Bonded Debt per Capita286

STATISTICAL SECTION (UNAUDITED) (CONTINUED)

Computation of Direct and Overlapping General Obligation Bonded Debt	287
Legal Debt Limit.....	287
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures.....	288
Revenue Bond Coverage.....	290 - 291
Property Value, Construction and Bank Deposits	292
Demographic Statistics	293
Ten Largest Taxpayers.....	294
Miscellaneous Statistical Data	295
Fund Conversion Table.....	296 - 303

LETTERS OF TRANSMITTAL



OFFICE OF THE MAYOR

JOHN A. DELANEY
MAYOR

117 W. DUVAL STREET
JACKSONVILLE, FL 32202

Dear Members of the City Council and Citizens of Jacksonville:

It is my pleasure to submit to you the City of Jacksonville's Comprehensive Annual Financial Report for the fiscal year 2000/2001.

The year 2001 was an exciting one for Jacksonville. The City continued efforts to improve public services, strengthen neighborhoods, manage growth and preserve our natural assets. And the City of Jacksonville was awarded the Governor's Sterling Award for its outstanding efforts toward continuous improvement.

Efficiencies in city government continued to provide greater resources for critical needs such as social services, children's programs, land acquisition and the arts. Our employees are committed to an efficient and responsive government, and through this document, the City of Jacksonville is proud to offer residents a full disclosure of the City's financial status. Sound and prudent financial management is a key component of any effective organization, and this report clearly reflects the City of Jacksonville's commitment to responsible public service.

I hope you will find this document useful, and I look forward to continuing to work with you to make Jacksonville's local government the most responsive and efficient city government in America, and Jacksonville, the best place in the nation to live, work and raise a family.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Delaney", with a stylized flourish underneath.

John A. Delaney



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DEPARTMENT OF ADMINISTRATION AND FINANCE

Office of the Director



March 29, 2002

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

Introduction

The Comprehensive Annual Financial Report (Report) of the City of Jacksonville, Florida (the City), for the fiscal year ended September 30, 2001 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the City. The Report fulfills the requirements set forth in the City Charter, Section 5.11; Chapter 166.241, Florida Statutes and Chapter 10.550 Rules of the Florida Auditor General, requiring publication of financial statements which have been audited by independent auditors.

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

Report Format. The Comprehensive Annual Financial Report is presented in three sections: Introductory; Financial, including the report of independent auditors, general purpose financial statements and the combining statements and individual fund and account group financial statements and schedules; and Statistical, containing unaudited financial and other data of an economic, financial and demographic nature for prior and current years. The Notes to Financial Statements, in the financial section, are necessary for an understanding of the information included in the statements. They include the summary of significant accounting policies and other necessary disclosures of matters relating to the financial position of the City.

Financial Reporting Entity. The financial reporting entity includes all funds and account groups 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

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Recipient of the 2001 Governor's Sterling Award

statement purposes, are either blended with the activities of the City or discretely presented. The criteria used to determine whether an organization should be a part of the City of Jacksonville's reporting entity were those outlined by the GASB under Statement No. 14, The Financial Reporting Entity. The criteria considered in establishing financial accountability, set forth in GASB Statement No. 14, include appointing a voting majority of the organization's governing body and either (1) the ability to impose its will on the organization or (2) the potential for the organization to provide specific benefits to or to impose financial burdens on the City. Also included are component units where the nature and significance of their relationship with the City are such that their exclusion would cause the general purpose financial statements to be misleading or incomplete.

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

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

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

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

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

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

The Charter provides for a strong mayor-council form of government. Legislative authority is vested with a 19-member council; 14 members are elected by district and 5 members are elected at-large to serve for four-year terms. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations and borrowings, licensing and regulating of businesses and trades, and other municipal purposes. The City's Chief Executive Officer is the Mayor, elected to a four-year term. The Mayor has the power to veto any legislation passed by Council with certain limited exceptions. The present term of the elected Mayor and members of the City Council expires on June 30, 2003. To conform to the

traditional organization of county governments within the State of Florida, the City retained the elected constitutional offices of Sheriff, Property Appraiser, Tax Collector, Supervisor of Elections, and the Clerk of the Circuit Court.

Economic Condition and Outlook

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

Summary of local economy:

Population Growth: The Jacksonville MSA population increased from 1,100,491 in 2000 to 1,115,000 in 2001, a 1.3% increase. Of the Jacksonville MSA, St. Johns County experienced the greatest increase in population with a 2.4% increase. Duval County’s population increased from 791,507 to 793,896, an increase of 1.0%. With a median age of 34.1, Jacksonville is the “youngest” major city in Florida.

Employment: The Jacksonville MSA continues to possess a strong labor force. Over the past two years, there have been over 36,000 jobs created in the Jacksonville MSA, for a growth rate of almost 7%. The service industry employment leads the way with 30% of the total employment, with retail and total government at 21% and 10%, respectively. The unemployment rate remains a low 4.3%. The average yearly wage in 2001 for Duval County was \$32,220.

Employment by Industry

INDUSTRY TITLE	EMPLOYMENT 2001	PROJECTED	PROJECTED	
		EMPLOYMENT 2009	TOTAL	ANNUAL CHANGE PERCENT
Total All Industries	500,700	579,326	9,828	1.96
Agriculture, Forestry, and Fishing, Total	5,493	6,477	123	2.24
Mining, Total	247	220	(3)	(1.37)
Construction, Total	24,581	26,405	228	0.93
Manufacturing, Total	31,174	32,707	192	0.61
Transportation, Communications, and Public Utilities, Total	36,304	41,936	704	1.94
Wholesale and Retail Trade, Total	107,301	120,420	1,640	1.53
Finance, Insurance, and Real Estate, Total	57,144	69,100	1,495	2.62
Services, Total	148,985	185,218	4,529	3.04
Government, Total	51,436	54,869	429	0.83
Self-Employed and Unpaid Family Workers	38,035	41,974	492	1.29

Source: Florida Agency for Workforce Innovation, Occupational Employment Projections

2001 Economic Activity

The Cornerstone Division of the Jacksonville Chamber of Commerce announced 29 business projects in 2001, which retained a total of 8 jobs and brought 9,033 new jobs to the area. Private capital investment associated with these projects totaled \$240 million.

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

Company Name	Type of Business	Projected New Jobs	Capital Investment
Tree of Life	Company Headquarters	115 (new)	\$21,000,000
AmeriCredit	Customer Service Center	538 (new)	12,000,000
Aetna U.S. Healthcare	Transaction Processing Center	No new jobs	26,800,000
TNT Logistics North America	Logistics Management Headquarters	75 (new)	25,000,000
Cendant Corp.	Billing Management	434 (new)	-
CRG West	Tier-2 Network Access Point	120 (new)	70,000,000
Visagent	Internet Based Food Broker	60 (new)	20,000,000
CitiStreet	Headquarters of Benefits Outsourcing Division	200 (new)	-
Craig/is	Headquarters of Insurance Business Process Outsourcing	250 (new)	2,000,000
BJ's Wholesale Club	Southeast Regional Headquarters and Distribution Center	267 (new)	29,000,000

The Jacksonville International Airport serviced over 5 million passengers in 2001. This total reflects a 36.9% increase since 1996 and reflects the City's position as an emerging tourist and business center.

Retail sales in the Jacksonville MSA declined slightly with a reported \$14.7 billion in 2000 as compared to \$14.3 billion in 2001, a 2.5% decrease.

Retail Sales 2000-2001 (in thousands)

<u>Jacksonville MSA</u>	<u>2000</u>	<u>2001</u>	<u>% Change</u>
Duval County	\$ 11,266,358	\$ 10,976,070	(2.6%)
Clay County	1,598,195	1,522,354	(4.9%)
Nassau County	499,724	465,583	(7.3%)
St. Johns	1,310,383	1,356,246	3.5%
TOTAL	<u>\$ 14,674,660</u>	<u>\$ 14,320,253</u>	(2.5%)

Future Economic Activity

The strength of Jacksonville's economy lies in its uniquely diversified structure, not heavily dependent on any one major employer or employment sector. The community enjoys a natural location for distribution and warehousing activities. Quality lifestyle, labor force, and cultural/educational/medical facilities are key resources in the market's ability to sustain continued high growth in 2002 and beyond. The following listing from various sources highlights the community:

- *Expansion Management* magazine has ranked Jacksonville as the #1 **“Hottest City” in America for business relocation** in its January 2002 issue. Jacksonville has ranked in the **top ten for four straight years** and is the **only city to be ranked #1 twice**.
- In the September 2001 issue of *Expansion Management* magazine, Jacksonville was ranked **sixth in the Top 100 Logistics Friendly Cities**.
- In the February 2001 issue of *Expansion Management* magazine, Jacksonville has been ranked in the **Top 15% of all metro areas in the U.S. for Fiber Optic Connectivity**.
- The University of North Florida was ranked in the **Top Southern Public Universities** in the annual *U.S. News 2001 College Rankings report*.
- JEA, the electric, water and sewer authority for Jacksonville, was **ranked among the top electric utilities** in the Southern Region in terms of customer satisfaction in J.D Power & Associates 2001 Electric Utility Residential Customer Satisfaction Study.
- In the annual report of the **“Top 40 Real Estate Markets”** in the August 2001 issue of *Expansion Management* magazine, Jacksonville was ranked **fourteenth** out of 329 metropolitan areas studied.
- According to a study in the March 13, 2000 issue of *Newsweek*, Stanton College Prep was ranked the **number one high school in the nation**. Three area schools made the list and Duval County was the **only school district to have two schools ranked in the Top Ten**.
- The Florida Department of Transportation named Jacksonville International Airport **commercial services airport of the year** in 2001. Jacksonville’s Herlong Airport was recognized as the state's **best general aviation airport of the year**.
- Jacksonville was ranked **the eleventh best small metro area for entrepreneurial businesses** in the December 2000 issue of *Inc.* magazine
- Florida Community College Jacksonville was ranked by *Yahoo Internet Life* online magazine as the **third most “wired” community college** in the nation for 2000.
- In its July 10-17, 2000 issue, *The Industry Standard* ranked Jacksonville as the **26th “most connected” urban market in the U.S. and 1st in Florida**. According to their research, 47% of adults in Jacksonville use the Internet at home or at work.
- *The Industry Standard* also ranked Jacksonville **18th in terms of e-commerce usage out of the entire nation and 1st in Florida**. According to the magazine, 19% of adults shop or buy online in Jacksonville.
- In the February 2000 issue of *Florida Trend*, Jacksonville was ranked the **25th “Most Wired” city in America**. Jacksonville ranks **first in Florida in terms of bandwidth per 1,000 population**
- According to OneSource Information Services, Jacksonville is ranked in the **Top Ten Cities for High-Tech Jobs in the Southeast** (April 2000)
- *Expansion Management* magazine ranks Jacksonville as the **5th Least Expensive Downtown Office Market in the U.S.** in their Corporate Real Estate 2000 magazine.

Major Initiatives

The City of Jacksonville received the Governor's Sterling Award in June 2001. Based on the criteria for the national Malcolm Baldrige Award, the prestigious Sterling Award recognizes Jacksonville as a model of an efficient government committed to a philosophy of continuous improvement benefiting the city's residents.

Work is well under way on The Better Jacksonville Plan. The \$2.2 billion growth management initiative includes improvements to roads and infrastructure, environmental protection, targeted economic development as well as new and improved public facilities. Information on a number of initiatives, including The Better Jacksonville Plan, follows:

The Better Jacksonville Plan

The Better Jacksonville Plan is a comprehensive growth management strategy that provides road and infrastructure improvements, environmental preservation, targeted economic development and new and improved public facilities. The Plan is funded through a half-penny sales tax and by leveraging existing revenue sources.

With \$1.5 billion set aside for road and infrastructure improvements, neighborhoods in all parts of the City will see a direct benefit from the Plan. Further, targeted economic development will encourage job growth in areas that have lagged in development opportunities. The Plan includes funding to improve the environment through land preservation, enhancing neighborhood parks, and sewer infrastructure in critical areas. Finally, the Plan seeks to provide residents with quality public facilities and includes funding for improved neighborhood libraries as well as a new main library, sports and entertainment arena, baseball park and county courthouse.

The Better Jacksonville Plan marries all of these key elements into a design that will encourage and support responsible and managed growth while creating a better quality of life for all of Jacksonville's residents.

An integral piece of The Better Jacksonville Plan is the accountability measure that is actually a part of the legislation. The ordinance calls for a Finance Administration Committee and a Program Administration Committee. In addition, the Mayor reports quarterly to a Citizens Oversight Committee.

Government Efficiency

Total Quality Government. The City of Jacksonville's strategic plan provides a road map for achieving the City's vision and mission. Major areas of focus are effective, responsive customer-focused government, families, neighborhoods and schools, growth management, promoting Jacksonville as a green community and economic development. Some of these initiatives are further highlighted in this section. Resources are allocated based on these key areas of focus. In addition, departments continue to review their key service processes in an ongoing effort to improve and better meet customer needs.

Tax Cut. In fiscal year 2000/2001, Mayor Delaney again reduced the property tax rate. This seventh consecutive property tax cut reduced the millage to its lowest rate in two decades. The tax cuts have saved taxpayers \$90 million dollars over seven years.

Neighborhoods

Intensive Care Neighborhoods. The City continues to focus services and resources on six targeted neighborhoods in Jacksonville. The plan aims to improve learning environments for kids, enhance infrastructure, improve recreational opportunities as well as improve public safety, social services and housing

Neighborhoods Department. The City's Neighborhoods Department serves as a model for cities throughout the nation. With neighborhood coordinators assigned to the six planning districts, the department helps residents navigate through area problems and resolve them. In addition, the department helps organize residents to improve their own communities. Through the Clean It Up, Green It Up Division, residents join together for more than 1,000 neighborhood cleanups each year. The Mayor celebrated the planting of one million trees in five years.

Growth Management/Environment

Preservation Project

In January 1999, Mayor Delaney established the Preservation Project, a major land acquisition initiative. It is designed to manage growth, preserve environmentally sensitive lands, improve water quality and access to the city's unique natural areas.

The Preservation Project was launched with a vision of setting aside 10 to 20 square miles of developable land in Duval County within five years. In just two years, the city and its partners have set aside more than 33 square miles, creating one of the largest urban park systems in the nation. The City of Jacksonville initially committed \$21 million to the program, and voters, through The Better Jacksonville Plan, added another \$50 million to the program in September 2000. The balance of the funds is raised through state, federal and private sources.

St. Johns River. Designated in 1998 by the President of the United States as an American Heritage River, the St. Johns River continues to play a critical role in the everyday life of our community. Mayor Delaney meets regularly with federal, state and local officials to ensure that the needs of the river are met. The City and other river partners continue to commit time and resources to restore the river and its water quality. A number of these agencies are also working together to eliminate septic tanks in sanitary nuisance areas and help homeowners hook up to sewer lines.

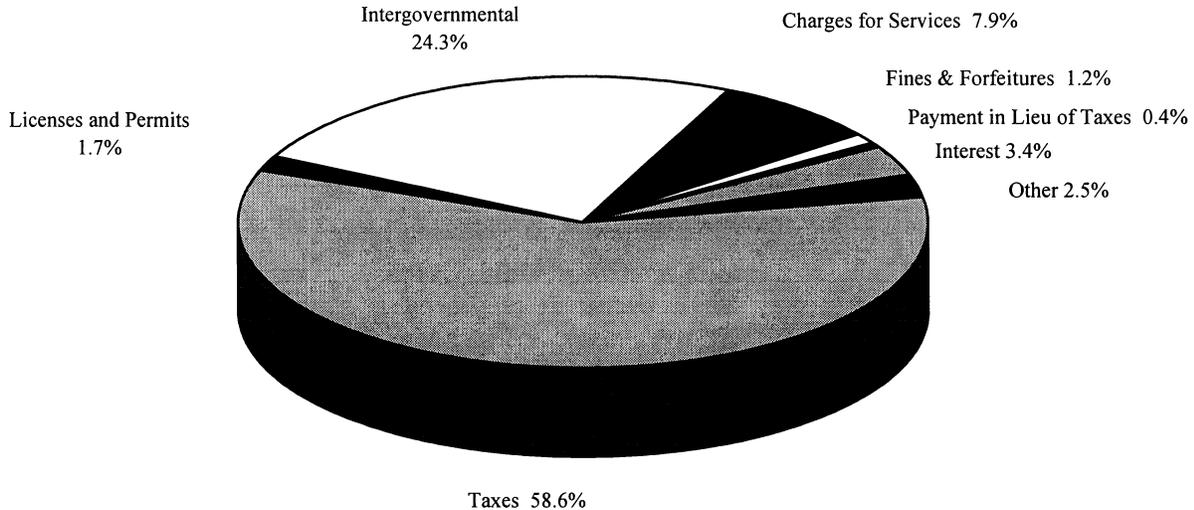
General Governmental Functions

The City's general governmental activities are accounted for in four fund types. The fund types are as follows: the General Fund, the Special Revenue Fund, the Debt Service Fund, and the Capital Projects Fund.

Revenues. Revenues for general governmental functions totaled \$865.1 million in fiscal year 2001, an increase of \$55.5 million, or 6.9%, over 2000. The amounts of revenue by source and the changes from last year are shown as follows (in thousands):

<u>Sources</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2000</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$507,253	58.6	\$43,249	9.3
Licenses and Permits	14,806	1.7	836	6.0
Intergovernmental	210,053	24.3	7,903	3.9
Charges for Services	68,394	7.9	6,092	9.8
Fines and Forfeitures	10,415	1.2	477	4.8
Payment in Lieu of Taxes	3,344	0.4	(239)	(6.7)
Interest	29,496	3.4	(368)	(1.2)
Other	21,361	2.5	(2,429)	(10.2)
Total	<u>\$865,122</u>	<u>100.0</u>	<u>\$55,521</u>	6.9

GENERAL GOVERNMENTAL REVENUES



Taxes, the largest source of City revenue, include ad valorem property taxes, utility service taxes, local option sales and gas taxes, and convention and tourism development taxes. This category reported a 9.3% increase in 2001, or \$43.2 million, over last year largely due to a new one-half cent sales tax that was passed by Jacksonville citizens to fund the Better Jacksonville Plan. The City's strong revenue tax base is represented by increases in ad valorem taxes of \$16.6 million to a total of \$299.3 million in 2001. Over the last six years, taxable assessed values have increased by \$9.3 billion, as the City lowered the millage rate to 10.5723 mills, the lowest rate since 1980. In addition, the budgets for the past ten fiscal years 1991-92 to 2000-01 were prepared under a budgetary policy that sets a 3% tax cap on ad valorem revenues excluding new construction for any year over the ad valorem taxes of the previous year.

Intergovernmental revenues account for the City's second largest source of revenue. Growth in this category also reflects an improved Jacksonville economy. The collection of intergovernmental revenues for the fiscal year ended September 30, 2001, totaled \$210.1 million, an increase of \$7.9 million, or 3.9%, over fiscal year 2000. Approximately \$1.5 million of the increase was from the Federal Emergency Management Agency (FEMA) to reimburse the City for disaster relief expenditures incurred during hurricane Floyd.

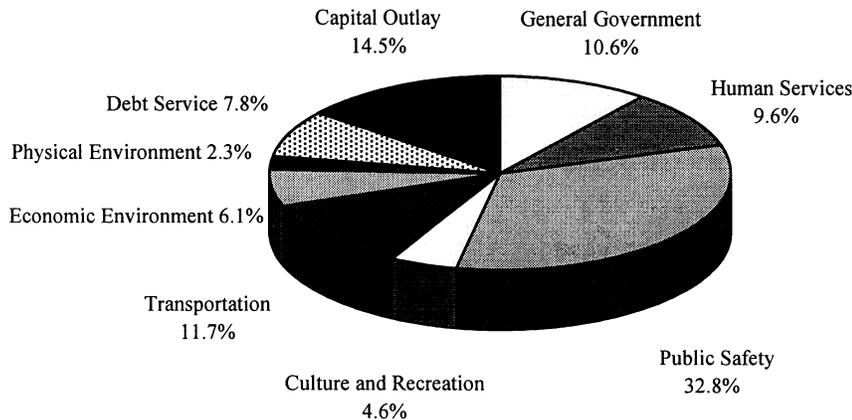
Charges for services increased \$6.1 million, or 9.8% due to improved collection of ambulance service fees and court cost fees remitted to the General Fund.

The decrease of \$2.4 million in the Revenue category entitled Other is due to recording an allowance for Housing Rehabilitation and Home Investment loans that have a five-year forgiveness provision based on occupancy requirements.

Expenditures. Expenditures for general governmental functions totaled \$947 million in 2001, an increase of \$110 million, or 13.1%, over 2000. The amount of expenditures, including the increases (decreases) over the prior year are shown in the following tabulation (in thousands):

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2000</u>	<u>Percent of Increase (Decrease)</u>
General Government	\$ 100,232	10.6	\$ 7,951	8.6
Human Services	90,601	9.6	9,150	11.2
Public Safety	311,732	32.8	13,601	4.6
Culture and Recreation	44,018	4.6	3,293	8.1
Transportation	110,765	11.7	(8,976)	(7.5)
Economic Environment	57,411	6.1	14,115	32.6
Physical Environment	21,346	2.3	5,994	39.0
Debt Service	73,670	7.8	3,219	4.6
Capital Outlay	136,910	14.5	61,362	81.2
Total	<u>\$946,685</u>	<u>100.0</u>	<u>\$ 109,709</u>	13.1

GENERAL GOVERNMENTAL EXPENDITURES



The major component of governmental expenditure increase in FY 2001 was for Capital Outlay increases of 61.4 million, or 81.2% primarily due to funding for the Better Jacksonville Plan (BJP) projects. BJP infrastructure construction amounted to \$31.2 million and another \$14.9 million was used for preservation land purchases. Road funding of \$25 million from the Local Option Gas Program was reclassified from Transportation to BJP Capital Outlay.

Infrastructure improvements at Royal Terrace and additional funds provided for public service grants, Community Development Block Grants for Urban Core Enterprises, Fresh Ministries, Hollybrook homes, and Jax Housing Partnership increased economic environment activity \$14.1 million, or 32.6%.

Public Safety increased \$13.6 million, or an increase of 4.6% compared to FY 2000 as the Jacksonville Sheriff's Office (JSO) received additional funding for a net increase of 47 police service positions. The Fire and Rescue Department added 7 positions in fire prevention and administration. Fire and Rescue spent \$0.9 million for defibrillators for their emergency vehicles.

The Community Service Division promoted a higher quality of life by providing \$2 million in assistance to individuals and families in need. The Jacksonville Children's Commission administers various programs such as day care and after school by various private organizations. Activities like these resulted in an increased spending of \$9.1 million, or 8.6% in the Human Services function.

Physical Environment increased \$6 million, or 39%, due to reclassifying and increasing spending for Animal Care and Control, which provides shelter and care for stray pets. The City launched a campaign to keep Jacksonville Beautiful through projects such as median beautification, increased street sweeping, and reminder advertisements.

Boat ramps, nature trails, expansion and upgrading older parks, in addition to purchasing land for new parks are the primary reasons why culture and recreation increased \$3.3 million, or 8.1%.

Transportation decreased \$9 million, or 8.1%, due to road funding reclassification to BJP Capital Outlay. Part of the decrease was offset by an increase of \$8.9 million in accrued payables associated with the Local Option Gas Tax that will be reclassified when paid in FY2002 and increased expenditures in the Local Option one-half Cent Transportation subfund.

General Fund Balance. At September 30, 2001, the fund balance for the General Fund provided \$32 million for FY2002 budget appropriation, \$3.5 million for FY2002 budget stabilization, \$14.4 million for encumbrances, and \$6.3 million carry forward for capital projects.

Proprietary and Other Financial Operations

The City of Jacksonville has a number of enterprise operations. The largest are highlighted as follows:

Public Parking System. The Public Parking System manages and operates public parking facilities, both on street and off-street, within the City. This enterprise activity also provides for installation and maintenance of the parking meters and collection and management of revenues generated by the System. Results of operations indicate income before contributions and transfers for 2001 of \$305 thousand with charges for services of \$3.0 million. The Parking System experienced a net income of \$455 thousand.

Solid Waste Enterprise Fund. The Solid Waste Enterprise Fund is responsible for residential collection of garbage, yard waste, blue bin recycling, appliances, and tires. Solid Waste is also responsible for the City's landfill operations, yard waste facilities, recycling facilities, and monitoring all closed landfills in Duval County. Jacksonville is a leader in the State of Florida, recycling over 47% of the waste stream through blue bin recycling, yard waste composting, waste oil collection, tire and used appliance recycling, household hazardous waste collection and commercial recycling.

In 2001, the Solid Waste Disposal Enterprise Fund experienced a net income of \$10.5 million on operating revenue of \$35.6 million compared to a \$3.5 million net income on revenue of \$32.5 million in 2000.

At September 30, 2001, the estimated liability for landfill closure and postclosure care costs recorded in the Solid Waste Disposal Enterprise Fund was \$21.2 million compared to \$21.8 million as of September 30, 2000. It is the intent of the City to fund these costs through future operating revenues of the Solid Waste Disposal Enterprise Fund. Accordingly, a deferred charge for landfill closure and postclosure care of \$36.9 million has been established that will be recognized as an operating expense to the Fund as enterprise revenue is earned over future periods.

Internal Service Operations. The City has several internal service funds, which provide a variety of services to City agencies. These include fleet management, information and communications services, copy center, general counsel, and self-insurance and group insurance programs.

In fiscal year 2001, the City's internal service operations experienced charges for services of \$137.1 million. For 2001, the internal service funds reported a net loss of \$5.5 million compared to net income of \$13.6 million for 2000. This decrease was primarily due to claims and losses expenses increasing in the self-insurance fund for the estimated liability incurred but not reported claims. Excess equity of \$22.0 million in the self-insurance fund was transferred to the General Fund in FY2001 as compared to \$18.9 million transferred in FY 2000.

Pension Trust Funds. The City sponsors two public employee retirement systems administered by two separate and distinct pension Boards of Trustees that provide retirement, death, and disability benefits to 7,446 active City employees, 408 DROP participants for the Police and Fire Pension Plan and 5,537 retirees and beneficiaries at September 30, 2000. The General Employees Pension Plan (a multi-employer contributory defined benefit plan) covers substantially all full-time employees of the City and the JEA, a discretely presented component unit of the City, except for police officers and firefighters. The Police and Fire Pension Plan (a single-employer contributory defined benefit plan) covers eligible employees of the Office of the Sheriff and the Department of Fire and Rescue. In addition, certain City employees (less than 1% of total payroll) participate in the State of Florida Retirement System.

During fiscal year 2001, the net plan assets of the General Employees Pension Plan (\$1.4 billion at September 30, 2001) decreased a net of \$102.8 million. The net plan assets of the Police and Fire Pension Plan (\$727.7 million at September 30, 2001) decreased a net of \$87.2 million during fiscal year 2001, with the plan being 85.25% funded.

The City made all of its required contributions in 2001 to the respective pension funds in accordance with actuarially determined contribution requirements. The City's pension plans are further explained in Note 9 in the Notes to Financial Statements.

Debt Administration. The City's sound financial condition is evidenced by the continuation of its long-held high grade of bond ratings on indebtedness from the major credit rating services. Among the factors most commonly cited by these services in support of the "Aa2" rating from Moody's Investor Services on its general obligation debt include the following: (1) a well-diversified employment and tax base that provides a solid foundation to absorb future spending requirements; (2) moderate debt burden and well-managed finances; (3) sound financial condition; and (4) a consolidated city/county government structure. The City of Jacksonville also maintains an "A+" rating from Standard & Poor's, a "AA" rating from Fitch Ratings, and an "Aa3" rating from Moody's Investors Service on its revenue bond issues. During FY 2001, Moody's Investors Services upgraded the previous "A1" rating to "Aa3. The City continues to follow prudent fiscal policies and practices to maintain these strong credit ratings.

The City does not borrow for operating needs. All of its outstanding long-term indebtedness is for capital needs only. At September 30, 2001, the City of Jacksonville had \$1.2 million in general obligation bonds payable from ad valorem taxes, \$689 million in special obligation bonds payable from specific revenue sources other than ad valorem taxes, \$398 million in special obligation bonds payable from other specific revenue sources (Better

Jacksonville Plan), \$83 million in bonds payable from Enterprise Funds, and \$73 million in commercial paper and U.S. Government-Guaranteed Notes. The direct net debt per capita as of September 30, 2001, was \$1,567.

All required principal and interest payments on outstanding debt were remitted timely and in full. The reserve requirements and sinking fund remittances mandated by the bond covenants remain funded at the prescribed levels at September 30, 2001.

On April 24, 2001 the City closed on the sale of \$103,725,000 Local Government Sales Tax Refunding Revenue Bonds, Series 2001. The proceeds were used to defease with an advance refunding \$74,330,000 of previously outstanding Sales Tax Revenue Bonds, Series 1995 and \$29,650,000 of previously outstanding Sales Tax Revenue Bonds, Series 1996. As a result of the refunding, the City realized an economic gain of \$2,700,645 or 2.60% as a percentage of bonds refunded. The present value savings were used to lower future debt service.

On July 3, 2001, the City closed on the sale of \$42,485,000 in Excise Taxes Revenue Refunding Bonds, Series 2001A. The proceeds were used to defease with a current refunding \$43,090,000 of previously outstanding Excise Taxes Revenue Bonds, Series 1996B (AMT). As a result of the refunding, the City realized an economic gain of \$1,728,928 or 4.01% as a percentage of bonds refunded. The present value savings were used to lower future debt service.

The City issued the first bond issues in connection with the \$2.2 billion Better Jacksonville Plan. On June 5th, the City closed on \$218,430,000 Better Jacksonville Sales Tax Revenue Bonds, Series 2001. The issuance provided net proceeds of \$200,000,000 to fund the initial costs of \$750 million in roadway improvements, \$525 million in new public facilities, \$60 million in targeted economic development and \$165 million in environment/quality of life projects. The new public facilities to be built are a new main library, courthouse, arena and baseball stadium. This bond will be repaid by a recently enacted half-cent increase in the sales tax.

In addition, the City closed on June 5th on \$179,280,000 Transportation Revenue Bonds, Series 2001. The issuance provided net proceeds of \$140,000,000 to fund the initial costs of \$750 million in roadway improvements. In addition, \$15,866,500 was provided to defease \$15,000,000 in advance refunding of the State of Florida , Series 1992 issued on behalf of the Jacksonville Transportation Authority. As a result of the refunding, an economic gain was realized of \$790,869 or 5.27% as a percentage of bonds refunded. An existing half-cent sales tax and constitutional gas tax will repay these bonds.

The City anticipates future debt activity to continue funding the Better Jacksonville Plan, refinancing various bonds and additional needs for drainage and park improvements. In addition, the City has the opportunity to refinance several bond issues. These bonds will be refunded when the net value savings targets are met.

Cash Management. The City has a detailed written statement of investment policy which it follows. The investment goal of the City is to invest public funds in a manner which will earn a competitive yield on its portfolio, consistent with its primary function of safeguarding public assets by minimizing credit and market risks. Safety of principal is regarded as the foremost objective of the investment program. Maintaining sufficient liquidity is also an important investment objective. In keeping with this policy, at September 30, 2001, of the \$3.1 billion of cash and investments, \$2.9 billion are categorized under GASB Statement No. 3, Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements, as "Category 1," or the most secured custodial relationship. The remaining \$191.4 million, representing U.S. Government and Agency Securities and Repurchase Agreements held by a counterparty or its trust department not in the City's name, are categorized as "Category 3." These investments are stated at fair value. The City's investment policies are periodically reviewed for classification under the lowest risk category. The City's investment portfolio contains no derivative securities, floating rate securities, collateralized mortgage obligations or reverse repurchase agreements. Cash, investments, and the City's collateralizing process are further explained in Note 3 of the Notes to Financial Statements.

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

Earnings on investments, other than those held by the City's pension funds, totaled \$40.9 million during the fiscal year ended September 30, 2001. From this total, \$33.1 million was derived from a City-administered, commingled investment pool which generated a total weighted average yield of 4.923% on an average daily invested balance of \$673.2 million. The remaining \$7.8 million in earnings was derived from a variety of segregated investments and investment programs primarily linked to the investment of bond proceeds.

The City has a short-term investment horizon to minimize the level of market risk. At September 30, 2001, the general investment portfolio of government securities carried a weighted-average number of days to maturity of 277 days and a weighted average yield of 6.004%.

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

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

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

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

General Fixed Assets. The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of enterprise and internal service funds. In addition, they do not include infrastructure (roads, bridges, sidewalks, gutters and drainage, etc.). As of September 30, 2001, the original cost of general fixed assets of the City was \$633.6 million, which is considerably less than their replacement cost. This amount represents the valuation of general fixed assets in accordance with generally accepted accounting standards and the City's capitalization policy as described in Note 6 of the Notes to Financial Statements.

General Information

Discussion of Controls. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements, in conformity with generally accepted governmental accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgements by management.

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

The City's records are maintained on a modified accrual basis for all Governmental Fund Types. Accordingly, revenues are recognized when susceptible to accrual, i.e., both measurable and available. Expenditures, other than interest on long-term debt and compensated absences, are recorded as fund liabilities when incurred. The accrual basis of accounting is utilized by all Proprietary Fund Types. Fiduciary Fund Types include expendable trust, non-expendable trusts, pension trust, and agency funds. The measurement focus of the expendable trust funds is the same as for governmental funds. The measurement focus of the pension trust funds and non-expendable trust funds are similar to proprietary funds. Agency funds are purely custodial and thus do not involve measurement of results of operations.

Budget System. Detailed provisions regulating the City's budget, tax levies, and appropriations are set in the Laws of Florida, in the City Charter, and in the City's Ordinance Code. The Mayor is required to submit his appropriations budget, called "The Mayor's Proposed Budget," to Council by the second Tuesday in July of each year. The Mayor's Proposed Budget is to comply with state and local legal requirements for a balanced financial plan of operation for the government which coincides with and is limited to the City's fiscal year. As a financial plan, the Mayor's Proposed Budget identifies revenues and other financial resources which are anticipated to be available for appropriations, makes recommendations for appropriations, expenditures and uses of financial resources, and otherwise presents concise policy direction and guidance for the continuing financial operation of the City. At the beginning of each new fiscal year the Council adopts a balanced annual budget in the form of an ordinance which contains estimated revenues and other financing sources, appropriations, authorizations of full time positions and temporary employee hours, and any amendments to the Ordinance Code which relate to the Annual Budget.

The Annual Budget includes the activities of the General Fund, certain individual Special Revenue Funds, the Proprietary Fund Types, and certain Fiduciary Fund Types. Project-length or program financial plans, which may not coincide with the City's fiscal year, or which may exceed a single annual period are adopted by separate ordinance for individual Capital Project Funds and other individual Special Revenue Funds. Budgets are not formally adopted for individual Debt Service Funds, since internal spending controls are set by compliance with bond covenant requirements. Also not budgeted are certain Expendable Trust Funds, Nonexpendable Trust Funds and Pension Trust Fund accounts, where existing legal requirements obviate the need for formal budgets, or the City has elected to use internal spending controls established by management instead of formally-adopted budgets.

The City maintains budgetary control (that is, the level at which expenditures cannot legally exceed appropriations) at the fund level. Lower levels within each individual fund are accounted for and reported internally. Such lower levels are referred to as objects (personnel services, supplies, capital outlay, etc.) within

each division. Estimated expenditure amounts must be encumbered prior to release of purchase orders to vendors and finalization of other contracts. Encumbrances which would exceed their available object level appropriation are not approved or recorded until either the Mayor and/or City Council authorizes additional funding or transfers. Encumbrances outstanding at year-end are reported as reservations of fund balance and are reappropriated as part of the following year's annual budget. Unencumbered appropriations lapse at the end of each fiscal year unless carried forward by ordinance.

Independent Audit. The City Charter, Section 5.11, and Chapter 166.241 Florida Statutes, require the City's financial statements to be audited by an independent firm of certified public accountants selected by the City Council. This requirement has been complied with, and the report of the independent auditors, rendered by Ernst & Young LLP, is included in the financial section of this report. The audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards set forth by the Comptroller General of the United States. The financial statements of certain component units were audited by other auditors as described in the Ernst & Young LLP audit opinion.

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

Reporting Achievements. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jacksonville for its comprehensive annual financial report for the fiscal year ended September 30, 2000. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Jacksonville has received this Certificate for twenty-one consecutive years (fiscal years 1980 through 2000). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Use of the Report and Acknowledgments. The Report represents the thirty-third (1969 - 2001) Comprehensive Annual Financial Report of the City audited by a nationally recognized firm of certified public accountants, since the City of Jacksonville and Duval County Governments were consolidated on October 1, 1968. Approximately 350 copies of this report will be distributed. In addition to citizens of the community, the recipients will include city, state, and federal officials; university students; schools; libraries; newspapers; investment banking firms; banks and rating agencies.

The Report will be made available to any person or organization requesting it. The extensive effort of preparation and distribution of this report fulfills the Department of Administration and Finance's goal of full disclosure of the City's finances. We are committed to issuing reports that are informative and meet the highest standards of

governmental accounting and financial reporting. Reports that meet these standards provide the reader with an opportunity to make more informed judgements about the government's financial position and results of operations.

The 2001 Comprehensive Annual Financial Report represents our commitment to this goal and could not have been prepared without the efficient and dedicated efforts of the entire staff of the Department of Administration and Finance - Accounting Division and Treasury Division, who devoted many hours in compiling and assembling the report. We also wish to express our appreciation to all other City personnel who have contributed to its preparation. In addition, we thank the City's independent auditors, 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 Delaney, Council President Matt Carlucci, and Councilperson Reggie Fullwood, Finance Committee Chairman, and other members of the City Council, for their strong and effective leadership and continued support in the coordination and planning of the financial affairs of the City of Jacksonville in a responsible and progressive manner.

Respectfully submitted,



Calvin C. Ray
Director, Department of
Administration and Finance



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



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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, 2000

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.

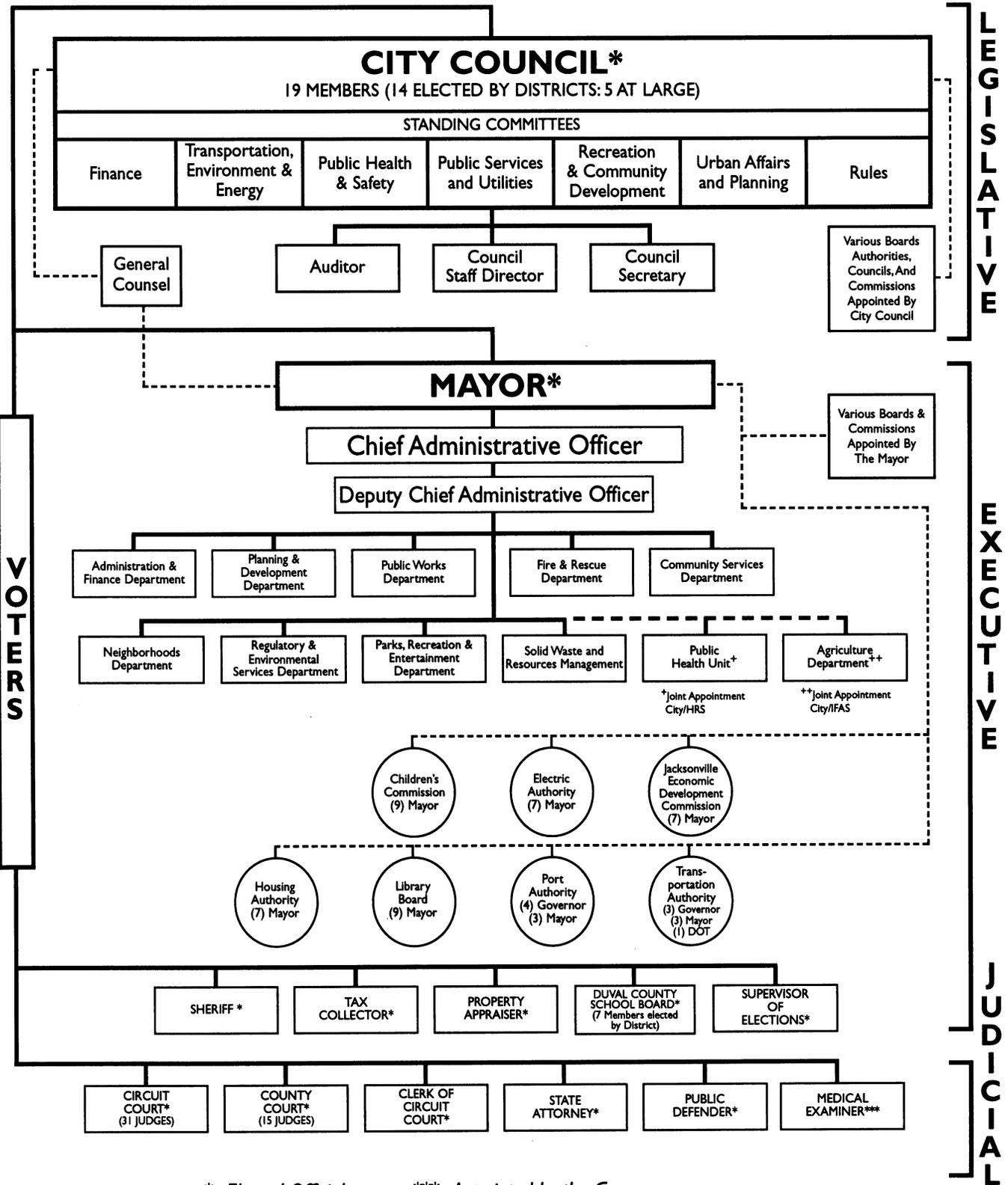


Timothy A. Drew
President

Jeffrey L. Esser
Executive Director

ORGANIZATIONAL CHART

CITY OF JACKSONVILLE, FLORIDA



* Elected Officials *** Appointed by the Governor

City of Jacksonville, Florida

City Officers and Constitutional Officeholders

John A. Delaney, Mayor

City Officers

Sam E. Mousa, PE Chief Administrative Officer
Eric Green Deputy Chief Administrative Officer
Audrey McKibbin-Moran..... Chief of Staff
Rick Mullaney. General Counsel

Calvin C. Ray..... Director, Department of Administration and Finance
Harold Jones Director, Department of Agriculture
Judith A. Truett..... Director, Department of Community Services
Ray Alfred..... Director, Department of Fire and Rescue
John Curtin..... Director, Department of Neighborhoods
Debra Igou Director, Department of Parks, Recreation, and Entertainment
Jeannie Fewell Director, Planning and Development Department
Dr. Jeffrey Goldhagen Public Health Administrator
Lynn Westbrook Acting Director, Department of Public Works
Mario Taylor Director, Department of Regulatory and Environmental Services
Janice E. Davis..... Director, Solid Waste and Resource Management

Constitutional Officeholders

Jim Fuller Clerk of Circuit Court
Ernie Mastroianni Property Appraiser
Nathaniel Glover, Jr..... Sheriff
John L. Stafford Supervisor of Elections
Lynwood Roberts Tax Collector

City of Jacksonville, Florida

City Council Officials and Staff

City Council

President of CouncilMatt Carlucci
Vice President of Council..... Suzanne Jenkins

District 1 — Lake Ray	District 8 — Gwen Yates
District 2 — Lynette Self	District 9 — Reggie Fullwood
District 3 — Jerry Holland	District 10 — King Holzendorf
District 4 — Suzanne Jenkins	District 11 — Warren Alvarez
District 5 — Matt Carlucci	District 12 — Doyle D. Carter
District 6 — Mary Ann Southwell	District 13 — Alberta Hipps
District 7 — Pat Lockett-Felder	District 14 — Jim Overton

Group 1 At-Large — Faye Rustin
Group 2 At-Large — Elaine Brown
Group 3 At-Large — Lad Daniels
Group 4 At-Large — Ginger Soud
Group 5 At-Large — Dr. Gwen Chandler-Thompson

Council Staff

Robert O. Johnson, CPA Council Auditor
Cheryl Brown..... Council Secretary
Kristi Sikes..... Chief of Administrative Services
Kathleen Roberts Acting Chief of Legislative Services
Sharon Lesure-Roy Chief of Public Information
Jeff Clements Chief of Research



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Report of Independent Certified Public Accountants

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

We have audited the accompanying general-purpose financial statements of the City of Jacksonville, Florida (the City), as of and for the year ended September 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the following component units, which statements reflect total assets and total revenues as of September 30, 2001 and for the year then ended of the respective fund type as follows:

	Total Assets	Total Revenues	Type of Component Unit
	<i>(in thousands)</i>		
JEA	\$5,821,894	\$983,159	Proprietary and Similar Fund Types
Jacksonville Port Authority	829,063	64,624	Proprietary and Similar Fund Types
Police and Fire Pension Trust Fund	780,088	(29,239)	Trust and Agency Fund Types
Jacksonville Economic Development Company, Inc.	2,494	191	Governmental and Similar Fund Types
Downtown Vision, Inc.	1,299	845	Governmental and Similar Fund Types

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for the aforementioned component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-



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purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

The schedules of employer contributions and funding progress listed under required supplemental information in the table of contents are not a required part of the general-purpose financial statements but are supplemental information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

In our opinion, based on our audit and the reports of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States.

As disclosed in Note 1.Y. to the general purpose financial statements, effective October 1, 2000, the City changed its accounting policy related to the recognition of capital contributions to comply with the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2002 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The information presented in the introductory and statistical sections is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City. Such information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on it.



February 8, 2002



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COMBINED STATEMENTS

CITY OF JACKSONVILLE, FLORIDA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS, AND
COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2001

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
ASSETS AND OTHER DEBITS						
ASSETS:						
Equity in cash and investments.....	\$ 41,123	\$ 76,455	\$ 59,183	\$ 467,439	\$ 48,707	\$ 142,157
Cash and equivalents.....	-	-	-	-	-	-
Investments.....	-	-	-	-	-	-
Cash in escrow and with fiscal agents.....	-	3,785	30,895	871	-	-
Receivables (net, where applicable, of allowances for uncollectibles):						
Taxes.....	28	-	-	-	-	-
Accounts and interest.....	3,392	71	-	-	3,637	230
Due from individuals.....	-	-	-	-	-	-
Mortgages.....	50	17,185	-	-	-	-
Grants.....	-	-	-	-	-	-
Other.....	2,680	-	-	-	-	57
Due from other funds.....	5,055	279	-	-	-	3,014
Due from component units.....	-	584	-	-	-	-
Due from primary government.....	-	-	-	-	-	-
Due from independent agencies and other governments.....	29,108	31,649	-	2,995	358	2,092
Advances to other funds.....	-	-	-	-	-	13,083
Inventories.....	1,325	-	-	-	3	1,388
Prepaid expenditures, prepaid expenses, and other assets.....	-	-	-	-	210	-
Restricted assets:						
Cash and equivalents.....	-	-	-	-	-	-
Investments.....	-	-	-	-	-	-
Sinking fund cash and investments.....	-	-	-	-	892	-
Construction fund cash and investments.....	-	-	-	-	12,327	-
Accounts and interest receivable.....	-	-	-	-	115	-
Land.....	-	-	-	-	30,334	58
Fixed assets and infrastructure, net.....	-	-	-	-	-	-
Electric plant in service.....	-	-	-	-	-	-
Buildings and improvements.....	-	-	-	-	223,305	3,886
Improvements other than buildings.....	-	-	-	-	88,328	5,283
Vehicles.....	-	-	-	-	-	-
Furniture and equipment.....	-	-	-	-	16,006	124,449
Construction work in process.....	-	-	-	-	14,728	12
Less accumulated depreciation.....	-	-	-	-	(85,846)	(89,790)
Deferred landfill closure and postclosure care costs.....	-	-	-	-	36,898	-
Unamortized debt issuance costs.....	-	-	-	-	-	-
Unamortized service rights.....	-	-	-	-	-	-
Costs to be recovered from future revenues.....	-	-	-	-	-	-
Real estate under development.....	-	-	-	-	-	-
Other deferred charges.....	-	-	-	-	578	-
OTHER DEBITS:						
Amount available for retirement of general long-term obligations.....	-	-	-	-	-	-
Amount to be provided for retirement of general long-term obligations.....	-	-	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS.....	\$ 82,761	\$ 130,008	\$ 90,078	\$ 471,305	\$ 390,580	\$ 205,919

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS		COMPONENT UNITS		TOTAL	
	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	(Memorandum only)		GOVERNMENTAL AND SIMILAR FUND TYPES	PROPRIETARY AND SIMILAR FUND TYPES	(Memorandum only)
				PRIMARY GOVERNMENT 2001	2000			REPORTING ENTITY 2001
\$ 2,245,163	\$ -	\$ -	\$ 3,080,227	\$ 2,982,392	\$ 13,103	\$ -	\$ 3,093,330	
-	-	-	-	-	24,131	95,588	119,719	
-	-	-	-	-	-	44,107	44,107	
-	-	-	35,551	6,108	-	-	35,551	
-	-	-	28	28	-	-	28	
200	-	-	7,530	5,258	1,189	148,606	157,325	
3,176	-	-	3,176	3,940	-	-	3,176	
-	-	-	17,235	20,611	7,807	-	25,042	
-	-	-	-	-	-	5,462	5,462	
-	-	-	2,737	289	-	-	2,737	
224	-	-	8,572	8,041	473	500	9,545	
-	-	-	584	584	-	-	584	
-	-	-	-	-	-	400	400	
-	-	-	66,202	75,172	15,219	1,094	82,515	
-	-	-	13,083	13,551	-	233	13,316	
-	-	-	2,716	2,660	-	108,581	111,297	
-	-	-	210	219	3	35,958	36,171	
-	-	-	-	-	153,255	487,134	640,389	
-	-	-	-	-	-	407,399	407,399	
-	-	-	892	697	-	-	892	
-	-	-	12,327	11,333	-	-	12,327	
-	-	-	115	58	-	19,060	19,175	
24	113,183	-	143,599	123,077	-	152,339	295,938	
-	-	-	-	-	117,943	-	117,943	
-	-	-	-	-	-	4,290,665	4,290,665	
155	466,939	-	694,285	690,436	-	277,168	971,453	
97	-	-	93,708	92,952	-	392,178	485,886	
-	-	-	-	-	-	62,440	62,440	
564	53,477	-	194,496	184,241	-	173,638	368,134	
-	-	-	14,740	788	-	1,670,029	1,684,769	
(353)	-	-	(175,989)	(161,307)	-	(1,997,153)	(2,173,142)	
-	-	-	36,898	38,421	-	-	36,898	
-	-	-	-	-	-	3,823	3,823	
-	-	-	-	-	-	3,437	3,437	
-	-	-	-	-	-	498,514	498,514	
-	-	-	-	-	562	-	562	
-	-	-	578	617	-	-	578	
-	-	88,384	88,384	47,370	-	-	88,384	
-	-	1,127,220	1,127,220	803,306	12,000	-	1,139,220	
<u>\$ 2,249,250</u>	<u>\$ 633,599</u>	<u>\$ 1,215,604</u>	<u>\$ 5,469,104</u>	<u>\$ 4,950,842</u>	<u>\$ 345,685</u>	<u>\$ 6,881,200</u>	<u>\$ 12,695,989</u>	

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS, AND
 COMPONENT UNITS (in thousands)
 SEPTEMBER 30, 2001**

	<u>GOVERNMENTAL FUND TYPES</u>				<u>PROPRIETARY FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>						
LIABILITIES:						
Accounts payable and accrued liabilities.....	\$ 9,427	\$ 23,541	\$ -	\$ 12,055	\$ 5,694	\$ 5,219
Contracts payable.....	-	-	-	2,629	1,249	-
Due to other funds.....	26	1,815	-	1,173	-	-
Due to component units.....	-	-	-	-	-	-
Due to primary government.....	-	-	-	-	-	-
Due to independent agencies and other governments.....	7,560	-	-	-	3	16
Due to individuals.....	-	-	-	-	-	-
Capitalized lease obligations, current portion.....	-	-	-	-	-	539
Estimated liability for self-insured losses.....	-	-	-	-	-	56,790
Accrued compensated absences due within one year.....	-	-	-	-	76	354
Matured bonds and interest payable.....	-	-	39	-	-	-
Deposits.....	-	428	-	-	117	-
Deferred revenue.....	7,647	2,274	-	-	80	-
Payable from restricted assets:						
Deposits held for construction and events.....	-	-	-	-	1,007	-
Accrued interest payable.....	-	-	-	-	2,080	-
Current portion of long-term obligations.....	-	-	-	-	3,315	-
Construction contracts, retainage and accounts payable.....	-	-	-	-	-	-
Renewal and replacement reserve.....	-	-	-	-	-	-
Customers' deposits.....	-	-	-	-	-	-
Other.....	-	-	-	-	-	-
Deposits held in escrow.....	-	-	-	-	-	-
Advances from other funds.....	-	-	-	13,083	-	-
Liability for landfill closure and postclosure care.....	-	-	-	-	21,218	-
Accrued compensated absences.....	-	-	-	-	559	2,617
Commercial paper notes.....	-	-	-	-	-	-
General obligation bonds.....	-	-	-	-	-	-
Special obligation bonds.....	-	-	-	-	-	-
Special obligation bonds -BJP.....	-	-	-	-	-	-
Revenue bonds.....	-	-	-	-	76,511	-
Long-term debt and other long-term obligations.....	-	-	-	-	-	-
Capitalized lease obligations, less current portion.....	-	-	-	-	-	1,332
Deferred capital contributions.....	-	-	-	-	-	-
Deferred credits and other.....	-	-	-	742	-	-
TOTAL LIABILITIES.....	\$ 24,660	\$ 28,058	\$ 39	\$ 29,682	\$ 111,909	\$ 66,867

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS		COMPONENT UNITS		TOTAL	
	TRUST	GENERAL	GENERAL	(Memorandum only)		GOVERNMENTAL	PROPRIETARY	(Memorandum only)
	AND AGENCY	FIXED ASSETS	LONG-TERM OBLIGATIONS	PRIMARY GOVERNMENT 2001	2000	AND SIMILAR FUND TYPES	AND SIMILAR FUND TYPES	REPORTING ENTITY 2001
\$ 4,645	\$ -	\$ -	\$ 60,581	\$ 40,247	\$ 6,331	\$ 95,259	\$ 162,171	
36	-	-	3,914	1,425	-	-	3,914	
5,558	-	-	8,572	8,041	500	473	9,545	
-	-	400	400	800	-	-	400	
-	-	-	-	-	584	-	584	
9,936	-	-	17,515	23,538	55	962	18,532	
54,230	-	-	54,230	30,281	-	-	54,230	
-	-	-	539	332	-	698	1,237	
-	-	-	56,790	56,147	-	2,516	59,306	
8	-	-	438	409	-	-	438	
-	-	-	39	39	-	-	39	
-	-	-	545	255	-	-	545	
-	-	-	10,001	7,021	2,217	716	12,934	
-	-	-	1,007	755	-	-	1,007	
-	-	-	2,080	835	-	87,619	89,699	
-	-	-	3,315	2,115	-	96,130	99,445	
-	-	-	-	-	-	98,876	98,876	
-	-	-	-	-	-	90,000	90,000	
-	-	-	-	-	-	18,233	18,233	
-	-	-	-	-	-	745	745	
13,557	-	-	13,557	18,011	-	-	13,557	
-	-	-	13,083	13,551	-	233	13,316	
-	-	-	21,218	21,752	-	-	21,218	
58	-	54,264	57,498	56,033	-	-	57,498	
-	-	60,000	60,000	60,000	-	-	60,000	
-	-	1,195	1,195	1,755	-	-	1,195	
-	-	689,010	689,010	718,300	-	-	689,010	
-	-	397,710	397,710	-	-	-	397,710	
-	-	-	76,511	79,564	-	223,217	299,728	
-	-	13,025	13,025	16,565	12,000	3,691,015	3,716,040	
-	-	-	1,332	1,016	-	11,344	12,676	
-	-	-	-	-	-	16,500	16,500	
-	-	-	742	689	-	146,020	146,762	
<u>\$ 88,028</u>	<u>\$ -</u>	<u>\$ 1,215,604</u>	<u>\$ 1,564,847</u>	<u>\$ 1,159,476</u>	<u>\$ 21,687</u>	<u>\$ 4,580,556</u>	<u>\$ 6,167,090</u>	

(continued)

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS, AND
COMPONENT UNITS (in thousands; continued)
SEPTEMBER 30, 2001

	<u>GOVERNMENTAL FUND TYPES</u>				<u>PROPRIETARY FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>						
EQUITY AND OTHER CREDITS:						
Investment in general fixed assets.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital.....	-	-	-	-	218,534	11,131
Retained earnings:						
Unreserved.....	-	-	-	-	60,137	127,921
Fund balances:						
Reserved for encumbrances.....	14,399	25,702	-	253,821	-	-
Reserved for imprest cash and cash in escrow.....	329	3,785	30,856	871	-	-
Reserved for mortgages receivable.....	50	17,185	-	-	-	-
Reserved for inventories and prepaids.....	1,325	-	-	-	-	-
Reserved for employees' retirement benefits.....	-	-	-	-	-	-
Reserved for debt service.....	-	-	57,528	-	-	-
Unreserved:						
Designated for capital projects.....	6,264	-	-	187,274	-	-
Designated for subsequent years' budget.....	-	13,242	-	-	-	-
Designated for budget stabilization.....	3,324	-	-	-	-	-
Designated for self-insurance.....	-	-	-	-	-	-
Designated for changes in fair value of investments.....	112	191	1,655	1,189	-	-
Designated for next year's budget appropriation.....	31,958	-	-	-	-	-
Undesignated (deficit).....	340	41,845	-	(1,532)	-	-
TOTAL EQUITY AND OTHER CREDITS.....	58,101	101,950	90,039	441,623	278,671	139,052
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS.....	\$ 82,761	\$ 130,008	\$ 90,078	\$ 471,305	\$ 390,580	\$ 205,919

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS		COMPONENT UNITS		TOTAL
	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	(Memorandum only) PRIMARY GOVERNMENT		GOVERNMENTAL AND SIMILAR FUND TYPES	PROPRIETARY AND SIMILAR FUND TYPES	(Memorandum only) REPORTING ENTITY
TRUST AND AGENCY			2001	2000			2001
\$ -	\$ 633,599	\$ -	\$ 633,599	\$ 614,919	\$ 117,882	-	\$ 751,481
-	-	-	229,665	237,997	-	847,772	1,077,437
-	-	-	188,058	174,085	-	1,452,872	1,640,930
-	-	-	293,922	98,797	576	-	294,498
-	-	-	35,841	6,399	-	-	35,841
-	-	-	17,235	20,611	6590	-	23,825
-	-	-	1,325	1,287	-	-	1,325
2,154,543	-	-	2,154,543	2,344,614	-	-	2,154,543
-	-	-	57,528	47,160	-	-	57,528
-	-	-	193,538	117,239	-	-	193,538
-	-	-	13,242	26,978	-	-	13,242
-	-	-	3,324	17,205	-	-	3,324
-	-	-	-	-	200	-	200
17	-	-	3,164	1,851	33	-	3,197
-	-	-	31,958	34,042	-	-	31,958
6,662	-	-	47,315	48,182	198,717	-	246,032
<u>2,161,222</u>	<u>633,599</u>	<u>-</u>	<u>3,904,257</u>	<u>3,791,366</u>	<u>323,998</u>	<u>2,300,644</u>	<u>6,528,899</u>
<u>\$ 2,249,250</u>	<u>\$ 633,599</u>	<u>\$ 1,215,604</u>	<u>\$ 5,469,104</u>	<u>\$ 4,950,842</u>	<u>\$ 345,685</u>	<u>\$ 6,881,200</u>	<u>\$ 12,695,989</u>

**CITY OF JACKSONVILLE, FLORIDA
 COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS, AND SIMILAR DISCRETELY
 PRESENTED COMPONENT UNITS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUE:				
Taxes.....	\$ 368,333	\$ 138,920	\$ -	\$ -
Licenses and permits.....	14,806	-	-	-
Intergovernmental.....	115,561	80,454	-	14,038
Charges for services.....	50,876	17,518	-	-
Fines and forfeitures.....	8,069	2,346	-	-
Payment in lieu of taxes.....	3,344	-	-	-
Interest.....	6,912	3,571	5,185	13,828
Other.....	7,146	5,849	2,858	5,508
Total Revenue.....	575,047	248,658	8,043	33,374
EXPENDITURES:				
Current:				
General government.....	94,267	5,965	-	-
Human services.....	60,623	29,978	-	-
Public safety.....	290,280	21,452	-	-
Culture and recreation.....	39,536	4,482	-	-
Transportation.....	33,684	77,081	-	-
Economic environment.....	6,481	50,930	-	-
Physical environment.....	11,890	9,456	-	-
Capital outlay.....	-	-	-	136,910
Debt service:				
Principal.....	-	-	32,730	-
Interest on fiscal charges.....	-	-	40,940	-
Total Expenditures.....	536,761	199,344	73,670	136,910
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	38,286	49,314	(65,627)	(103,536)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of notes and bonds and issuance of other debt obligations.....	-	-	32116	340,871
Proceeds from SIB loan.....	-	-	-	-
Operating transfers in.....	650	17,859	75,947	62,137
Operating transfers out.....	(124,273)	(48,033)	-	(1,456)
Transfers out to state for debt service.....	-	-	-	-
Transfers - In from component units.....	73,638	-	-	43
Transfers - Out to component units.....	(6,593)	(17,441)	-	(46,490)
Transfers - In from primary government.....	-	-	-	-
Transfers - Out to primary government.....	-	-	-	-
Total Other Financing Sources (Uses).....	(56,578)	(47,615)	108,063	355,105
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES.....	(18,292)	1,699	42,436	251,569
FUND BALANCES, BEGINNING OF YEAR.....	76,355	144,743	47,603	145,562
Change in reserve for inventory of supplies.....	38	-	-	-
Residual equity transfer in (out).....	-	(44,492)	-	44,492
FUND BALANCES, END OF YEAR.....	\$ 58,101	\$ 101,950	\$ 90,039	\$ 441,623

FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTALS (Memorandum only) PRIMARY GOVERNMENT		COMPONENT UNITS	TOTALS (Memorandum only) REPORTING ENTITY
	2001	2000		2001
\$ -	\$ 507,253	\$ 464,004	\$ 58,286	\$ 565,539
-	14,806	13,970	-	14,806
241	210,294	202,150	12,243	222,537
-	68,394	62,302	-	68,394
1	10,416	9,938	-	10,416
-	3,344	3,583	-	3,344
93	29,589	29,960	12,860	42,449
<u>2,261</u>	<u>23,622</u>	<u>26,841</u>	<u>985</u>	<u>24,607</u>
<u>2,596</u>	<u>867,718</u>	<u>812,748</u>	<u>84,374</u>	<u>952,092</u>
529	100,761	92,759	2,510	103,271
132	90,733	81,538	-	90,733
1,527	313,259	299,188	-	313,259
475	44,493	41,006	-	44,493
-	110,765	119,741	5,396	116,161
85	57,496	43,423	8,414	65,910
59	21,405	15,413	-	21,405
-	136,910	75,548	37,282	174,192
-	32,730	28,200	-	32,730
-	40,940	42,251	-	40,940
<u>2,807</u>	<u>949,492</u>	<u>839,067</u>	<u>53,602</u>	<u>1,003,094</u>
<u>(211)</u>	<u>(81,774)</u>	<u>(26,319)</u>	<u>30,772</u>	<u>(51,002)</u>
-	372,987	44,939	-	372,987
-	-	-	12,000	12,000
1486	158,079	129,962	-	158,079
(92)	(173,854)	(145,728)	(3,001)	(176,855)
-	-	-	(66,072)	(66,072)
-	73,681	71,434	-	73,681
-	(70,524)	(14,903)	-	(70,524)
-	-	-	43,385	43,385
-	-	-	(43)	(43)
<u>1,394</u>	<u>360,369</u>	<u>85,704</u>	<u>(13,731)</u>	<u>346,638</u>
1,183	278,595	59,385	17,041	295,636
5,178	419,441	359,979	190,575	610,016
-	38	77	-	38
-	-	-	(1,500)	(1,500)
<u>\$ 6,361</u>	<u>\$ 698,074</u>	<u>\$ 419,441</u>	<u>\$ 206,116</u>	<u>\$ 904,190</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL BUDGETED GOVERNMENTAL FUND TYPES (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	GENERAL FUND				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	ENCUMBRANCES	BUDGETARY BASIS	BUDGET	
REVENUE:					
Taxes.....	\$ 368,333	\$ -	\$ 368,333	\$ 361,731	\$ 6,602
Licenses and permits.....	14,806	-	14,806	13,845	961
Intergovernmental.....	115,561	-	115,561	118,871	(3,310)
Charges for services.....	50,876	-	50,876	49,183	1,693
Fines and forfeitures.....	8,069	-	8,069	7,796	273
Payment in lieu of taxes.....	3,344	-	3,344	3,648	(304)
Interest.....	6,912	-	6,912	8,124	(1,212)
Other.....	7,146	-	7,146	7,163	(17)
Total Revenue.....	575,047	-	575,047	570,361	4,686
EXPENDITURES AND ENCUMBRANCES:					
General government.....	94,267	3,506	97,773	127,527	29,754
Human services.....	60,623	1,550	62,173	63,997	1,824
Public safety.....	290,280	3,233	293,513	295,012	1,499
Culture and recreation.....	39,536	1,875	41,411	43,486	2,075
Transportation.....	33,684	984	34,668	34,877	209
Economic environment.....	6,481	2,225	8,706	9,155	449
Physical environment.....	11,890	1,026	12,916	13,454	538
Total Expenditures and Encumbrances.....	536,761	14,399	551,160	587,508	36,348
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND ENCUMBRANCES.....					
	38,286	(14,399)	23,887	(17,147)	41,034
OTHER FINANCING SOURCES (USES):					
Operating transfers in.....	650	-	650	585	65
Operating transfers out.....	(124,273)	-	(124,273)	(122,788)	(1,485)
Transfers - In from component units.....	73,638	-	73,638	73,730	(92)
Transfers - Out to component units.....	(6,593)	-	(6,593)	(6,307)	(286)
Total Other Financing Sources (Uses).....	(56,578)	-	(56,578)	(54,780)	(1,798)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES, AND OTHER USES.....					
	(18,292)	(14,399)	(32,691)	(71,927)	39,236
FUND BALANCE ALLOCATION.....					
	-	-	-	71,927	(71,927)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES, AND OTHER USES.....					
	(\$ 18,292)	(\$ 14,399)	(\$ 32,691)	\$ -	(\$ 32,691)

BUDGETED SPECIAL REVENUE FUNDS

<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 100,424	\$ -	\$ 100,424	\$ 97,075	\$ 3,349
-	-	-	-	-
38,537	-	38,537	42,919	(4,382)
15,497	-	15,497	15,065	432
2,219	-	2,219	2,088	131
-	-	-	-	-
2,167	-	2,167	755	1,412
8,770	-	8,770	4,701	4,069
<u>167,614</u>	<u>-</u>	<u>167,614</u>	<u>162,603</u>	<u>5,011</u>
3,396	134	3,530	6,467	2,937
20,555	2,923	23,478	22,845	(633)
10,221	331	10,552	11,953	1,401
651	5	656	777	121
77,081	1,653	78,734	91,794	13,060
24,989	1,056	26,045	32,279	6,234
3,900	678	4,578	8,216	3,638
<u>140,793</u>	<u>6,780</u>	<u>147,573</u>	<u>174,331</u>	<u>26,758</u>
<u>26,821</u>	<u>(6,780)</u>	<u>20,041</u>	<u>(11,728)</u>	<u>31,769</u>
14,148	-	14,148	14,148	-
(17,890)	-	(17,890)	(18,893)	1003
-	-	-	-	-
<u>(17,128)</u>	<u>-</u>	<u>(17,128)</u>	<u>(23,230)</u>	<u>6,102</u>
<u>(20,870)</u>	<u>-</u>	<u>(20,870)</u>	<u>(27,975)</u>	<u>7,105</u>
5,951	(6,780)	(829)	(39,703)	38,874
<u>-</u>	<u>-</u>	<u>-</u>	<u>39,703</u>	<u>(39,703)</u>
<u>\$ 5,951</u>	<u>(\$ 6,780)</u>	<u>(\$ 829)</u>	<u>\$ -</u>	<u>(\$ 829)</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
COMBINED STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS, AND SIMILAR
DISCRETELY PRESENTED COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
OPERATING REVENUE:			
Operating revenue and charges for services.....	\$ 52,139	\$ 122,246	\$ -
Charges for services for independent authorities.....	-	14,885	-
Earnings on investments.....	-	-	16
Other.....	-	89	-
Total Operating Revenue.....	<u>52,139</u>	<u>137,220</u>	<u>16</u>
OPERATING EXPENSES:			
Fuel.....	-	-	-
Purchased power.....	-	-	-
Operations and maintenance.....	-	-	-
General and administrative.....	-	-	-
Personal services.....	15,414	20,575	-
Supplies and materials.....	2,573	11,199	-
Central services.....	184	4,678	-
Interdepartmental charges.....	885	-	-
Other services and charges.....	55,162	21,039	-
Bad debts, net of recoveries.....	115	-	-
Casualty and insurance.....	-	-	-
Taxes and licenses.....	-	-	-
Depreciation and amortization.....	8,621	17,493	-
Court reporter services.....	-	25	-
Claims and losses.....	-	13,990	-
Insurance premiums and participant dividends.....	-	44,224	-
Other.....	-	-	8
Total Operating Expenses.....	<u>82,954</u>	<u>133,223</u>	<u>8</u>
OPERATING INCOME (LOSS).....	<u>(30,815)</u>	<u>3,997</u>	<u>8</u>
NON-OPERATING REVENUE (EXPENSES):			
Interest revenue.....	3,576	7,720	-
Interest expense.....	(3,790)	-	-
Public funding:			
United States Government.....	-	-	-
State of Florida.....	-	-	-
Other subsidies.....	-	-	-
Operating grants.....	665	-	-
Other.....	3,580	(1,476)	-
Total Non-Operating Revenue (Expenses).....	<u>4,031</u>	<u>6,244</u>	<u>-</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND			
OPERATING TRANSFERS.....	<u>(26,784)</u>	<u>10,241</u>	<u>8</u>
Capital contributions.....	<u>6,269</u>	<u>57</u>	<u>-</u>
OPERATING TRANSFERS:			
Operating transfers in.....	34,872	6,195	-
Operating transfers out.....	(3,203)	(22,006)	-
Transfers - In from primary government.....	-	-	-
Transfers - Out to primary government.....	-	-	-
Total Operating Transfers In (Out).....	<u>31,669</u>	<u>(15,811)</u>	<u>-</u>
NET INCOME (LOSS).....	<u>\$ 11,154</u>	<u>(\$ 5,513)</u>	<u>\$ 8</u>

TOTALS (Memorandum only) PRIMARY GOVERNMENT		COMPONENT UNITS	TOTALS (Memorandum only) REPORTING ENTITY	
2001	2000		2001	
\$ 174,385	\$ 171,366	\$ 1,015,380	\$ 1,189,765	
14,885	-	-	14,885	
16	19	283	299	
89	352	46,358	46,447	
<u>189,375</u>	<u>171,737</u>	<u>1,062,021</u>	<u>1,251,396</u>	
-	-	313,091	313,091	
-	-	91,396	91,396	
-	-	238,653	238,653	
-	-	18,773	18,773	
35,989	34,746	25,912	61,901	
13,772	13,893	4,630	18,402	
4,862	4,206	-	4,862	
885	586	-	885	
76,201	76,597	52,240	128,441	
115	139	-	115	
-	-	1,024	1,024	
-	-	17,785	17,785	
26,114	22,513	198,213	224,327	
25	-	-	25	
13,990	327	-	13,990	
44,224	37,722	-	44,224	
8	8	-	8	
<u>216,185</u>	<u>190,737</u>	<u>961,717</u>	<u>1,177,902</u>	
(26,810)	(19,000)	100,304	73,494	
11,296	10,955	59,269	70,565	
(3,790)	(2,097)	(117,104)	(120,894)	
-	-	3,784	3,784	
-	-	3,873	3,873	
-	-	206	206	
665	914	-	665	
2,104	4,387	17,264	19,368	
<u>10,275</u>	<u>14,159</u>	<u>(32,708)</u>	<u>(22,433)</u>	
(16,535)	(4,841)	67,596	51,061	
<u>6,326</u>	<u>-</u>	<u>81,683</u>	<u>88,009</u>	
41,067	37,422	3,000	44,067	
(25,209)	(21,494)	-	(25,209)	
-	-	27,139	27,139	
-	-	(73,638)	(73,638)	
<u>15,858</u>	<u>15,928</u>	<u>(43,499)</u>	<u>(27,641)</u>	
\$ 5,649	\$ 11,087	\$ 105,780	\$ 111,429	

See accompanying notes.

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINED STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS, AND SIMILAR
DISCRETELY PRESENTED COMPONENT UNITS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
NET INCOME (LOSS)	\$ 11,154	(\$ 5,513)	\$ 8
Add depreciation on contributed assets.....	8,118	214	-
Increase (decrease) in retained earnings.....	19,272	(5,299)	8
Retained Earnings, Beginning of Year.....	40,865	133,220	310
Retained Earnings, End of Year	\$ 60,137	\$ 127,921	\$ 318

TOTALS (Memorandum only) PRIMARY GOVERNMENT		COMPONENT UNITS	TOTALS (Memorandum only) REPORTING ENTITY
<u>2001</u>	<u>2000</u>		<u>2001</u>
\$ 5,649	\$ 11,087	\$ 105,780	\$ 111,429
<u>8,332</u>	<u>9,616</u>	<u>33,712</u>	<u>42,044</u>
13,981	20,703	139,492	153,473
<u>174,395</u>	<u>153,692</u>	<u>1,313,380</u>	<u>1,487,775</u>
<u><u>\$ 188,376</u></u>	<u><u>\$ 174,395</u></u>	<u><u>\$ 1,452,872</u></u>	<u><u>\$ 1,641,248</u></u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS AND
 SIMILAR DISCRETELY PRESENTED COMPONENT UNITS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS).....	(\$ 30,815)	\$ 3,997
Adjustments to reconcile operating income / loss to net cash provided by (used in) operating activities:		
Depreciation and amortization.....	8,621	17,493
Bad debt expense, net of recoveries.....	115	-
Recognition of deferred costs and revenues, net.....	-	-
Other non-operating revenue/(expenses).....	3,465	(1,476)
Interest on investments.....	-	-
Change in assets and liabilities:		
Decrease (increase) in accounts and interest receivable, restricted.....	-	-
Decrease (increase) in receivables and other current assets, net.....	(1,221)	47
Decrease (increase) in due from other funds.....	-	823
Decrease (increase) in due from independent agencies and other governments.....	17	994
Decrease (increase) in inventories.....	(1)	(17)
Decrease (increase) in prepaid expenses and other.....	(5)	-
Decrease (increase) in deferred charges.....	1,562	-
Increase (decrease) in accounts payable and accrued expenses.....	1,100	423
Increase (decrease) in contracts payable.....	735	-
Increase (decrease) in due to other funds.....	(22)	-
Increase (decrease) in due to independent agencies and other governments.....	-	-
Increase (decrease) in current portion long-term liabilities.....	-	-
Increase (decrease) in liabilities, restricted.....	-	-
Increase (decrease) in deposits held for construction and events.....	252	-
Increase (decrease) in other liabilities and deferred revenue.....	-	-
Increase (decrease) in deferred revenue.....	(110)	-
Increase (decrease) in accrued landfill closure and postclosure care.....	(534)	-
Increase (decrease) in accrued compensated absences.....	(3)	234
Increase (decrease) in liability for self-insured losses.....	-	643
Contribution to primary government.....	-	-
TOTAL ADJUSTMENTS.....	13,971	19,164
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(16,844)	23,161
NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received.....	665	-
Cash received through operating transfers from other funds.....	34,872	6,195
Cash payments through operating transfers to other funds.....	(3,203)	(22,006)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES....	\$ 32,334	(\$ 15,811)

NONEXPENDABLE TRUST	TOTALS (Memorandum only) PRIMARY GOVERNMENT		COMPONENT UNITS	TOTALS
	2001	2000		(Memorandum only) REPORTING ENTITY 2001
\$ 8	(\$ 26,810)	(\$ 19,000)	\$ 100,304	\$ 73,494
-	26,114	22,513	198,213	224,327
-	115	139	-	115
-	-	-	35,774	35,774
-	1,989	4,387	(2,464)	(475)
(16)	(16)	(19)	-	(16)
-	-	-	35,044	35,044
-	(1,174)	938	(9,110)	(10,284)
-	823	9,702	-	823
-	1,011	1,785	-	1,011
-	(18)	6	(2,903)	(2,921)
-	(5)	(3)	(385)	(390)
-	1,562	1,310	-	1,562
(1)	1,522	1,048	(11,919)	(10,397)
-	735	178	-	735
-	(22)	(583)	-	(22)
-	-	(1,839)	-	-
-	-	(11)	-	-
-	-	-	8,959	8,959
-	252	(415)	-	252
-	-	-	1,181	1,181
-	(110)	107	-	(110)
-	(534)	2,219	-	(534)
-	231	(102)	-	231
-	643	(9,433)	577	1,220
-	-	-	(73,638)	(73,638)
(17)	33,118	31,927	179,329	212,447
(9)	6,308	12,927	279,633	285,941
-	665	914	7,862	8,527
-	41,067	37,422	30,139	71,206
-	(25,209)	(21,494)	-	(25,209)
\$ -	\$ 16,523	\$ 16,842	\$ 38,001	\$ 54,524

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS AND
SIMILAR DISCRETELY PRESENTED COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property, plant and equipment.....	(\$ 22,032)	(\$ 32,513)
Proceeds from sale of property, plant and equipment.....	1,310	11,549
Customer contributions.....	-	-
Cash receipts from contributions in aid.....	-	-
Proceeds from issuance of long-term debt, net.....	-	-
Defeasance of capital debt.....	-	-
Additions to contributed capital assets.....	6,269	57
Principal paid on long-term debt obligations.....	(1,853)	555
Interest paid on debt.....	-	-
Interest and payments to refunded bond escrow agent.....	(2,545)	-
Passenger facility charges and other.....	-	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(18,851)	(20,352)
INVESTING ACTIVITIES:		
Interest and dividends on investments.....	3,576	7,720
Purchase of investments.....	-	-
Proceeds from sale and maturities of investments.....	-	-
Investment in The Energy Authority.....	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	3,576	7,720
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	215	(5,282)
Cash and cash equivalents at October 1.....	61,711	147,439
Cash and cash equivalents at September 30.....	<u>\$ 61,926</u>	<u>\$ 142,157</u>
CLASSIFIED AS:		
Current Assets.....	\$ 48,707	\$ 142,157
Restricted Assets.....	13,219	-
TOTAL.....	<u>\$ 61,926</u>	<u>\$ 142,157</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Change in the fair value of investments.....	(\$ 115)	(\$ 373)
Acquisition of assets through capital lease.....	-	1,094
Acquisition of contributed capital assets.....	-	-
Accrual of landfill closure, postclosure and decontamination costs.....	-	-
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>(\$ 115)</u>	<u>\$ 721</u>

NONEXPENDABLE TRUST	TOTALS (Memorandum only) PRIMARY GOVERNMENT		COMPONENT UNITS	TOTALS (Memorandum only) REPORTING ENTITY	
	2001	2000		2001	
\$ -	(\$ 54,545)	(\$ 30,479)	(\$ 942,533)	(\$ 997,078)	
-	12,859	11,988	429	13,288	
-	-	-	10,571	10,571	
-	-	-	81,318	81,318	
-	-	-	879,185	879,185	
-	-	-	(126,384)	(126,384)	
-	6,326	-	-	6,326	
-	(1,298)	(230)	(102,320)	(103,618)	
-	-	-	(165,924)	(165,924)	
-	(2,545)	(3,448)	-	(2,545)	
-	-	-	7,249	7,249	
-	(39,203)	(22,169)	(358,409)	(397,612)	
16	11,312	10,974	46,151	57,463	
-	-	-	(2,448,668)	(2,448,668)	
-	-	-	2,570,426	2,570,426	
-	-	-	5,468	5,468	
16	11,312	10,974	173,377	184,689	
7	(5,060)	18,574	132,602	127,542	
311	209,461	190,887	450,120	659,581	
<u>\$ 318</u>	<u>\$ 204,401</u>	<u>\$ 209,461</u>	<u>\$ 582,722</u>	<u>\$ 787,123</u>	
\$ 318	\$ 191,182	\$ 197,431	\$ 95,588	\$ 286,770	
-	13,219	12,030	487,134	500,353	
<u>\$ 318</u>	<u>\$ 204,401</u>	<u>\$ 209,461</u>	<u>\$ 582,722</u>	<u>\$ 787,123</u>	
(\$ 1)	(\$ 489)	\$ -	\$ 16,116	\$ 15,627	
-	1,094	-	-	1,094	
-	-	2,705	-	-	
-	-	40	-	-	
<u>(\$ 1)</u>	<u>\$ 605</u>	<u>\$ 2,745</u>	<u>\$ 16,116</u>	<u>\$ 16,721</u>	

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF PLAN NET ASSETS (in thousands)
SEPTEMBER 30, 2001

ASSETS	GENERAL EMPLOYEES PENSION PLAN	POLICE AND FIRE PENSION PLAN	TOTALS	
			2001	2000
Cash and short-term investments.....	\$ 66,791	\$ 31,492	\$ 98,283	\$ 33,887
Receivables (net, where applicable, of allowances for uncollectible):				
Interest and dividends.....	7,598	5,409	13,007	13,581
Due from other funds.....	-	224	224	246
Accounts receivable.....	-	-	-	81
Total receivables.....	<u>7,598</u>	<u>5,633</u>	<u>13,231</u>	<u>13,908</u>
Investments, at fair value:				
U.S. Government obligations.....	318,889	175,209	494,098	509,793
Municipal Bonds.....	4,423	-	4,423	-
Domestic corporate bonds.....	264,262	135,966	400,228	363,812
Domestic stocks.....	614,890	387,468	1,002,358	1,196,887
International stocks.....	150,611	37,235	187,846	253,063
Real Estate.....	-	6,642	6,642	2,321
Total investments.....	<u>1,353,075</u>	<u>742,520</u>	<u>2,095,595</u>	<u>2,325,876</u>
Property, Plant and Equipment:				
Land.....	-	24	24	24
Buildings and improvements.....	-	252	252	252
Furnitures and equipment.....	120	444	564	321
Accumulated depreciation.....	(76)	(277)	(353)	(303)
Net property, plant and equipment.....	<u>44</u>	<u>443</u>	<u>487</u>	<u>294</u>
TOTAL ASSETS.....	<u>1,427,508</u>	<u>780,088</u>	<u>2,207,596</u>	<u>2,373,965</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	608	803	1,411	893
Accrued Compensated Absences.....	19	47	66	50
Due to Drop Participants.....	-	51,576	51,576	28,408
TOTAL LIABILITIES.....	<u>627</u>	<u>52,426</u>	<u>53,053</u>	<u>29,351</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS...	<u>\$ 1,426,881</u>	<u>\$ 727,662</u>	<u>\$ 2,154,543</u>	<u>\$ 2,344,614</u>
(See schedule of funding progress at page 168.)				

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CHANGES IN PLAN NET ASSETS (in thousands)
SEPTEMBER 30, 2001

	GENERAL EMPLOYEES PENSION PLAN	POLICE AND FIRE PENSION PLAN	TOTALS	
			2001	2000
ADDITIONS				
Contributions:				
Employer.....	\$ 132	\$ 9,058	\$ 9,190	\$ 20,884
Plan Member.....	15,394	7,766	23,160	25,400
Total contributions.....	<u>15,526</u>	<u>16,824</u>	<u>32,350</u>	<u>46,284</u>
Other additions:				
State insurance contributions.....	-	4,513	4,513	4,299
Court fines & penalties.....	-	3,033	3,033	2,942
Miscellaneous.....	-	56	56	33
Gain/Loss on Sale of Fixed Assets.....	(4)	-	(4)	-
Total other additions.....	<u>(4)</u>	<u>7,602</u>	<u>7,598</u>	<u>7,274</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments.....	(91,468)	(78,939)	(170,407)	143,016
Interest and dividends.....	52,606	27,826	80,432	80,451
Rebate of Commissions.....	194	102	296	-
Rental Income.....	-	161	161	-
Earnings other Miscellaneous.....	315	507	822	-
Total investment income.....	<u>(38,353)</u>	<u>(50,343)</u>	<u>(88,696)</u>	<u>223,467</u>
Less investment expense.....	(4,102)	(3,308)	(7,410)	(8,037)
Less rental expense.....	-	(14)	(14)	-
Net investment income.....	<u>(42,455)</u>	<u>(53,665)</u>	<u>(96,120)</u>	<u>215,430</u>
TOTAL ADDITIONS.....	<u>(26,933)</u>	<u>(29,239)</u>	<u>(56,172)</u>	<u>268,988</u>
DEDUCTIONS				
Benefits payments.....	72,559	56,581	129,140	122,240
Refunds of contributions.....	2,351	389	2,740	3,621
Operating transfers out.....	-	83	83	162
Administrative expenses.....	1,001	935	1,936	2,167
TOTAL DEDUCTIONS.....	<u>75,911</u>	<u>57,988</u>	<u>133,899</u>	<u>128,190</u>
Net increase (decrease).....	(102,844)	(87,227)	(190,071)	140,798
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:				
BEGINNING OF YEAR.....	<u>1,529,725</u>	<u>814,889</u>	<u>2,344,614</u>	<u>2,203,816</u>
END OF YEAR.....	<u>\$ 1,426,881</u>	<u>\$ 727,662</u>	<u>\$ 2,154,543</u>	<u>\$ 2,344,614</u>



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COMPONENT UNITS

Component Units are legally separate organizations for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's governing body with certain exceptions, and either (a) the ability to impose will by the primary government, or (b) the potential for the organization to provide financial benefits to, or impose financial burdens on the primary government. These are presented in two reporting groups, Governmental Fund Type and Proprietary Fund Type.

GOVERNMENTAL FUND TYPE:

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

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

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

The Jacksonville Economic Development Company, Inc. provides financial assistance in the form of venture capital loans, grants and other economic incentives to promote new small business development throughout the City.

PROPRIETARY FUND TYPE:

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 Port Authority manages and operates the City's major marine port and aviation/airport facilities.

GOVERNMENTAL AND PROPRIETARY FUND TYPE:

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

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET
 DISCRETELY PRESENTED COMPONENT UNITS
 GOVERNMENTAL FUND TYPES (in thousands)
 SEPTEMBER 30, 2001**

	DUVAL COUNTY HOUSING FINANCE AUTHORITY	JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
ASSETS		
Equity in pooled cash and investments.....	\$ 10,770	\$ 2,333
Cash and equivalents.....	-	-
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts and interest.....	-	-
Mortgages.....	6,590	-
Due from other funds.....	-	-
Due from other governments.....	-	123
Prepaid expenditures and other assets.....	-	-
Restricted assets:		
Cash and equivalents.....	-	-
Fixed assets and infrastructure, net.....	-	-
Real estate under development.....	-	-
Amount to be provided for retirement of general long-term obligations.....	-	-
TOTAL ASSETS.....	<u>\$ 17,360</u>	<u>\$ 2,456</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable and accrued liabilities.....	\$ 323	\$ 212
Due to other funds.....	-	-
Due to primary government.....	-	-
Due to other governments.....	-	-
Deferred revenue.....	-	-
Long-term debt and other long-term obligations.....	-	-
TOTAL LIABILITIES.....	<u>323</u>	<u>212</u>
FUND EQUITY:		
Investment in general fixed assets.....	-	-
Fund Balances:		
Reserved for encumbrances.....	6	570
Reserved for mortgages receivable.....	6,590	-
Unreserved:		
Designated for self-insurance.....	-	-
Designated for changes in fair value of investments.....	27	6
Undesignated.....	10,414	1,668
Total Fund Balances.....	<u>17,037</u>	<u>2,244</u>
Total Fund Equity.....	<u>17,037</u>	<u>2,244</u>
TOTAL LIABILITIES AND FUND EQUITY.....	<u>\$ 17,360</u>	<u>\$ 2,456</u>

<u>JACKSONVILLE TRANSPORTATION AUTHORITY - JACKSONVILLE EXPRESSWAY SYSTEM</u>	<u>DOWNTOWN VISION, INC.</u>	<u>JACKSONVILLE ECONOMIC DEVELOPMENT COMPANY, INC.</u>	<u>COMBINED TOTALS</u>
\$ -	\$ -	\$ -	\$ 13,103
22,788	654	689	24,131
608	581	-	1,189
-	-	1,217	7,807
473	-	-	473
15,070	-	26	15,219
-	3	-	3
153,255	-	-	153,255
117,882	61	-	117,943
-	-	562	562
12,000	-	-	12,000
<u>\$ 322,076</u>	<u>\$ 1,299</u>	<u>\$ 2,494</u>	<u>\$ 345,685</u>
\$ 5,594	\$ 68	\$ 134	\$ 6,331
500	-	-	500
-	-	584	584
55	-	-	55
1,000	-	1,217	2,217
12,000	-	-	12,000
<u>19,149</u>	<u>68</u>	<u>1,935</u>	<u>21,687</u>
117,882	-	-	117,882
-	-	-	576
-	-	-	6,590
200	-	-	200
-	-	-	33
184,845	1,231	559	198,717
<u>185,045</u>	<u>1,231</u>	<u>559</u>	<u>206,116</u>
<u>302,927</u>	<u>1,231</u>	<u>559</u>	<u>323,998</u>
<u>\$ 322,076</u>	<u>\$ 1,299</u>	<u>\$ 2,494</u>	<u>\$ 345,685</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS
GOVERNMENTAL FUND TYPES (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	DUVAL COUNTY HOUSING FINANCE AUTHORITY	JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION
REVENUE:		
Taxes.....	\$ -	\$ -
Intergovernmental.....	-	29
Interest.....	773	124
Other.....	<u>133</u>	<u>562</u>
Total Revenue.....	<u>906</u>	<u>715</u>
EXPENDITURES:		
Current:		
General government.....	-	-
Transportation.....	-	-
Economic environment.....	1,744	6,205
Capital outlay.....	<u>-</u>	<u>-</u>
Total Expenditures.....	<u>1,744</u>	<u>6,205</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	<u>(838)</u>	<u>(5,490)</u>
OTHER FINANCING SOURCES (USES):		
Proceeds from SIB loan.....	-	-
Operating transfers out.....	-	(1)
Transfers out to state for debt service.....	-	-
Transfers - In from primary government.....	313	6,307
Transfers - Out to primary government.....	<u>-</u>	<u>(43)</u>
Total Other Financing Sources (Uses).....	<u>313</u>	<u>6,263</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES.....	<u>(525)</u>	<u>773</u>
FUND BALANCES, BEGINNING OF YEAR.....	17,562	1,471
Residual equity transfer (out).....	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR.....	<u><u>\$ 17,037</u></u>	<u><u>\$ 2,244</u></u>

JACKSONVILLE TRANSPORTATION AUTHORITY - JACKSONVILLE EXPRESSWAY SYSTEM	DOWNTOWN VISION, INC.	JACKSONVILLE ECONOMIC DEVELOPMENT COMPANY, INC.	COMBINED TOTALS
\$ 57,496	\$ 790	\$ -	\$ 58,286
12,209	-	5	12,243
11,916	24	23	12,860
<u>96</u>	<u>31</u>	<u>163</u>	<u>985</u>
<u>81,717</u>	<u>845</u>	<u>191</u>	<u>84,374</u>
2,510	-	-	2,510
5,396	-	-	5,396
-	366	99	8,414
<u>37,282</u>	<u>-</u>	<u>-</u>	<u>37,282</u>
<u>45,188</u>	<u>366</u>	<u>99</u>	<u>53,602</u>
<u>36,529</u>	<u>479</u>	<u>92</u>	<u>30,772</u>
12,000	-	-	12,000
(3,000)	-	-	(3,001)
(66,072)	-	-	(66,072)
36,765	-	-	43,385
<u>-</u>	<u>-</u>	<u>-</u>	<u>(43)</u>
<u>(20,307)</u>	<u>-</u>	<u>-</u>	<u>(13,731)</u>
<u>16,222</u>	<u>479</u>	<u>92</u>	<u>17,041</u>
170,323	752	467	190,575
<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>
<u>\$ 185,045</u>	<u>\$ 1,231</u>	<u>\$ 559</u>	<u>\$ 206,116</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
COMBINING BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNITS
PROPRIETARY AND SIMILAR FUND TYPES (in thousands)
SEPTEMBER 30, 2001**

ASSETS	<u>JEA</u>
CURRENT ASSETS:	
Cash and equivalents.....	\$ 65,291
Investments.....	19,583
Receivables (net, where applicable, of allowances for uncollectibles):	
Accounts and interest.....	136,195
Grants.....	-
Due from other funds.....	-
Due from primary government.....	400
Due from other governments.....	-
Advances to other funds.....	-
Inventories.....	105,933
Prepaid expenses and other assets.....	<u>33,462</u>
Total Current Assets.....	<u>360,864</u>
RESTRICTED ASSETS:	
Cash and equivalents.....	440,870
Investments.....	356,130
Accounts and interest receivable.....	<u>18,347</u>
Total Restricted Assets.....	<u>815,347</u>
PROPERTY, PLANT, AND EQUIPMENT:	
Land.....	-
Electric plant in service.....	4,290,665
Buildings and improvements.....	-
Improvements other than buildings.....	-
Vehicles.....	-
Equipment.....	-
Construction in progress.....	<u>1,538,501</u>
Total.....	<u>5,829,166</u>
Less accumulated depreciation.....	<u>(1,681,997)</u>
Total Property, Plant and Equipment - Net.....	<u>4,147,169</u>
OTHER ASSETS:	
Unamortized debt issuance costs.....	-
Unamortized service rights.....	-
Costs to be recovered from future revenues.....	<u>498,514</u>
Total other assets.....	<u>498,514</u>
TOTAL ASSETS.....	<u><u>\$ 5,821,894</u></u>

<u>JACKSONVILLE PORT AUTHORITY</u>	<u>JACKSONVILLE TRANSPORTATION AUTHORITY - MASS TRANSIT SYSTEM</u>	<u>COMBINED TOTALS</u>
\$ 7,394	\$ 22,903	\$ 95,588
24,524	-	44,107
11,589	822	148,606
5,462	-	5,462
-	500	500
-	-	400
-	1,094	1,094
-	233	233
1,325	1,323	108,581
2,300	196	35,958
<u>52,594</u>	<u>27,071</u>	<u>440,529</u>
46,264	-	487,134
51,269	-	407,399
713	-	19,060
<u>98,246</u>	<u>-</u>	<u>913,593</u>
130,556	21,783	152,339
-	-	4,290,665
158,500	118,668	277,168
392,178	-	392,178
-	62,440	62,440
101,074	72,564	173,638
131,078	450	1,670,029
913,386	275,905	7,018,457
(242,423)	(72,733)	(1,997,153)
<u>670,963</u>	<u>203,172</u>	<u>5,021,304</u>
3,823	-	3,823
3,437	-	3,437
-	-	498,514
<u>7,260</u>	<u>-</u>	<u>505,774</u>
<u>\$ 829,063</u>	<u>\$ 230,243</u>	<u>\$ 6,881,200</u>

(continued)

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET
 DISCRETELY PRESENTED COMPONENT UNITS
 PROPRIETARY AND SIMILAR FUND TYPES (in thousands; continued)
 SEPTEMBER 30, 2001**

JEA

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:

Accounts payable and accrued liabilities.....	\$ 74,947
Due to other funds.....	-
Due to other governments.....	-
Capitalized lease obligations, current portion.....	-
Estimated liability for self-insured losses.....	-
Advances from other funds.....	-
Deferred revenue and other.....	-
Total Current Liabilities.....	<u>74,947</u>

LIABILITIES PAYABLE FROM RESTRICTED ASSETS:

Accrued interest payable.....	81,385
Long-term obligations, current portion.....	90,065
Construction contracts, retainage and accounts payable.....	89,469
Renewal and replacement reserve.....	90,000
Customers' deposits.....	18,233
Other.....	-
Total liabilities payable from restricted assets.....	<u>369,152</u>

LONG-TERM LIABILITIES, net of current portion:

Revenue bonds and note payable.....	-
Long-term debt and other long-term obligations.....	3,691,015
Capitalized lease obligations, less current portion.....	-
Deferred capital contributions.....	-
Total Long-Term Liabilities.....	<u>3,691,015</u>

OTHER LIABILITIES AND DEFERRED CREDITS:

Deferred credits and other.....	146,020
Total Other Liabilities and Deferred Credits.....	<u>146,020</u>

TOTAL LIABILITIES..... **4,281,134**

FUND EQUITY:

Contributed capital.....	319,525
Retained earnings.....	1,221,235

TOTAL FUND EQUITY..... **1,540,760**

TOTAL LIABILITIES AND FUND EQUITY..... **\$ 5,821,894**

<u>JACKSONVILLE PORT AUTHORITY</u>	<u>JACKSONVILLE TRANSPORTATION AUTHORITY - MASS TRANSIT SYSTEM</u>	<u>COMBINED TOTALS</u>
\$ 13,628	\$ 6,684	\$ 95,259
-	473	473
-	962	962
698	-	698
-	2,516	2,516
-	233	233
-	716	716
<u>14,326</u>	<u>11,584</u>	<u>100,857</u>
6,234	-	87,619
6,065	-	96,130
9,407	-	98,876
-	-	90,000
-	-	18,233
745	-	745
<u>22,451</u>	<u>-</u>	<u>391,603</u>
223,217	-	223,217
-	-	3,691,015
11,344	-	11,344
16,500	-	16,500
<u>251,061</u>	<u>-</u>	<u>3,942,076</u>
-	-	146,020
-	-	146,020
<u>287,838</u>	<u>11,584</u>	<u>4,580,556</u>
359,618	168,629	847,772
<u>181,607</u>	<u>50,030</u>	<u>1,452,872</u>
541,225	218,659	2,300,644
<u>\$ 829,063</u>	<u>\$ 230,243</u>	<u>\$ 6,881,200</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS
DISCRETELY PRESENTED COMPONENT UNITS
PROPRIETARY AND SIMILAR FUND TYPES (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>JEA</u>
OPERATING REVENUE:	
Operating revenue.....	\$ 936,801
Earnings on investments.....	-
Other.....	46,358
Total Operating Revenue.....	<u>983,159</u>
OPERATING EXPENSES:	
Fuel.....	313,091
Purchased power.....	91,396
Operations and maintenance.....	210,578
General and administrative.....	-
Personal services.....	-
Supplies and materials.....	-
Other services and charges.....	35,758
Casualty and insurance.....	-
Taxes and licenses.....	17,654
Depreciation and amortization.....	157,715
Total Operating Expenses.....	<u>826,192</u>
OPERATING INCOME (LOSS).....	<u>156,967</u>
NON-OPERATING REVENUE (EXPENSES):	
Interest revenue.....	52,467
Interest expense.....	(107,605)
Public funding:	
United States Government.....	-
State of Florida.....	-
Other subsidies.....	-
Other.....	10,008
Total Non-Operating Revenue (Expenses).....	<u>(45,130)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS.....	<u>111,837</u>
Capital contributions.....	<u>19,433</u>
OPERATING TRANSFERS:	
Operating transfer in.....	-
Transfer - In from primary government.....	-
Transfers - Out to primary government.....	(73,638)
Total Operating Transfers In (Out).....	<u>(73,638)</u>
NET INCOME.....	57,632
Add depreciation on contributed assets / grant assets consumed in operations.....	<u>10,071</u>
Increase in retained earnings.....	<u>67,703</u>
RETAINED EARNINGS, BEGINNING OF YEAR.....	<u>1,153,532</u>
RETAINED EARNINGS, END OF YEAR.....	<u>\$ 1,221,235</u>

<u>JACKSONVILLE PORT AUTHORITY</u>	<u>JACKSONVILLE TRANSPORTATION AUTHORITY - MASS TRANSIT SYSTEM</u>	<u>COMBINED TOTALS</u>
\$ 64,624	\$ 13,955	\$ 1,015,380
-	283	283
-	-	46,358
<u>64,624</u>	<u>14,238</u>	<u>1,062,021</u>
-	-	313,091
-	-	91,396
28,075	-	238,653
18,773	-	18,773
-	25,912	25,912
-	4,630	4,630
-	16,482	52,240
-	1,024	1,024
-	131	17,785
<u>27,426</u>	<u>13,072</u>	<u>198,213</u>
<u>74,274</u>	<u>61,251</u>	<u>961,717</u>
<u>(9,650)</u>	<u>(47,013)</u>	<u>100,304</u>
6,460	342	59,269
(9,499)	-	(117,104)
-	3,784	3,784
-	3,873	3,873
-	206	206
<u>7,256</u>	<u>-</u>	<u>17,264</u>
<u>4,217</u>	<u>8,205</u>	<u>(32,708)</u>
<u>(5,433)</u>	<u>(38,808)</u>	<u>67,596</u>
<u>22,785</u>	<u>39,465</u>	<u>81,683</u>
-	3,000	3,000
-	27,139	27,139
-	-	(73,638)
-	<u>30,139</u>	<u>(43,499)</u>
17,352	30,796	105,780
<u>10,810</u>	<u>12,831</u>	<u>33,712</u>
<u>28,162</u>	<u>43,627</u>	<u>139,492</u>
<u>153,445</u>	<u>6,403</u>	<u>1,313,380</u>
<u>\$ 181,607</u>	<u>\$ 50,030</u>	<u>\$ 1,452,872</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
PROPRIETARY AND SIMILAR FUND TYPES (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	<u>JEA</u>
OPERATING ACTIVITIES:	
OPERATING INCOME (LOSS).....	<u>\$ 156,967</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization.....	157,715
Recognition of deferred costs and revenues, net.....	35,758
Other non-operating revenue (expense), net.....	(2,464)
Change in assets and liabilities:	
Decrease (increase) in accounts and interest receivable, restricted.....	35,044
Decrease (increase) in receivables and other current assets, net.....	(6,241)
Decrease (increase) in inventories.....	(2,280)
Decrease (increase) in prepaid expenses and other.....	-
Increase (decrease) in accounts payable and accrued expenses.....	(21,415)
Increase (decrease) in liabilities, restricted.....	8,959
Increase (decrease) in other liabilities and deferred revenue.....	732
Increase (decrease) in liability for self-insured losses.....	-
Contribution to primary government.....	<u>(73,638)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>289,137</u>
NONCAPITAL FINANCING ACTIVITIES:	
Operating grants received.....	-
Cash received through operating transfers from other funds.....	<u>-</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....	<u>-</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:	
Additions to property, plant and equipment.....	(811,306)
Proceeds from sales of property and equipment.....	332
Customer contributions.....	10,571
Cash receipts from contributions in aid.....	-
Proceeds from issuance of long-term debt, net.....	840,612
Defeasance of capital debt.....	(126,384)
Principal paid on long-term debt obligations.....	(85,115)
Interest paid on debt.....	(152,315)
Passenger facility charges and other.....	<u>-</u>
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(323,605)</u>
INVESTING ACTIVITIES:	
Interest and dividends on investments.....	38,351
Purchase of investments.....	(2,343,430)
Proceeds from sale and maturities of investments.....	2,444,447
Investment in The Energy Authority.....	<u>5,468</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>144,836</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	110,368
Cash and cash equivalents at October 1.....	<u>395,793</u>
Cash and cash equivalents at September 30.....	<u>\$ 506,161</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Change in the fair value of investments.....	<u>\$ 14,115</u>
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>\$ 14,115</u>

<u>JACKSONVILLE PORT AUTHORITY</u>	<u>JACKSONVILLE TRANSPORTATION AUTHORITY - MASS TRANSIT SYSTEM</u>	<u>COMBINED TOTALS</u>
(\$ 9,650)	(\$ 47,013)	\$ 100,304
27,426	13,072	198,213
16	-	35,774
-	-	(2,464)
-	-	35,044
(6,919)	4,050	(9,110)
(218)	(405)	(2,903)
(355)	(30)	(385)
8,238	1,258	(11,919)
-	-	8,959
-	449	1,181
-	577	577
-	-	(73,638)
<u>18,538</u>	<u>(28,042)</u>	<u>279,633</u>
-	7,862	7,862
-	<u>30,139</u>	<u>30,139</u>
-	<u>38,001</u>	<u>38,001</u>
(93,005)	(38,222)	(942,533)
97	-	429
-	-	10,571
41,853	39,465	81,318
38,573	-	879,185
-	-	(126,384)
(17,205)	-	(102,320)
(13,609)	-	(165,924)
7,249	-	7,249
<u>(36,047)</u>	<u>1,243</u>	<u>(358,409)</u>
7,433	367	46,151
(105,238)	-	(2,448,668)
125,979	-	2,570,426
-	-	5,468
<u>28,174</u>	<u>367</u>	<u>173,377</u>
10,665	11,569	132,602
<u>42,993</u>	<u>11,334</u>	<u>450,120</u>
<u>\$ 53,658</u>	<u>\$ 22,903</u>	<u>\$ 582,722</u>
<u>\$ 2,001</u>	<u>\$ -</u>	<u>\$ 16,116</u>
<u>\$ 2,001</u>	<u>\$ -</u>	<u>\$ 16,116</u>

See accompanying notes.



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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	44 - 60
	A. Basis of Presentation.....	44
	B. Financial Reporting Entity.....	44 - 49
	C. Fund Structure.....	49 - 51
	D. Basis of Accounting.....	51 - 52
	E. Cash, Cash Equivalents, and Investments.....	53
	F. Encumbrances.....	53
	G. Receivables.....	53
	H. Inventories.....	53 - 54
	I. Fixed Assets.....	54
	J. Contributed Capital.....	54 - 55
	K. Interfund Transactions.....	55
	L. Restricted Assets.....	55
	M. Compensated Absences.....	55 - 56
	N. Risk Financing.....	56
	O. Pension Costs.....	56
	P. Landfill Closure and Postclosure Care Costs.....	56 - 57
	Q. Long-Term Obligations.....	57
	R. Reservations and Designations of Fund Equity.....	57 - 58
	S. Bond Discounts and Issuance Costs.....	58
	T. Deferred Loss on Debt Refundings.....	58
	U. Use of Estimates.....	58
	V. Comparative Data.....	59
	W. "Memorandum Only" Total Columns.....	59
	X. Reclassification.....	59
	Y. New Accounting Standards.....	59 - 60
2.	BUDGETARY DATA.....	60 - 61
3.	CASH AND INVESTMENTS.....	62 - 64
	A. Equity in Cash and Investments.....	62
	B. Cash on Deposit.....	62
	C. Investments and Investment Practices.....	63 - 64
4.	ACCOUNTS RECEIVABLE.....	65
5.	PROPERTY TAXES.....	65 - 66
	A. Ad Valorem Property Taxes.....	65
	B. The Property Tax Calendar.....	66
6.	CHANGES IN GENERAL FIXED ASSETS.....	66

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

7.	INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS.....	67 - 74
8.	LONG-TERM OBLIGATIONS	75 - 87
	A. Long-Term Obligations	75 - 79
	B. Debt Service Requirement to Maturity	80
	C. Changes in Long-Term Obligations.....	81
	D. New Bonded Indebtedness and Refundings	82 - 83
	E. Defeased Debt.....	84
	F. Lease Obligations.....	85
	G. Arbitrage Liability	86
	H. Conduit Debt.....	86 - 87
	I. Special Assessment Debt	87
	J. Demand Bonds.....	87
9.	PENSION PLANS	87 - 93
	A. Summary of Significant Accounting Policies.....	88
	B. General Employees Pension Plan	88 - 90
	C. Police and Fire Pension Plan.....	90 - 92
	D. Florida Retirement System	92 - 93
10.	DEFERRED COMPENSATION PROGRAM.....	93
11.	POST RETIREMENT BENEFITS.....	93
12.	SEGMENT INFORMATION	94 - 95
13.	CHANGES IN CONTRIBUTED CAPITAL ACCOUNTS.....	96
14.	RISK FINANCING	96 - 97
15.	OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES.....	97 - 100
	A. Compliance With Finance Related Legal and Contractual Provisions.....	97
	B. Fund Deficits and Excess of Expenditures Over Appropriations	97
	C. Reconciliation	98
	D. Landfill Closure and Postclosure Care Costs.....	98 - 100
16.	CHANGES IN REPORTING ENTITY.....	100
17.	RESIDUAL EQUITY TRANSFER	101

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

18.	LESSOR OPERATING LEASE.....	101
19.	LITIGATION, CONTINGENCIES, AND COMMITMENTS	102 - 104
	A. Litigation.....	102
	B. Grants and Contracts.....	102
	C. Self-Insurance	102
	D. Environmental Matters.....	103 - 104
	E. Economic Development Commitments	104
20.	SUBSEQUENT EVENTS	104
21.	MAJOR DISCRETELY PRESENTED COMPONENT UNITS	105 - 164
	A. JEA.....	105 - 136
	B. Jacksonville Port Authority.....	137 - 152
	C. Jacksonville Transportation Authority.....	153 - 164

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Jacksonville, Florida (the City) conform to accounting principles generally accepted in the United States (GAAP) as applicable to governments. The following is a summary of the more significant policies. Notes 1.D. through 20 are note disclosures of the primary government. Disclosures of major discretely presented component units essential to the fair presentation of the City's General Purpose Financial Statements are set forth in Note 21.

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 an appointed Chief Administrative Officer, services to approximately 792,000 residents living in an 840.1 square mile area.

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

This report includes all funds, account groups, departments, agencies, boards and commissions, and other organizational units that are administered by the Mayor and/or controlled by or dependent upon the City Council as set forth in the City Charter. The City, a primary government, has also considered for inclusion all potential component units for which it may be financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. In accordance with GASB Statement No. 14, The Financial Reporting Entity, the GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

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

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

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

The **Jacksonville Metropolitan Planning Organization (MPO)** was established under Chapter 339.175, Laws of Florida, to encourage and promote the development of transportation systems for the Jacksonville urbanized area. The members of MPO are also members of the City Council. MPO provides services exclusively to the City in the form of transportation planning and capital improvement program development.

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

The **Jacksonville Police and Fire Pension Board of Trustees**, created under Article 22 of the City Charter, provides retirement services and benefits to eligible employees of the Office of the Sheriff and the Department of Fire and Rescue. The City appoints two of the five-member board; one member is a police officer; one member is a firefighter; and the remaining member is appointed by the other four members. As sponsor, the City has the ability to modify the plan and to approve the defined benefit contribution to the Police and Fire Pension Board of Trustees in the City's annual budget. The Police and Fire Pension Board of Trustees issues separate financial statements on the fund, which may be obtained from its administrative office at 3200 Emerson Street, Jacksonville, Florida 32207. These transactions are blended in the Trust and Agency 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 in a separate column to emphasize that they are legally separate from the primary government and are governed by separate boards. The Component Units column of the combined financial statements includes the financial data of these entities. Each component unit listed below has a September 30 fiscal year end.

Major Component Units

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

The **Jacksonville Port Authority (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. The governing body of the JPA consists of seven members, four of whom are appointed by the Governor of Florida, and three of whom are appointed by the Mayor and confirmed by the City Council. The JPA is, however, fiscally dependent upon the City under

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

Section 14 of the City Charter through approval of its budgets, which ensures strong accountability to the local constituent citizenry. The relationship of the City to its independent authorities under Jacksonville's consolidated form of city/county government would make it misleading to exclude it from the financial statements. The JPA issues separate financial statements, which may be obtained from its administrative office at 2831 Tallyrand Avenue, Jacksonville, Florida 32206.

The **Jacksonville Transportation Authority (JTA)** is a public body politic and corporate agency of the State of Florida under Chapter 349 of the Florida Statutes. The governing body of the JTA consists of seven members, three of whom are appointed by the Governor of Florida, three of whom are appointed by the Mayor and confirmed by the City Council, and the seventh member is the district engineer of the Florida Department of Transportation. The JTA is empowered to construct, improve, operate, and lease the Jacksonville Expressway System. The JTA is, however, fiscally dependent upon the City under Section 14 of the City Charter through approval of its budgets which ensures strong accountability to the local constituent citizenry. The relationship of the City to its independent authorities under Jacksonville's consolidated form of city/county government would make it misleading to exclude it from the financial statements. The JTA issues separate financial statements, which may be obtained from its administrative office at 100 North Myrtle Avenue, Jacksonville, Florida 32203.

Non-major Component Units

The **Duval County Housing Finance Authority (DCHF)**, created under Chapter 65.105 of the City Ordinance Code pursuant to Chapter 78-89 of the Laws of Florida, provides money for loans and technical assistance for construction and rehabilitation of housing to alleviate a shortage of housing and capital for investment in housing in Jacksonville. The City appoints DCHF board members and has the ability to impose its will. There are no separately issued financial statements for the DCHF, whose financial activity is accounted for by the City as a special revenue fund during the year. Accordingly, no fund type data is presented for this component unit.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

of a community redevelopment agency under Part III, Chapter 163, Florida Statutes and as an industrial development authority under Part III, Chapter 159, Florida Statutes. The mayor appoints the board members and a chairman, who are confirmed by the City Council, and the City has the ability to impose its will. There are no separately issued financial statements for the JEDC, whose financial activity is accounted for by the City as a special revenue fund during the year. Accordingly, no fund type data is presented for this component unit.

The **Downtown Vision, Inc. (DVI)**, was established as a not-for-profit corporation under the Laws of Florida in 1997. DVI was created to provide community enhancements in the downtown area, with associated costs assessed to the properties benefited. The assessment is levied and collected by the City in accordance with the Enhanced Municipal Services Agreement, and was approved by City Ordinance 1999-1175-E. The DVI is governed by a 15-member Board of Directors, of which two are City representatives. The City has the ability to impose its will on the DVI through annual budget approval. The enhanced services are provided to property owners within several of the City's Downtown Community Redevelopment areas, including some properties owned by the City. DVI issues separate financial statements, which may be obtained from its main office at 220 East Bay Street, 14th Floor, Jacksonville, Florida 32202.

The **Jacksonville Economic Development Company, Inc. (JEDCO)**, was established as a not-for-profit corporation under the Laws of Florida in 1981 to provide a centralization of economic development programs. The JEDCO is governed by a Board of Directors which is selected by the Mayor's Economic Development Council. The City has the ability to impose its will on JEDCO principally through budgetary approvals. JEDCO issues separate financial statements on the company, which may be obtained from its administrative office at 220 East Bay Street, Room 416, 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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

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

Related Organizations

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

C. 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 fund types as required by GAAP. A brief description of these fund types and account groups and categories into which they are grouped follows:

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Structure: (continued)

Governmental Funds. Transactions related to resources received and used for those services traditionally provided by city/county government. Governmental funds include:

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for and the payment of interest and principal on most general governmental obligations that are included in the General Long-Term Obligations Account Group.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or improvements (other than those financed by the Proprietary Funds).

Proprietary Funds. Transactions related to activities similar to those found in the private sector. Proprietary funds include:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or another governmental unit on a cost-reimbursement basis.

Fiduciary Funds. Transactions related to assets held by the City in a trust or agency capacity. The City's fiduciary funds include Pension Trust, Expendable Trust, Nonexpendable Trust and Agency funds as follows:

Pension Trust Funds - Pension Trust Funds are used to account for assets, liabilities, and net assets available for plan benefits of City defined benefit retirement systems.

Expendable Trust Fund – The Expendable Trust Fund reflects the transactions, assets and liabilities, and fund equity of trusts whose principal and income may be used to fund the activity.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Structure: (continued)

Nonexpendable Trust Fund – The Nonexpendable Trust Fund reflects the transactions, assets and liabilities, and fund equity of trusts whose income only may be used to fund the activity.

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

Account Groups. The Account Groups are maintained to account for general long-term obligations and fixed assets not accounted for in other funds of the City.

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the City, except fixed assets of proprietary funds, certain trust funds, and component units.

General Long-Term Obligations Account Group - This account group is used to account for all the outstanding principal balances of any general and special obligation bonds or notes, accrued compensated absences, and capitalized leases of the City, exclusive of liabilities of proprietary funds, certain trust funds, and component units.

Component Units. Accounts for assets, liabilities and operations of discretely presented component units. The financial statements for discretely presented component units are reported as if they were a fund type using a similar basis of accounting.

D. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. 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.

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

All proprietary funds, nonexpendable trust funds and pension trust funds are accounted for using a flow of economic resources or "income determination" measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
D. Basis of Accounting: (continued)

segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

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

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

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 the long-term portion of the liability for compensated absences or capital lease obligations which are recognized when paid.

The accrual basis of accounting is utilized by proprietary fund types, nonexpendable trust funds and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash, Cash Equivalents, and Investments:

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

F. Encumbrances:

Encumbrance accounting (under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation) is utilized in the General, Special Revenue, and Capital Projects Funds during the year to facilitate effective budgetary control. Unencumbered appropriations lapse at the end of each fiscal year, with encumbrances outstanding at year end being reported as a reservation of fund balances since they do not constitute expenditures or liabilities. Encumbrances at year-end are reappropriated and honored during the subsequent year.

G. Receivables:

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

H. Inventories:

Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems stated at cost, which approximates market, using the average weighted costing method. In governmental fund types, inventories are recorded as

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Inventories: (continued)

expenditures when purchased. Reported inventories in governmental funds are equally offset by a reservation of fund balance since they are unavailable for appropriation. In proprietary fund types, inventories are expended when consumed.

I. Fixed Assets:

All purchased fixed assets are recorded at cost where historical records are available and at estimated cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Infrastructure "public domain" assets such as highways, curbs and gutters, bridges, streets and sidewalks, drainage and lighting systems, which are immovable and of value only to the City, are not capitalized except as disclosed in Note 21 by certain component units. Generally, fixed assets costing more than \$500 or having a useful life of more than one year are capitalized. 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.

Governmental, Expendable Trust and Agency Funds - Fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in these funds, and the related assets are reported in the General Fixed Asset Account Group. Assets in the General Fixed Asset Account Group are not depreciated.

Proprietary and Pension Trust Funds - Fixed assets are referred to as fund fixed assets and are accounted for in the acquiring fund. Interest during construction is capitalized and depreciation is recorded on a straight-line basis over the assets' estimated useful lives. When property is disposed of the related cost and accumulated depreciation are removed from the accounts with gains or losses on disposition reflected in current operations. The following lives are used:

Buildings and improvements	12 - 45 years
Equipment and fixtures	3 - 10 years

Component Units - Fixed assets are recorded in accordance with their similar fund type of the primary government except for those component units as separately disclosed under Note 21.

J. Contributed Capital:

Contributed capital accounted for in the Proprietary Fund Types represents prior years' contributions from other funds and/or State and Federal Aid programs and is recorded as an increase to fund equity at the cost of the related asset at the time of asset transfer

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Contributed Capital: (continued)

or receipt. Depreciation is recorded on contributed fixed assets and is reflected in the Statement of Revenue, Expenses and Changes in Retained Earnings.

The depreciation on contributed fixed assets of all Proprietary Fund Types is charged against the related contributed capital account and is "added back" as an increase to retained earnings.

Current year capital contributions are recorded as increases to net income in accordance with the provisions of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

K. Interfund Transactions:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditure/expenses initially made from it that are properly applicable to another fund, are recorded as expenditure/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. Restricted Assets:

Mandatory asset segregation is presented in various enterprise funds as restricted assets. Such segregation is required by bond covenants and other external restrictions for debt service, construction, and renewals and replacements. The excess of restricted assets over liabilities payable from restricted assets will first be used for bonds payable. The remainder, if any, is included in reserved retained earnings.

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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Compensated Absences: (continued)

Compensated absences liabilities for governmental funds and expendable trust funds are recorded in the General Long-Term Obligations Account Group. No expenditure is reported for these amounts until payment is made. All other fund types report this liability as a fund liability that is recorded as an expense as the benefits accrue to the employees. 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 million per occurrence of workers' compensation. (See Note 14.) 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, 2001, for incurred but not yet reported claims and claims development. The liability for self-insured losses is accounted for in the Self-Insurance Fund (internal service fund) that pays for claims made against the City.

O. Pension Costs:

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

P. Landfill Closure and Postclosure Care Costs:

The City recognizes municipal solid waste landfill closure and postclosure care costs under the State of Florida's Solid Waste Management Act of 1988 (the "1988 Act"), regulations of the Federal Environmental Protection Agency (EPA), and GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs. For those landfills that stopped accepting solid waste prior to final implementation of the 1988 Act and EPA regulations, the estimated total cost of municipal solid waste landfill (MSWLF) closure and postclosure care is recognized as a deferred charge and a corresponding liability in the Solid Waste Disposal Enterprise Fund, in accordance with FASB Statement No. 71, Accounting for the Effects of Certain Types of Regulation, (FAS 71). The City issued bonds to pay for closure costs on closed landfills. Post-closure care costs on closed landfills are recorded as a liability based on engineers' estimates. The City Council establishes rates that are designed to recover costs

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 15.D.)

Q. Long-Term Obligations:

Revenue bonds and other forms of long-term debt used to finance Proprietary Fund operations and which are payable from revenue of the Proprietary Funds are recorded in the applicable Proprietary Fund. (See Note 8.) General obligation bonds, special obligation bonds, and other forms of long-term debt are accounted for in the General Long-Term Obligations Account Group. General obligation bonds are supported by ad valorem taxes and constitute a debt of the City and a lien upon any property situated within the City. Special obligation bonds which are supported by certain general revenues (other than ad valorem taxes) do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision, and the City is not obligated to pay the bonds except from revenues pledged for such purposes.

R. Reservations and Designations of Fund Equity:

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

Explanations of significant designations include:

- (1) Fund Balance Designated for Capital Projects - Tentative plans for utilization of fund balances in future periods for capital projects designated in the City's Annual Budget for the coming fiscal year.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

S. Bond Discounts and Issuance Costs:

In Governmental Fund Types, bond discounts and issuance costs are recognized in the current period. Material bond discount and issuance costs for Proprietary Fund Types are deferred and amortized as a component of interest expense over the term of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are recorded as deferred charges and bond discount/premium are included in Long-Term Liabilities - Revenue Bonds.

T. Deferred Loss on Debt Refundings:

Losses resulting from advance refundings of debt in proprietary funds 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 - Revenue Bonds 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.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

V. Comparative Data:

Comparative totals for the primary government for fiscal year 2000 are presented in the financial statements to provide an understanding of the changes in the City's financial position and operations. Disclosures relevant to the prior year are available in the City's fiscal year 2000 Comprehensive Annual Financial Report.

W. "Memorandum Only" Total Columns:

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Furthermore, this information is not comparable to a consolidation of funds as interfund transactions have not been eliminated.

X. Reclassification:

Certain amounts in the separately issued financial statements of component units have been reclassified to conform to the presentation of the primary government. In addition, certain prior year amounts of the City have been reclassified to conform to the current year's presentation.

Y. New Accounting Standards:

The City adopted the provisions of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, for the fiscal year ending September 30, 2001.

The Statement establishes accounting and reporting standards to guide state and local governments' decisions about when to report the results of nonexchange transactions involving cash and other financial and capital resources. The adoption of this standard resulted in the City reporting \$6.3 million as capital contributions revenue.

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, which establishes financial reporting standards for state and local governments, including states, cities, towns, villages, and special-purpose governments such as school districts and public utilities. It establishes that the basic financial statements and required supplementary information for general purpose governments should consist of Management's discussion and analysis, basic financial statements, and required supplementary information. The City will adopt this Statement and Statement No. 37, the related Omnibus Statement, for the year ending September 30, 2002.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Y. New Accounting Standards: (continued)

GASB Statement No. 38, Certain Financial Statement Note Disclosures, modifies, establishes, and rescinds certain financial statement disclosure requirements and is effective when GASB Statement No. 34 is implemented.

2. BUDGETARY DATA

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

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

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

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

B. All funds of each governmental fund type with legally adopted annual budgets are included in the Combined Statement 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, certain Proprietary Fund Types and certain Fiduciary Fund Types. Project or program budgets, which may not coincide with the City's fiscal year, or which may exceed a single annual period, are adopted by separate ordinance for most Special Revenue Funds and Capital Project Funds. Budgets are not formally adopted for Debt Service Funds as internal spending controls are set by compliance with bond covenants. The Special Revenue Funds which are not budgeted annually include the following: Community Development Block Grant, Housing Rehabilitation and Home Investment and Opportunity Grants, Job Training Partnership Act Grant, Maintenance, Parks and Recreation, Metropolitan Planning Organization, Other Federal, State and Local Grants, State Housing Initiative Partnership, Better Jacksonville Trust Fund and Non-Budgeted General Government.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

2. BUDGETARY DATA (continued)

D. Level of Budgetary Control - Expenditures may not exceed appropriations and are controlled in the following manner:

- (1) The budget is controlled according to Chapter 129, Florida Statutes, at the total fund level.
- (2) The City has adopted more stringent administrative policies that control expenditures at the major category (Personal Services, Operating Expense, Capital Outlay, Debt Service) level within divisions within individual funds.
- (3) The City, additionally, has adopted a Municipal Ordinance Code Policy that provides transfer authority to the Mayor, without City Council approval, within an individual fund.

E. Supplemental Appropriations - The City Council may, through passage of an ordinance, amend the budget in any manner permissible under State and Local Law, with one exception. Bond covenants, trust and agency agreements, and certain clauses of ordinances in effect may restrict certain budgetary items in terms of amount or use.

In certain instances the City may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2001 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. Budget to actual comparisons are provided in the financial statements for all Governmental Fund Types where the City has legally adopted annual budgets. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Budgets are prepared on the modified accrual basis (GAAP) of accounting except that budgetary expenditures include encumbrances for purchase orders and contracts that will not be fully executed prior to the end of the fiscal year.

H. Formal budgetary integration is used as a management control device for all funds of the City, except certain Debt Service Funds as explained in Note 2.C.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

3. CASH AND INVESTMENTS

A. Equity in Cash and Investments:

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

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

B. Cash on Deposit:

At September 30, 2001, the City's cash on deposit in its bank accounts was \$144.7 million including interest bearing accounts, all of which was insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes. The related book balance was \$601.3 million. Monies which are placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the City's public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" and covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

3. CASH AND INVESTMENTS (continued)

C. Investments and Investment Practices:

The City is authorized to invest in certificates of deposit, money market certificates, obligations of the U. S. Treasury, its agencies and instrumentalities, repurchase agreements collateralized by U. S. securities, and the Florida Counties Investment Trust. The pension trust funds are also authorized to invest in obligations of the City of Jacksonville, of the State of Florida, commercial paper rated A-1 or P-1 by a nationally recognized rating service, bankers' acceptances, corporate bonds, including collateralized mortgage obligations, preferred stocks, common stocks, and real estate limited trusts. No derivative or similar investment transactions, as defined by GASB Technical Bulletin 94-1, were used, held, or written by the City during fiscal 2001.

Investments at September 30, 2001, are categorized in accordance with GASB Statement No. 3 in the following table (in thousands) to indicate the level of risk assumed by the City: Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name; Category 2 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name; Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name. Due to significantly higher cash flows at certain times during the year, the City's investment in overnight repurchase agreements, for which the underlying securities were held by the dealer, fluctuated throughout the period. As a result, the amounts that were in Category 3 at those times were marginally higher than at year-end.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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

Classified as to Credit Risk	Credit Risk Category			Fair Value
	1	2	3	
<u>All Fund Types Except For Pension</u>				
Repurchase Agreements	\$ -	\$ -	\$189,412	\$ 189,412
U.S. Government and Agency Securities	238,148	-	1,980	240,128
Total	<u>\$ 238,148</u>	<u>\$ -</u>	<u>\$ 191,392</u>	<u>429,540</u>
<u>Pension Trust Funds</u>				
U.S. Government and Agency Securities	\$ 494,098	\$ -	\$ -	494,098
Corporate Bonds	400,228	-	-	400,228
Common Stock	1,190,204	-	-	1,190,204
Real Estate	6,642	-	-	6,642
Municipal Bonds	4,423	-	-	4,423
Total	<u>\$2,095,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,095,595</u>
Total Risk-Classified Investments				2,525,135
<u>Unclassified as to Credit Risk:</u>				
Accrued Interest Receivable				15,655
Cash Bank Deposits				601,285
Less: Equity in cash and investments of certain Component units discretely presented and related organizations				(13,078)
Total Cash and Investments at September 30, 2001				<u>\$ 3,128,997</u>
<u>Summary of Cash and Investment Accounts:</u>				
Equity in Cash and Investments				\$ 3,080,227
Cash in Escrow and with Fiscal Agents				35,551
Restricted Cash and Investments				13,219
Total Cash and Investments at September 30, 2001				<u>\$ 3,128,997</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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 in the combined balance sheet. No other funds had an allowance for doubtful accounts at September 30, 2001.

Fund	Accounts Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
General Fund	\$ 25,716	(\$ 22,324)	\$ 3,392
Special Revenue - Sports, Convention & Tourism Development	12	(6)	6
Special Revenue - Budgeted General Government	71	(33)	38
Enterprise Funds - Solid Waste Disposal	2,670	(131)	2,539
Fund	Mortgages Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
Special Revenue - Housing Rehabilitation and Home Investment and Opportunity Grants	14,788	(3,581)	11,207
Special Revenue - State Housing Initiative Partnership	6,198	(220)	5,978

5. PROPERTY TAXES

A. Ad Valorem Property Taxes:

Property tax collections are governed by Chapter 197, Florida Statutes. The Duval County Tax Collector bills and collects all property taxes levied within the Consolidated City/County. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The total millage rate levied by the City was 10.5498 for the fiscal year ended September 30, 2001.

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

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

5. PROPERTY TAXES (continued)

B. Property Tax Calendar:

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

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

6. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows (in thousands):

	Balance October 1, 2000	Additions	Retirements and Other Deletions	Balance September 30, 2001
Land	\$ 98,883	\$ 19,243	\$ 4,943	\$ 113,183
Buildings and improvements	463,002	3,937	-	466,939
Furniture and equipment	53,034	5,021	4,578	53,477
Total	<u>\$ 614,919</u>	<u>\$ 28,201</u>	<u>\$ 9,521</u>	<u>\$ 633,599</u>

Under an agreement with a not-for-profit corporation, Shands Jacksonville, formerly known as University Medical Center, the City leases to Shands certain general fixed assets, principally land and buildings, over a term to September 30, 2027 with an option to renew for an additional forty years to 2067 at \$1 per year. In addition, Shands is to be a full service hospital in support of the indigent care programs of the City of Jacksonville and Duval County under the agreement. Shands is to maintain, in good condition, and make improvements and betterments to the Hospital as necessary over the life of the lease. The fixed assets of Shands are included in the General Fixed Assets of the City and total \$232.4 million at September 30, 2001, and consist of all property real, personal or mixed and other facilities whether presently or subsequently owned, operated or leased by Shands during the term of the lease. At termination of the lease, all such demised and leased property shall revert to the City.

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund transactions follows (in thousands):

<u>DUE TO OTHER FUNDS</u>	<u>AMOUNT</u>	<u>DUE FROM OTHER FUNDS</u>
GENERAL FUND		
General Fund	\$ 1	Fleet Management
General Fund	10	Information Technologies
General Fund	15	Legal
Total	<u>26</u>	
SPECIAL REVENUE		
Community Development Block Grant	<u>1,815</u>	Self Insurance
Total	<u>1,815</u>	
CAPITAL PROJECTS		
Grant Capital Improvement Projects	<u>1,173</u>	Self Insurance
Total	<u>1,173</u>	
TRUST AND AGENCY		
Tax Collector	3,176	General Fund
Clerk of the Circuit Court	1,879	General Fund
Clerk of the Circuit Court	276	General Government - Budgeted
Clerk of the Circuit Court	3	General Government - Non-Budgeted
Clerk of the Circuit Court	224	Police and Fire
Total	<u>5,558</u>	
TOTAL	<u>\$ 8,572</u>	
<u>ADVANCES FROM OTHER FUNDS</u>		
AMOUNT ADVANCES TO OTHER FUNDS		
CAPITAL PROJECTS		
General Projects	<u>\$ 13,083</u>	Self Insurance
TOTAL	<u>\$ 13,083</u>	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

TRANSFERS IN	AMOUNT	TRANSFERS OUT
GENERAL FUND		
General Fund	\$ 100	Concurrency Management
General Fund	250	General Government - Budgeted
General Fund	42	Community Development Block Grant
General Fund	171	Maintenance, Parks and Recreation
General Fund	2	Legal
General Fund	2	Self Insurance
General Fund	83	Police and Fire Pension
Total	650	
SPECIAL REVENUE		
Air Pollution Control and Monitoring	400	General Fund
Sports, Convention and Tourism Development	570	General Fund
General Government - Budgeted	268	General Fund
Public Safety	7	General Fund
Tax Increment Districts	14	General Fund
Jacksonville Children's Commission	12,839	General Fund
Jacksonville Children's Commission	50	Other Federal, State and Local Grants
Community Development Block Grant	75	Tax Increment Districts
Metropolitan Planning Organization	105	General Fund
Other Federal, State and Local Grants	3,117	General Fund
Other Federal, State and Local Grants	321	Jacksonville Children's Commission
Other Federal, State and Local Grants	31	Expendable Trust
General Government - Non-Budgeted	50	General Fund
General Government - Non-Budgeted	12	Other Federal, State and Local Grants
Total	17,859	
DEBT SERVICE		
Special Bonded Debt Obligations	51,444	General Fund
Special Bonded Debt Obligations	8,712	Sports, Convention and Tourism Development
Special Bonded Debt Obligations	601	Tax Increment Districts
Special Bonded Debt Obligations	1,307	Public Parking System
		Sports Complex, Convention Center and
Special Bonded Debt Obligations	1,848	Auditorium
Special Bonded Debt - Better Jax Obligations	5,831	Better Jacksonville Trust Fund
Other Non-Bonded Debt Obligations	2,973	General Fund
Other Non-Bonded Debt Obligations	3,231	Tax Increment Districts
Total	75,947	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
CAPITAL PROJECTS		
General Projects	15,332	General Fund
General Projects	204	Concurrency Management
General Projects	205	Sports, Convention and Tourism Development
General Projects	125	Tax Increment Districts
General Projects	259	Bond Projects
General Projects	10	Solid Waste Disposal
General Projects	17,362	Self Insurance
General Projects	61	Expendable Trust
Grant Projects	817	General Fund
Grant Projects	60	Maintenance, Parks and Recreation
Grant Projects	136	Other Federal, State and Local Grants
Better Jax Construction Projects	3,866	Transportation
Better Jax Construction Projects	23,700	Better Jacksonville Trust Fund
Total	62,137	
ENTERPRISE FUNDS		
Public Parking System	1,045	General Fund
Public Parking System	412	Self Insurance
Sports Complex, Convention Center and Auditorium	4,335	General Fund
Sports Complex, Convention Center and Auditorium	140	Maintenance, Parks and Recreation
Solid Waste Disposal	28,283	General Fund
Mayport Ferry	657	General Fund
Total	34,872	
INTERNAL SERVICE FUNDS		
Fleet Management	586	General Fund
Fleet Management	197	General Government - Budgeted
Fleet Management	37	Solid Waste Disposal
Fleet Management	4,224	Self Insurance
Information Technologies	70	General Fund
Information Technologies	3	General Government - Budgeted
Information Technologies	1	Other Federal, State and Local Grants
Information Technologies	1	Solid Waste Disposal
Information Technologies	2	Fleet Management
Information Technologies	2	Legal
Self Insurance	1,072	General Fund
Total	6,195	
FIDUCIARY FUNDS		
Expendable Trust	289	General Fund
Expendable Trust	1,197	General Projects
Total	1,486	
TOTAL	\$ 199,146	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

A summary of intra-entity transactions follows (in thousands):

<u>DUE FROM COMPONENT UNITS</u>	<u>AMOUNT</u>	<u>DUE TO PRIMARY GOVERNMENT</u>
Community Development Block Grant	<u>\$ 584</u>	Jacksonville Economic Development Company, Inc.
Total	<u><u>\$ 584</u></u>	

<u>OTHER</u>	<u>AMOUNT</u>	<u>OTHER</u>
PRIMARY GOVERNMENT		DISCRETE COMPONENT UNIT
General Long-Term Obligations Account Group -		JEA - Due from Primary Government -
Due to Component Unit - Note Payable	<u>\$ 400</u>	Note Receivable
Total	<u><u>\$ 400</u></u>	

<u>TRANSFERS IN FROM COMPONENT UNIT</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT TO PRIMARY GOVERNMENT</u>
General Fund	\$ 73,638	JEA
Grant Capital Improvements Projects	<u>\$ 43</u>	Jacksonville Economic Development Commission
Total	<u><u>\$ 73,681</u></u>	

<u>TRANSFERS OUT TO COMPONENT UNIT</u>	<u>AMOUNT</u>	<u>TRANSFERS IN FROM PRIMARY GOVERNMENT</u>
General Fund	\$ 6,307	Jacksonville Economic Development Commission
General Fund	286	Jacksonville Transportation Authority - Mass Transit System
Transportation	17,128	Jacksonville Transportation Authority - Mass Transit System
Better Jax Construction Projects	9,725	Jacksonville Transportation Authority - Mass Transit System
Better Jax Construction Projects	36,765	Jacksonville Transportation Authority - Expressway System
State Housing Initiative Partnership	<u>313</u>	Duval County Housing Finance Authority
Total	<u><u>\$ 70,524</u></u>	

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

During fiscal year 1999, the self-insurance fund advanced \$14,000,000 to the capital projects fund for the purpose of fulfilling City obligations under a redevelopment agreement for a new 900-room hotel with substantial convention and business space. The total capital investment for the project is \$126.0 million. The City Council passed an ordinance to treat the funding from the self insurance fund as a loan which will be repaid from general fund revenues commencing on May 1, 2000 in equal annual installments over 20 years, plus simple interest of 4.45%. The balance of this advance was \$13,083,000 at September 30, 2001.

During fiscal year 2001, the City had financial transactions with its discretely presented component units classified as follows for financial reporting purposes:

JEA:

Note Payable - At September 30, 2001, the City's outstanding obligation to the JEA under a note payable was \$400,000, which is accounted for in the General Long-Term Obligations Account Group. During fiscal 2001, the City made a \$400,000 payment on the note payable to the JEA recorded in the City's General Fund. The terms of the note were revised in prior years at which time the remaining \$3,600,000 was to be repaid in nine equal installments of \$400,000 with the final installment due and payable on or before October 1, 2001. The note bears interest at the coupon equivalent yield for 26-week U.S. Treasury Bills.

Commercial Paper Program - In fiscal year 1994, JEA and the City worked together to develop a mutually beneficial structure for the City's Commercial Paper Program to provide financing for the River City Renaissance (RCR) Program. Currently, JEA makes an annual contribution to the City's General Fund based upon gross kilowatt-hours sold by JEA during the 12-month period ending on May 31 of each fiscal year. As part of the RCR Program, the City and JEA have entered into an agreement, which requires JEA to pay a supplemental contribution after October 1, 1997, to offset any increase in financing costs for the RCR Program incurred by the City as a result of the initial financing of the RCR Program with commercial paper. To the extent that funding costs for the RCR Program would result in debt service being greater than \$17,403,000 the supplemental contribution would be equal to the amount in excess of \$17,403,000. For fiscal year 2001 no additional supplemental contribution was required.

Enhanced Joint Agency Financing Program - On November 5, 1996, JEA and the City executed a Financial Agreement in relation to the use of an "enhanced joint agency financing program" (the "EJ Program") in conjunction with the issuance of \$57,150,000 Excise Taxes Revenue Bonds, Series 1996B for the benefit of various marine facilities for the Jacksonville Port Authority (JPA). The City and JEA have agreed that JEA's annual contribution to the City under Article 21 of the City Charter and Section

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

JEA: (continued)

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, 2001, 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.

Jacksonville Port Authority:

Interlocal Agreement - In connection with a major port and marine facilities capital improvement project (the Project), the City and the Jacksonville Port Authority (JPA) entered into an Interlocal Agreement upon the issuance of \$43,605,140 Excise Taxes Revenue Bonds, Series 1993. Subsequent to this transaction, the parties entered into an Amended and Restated Interlocal Agreement in conjunction with the issuance of \$57,150,000 Excise Taxes Revenue Bonds, Series 1996B. Under the Amended and Restated Interlocal Agreement, the City agreed to issue the 1993 Bonds and the 1996B Bonds to finance the port and marine facilities capital improvement project, and the JPA, in consideration therefore, agreed to reimburse the City for debt service payments on the 1993 Bonds and the 1996B Bonds from certain revenues allocated to the JPA. Any insufficiency in the extent of such revenues allocated to the JPA under the Amended and Restated Interlocal Agreement or any changes in the Amended and Restated Interlocal Agreement does not affect in any manner any obligation of the City pursuant to the terms of the 1993 Bonds or the 1996B Bonds. The Amended and Restated Interlocal Agreement is not for the benefit of the holders of the 1993 Bonds or the 1996B Bonds and the JPA has no obligation under that Amended and Restated Interlocal Agreement to any third party bondholder. The revenues allocated to the JPA and supplemental contributions to the City from the JEA in conjunction with the EJ Program are not pledged as security for the 1993 Bonds and the 1996B Bonds.

The Amended and Restated Interlocal Agreement provides for the allocation of three sources of revenue (collectively referred to as the "pledged revenues") by the City to the JPA. The first source of revenue relates to the allocation of half of the increased revenues from the change in method of collection of the City's public utilities services tax on telecommunications services from 10% to 7% percent (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 revenue relates to the \$800,000 annual contribution remitted to the JPA as described in Section 5(a) of the JPA act. Such pledged revenues are to be applied by the City to the payment of debt service on the

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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

1993 Bonds and the 1996B Bonds for such fiscal year prior to being paid to the JPA. To the extent that the debt service on the 1993 Bonds and the 1996B Bonds in any fiscal year exceeds the allocation of revenues to the JPA for such fiscal year, then the amount of such deficiency shall be paid by the JEA to the City. The 1996B bonds were refunded by the Excise Taxes Refunding Bonds, Series 2001A.

For the fiscal year ended September 30, 2001, the allocation of revenues from the City to the JPA exceeded the debt service requirements of the 1993 Bonds, 1996B Bonds and the 2001A Bonds by the amount of \$2.8 million for a cumulative total of \$7.5 million at September 30, 2001. This amount will be applied to future debt service requirements of the 1993 Bonds, 1996B Bonds and the 2001A Bonds through a funds transfer to the City's Debt Service Funds or released to the JPA for capital projects in the event that such amounts are in excess of anticipated debt service requirements in the near future.

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 \$13.5 million on the Project from proceeds of the 1996B Bonds for the benefit of the JPA under the Interlocal Agreement for a total of \$64.0 million spent on the Project to date. The City accounts for these expenditures in the Capital Projects Funds. The City does not capitalize these capital outlay expenditures.

Jacksonville Transportation Authority:

Local Option One-Half Cent Sales Tax - On August 11, 1989, Jacksonville citizens voted removal of all tolls from county/city bridges and certain roads and replaced the revenue with a local option one-half cent sales tax that provides a permanent funding source for the construction and maintenance of the City's roads and bridges; the operation and maintenance of the bus system and the refinancing of existing bonds issued for the construction of such bridges and roads. All collections from the one-half cent sales tax are statutorily required to be remitted to the JTA. Accordingly, the City remitted all collections from the one-half cent sales tax to the JTA in the amount of \$57.5 million in fiscal 2001. Such collection and payment by the City of this local option one-half cent sales tax is recorded in the Transportation Special Revenue Fund as revenue and a transportation expenditure in an equal amount. The JTA reports the \$57.5 million transfer from the City as sales tax revenue.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

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

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

Jacksonville Economic Development Company, Inc.:

Short-Term Construction Loan Financing Program - On January 12, 1994, the City entered into a loan agreement with the Jacksonville Economic Development Company, Inc. (JEDCO) under the City's Short-Term Construction Loan Financing Program. Under the terms of the loan agreement, the City is obligated to loan up to \$1 million with interest to JEDCO to provide affordable housing to low and moderate income persons. During fiscal year 2001, the City did not disburse funds to JEDCO under the loan agreement with a remaining loan commitment balance of \$416 thousand at September 30, 2001. JEDCO is obligated to the City for \$584 thousand at September 30, 2001.

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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

8. LONG-TERM OBLIGATIONS

A. Long-term Obligations at September 30, 2001 are comprised of the following (in thousands):

GENERAL OBLIGATION BONDS PAYABLE FROM AD VALOREM TAXES:	<u>INTEREST RATES</u>	<u>PRINCIPAL</u>
Duval County Certificates of Indebtedness of 1972 payable in semi-annual installments to 2003	4.50 - 5.25%	<u>\$ 1,195</u>
Total General Obligation Bonds Payable From Ad Valorem Taxes		<u>1,195</u>
 SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:		
Excise Taxes Revenue Refunding Bonds, Series 1991 payable in semi-annual installments to 2009	6.30%	1,535
Excise Taxes Revenue Refunding Bonds, Series 1992 payable in semi-annual installments to 2014	6.00 - 6.50%	60,890
Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A payable in semi-annual installments to 2013	5.40 - 5.90%	62,115
Excise Taxes Revenue Bonds, Series 1993 payable in semi-annual installments to 2021	5.00 - 6.30%	42,795
Excise Taxes Revenue Refunding Bonds, Series 1993A payable in semi-annual installments to 2012	4.70 - 5.375%	24,320
Capital Improvement Revenue Bonds, Series 1994 payable in semi-annual installments to 2026	5.05 - 5.875%	43,565
Sunshine State Governmental Financing Commission, Series 1994 payable in monthly installments to 2006	Variable Rate Assumed at 9.20%	4,705
Capital Improvement Revenue Bonds, Series 1995 payable in semi-annual installments to 2026	5.00 - 5.875%	26,680
Sales Tax Revenue Bonds, Series 1995 payable in semi-annual installments to 2019	5.00 - 6.00%	17,415
Excise Tax Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.875 - 5.125%	7,580

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2001 (continued)

SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES: (continued)	<u>INTEREST RATES</u>	<u>PRINCIPAL</u>
Guaranteed Entitlement Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2002	4.40%	\$ 3,235
Sunshine State Governmental Financing Commission, Series 1995A payable in semi annual installments to 2012	4.75 - 5.65%	9,050
Sunshine State Governmental Financing Commission, Series 1995B (AMT) payable in semi-annual installments to 2016	4.60 - 5.75%	12,460
Sales Tax Revenue Bonds, Series 1996 payable in semi-annual installments to 2019	4.35 - 5.50%	30,015
Excise Taxes Revenue Bonds, Series 1996B payable in semi-annual installments to 2010	4.75 - 4.90%	6,235
Excise Taxes Revenue Bonds, Series 1996C payable in semi-annual installments to 2007	4.35 - 4.85%	2,870
Capital Improvement Revenue Bonds, Series 1997 payable in semi-annual installments to 2026	4.20 - 5.25%	7,820
Capital Project Revenue Bonds, Series 1997-1 payable in monthly installments to 2017	Variable Rate Assumed at 7.81%	28,890
Capital Project Revenue Bonds, Series 1997-2 payable in monthly installments to 2022	Variable Rate Assumed at 8.89%	44,300
Capital Improvement and Refunding Revenue Bonds, Series 1998 payable in semi-annual installments to 2025	3.90 - 5.00%	36,285
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A payable in semi-annual installments to 2019	3.30 - 5.00%	70,040
Local Government Sales Tax Refunding Revenue Bonds, Series 2001 payable in semi-annual installments to 2018	3.00 - 5.00%	103,725
Excise Taxes Refunding Bonds, Series 2001A payable in semi-annual installments to 2009	5.00%	42,485
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes		<u>689,010</u>

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2001 (continued)

SPECIAL OBLIGATIONS BONDS PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:	<u>INTEREST RATES</u>	<u>PRINCIPAL</u>
Transportation Revenue Bonds, Series 2001 payable in semi-annual installments to 2031	3.00 - 5.25 %	\$ 179,280
Better Jacksonville Sales Tax Revenue Bonds, Series 2001 payable in semi-annual installments to 2030	3.00 - 5.50 %	218,430
Total Special Obligation Bonds Payable From Other Specific Revenue Sources Other Than Ad Valorem Taxes		<u>397,710</u>
TOTAL GENERAL AND SPECIAL OBLIGATIONS BONDS		<u>1,087,915</u>
BONDS PAYABLE FROM ENTERPRISE FUNDS:		
Excise Taxes Revenue Refunding Bonds, Series 1993A payable in semi-annual installments to 2012	4.70 - 5.375 %	11,270
Excise Taxes Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.25 - 5.125 %	12,270
Excise Taxes Revenue Refunding Bonds, Series 1996A payable in semi-annual installments to 2017	4.00 - 5.50 %	19,330
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B payable in semi-annual installments to 2016	4.20 - 5.75 %	<u>40,115</u>
TOTAL BONDS PAYABLE FROM ENTERPRISE FUNDS		<u>82,985</u>
TOTAL BONDS PAYABLE		<u>1,170,900</u>
NOTES PAYABLE FROM GENERAL REVENUE:		
U.S. Government Guaranteed Note Payable, Series 1994A (Vistakon) payable in semi-annual installments to 2003	6.44 - 6.53 % (Taxable)	3,000
U.S. Government Guaranteed Note Payable, Series 1995 (Coach) payable in semi-annual installments to 2014	8.24 - 9.03 % (Taxable)	3,690
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty) payable in semi-annual installments to 2012	6.23 - 6.88 % (Taxable)	800

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2001 (continued)

NOTES PAYABLE FROM GENERAL REVENUE: (continued)

U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton Hotel) payable in semi-annual installments to 2015	6.23 - 7.03% (Taxable)	\$ 2,650
U.S. Government Guaranteed Note Payable, Series 1997 (Lavilla) payable in semi-annual installments to 2016	6.23 - 7.08% (Taxable)	1,105
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates) payable in semi-annual installments to 2010	6.23 - 6.78% (Taxable)	530
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings) payable in semi-annual installments to 2016	6.23 - 7.08% (Taxable)	740
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns) payable in semi-annual installments to 2015	6.23 - 7.03% (Taxable)	<u>510</u>
TOTAL NOTES PAYABLE FROM GENERAL REVENUE		<u>13,025</u>

TOTAL BONDED INDEBTEDNESS 1,183,925

COMMERCIAL PAPER NOTES:

Outstanding in the amounts of \$60,000,000 with interest rates ranging from 2.05% to 2.85% at original issue and maturing no later than 270 days after date of issuance, and in no event later than October 1, 2018; renewable annually, at the City's option, per credit agreement dated October 27, 1993		<u>60,000</u>
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CAPITALIZED LEASE OBLIGATIONS:

Internal Service Fund:

Installment lease purchase of voice mail system payable monthly at \$7,563 to October 2001 including interest at 6.18% with a collateralized value of \$8 thousand		8
Installment lease purchase of software payable monthly at \$19,054 to May 2004 including interest at 5.60% with a collateralized value of \$565 thousand		565
Installment lease purchase of telephone switches and wiring payable monthly at \$5,423 to February 2005 including interest at 5.20% with a collateralized value of \$204 thousand		204

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

8. LONG-TERM OBLIGATIONS

A. Long-term Obligations at September 30, 2001:

CAPITALIZED LEASE OBLIGATIONS: (continued)

Installment lease purchase of Unisys storage area network payable monthly at \$19,019 to January 2006 including interest at 5.95% with a collateralized value of \$826 thousand	\$ 826
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Installment lease purchase of Verizon telephone switches payable monthly at \$8,5889 to October 2004 including interest at 6.42% with a collateralized value of \$268 thousand	<u>268</u>
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Total Capitalized Lease Obligations	<u>1,871</u>
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ACCRUED COMPENSATED ABSENCES:

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

General Governmental Funds	54,264
Proprietary and Pension Trust Funds	<u>3,672</u>

Total Accrued Compensated Absences	<u>57,936</u>
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DUE TO COMPONENT UNITS:

JEA: For a term of up to five years with a minimum annual principal installment of \$400,000, interest payable on each October 1, equal to yield on the 26-week Treasury Bill	<u>400</u>
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TOTAL LONG-TERM OBLIGATIONS	<u>1,304,132</u>
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Less Current Portion:

Bonds payable from enterprise funds	\$ 3,315
Capitalized lease obligations	539
Accrued compensated absences	<u>438</u>

Total Current Portion:	<u>(4,292)</u>
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Total, less current portion	<u>1,299,840</u>
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Less Unamortized Discount/Premium and Deferred

Loss on Advance Refunding	<u>(3,159)</u>
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Total, less current portion and Unamortized Discount/ Premium and Deferred Loss on Advance Refunding	<u><u>\$ 1,296,681</u></u>
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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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, 2001, are as follows (in thousands):

Fiscal Year Ending September 30	General Long-Term Bonds			Bonds Payable From Enterprise Funds	Commercial Paper and Other Long-Term Obligations	Total Long-Term Obligations And Interest
	General Obligation	Special Obligation	Special Obligation BJP			
2002	\$ 633	\$ 67,938	\$ 20,462	\$ 7,405	\$ 62,805	\$ 159,243
2003 - 2006	618	276,434	98,739	31,338	6,027	413,156
2007 - 2011	-	319,702	120,442	45,737	6,597	492,478
2012 - 2016	-	224,710	118,963	28,687	4,631	376,991
2017 - 2026	-	218,626	472,013	5,447	-	696,086
Total Principal and Interest	1,251	1,107,410	830,619	118,614	80,060	2,137,954
Less: Interest to Be Paid	(56)	(418,400)	(432,909)	(35,629)	(7,035)	(894,029)
Total Principal	1,195	689,010	397,710	82,985	73,025	1,243,925
Less: Current Portion	-	-	-	(3,315)	-	(3,315)
	1,195	689,010	397,710	79,670	73,025	1,240,610
Unamortized Discount/Premium and Deferred Loss on Advance Refunding ⁽¹⁾	-	-	-	(3,159)	-	(3,159)
Totals	<u>\$ 1,195</u>	<u>\$ 689,010</u>	<u>\$ 397,710</u>	<u>\$ 76,511</u>	<u>\$ 73,025</u>	<u>\$ 1,237,451</u>
Long-Term Obligations Not Included Above:						
Accrued Compensated Absences						57,498
Due to Component Units						400
Capitalized Lease Obligations						1,332
TOTAL LONG-TERM OBLIGATIONS, Less current portion						<u>\$ 1,296,681</u>

⁽¹⁾ Public Parking System \$1,344 and Solid Waste Disposal \$1,815

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

8. LONG-TERM OBLIGATIONS (continued)

C. Changes in Long-Term Obligations:

Changes in long-term obligations for the fiscal year ended September 30, 2001, are summarized as follows (in thousands):

	Balance October 1, 2000	Additions	Deductions	Balance September 30, 2001
General Long-Term Obligations:				
Commercial Paper Notes	\$ 60,000	\$ -	\$ -	\$ 60,000
General Obligation Bonds	1,755	-	560	1,195
Special Obligation Bonds	718,300	146,210	175,500	689,010
Special Obligation -BJP	-	397,710	-	397,710
Notes Payable	16,565	-	3,540	13,025
Capitalized Lease Obligations	239	-	239	-
Accrued Compensated Absences	53,017	1,247	-	54,264
Due to Component Units	800	-	400	400
Total General Long-Term Obligations	850,676	545,167	180,239	1,215,604
Long-Term Obligations of Proprietary and Fiduciary Fund Types:				
Revenue Bonds, less current portion	82,985	-	3,315	79,670
Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	(3,421)	262	-	(3,159)
Total Revenue Bonds, less current portion, and Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	79,564	262	3,315	76,511
Capitalized Lease Obligations	777	1,094	539	1,332
Accrued Compensated Absences	3,016	218	-	3,234
Total Long-Term Obligations of Proprietary and Fiduciary Fund Types	83,357	1,574	3,854	81,077
TOTAL LONG-TERM OBLIGATIONS, less current portion	\$ 934,033	\$ 546,741	\$ 184,093	\$ 1,296,681

Additions and deletions of accrued compensated absences are shown net since it is impractical for the City to determine these amounts separately.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

8. LONG-TERM OBLIGATIONS (continued)

D. New Indebtedness and Refundings Issued by the City:

On April 24, 2001 the City closed on the sale of \$103,725,000 Local Government Sales Tax Refunding Revenue Bonds, Series 2001 with a true interest cost of 4.57%. The 2001 Sales Tax bonds carry coupon rates ranging from 3.00% to 5.50% with maturity dates ranging from October 1, 2001 through October 1, 2018. The proceeds were used to defease with an advance refunding \$74,330,000 of previously outstanding Sales Tax Revenue Bonds, Series 1995 and \$29,650,000 of previously outstanding Sales Tax Revenue Bonds, Series 1996. The issuance provided net proceeds for the refunding of \$108,774,619 (after payment of \$1,435,411 in underwriter's discounts, accrued interest, insurance and costs of issuance) which was used to purchase securities that were placed in an irrevocable trust with an escrow agent to provide all future debt service payments on the applicable portion of the 1995 Sales Tax Revenue Bonds and 1996 Sales Tax Revenue Bonds. As a result of the refunding, the City realized an economic gain (difference between the present values of the old and new debt service payments) of \$2,700,645 or 2.60% as a percentage of bonds refunded. The present value savings were used to lower future debt service.

On July 3, 2001, the City closed on the sale of \$42,485,000 in Excise Taxes Revenue Refunding Bonds, Series 2001A (AMT) with a true interest cost of 4.34%. The 2001A bonds carry a coupon rate of 5% with maturity dates ranging from October 1, 2003 through October 1, 2009. The proceeds were used to defease with a current refunding \$43,090,000 of previously outstanding Excise Taxes Revenue Bonds, Series 1996B (AMT). The issuance provided net proceeds for the refunding of \$44,364,146 (after payment of \$433,365 in underwriter's discounts, accrued interest, insurance and costs of issuance) which was used to purchase securities that were placed in an irrevocable trust with an escrow agent to provide all future debt service payments on the applicable portion of the 1996B Excise Tax Revenue Bonds. As a result of the refunding, the City realized an economic gain (difference between the present values of the old and new debt service payments) of \$1,728,928 or 4.01% as a percentage of bonds refunded. The present value savings were used to lower future debt service.

The City issued the first bond issues in connection with the \$2.2 billion Better Jacksonville Plan. On June 5th, the City closed on \$218,430,000 Better Jacksonville Sales Tax Revenue Bonds, Series 2001 with a true interest cost of 5.26%. The 2001 Better Jacksonville Bonds carry coupon rates ranging from 3.00% to 5.50% and maturity dates beginning in October 1, 2001 through October 1, 2030. The issuance provided net proceeds of \$200,000,000 (after payment of \$17,081,960 for a debt service reserve fund, underwriter's discounts, costs of issuance and bond insurance) to fund the initial costs of \$750 million in roadway improvements, \$525 million in new public facilities, \$60 million in targeted economic development and \$165 million in environment/quality of

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

8. LONG-TERM OBLIGATIONS (continued)

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

life projects. The new public facilities to be built are a new main library, courthouse, arena and baseball stadium. This bond will be repaid by a recently enacted half-cent increase in the sales tax.

In addition, the City closed on June 5th on \$179,280,000 Transportation Revenue Bonds, Series 2001 with a true interest cost of 5.38%. The 2001 Transportation Revenue Bonds carry coupon rates ranging from 3.00% to 5.25% and maturity dates beginning October 1, 2002 and ending October 1, 2031. The issuance provided net proceeds of \$140,000,000 (after payment of \$19,660,478 for a debt service reserve fund, underwriter's discounts, costs of issuance and bond insurance) to fund the initial costs of \$750 million in roadway improvements. In addition, \$15,866,500 was provided to defease \$15,000,000 in advance refunding of the State of Florida, Series 1992 issued on behalf of the Jacksonville Transportation Authority. As a result of the refunding, an economic gain was realized (difference between the present values of the old and new debt service payments) of \$790,869 or 5.27% as a percentage of bonds refunded. An existing half-cent sales tax and constitutional gas tax will repay these bonds.

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

8. LONG-TERM OBLIGATIONS (continued)

E. DEFEASED DEBT:

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

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

<u>ISSUE (a)</u>	<u>REFUNDED BY</u>	<u>PRINCIPAL BALANCE AT SEPTEMBER 30, 2001</u>	<u>INVESTMENT BALANCE WITH ESCROW AGENT AT SEPTEMBER 30, 2001 (b)</u>
Excise Taxes Revenue Refunding Bonds, Series 1977	1984 C Excise Tax Revenue Refunding Bonds	\$ 18,980	\$ 13,751
Capital Improvement Revenue Bonds, Series 1994	1999 Capital Improvement and Revenue Refunding Bonds	31,030	32,208
Excise Taxes Revenue Refunding Bonds, Series 1991	1999A Excise Taxes Revenue Refunding Bonds	13,950	14,695
Sales Tax Revenue Bonds, Series 1995 & Series 1996	2001 Local Government Sales Tax Revenue Refunding Bonds	103,980	108,775
Excise Taxes Revenue Bonds, Series 1996B	2001A Excise Taxes Revenue Refunding Bonds	43,090	44,364

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

(b) Source: Escrow Agent's Records

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

8. LONG-TERM OBLIGATIONS (continued)

F. Lease Obligations:

At September 30, 2001, the City has several capital lease agreements in place. The leases meet the criteria of a capital lease as defined by FASB Statement No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The lease agreements contain options that allow the City to cancel the leases if sufficient funds are not appropriated. Since cancellation of the leases is not foreseen, the leases have been capitalized. Further, upon satisfaction of the lease obligations, asset title will pass to the City.

The City has a voice mail system, software, storage area network and two telephone switches and wiring systems, which were acquired through capital leases (recorded in the Information Technologies Internal Service Fund). The carrying value for these items (capitalized cost less accumulated depreciation) is \$1.2 million at September 30, 2001. Depreciation of the items acquired through these capital leases was \$915 thousand in fiscal year 2001.

The future minimum lease obligations as of September 30, 2001, were as follows (in thousands):

Fiscal Year Ending September 30,	Information Technologies Internal Service Fund
2002	\$ 633
2003	625
2004	532
2005	255
2006	19
Total minimum lease payments	2,064
Less: Amount representing interest	(193)
Present value of minimum lease Payments	<u>\$ 1,871</u>
Classified as:	
Current	\$ 539
Non-current	1332
Total	<u>\$ 1,871</u>

The City does not have any material operating leases.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

8. LONG-TERM OBLIGATIONS (continued)

G. Arbitrage Liability:

The City had no outstanding arbitrage liability as of September 30, 2001.

H. Conduit Debt:

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

Conduit debt is collateralized by the property financed and is payable solely from payments received on the underlying mortgage loans. Upon repayment of the IDB's and PAB's, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. None of the assets or revenues of the City are pledged to the payment of IDB's or PAB's and under the constitution and laws of Florida, the City may not legally pledge any of its revenues or assets to the payment thereof. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Effective January 1, 1983, the City pursuant to Chapter 159, Florida Statutes, assumed responsibility for approving applications for IDB's and PAB's previously made through the Jacksonville Port Authority. As of September 30, 2001, the City had authorized \$1,349,173,120 in IDB's and PAB's, of which \$1,126,171,902 have been issued. From time to time, certain of such conduit debt may be in technical default or under investigation as to tax-exempt status of interest on such debt, however, this has no effect on the City's financial position.

As of September 30, 2001, the City has authorized a total of \$1,117,480,970 Duval County Housing Finance Authority (DCHFA) Single Family and Multi-Family Bonds of which \$1,036,535,293 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$824,000,000 and \$769,030,331, respectively. The amount of Multi-Family Housing Bonds authorized and issued is \$293,488,970 and \$270,064,961, respectively. The amount of Single Family Housing Revenue Bonds authorized and issued during the fiscal year ended 2001 are \$27,000,000 and

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

8. LONG-TERM OBLIGATIONS (continued)

H. Conduit Debt: (continued)

\$26,660,000, respectively. The amount of Multi-Family Housing Bonds authorized and issued during the fiscal year ended 2001 are \$17,000,000 and \$16,645,000, respectively. Refundings of previous issues make up \$228,811,526 of the total amount authorized and issued.

As of September 30, 2001, the City has authorized \$619,535,000 of Jacksonville Health Facilities Authority (JHFA) Bonds, of which \$493,216,184 have been issued. The amount both authorized and issued during the fiscal year was \$120,515,000. Of the total amount of JHFA Bonds, refundings of previous issues make up \$403,365,834 of the authorizations and \$328,074,166 of the issuances.

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

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

9. PENSION PLANS

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

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

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

9. PENSION PLANS (continued)

A. Summary of Significant Accounting Policies:

- (1) Basis of Accounting -The City's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.
- (2) Method Used to Value Investments - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

B. General Employees Pension Plan:

- (1) Plan Description - The General Employees' Pension Plan is a cost-sharing, multiple-employer contributory defined benefit pension plan. All full-time City employees and the employees of JEA are eligible to participate in the Plan upon employment. There are no separately issued financial statements for the General Employees Pension Plan. The Plan is administered by a seven-member board of trustees.

The payroll for members covered by the Plan was \$202.3 million during the 2000 fiscal year, consisting of \$117.6 million City of Jacksonville payroll, \$81.3 million JEA payroll and \$3.4 million JHA payroll. The total 2000 payroll was \$275.3 million for the City, \$92.7 million for the JEA and \$14.8 million for JHA for a total of \$382.8 million.

The Plan provides for retirement, survivor, death and disability benefits. Under normal retirement provisions, a member may retire after reaching the age of 55 with 20 years of credited service or at 65 with 5 years or more of credited service. The requirements for early retirement are: (1) when an employee reaches age 50 and has 20 years of service, reduced 1/2% per month for retirement prior to age 55; (2) any age after 25 years of service adjusted to a benefit accrual rate of 2% per year; and (3) any age after 30 years of creditable service at an unreduced rate of 2 1/2% per year.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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

Benefits vest after 10 years of credited service equal to 2 1/2% of a member's average earnings for each year of credited service up to 32 years with a maximum of 80%. Average earnings is the average monthly salary or wages for the highest 36 months of employment within the ten years preceding retirement. The regular benefit is increased by up to 3% on the April 1 nearest the fifth anniversary of the initial benefit commencement date, and on each April 1 thereafter. A monthly supplement is payable equal to \$3 times the number of years of creditable service to subsidize retiree's health insurance. However, only that portion of the increase in excess of the supplement is payable. Members who terminate covered employment with less than ten years of credited service shall be paid a refund of 100% of their contributions to the Plan. All members of the General Employees' Pension Plan are required to contribute 8% of their earnings actuarially determined and required by City Ordinance effective October 1, 1993. There is no mandatory retirement age.

At September 30, 2000, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>4,148</u>
Current employees:	
Vested	2,994
Nonvested	<u>2,403</u>
Total Current Employees	<u>5,397</u>
Total Membership	<u>9,545</u>

- (2) Contributions - The City's funding policy provides for contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Level percentages of payroll employer contribution rates are determined using the "entry age" actuarial cost method. Under this method, the cost of each member's projected retirement benefit is funded through a series of payments, determined as a level percentage of each year's earnings, from age at hire to assumed exit age. The level-percentage-of-payroll method is also used to amortize the unfunded liability and changes in Plan provisions, actuarial assumptions and gains and losses over a period of 30 years. If the Plan is in a surplus position, the surplus is recognized as an amortization credit in a level dollar amount over 10 years.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

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

City contribution requirements are, as part of the funding policy, met through two sources; cash payments from the City, and allocations from the past excess contribution account, maintained as part of the pension fund in accordance with State requirements to track prior payments made in excess of the actuarially required amounts. Contributions from all sources during fiscal year 2000 totaled \$29.8 million. The City contributed \$11.7 million (5.67% of covered payroll) in cash, and \$.7 million (.37% of covered payroll) from the past excess contributions account. Employees paid \$17.4 million (\$16.4 million or 8% of covered payroll in payroll deductions and \$1.0 million in prior service purchases). Contributions during fiscal 1999 and 1998 were \$34.2 million (17.3% of covered payroll) and \$45.2 million (19.9% of covered payroll), respectively. These contributions were made in accordance with contribution requirements determined through an actuarial valuation performed October 1, 1999. 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.

C. Police and Fire Pension Plan:

- (1) Plan Description - The Police and Fire Pension Plan (the "Plan") is a single-employer contributory defined benefit pension plan covering all full-time civil-service members of the City of Jacksonville's Sheriff's Office and Fire and Rescue Departments. The Plan is administered solely by a five-member board of trustees. The City's payroll for members covered by the Plan was \$96.2 million during the fiscal year, excluding DROP participants. The Plan, as amended effective April 1, 2001, provides, in general, retirement benefits after twenty years of credited membership, regardless of age, with a minimum benefit of 60% of the average salary received for the fifty-two pay periods immediately preceding retirement. An additional 2% for each completed year over twenty up to a maximum of 80% may be earned. There is no mandatory retirement age. Effective October 1, 1996, the Plan provides for a cost of living increase to pensioners and their beneficiaries of 3% per annum.

Pension benefits may be vested after a minimum of five years of membership. Benefits are computed based on average salary for the fifty-two pay periods immediately preceding vesting multiplied by 2.5% times the number of credited

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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

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, 2001, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>1,418</u>
Current Employees:	
Vested	1,508
Nonvested	529
DROP Participants	<u>465</u>
Total current employees	<u>2,502</u>
Total membership	<u>3,920</u>

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

The State of Florida requires funding of pension contributions to be made based upon an actuarial valuation; the most recent valuation is as of April 1, 2001. The City Council has the authority to amend its contribution to the Plan to not less than the minimum state requirement.

- (3) Net Assets Available for Benefits - Net assets available for benefits are designated pursuant to an agreement between the Police and Fire Pension Plan Board of Trustees and the City dated October 1, 1992 (and recently updated subsequent to September 30, 2001), consisting of the following actuarially computed components as of September 30, 2001 (in thousands):

Combined Reserve Account ⁽¹⁾	\$ 24,409
Base benefits fund	703,253
Total net assets available for benefits	<u>\$ 727,662</u>

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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

The City stabilization reserve account was established for the purpose of cushioning actuarial losses in the base benefits fund and giving the City greater flexibility in its funding of the Plan. The enhanced benefits account was established to hold any remaining State premium tax refunds not assigned to offset City contribution requirements. The base benefits fund consists of the assets pledged to provide fund benefits. The combined balances as of September 30, 2001, have been calculated under the terms of the 2001 agreement between the Plan and the City of Jacksonville.

- (4) Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Six-year historical trend information, on a year by year basis, is included in the accompanying required supplemental information. See Note 1.B. concerning financial statement availability.

D. Florida Retirement System:

- (1) Plan Description - The City also participates in the Florida Retirement System (FRS), a multiple-employer cost-sharing retirement system which covers less than 1% of the City's full-time employees. FRS is a defined-benefit contributory retirement plan, administered by the State of Florida, Division of Retirement. The City payroll for employees covered by FRS was \$2.4 million during the fiscal year; the City's total payroll for all employees was \$280.0 million.

The System provides vesting of benefits after six (6) years of creditable service. Members are eligible for normal retirement after they have met one of the following; (1) after thirty years of service regardless of age; (2) six years of service and age 62; or (3) twenty-five years special risk service (age 55 if not continuous). Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest years of earnings. The System also provides death and disability benefits. Benefits are established by State statutes.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

9. PENSION PLANS (continued)

D. Florida Retirement System: (continued)

- (2) Contributions - During the years ended September 30, 2001, 2000, and 1999, the City contributed \$274 thousand, \$321 thousand, and \$409 thousand, respectively, to the System for covered employees. For the fiscal year ended September 30, 2001, this contribution represented less than 1% of the total contributions required by all participating employers which amounted to \$2.1 billion. Contributions in both fiscal 2000 and 1999 were less than 1% of the total contributions required by all participating employers which amounted to \$2.2 and \$3.2 billion, respectively. The funding methods and the determination of benefits payable are provided in various Acts of the State Legislature. These Acts provide that employers make required contributions actuarially determined at the rates in effect at September 30, 2001, of 7.30% of the compensation for regular members, 18.44% for special risk members, and 15.14% for elected county officials.
- (3) Trend Information - Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2000 annual financial report. The report may be obtained from the State of Florida, Department of Management Services, Division of Retirement at 2639-C North Monroe Street, Tallahassee, Florida 32399-1560.

10. DEFERRED COMPENSATION PROGRAM

The City offers its employees a deferred compensation program created in accordance with Internal Revenue Code (IRC) Section 457 and Chapter 112.215, Florida Statutes. During the year ended September 30, 1999, the City complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Pursuant to the provisions of GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the financial statements no longer display deferred compensation balances in an Agency Fund.

11. POST RETIREMENT BENEFITS

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

12. SEGMENT INFORMATION

The City's enterprise activities consist of five funds: Public Parking System; Sports Complex, Convention Center and Auditorium; Motor Vehicle Inspection; Solid Waste Disposal; and Mayport Ferry. Segment information for the year ended September 30, 2001, is as follows (in thousands):

	<u>PUBLIC PARKING SYSTEM</u>	<u>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</u>
Operating revenue	\$ 2,969	\$ 12,004
Depreciation and amortization expense	405	5,889
Operating income (loss)	(146)	(10,275)
Operating grants	-	-
Operating transfers in	1,457	4,475
Operating transfers (out)	(1,307)	(1,848)
Net income (loss)	454	1,115
Net additions to (reductions in) contributed capital	(165)	(6,976)
Net additions (disposals) of property, plant and equipment	469	6,581
Net working capital (deficiency)	3,714	2,333
Bonds and other long-term liabilities - payable from operating revenue	21,365	-
Total equity (deficit)	(4,173)	226,456
Total assets	18,966	229,475

<u>MOTOR VEHICLE INSPECTION</u>	<u>SOLID WASTE DISPOSAL</u>	<u>MAYPORT FERRY</u>	<u>TOTALS</u>	
			<u>2001</u>	<u>2000</u>
\$ 496	\$ 35,625	\$ 1,045	\$ 52,139	\$ 47,585
17	2,036	274	8,621	9,315
24	(19,567)	(851)	(30,815)	(38,297)
-	665	-	665	914
-	28,283	657	34,872	31,646
-	(48)	-	(3,203)	(2,581)
42	9,727	(184)	11,154	(2,544)
-	(734)	(243)	(8,118)	2,539
1	13,591	80	20,722	3,870
567	39,088	(6)	45,696	47,220
22	76,901	-	98,288	101,878
639	50,874	4,875	278,671	267,517
681	136,401	5,057	390,580	378,616

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

13. CHANGES IN CONTRIBUTED CAPITAL ACCOUNTS

During the year, contributed capital (decreased) by the following amounts (in thousands):

	Enterprise Funds	Internal Service Funds
Balance, October 1, 2000	\$ 226,652	\$ 11,345
Deductions from contributed assets:		
Current year depreciation on contributed assets	(8,118)	(214)
Balance, September 30, 2001	<u>\$ 218,534</u>	<u>\$ 11,131</u>

The adoption of GASB Statement No. 33 resulted in the reporting of \$6.3 million as capital contributions revenue for fiscal year 2001 rather than as additions to the contributed capital account.

14. RISK FINANCING

The Risk Management Division (Division) of the City administers general liability, workers' compensation (up to \$1 million) and public liability insurance programs covering activities of City general government, JEA, Jacksonville Housing Authority, and Jacksonville Port Authority under a comprehensive self-insurance program wherein the City assumes substantially all risks of losses. The City funds assets on a dollar-for-dollar basis for actuarially determined estimated losses in the City's Self-Insurance Fund, an internal service fund. The Self-Insurance Fund, established under Jacksonville City Ordinance, Chapter 128, services claims for tort liability claims brought against the City, its officers, employees, or agents; workers' compensation; and direct physical damage or injury due to operation of City vehicles. The City is not involved in any risk pools with other governmental entities. The City purchases conventional, commercial insurance coverage from various independent carriers on all other types of insurable risks including group health and life, property and casualty, and blanket excess policies. There have been no significant reductions in insurance coverage in the last year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

14. RISK FINANCING (continued)

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

	2001	2000
Reported and known claims	\$ 33,553	\$ 34,695
Incurred but not reported and claims development	23,237	21,452
Total estimated liability for self insured losses	<u>\$ 56,790</u>	<u>\$ 56,147</u>

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

	2001	2000
Balance, October 1	\$ 56,147	\$ 65,580
Current-Year Claims and Changes in Estimates	13,990	327
Claim Payments	(13,347)	(9,760)
Balance, September 30	<u>\$ 56,790</u>	<u>\$ 56,147</u>

15. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES

A. Compliance With Finance Related Legal and Contractual Provisions:

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

B. Fund Deficits and Excess of Expenditures Over Appropriations:

The following individual funds had a fund deficit at September 30, 2001, (in thousands):

	Fund Balance/ Retained Earnings (Deficit)	Contributed Capital	Total Fund Balance/ Fund Equity
Special Revenue Fund:			
Community Development Block Grant	(\$4,900)	\$ -	(\$4,900)
Housing Rehabilitation and Home Investment and Opportunity Grants	(1,365)	-	(1,365)
Metropolitan Planning Organization	(34)	-	(34)
State Housing Initiative Partnership	(1,516)	-	(1,516)
Capital Projects Fund:			
Grant Projects	(1,187)	-	(1,187)
Better Jax Construction Projects	(345)	-	(356)
Enterprise Fund:			
Public Parking	(6,629)	2,456	(4,173)

It is anticipated future revenues will eliminate these fund deficits.

The Public Safety Fund of the Special Revenue Funds had an excess of expenditures over appropriations of \$82 thousand for the year ended September 30, 2001.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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

C. Reconciliation is necessary because budgets for certain Special Revenue Funds are prepared on a program basis rather than on an annual basis. The Combined Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual – All Budgeted Governmental Fund Types does not agree with the amounts of revenue and expenditures reported in the Combined Statement of Revenue, Expenditures and Changes in Fund Balance - All Governmental Fund Types. The differences between revenue, expenditures and other financing sources (uses) between the budgetary and nonbudgetary operating statements are as follows (in thousands):

	<u>Revenue</u>	<u>Expenditures</u>	<u>Total Other Financing Sources (Uses)</u>
Actual amounts reported per the Combined Budget and Actual Statement, page 15	\$ 167,614	\$ 140,793	(\$ 20,870)
Add Special Revenue Funds not budgeted on an annual basis:			
Community Development Block Grant	10,963	13,962	33
Housing Rehabilitation and Home Investment and Opportunity Grants	(503)	2,805	-
Job Training Partnership Act Grant	25	-	-
Maintenance, Parks and Recreation	1,877	1,782	(371)
Metropolitan Planning Organization	1,172	1,275	105
Other Federal, State and Local Grants	19,770	29,310	3,270
State Housing Initiative Partnership	8,431	8,862	(313)
Better Jacksonville Trust Fund	38,556	-	(29,531)
Non-Budgeted General Government	<u>753</u>	<u>555</u>	<u>62</u>
Actual amounts reported per the Combined Statement of Revenue, Expenditures and Changes in Fund Balance, page 12	<u>\$ 248,658</u>	<u>\$ 199,344</u>	<u>(\$ 47,615)</u>

D. Landfill Closure and Postclosure Care Costs:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

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

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

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

The estimated liability for MSWLF closure and postclosure care costs at September 30, 2001, is (in thousands):

	Balance, October 1, 2000	Accrual of Costs	Payment of Costs	Balance, September 30, 2001
Closed Landfills -				
Postclosure care costs	\$ 12,910	(\$ 550)	(\$ 415)	\$ 11,945
Operating Landfill -				
Postclosure care costs	<u>7,277</u>	<u>668</u>	<u>-</u>	<u>7,945</u>
Total Landfill Postclosure Care Costs	20,187	118	(415)	19,890
Waste Dump Site -				
Long Term Care Costs	<u>1,565</u>	<u>(237)</u>	<u>-</u>	<u>1,328</u>
Total Liability for Landfill Closure, Postclosure, Decontamination and Long Term Care Costs	<u>\$ 21,752</u>	<u>(\$ 119)</u>	<u>(\$ 415)</u>	<u>\$ 21,218</u>

At September 30, 2001, the closure and postclosure care costs for the closed landfills (North and East sites) had been fully recognized as these two landfills both stopped accepting solid waste in April 1992. Of the total MSWLF closure and postclosure care cost liability, \$45.1 million had been paid for the cost of closure and \$3.6 million had been paid for postclosure care costs through September 30, 2001.

Funding MSWLF costs for these two closed landfills will be provided from future operating revenues of Solid Waste Disposal Enterprise Fund activities. As discussed in Note 1.P., after adjustments for the current year change in estimate, the \$61.2 million in MSWLF closure and postclosure care costs recorded for the City's two closed landfills, North and East, and the \$9.1 million in Waste Dump Site decontamination costs has been capitalized and recorded as a deferred charge in the Solid Waste Disposal Enterprise

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

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

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

Fund. Through fiscal 2000, \$31.9 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2001, \$1.5 million of this deferred charge was expensed to solid waste operations, resulting in a balance at September 30, 2001, of \$36.9 million. It is the intent of the City that these costs be recovered from future operating revenues of the Solid Waste Disposal Enterprise Fund, and accordingly will be recognized as operating expense as such revenue is earned.

The total closure and postclosure liability for the operating landfill (Trailridge) is \$7.9 million. This total is based on the estimated capacity used of 34.4% or 6,034,510 tons used with a total estimated capacity of 17,542,735 tons. The City will recognize the remaining estimated cost of closure and postclosure costs of \$24.2 million as the remaining capacity is filled. These amounts are based upon what it would cost to perform all closure and postclosure care in 2001. The City expected to close the landfill in approximately eleven years (2012); however, it is presently extending the life of the landfill by increasing the capacity (Phase III) and the life to 4 more years (2016). As mentioned, actual costs may be higher due to inflation, changes in technology, or changes in environmental regulations.

The liability for the Waste Dump Site at September 30, 2001, of \$1.3 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, 2001, this proof of financial responsibility has been met by the City under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$12.3 million in deposits made to a restricted cash escrow account of the Solid Waste Disposal Enterprise Fund.

16. CHANGES IN REPORTING ENTITY

For the year ended September 30, 2001, the City had no changes in reporting entity.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

17. RESIDUAL EQUITY TRANSFER

The City Council approved ordinance 2000-671-E which provided for the lapse of certain unspent project balances in the Local Gas Tax and Fifth and Sixth Cent County Road Program. Remaining assets and fund equity were transferred to the Better Jax Construction Capital Projects Fund. A residual equity transfer was recorded, as follows (in thousands):

Transfers Out	Amount	Transfers In
Special Revenue Fund - Transportation	\$ 44,492	Capital Projects Fund - Better Jax Construction Projects
Total	\$ 44,492	

18. LESSOR OPERATING LEASE

The City has entered into a lease dated September 7, 1993, pursuant to which the City leases the ALLTEL Stadium and adjacent practice facilities to the Jacksonville Jaguars, Inc. (Jaguars) for a period of thirty years from the first NFL regular season play in 1995. 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 ten years \$1.25 million. Rents from years eleven through the end of the lease are subject to escalation based on one-half of any increase in the Consumer Price Index, but not to exceed 2.5% per year. In addition, the Jaguars are obligated to pay supplemental rent in an amount equal to the annual debt service incurred by the City for certain costs of renovation of \$20 million requested by the Jaguars over a thirty-year period with interest computed on a tax-exempt basis.

The lease generally permits the City to retain all revenues from all activities at the Stadium not connected with pre-season, regular season or post-season Jaguar games. The City is required to provide electricity, water and sewer services for the Stadium at its expense. The City must maintain the Stadium and all leasehold improvements. The City is required to pay for game day personnel on the days of Jaguar games. The Jaguars retain all net revenues from concessions and similar sales on NFL game days. The lease obligates the Jaguars to maintain its franchise at the Stadium in Jacksonville and to not relocate unless it pays the City certain guaranteed amounts.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

19. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation:

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

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

B. Grants and Contracts:

The City participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources are 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 14). Workers' compensation, public liability and general liability, including motor vehicles operated by the City under the City's Ordinance Code Chapter 128, are self-insured. The City purchases commercial insurance for workers' compensation claims in excess of \$1 million. Under the laws of the State of Florida, the City has limited sovereign immunity for certain self-insured losses in excess of \$200,000. The City retains coverage on all other types of insurance including real and personal property damage. The self-insured programs of the City, which are included in the Self-Insurance Internal Service Fund, are funded on a dollar-for-dollar basis determined actuarially for the estimated losses for incurred but not reported and claims development liabilities.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

19. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

D. Environmental Matters:

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

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

USEPA identified the City as a PRP at the Whitehouse Waste Oil Pits Superfund Site in western Duval County. The City and other PRP's participated in USEPA's Pilot Allocation Project which resulted in EPA assuming as much as 80% of the liability at the site, and the City being allocated slightly less than 10% of the liability. USEPA estimates \$20 million site costs, with the City paying approximately \$2 million over the life of the project (which includes a 20 year operations and maintenance period). A complaint and consent decree have been lodged in the U.S. District Court for the Middle District of Florida to memorialize the agreement between USEPA and the PRP's. Site work is expected to begin in Summer, 2002.

The City and other PRP's settled with the USEPA which had sought reimbursement of its cost of a removal action in 1995, regarding the Bill Johns Waste Oil Site. The City's liability is based on contracting with the waste oil service to empty used oil collection points operated under a recycling grant from the State. The City agreed to pay \$24,000 and USEPA has lodged a complaint and consent decree with the U.S. District Court for the Middle District of Florida memorializing the agreement between the government and the PRP's. The Florida Department of Environmental Protection (FDEP) has submitted a demand to the PRP's to assess the site further to determine the extent of contamination that may remain after the removal action. Liability to FDEP is probable, but the site may be eligible for the state-funded clean up program, relieving them 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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

19. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

D. Environmental Matters: (continued)

financial statements at September 30, 2001, except as disclosed in Note 15.D. Funding for such payment, if any, will be from general revenue sources, environmental protection trust fund monies, third-party recoveries, Federal assistance and earnings.

E. Construction Commitments:

At September 30, 2001, the City had contracts, within the Better Jacksonville Program, in place for citywide resurfacing, in the amount of \$71,000,000.

20. SUBSEQUENT EVENTS

On November 13, 2001, the City Council passed an ordinance authorizing up to \$49.0 million principal amount of the City's excise revenue bonds Series 2001B for the financing of the City's portion of infrastructure improvements and public improvements for the redevelopment project known as the Jacksonville Shipyards Project. Under the Redevelopment Agreement, the City has agreed to provide up to \$40 million for development of a riverfront park, roadway improvements, extension of the public riverwalk, and related public amenities. The projected date for the bonds to be sold is late March 2002 with a closing in early April 2002.

In late January 2002, the City completed a forward delivery deal of \$56,685,000 Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A. The City anticipates that the 2002A bonds will be issued and delivered on or about July 3, 2002. The proceeds from the refunding will be used to pay the costs of an animal care and control center.

On January 22, 2002, the City Council authorized the issuance of capital improvement revenue bonds, Series 2002, in an aggregate principal amount not to exceed \$7,350,000 to finance improvements to the south end zone at Alltel Stadium. The anticipated date for the bonds to be issued is Summer 2002.

On January 22, 2002, the City Council approved the issuance and sale of \$94,000,000 capital project revenue bonds, series 2002. These monies will be used to finance drainage projects, park improvements and town center projects. The bonds will be issued as 7-day Variable Rate Demand Bonds in a tax exempt mode.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

Financial disclosure about each of the City's major discretely presented component units essential to the fair presentation of the General Purpose Financial Statements is presented below. The City's nonmajor discretely presented component units are reported along with the City's major component units in separate columns in the Component Unit Combining Statements. Accordingly, no additional financial disclosure is presented here.

A. JEA

(1) Summary of Significant Accounting Policies:

(a) Reporting Entity

JEA (formerly known as the Jacksonville Electric Authority) is currently organized into four separate systems: the Electric System, the Bulk Power Supply System, which consists of Scherer Unit 4, a coal-fired 846 megawatt generating unit operated by Georgia Power Company and owned by JEA (23.64% ownership interest) and Florida Power & Light Company (FPL) (76.36% ownership interest); St. Johns River Power Park System (SJRPP), which is two coal-fired generating units (638 net megawatts each) jointly owned and operated by JEA (80% ownership interest) and FPL (20% ownership interest); and the Water and Sewer System. These financial statements include JEA's ownership interest in the Bulk Power Supply System and SJRPP. Separate accounting records are currently maintained for each system. The following information relates to JEA's ownership of the respective plants as of September 30, 2001 (in thousands):

<u>Bulk Power Supply System</u>	
Utility plant in service, net	\$ 103,485
Inventory	6,222
Revenues to be used for future costs	103,485
<u>SJRPP</u>	
Utility plant in service, net	\$ 781,446
Restricted assets	423,915
Current assets	84,544
Other assets	509,269
Long term debt	1,511,921
Other liabilities	263,997

The Electric System, SJRPP, and the Water and Sewer System each has its own bond resolution.

During fiscal year 1999, JEA defeased the remaining principal amount of its outstanding Bulk Power Supply System Bonds in advance of their scheduled due dates. As a result, all of the covenants, agreements, and other obligations of JEA under the Bulk Power Supply System Bond Resolution, have ceased, terminated, and become void and have been

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(1) Summary of Significant Accounting Policies: (continued)

(a) Reporting Entity (continued)

discharged and satisfied, and JEA no longer is required to maintain the various funds and accounts established thereunder, nor to make any deposits thereto. For fiscal year 2001 and going forward, JEA expects that all costs of operating and maintaining its interest in the Bulk Power Supply System will continue to be paid as part of the Electric System's Cost of Operation and Maintenance.

(b) Basis of Accounting

JEA consists of two enterprise funds: Electric, and Water and Sewer. The Electric Enterprise Fund includes the Electric System, the Bulk Power Supply System and SJRPP. JEA is presenting combined financial statements for the two enterprise funds. JEA uses the accrual basis of accounting for both enterprise funds and has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission for the Electric Enterprise Fund and the National Association of Regulatory Utility Commissioners for the Water and Sewer Enterprise Fund. The investment in The Energy Authority (TEA) joint venture is recorded on the equity method.

The financial statements have been prepared in conformity with the pronouncements of the Governmental Accounting Standards Board (GASB), including GASB Statement No. 14, The Financial Reporting Entity, which defines JEA as a component unit of the City of Jacksonville, Florida (the City). Accordingly, the financial statements of JEA are included in the Comprehensive Annual Financial Report of the City. JEA has elected to apply all Financial Accounting Standards Board (FASB) Statements and Interpretations except for those that conflict with GASB pronouncements in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. Both SJRPP and the Bulk Power Supply System follow FASB Statement No. 71, Accounting For the Effects of Certain Types of Regulation.

(c) Revenue

Electric, and water and sewer revenue is recorded as earned. JEA earned 15% of its electric revenue from electricity sold to FPL in fiscal year 2001. Operating revenues include amounts estimated for unbilled services provided during the reporting period.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(1) Summary of Significant Accounting Policies: (continued)

(d) Utility Plant

The costs of utility plant additions and replacements are capitalized. Maintenance and replacements of minor items are charged to operating expenses. The cost of depreciable plant retired is eliminated from the plant accounts, and such cost plus removal expense less salvage value is charged to accumulated depreciation.

SJRPP is required by its bond resolution to deposit certain amounts in a renewal and replacement fund. These amounts are then required to be expended on capital expenditures to maintain and improve the system. The amounts deposited in the fund are recorded as an expense when deposited. As capital expenditures are made, the amounts funded from the renewal and replacement fund are transferred to Utility Plant as a reduction of installed cost.

(e) Allowance for Funds Used During Construction

An allowance for funds used during construction (AFUDC) is included in "Construction in progress" and as a reduction of interest expense. JEA capitalizes interest on construction projects financed with the revenue bonds, commercial paper and renewal and replacement funds in accordance with SFAS No. 34 and SFAS No. 62. The AFUDC rate for the Electric System fixed and variable rate debt was 5.111% for fiscal year 2001. The AFUDC rate for the Water and Sewer System was 5.326% for fiscal year 2001. The amount capitalized is the interest cost of the debt less any interest earned on investment of debt proceeds from the date of the borrowing until the assets are placed in service. Total interest incurred was approximately \$170,314,000 for fiscal year 2001. Interest expense of approximately \$62,709,000 for fiscal year 2001 was capitalized, and interest income on bond proceeds of approximately \$8,356,000 was also capitalized.

(f) Depreciation

Depreciation of the JEA utility plant, all of which is charged to operations, is computed on a straight-line basis at rates based upon the estimated service lives of the various property classes. A depreciation study commissioned by JEA was completed in fiscal year 2001 and depreciation rates were adjusted to reflect the findings of the study. The effective rate of depreciation based upon average gross depreciable property balances was approximately 3.79% for fiscal year 2001.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(1) Summary of Significant Accounting Policies: (continued)

(g) Amortization

Amortization of debt issue costs and debt original issue discount is computed on a straight-line basis, which approximates the effective interest method over the remaining term of the outstanding bonds.

(h) Losses on Refundings

Losses on refundings of JEA revenue bonds are deferred and amortized as a component of interest expense using the straight-line method over the remaining life of the old debt or the new debt, whichever is shorter, in accordance with Statement of Governmental Accounting Standards Board No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities. The losses on refundings are reported as a reduction of long-term debt. Whereas JEA has incurred accounting losses on refundings, calculated as the difference between the net carrying value of the refunded and the refunding bonds, JEA has over time realized economic gains calculated as the present value difference in the future debt service on the refunded and refunding bonds.

(i) Investments

Investments in U.S. treasury and government agency securities are recorded at fair value, as determined by quoted market prices. Investments in overnight repurchase agreements and commercial paper are recorded at cost, which approximates fair value.

(j) Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, bank demand accounts, overnight repurchase agreements, and short-term liquid investments purchased with an original maturity of 90 days or less.

(k) Interest Rate Swap Agreements

JEA's risk management policies allow the use of interest rate swaps and caps to manage financial exposures, but prohibit the use of these instruments for speculative or trading purposes. JEA utilizes interest rate swaps and caps to manage the interest rate risk associated with various assets and liabilities. Interest rate swaps are used in the area of investment management to increase the yield on revolving short-term investments. Interest rate swaps are also used in the area of debt management to

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(1) Summary of Significant Accounting Policies: (continued)

(k) Interest Rate Swap Agreements (continued)

take advantage of favorable market interest rates, while caps are used to limit variable rate debt exposure. Due to the policies followed, JEA does not qualify for hedge accounting. Thus, all changes in the fair value of these instruments are recorded in the combined statements of operations. Under the swap program, JEA pays a variable rate of interest, which is based on various indices, and receives a fixed rate of interest. These indices are affected by changes in the market. The net amounts received or paid under the swap agreements are recorded either as an adjustment to interest income (asset management) or interest expense (debt management).

(l) Inventory

Inventories are maintained for fuel and material and supplies. Fuel inventories are maintained at levels sufficient to meet customer demands. Inventories are valued at average cost.

(m) Fuel Management Program

In connection with the purchase of oil and natural gas, JEA has developed and implemented a fuel management program intended to manage the risk of changes in the market prices of oil and natural gas. Pursuant to this program, JEA executes futures and options contracts from time to time to help manage fluctuations in the market prices of oil and natural gas. The fair value adjustments of such contracts are recorded in "Operating Expenses - Fuel" and "Prepaid expenses and other assets." The associated margin deposits are also recorded in "Prepaid expenses and other assets." The net amounts received or paid under the expired or closed fuel contracts are recorded as an adjustment to "Operating Expenses - Fuel." See Note 21.A.(10) – Fuel Management Program.

(n) Contributed Capital

Contributed capital for the Water and Sewer System represents contributions of cash and fixed assets from third parties. Contributed capital is recorded at fair value at the time of receipt. Depreciation is recorded on contributed fixed assets on the straight-line basis. As of October 1, 2000, JEA adopted Governmental Accounting Standards Board (GASB) Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. See Note 21.A.(1)(s) – New Accounting Pronouncements.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(1) Summary of Significant Accounting Policies: (continued)

(o) Deferred Credits and Other Liabilities

"Deferred credits and other liabilities" includes long-term compensated absences, accrued environmental liabilities, and the long-term obligation to the City of Jacksonville for its Excise Tax Revenue Bonds, net of unamortized losses on refundings. See Note 21.A.(6) – City of Jacksonville.

(p) Environmental Costs

JEA expenses, on a current basis, certain known costs incurred in complying with environmental regulations and conducting remediation activities. JEA also accrues liabilities in accordance with SFAS No. 5 for certain potential future costs required for site restoration for which JEA may be liable whenever, by diligent legal and technical investigation, the scope or extent of damage has been determined, remedial measures have been specifically identified as practical and viable, and the cost of remediation and JEA's proportionate share can be reasonably estimated. Generally, the timing of these accruals coincides with completion of a remedial investigation and feasibility study or JEA's commitment to a formal plan of action. Potential claims for recovery from other potentially responsible parties (PRPs) effectively reduce the recorded liability.

(q) Impairment of Long-Lived Assets

Long-lived assets subject to the requirements of SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. During 2001, JEA recorded an adjustment of approximately \$5,880,000 due to the impairment determined in an analysis related to the decommissioning of the Southside Generating Station.

(r) Costs to be Recovered from Future Revenues / Revenues to be Used for Future Costs

Cost-based regulation - Due to the application of SFAS No. 71, the Bulk Power Supply System and SJRPP record certain assets and liabilities that result from the effects of the ratemaking process that would not be recorded under generally accepted accounting principles for nonregulated entities. Currently, the electric utility industry is predominantly regulated on a basis designed to recover the cost of providing electric power to its

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(1) Summary of Significant Accounting Policies: (continued)

(r) Costs to be Recovered from Future Revenues / Revenues to be Used for Future Costs (continued)

customers. If cost-based regulation were to be discontinued in the electric industry for any reason, market prices for electricity could be reduced or increased and utilities might be required to reduce their balance sheet amounts to reflect market conditions. Discontinuance of cost-based regulation could also require affected utilities to write off their associated regulatory assets and liabilities. Management cannot predict the potential impact, if any, of the change in the regulatory environment on JEA's future financial position and results of operations.

The rates for SJRPP and the Bulk Power Supply System are established on a cost of service basis, which is based upon debt service, if any, and operating fund requirements. Straight-line depreciation is not considered in the cost of service calculation used to design rates.

Costs to be Recovered from Future Revenues - The deferred debt related costs are resulting differences between expenses in determining rates and those used in financial reporting and shown under Other Assets on the Combined Balance Sheet. SJRPP has a contract with the Electric System and FPL to recover these costs from future revenue that will coincide with retirement of long-term debt of SJRPP. The amount recovered each year will be the difference between debt principal maturities (adjusted for the effects of premiums, discounts, and amortization of gains and losses) and straight-line depreciation and results in recognition of deferred costs on the Combined Statement of Revenue, Expenses, and Changes in Retained Earnings. SJRPP recognized (in thousands) \$39,636 in deferred costs in fiscal year 2001.

Revenues to be Used for Future Costs - Early debt principal retirements of the Bulk Power Supply System in excess of straight-line depreciation are included in "Deferred credits and other liabilities on the Combined Balance Sheet and as an "Other non-operating revenue" in the Combined Statement of Revenue, Expenses, and Changes in Retained Earnings. In the future, recognition of deferred revenues on the Combined Statement of Revenue, Expenses, and Changes in Retained Earnings will coincide with future costs for straight-line depreciation that exceed any debt principal occurring at that time. The Bulk Power Supply System recognized revenue (in thousands) of (\$3,878) in fiscal year 2001.

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(1) Summary of Significant Accounting Policies: (continued)

(r) Costs to be Recovered from Future Revenues / Revenues to be Used for Future Costs (continued)

Summary:

Recognition of deferred costs from SJRPP	\$ 39,636
Recognized revenues from the Bulk Power Supply System	<u>(3,878)</u>
Recognition of deferred costs and revenues, net	<u>\$ 35,758</u>

(s) New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, became effective during fiscal year 2001. The effect of the accounting pronouncement was to increase net income in fiscal year 2001 by approximately \$19,433,000 for capital contributed to JEA during the year.

Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133), as amended, became effective during fiscal year 2001. SFAS 133 provides guidance on accounting for derivative instruments, such as JEA's asset management and debt management interest rate swaps and fuel management contracts. The effect of the accounting pronouncement was not material to the financial statements.

(t) New Governmental Accounting Standards

GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, GASB Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34, and GASB Statement No. 38, Certain Financial Statement Note Disclosures, are effective for JEA's fiscal year ending September 30, 2002. JEA has not determined the impact, if any, of adopting GASB Statements No. 34, 37 and 38 on its financial statements.

(u) Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(2) Restricted Assets:

Restricted assets were held in the following funds on September 30, 2001 (in thousands):

Electric System:	
Sinking Fund	\$ 22,595
Construction Fund	185,129
Renewal and Replacement Fund	9,714
Customer Deposits Trust Fund	16,347
Customer Financing Program	5,000
Self Insurance Fund	3,500
Adjustment to fair value of investments	1,938
Total Electric System	<u>244,223</u>
SJRPP System:	
Sinking Fund	124,989
Debt Service Reserve Fund	175,907
Renewal and Replacement Fund	90,000
Revenue Fund	29,416
Adjustment to fair value of investments	3,603
Total SJRPP System	<u>423,915</u>
Water and Sewer System:	
Sinking Fund	23,227
Debt Refunding Escrow	82,668
Renewal and Replacement Fund and Capital Outlay Fund	30,082
Customer Deposits Trust Fund	1,886
Customer Financing Program	5,000
Adjustment to fair value of investments	4,346
Total Water and Sewer System	<u>147,209</u>
Total Restricted Assets	<u><u>\$ 815,347</u></u>

The Electric System, Bulk Power Supply System, SJRPP, and Water and Sewer System are permitted to invest restricted funds in specified types of investments in accordance with their bond resolutions and investment policy until the time such funds are required to be disbursed for their designated purposes.

(3) Cash and Investments:

JEA maintains cash and investment pools that are utilized by all funds except for those bond funds established subsequent to the 1986 Tax Reform Act. Included in the JEA cash balances are amounts on deposit with JEA's commercial bank as well as amounts deposited with the Florida State Board of Administration's Local Government Investment Pool. The commercial bank balances are covered by federal depository insurance or collateralized subject to the "Florida Security for Public Deposits Act" of Chapter 280, Florida Statutes. Amounts subject to Chapter 280, Florida Statutes are collateralized

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(3) Cash and Investments: (continued)

by securities deposited by JEA's commercial bank under certain pledging formulas with the State Treasurer or other qualified custodians.

JEA is authorized to invest in securities as described in each bond resolution. Investments in securities are categorized in accordance with GASB Statement No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements. Each category is a level of custodial risk assumed by JEA: Category 1 includes investments that are registered or insured or which are held by JEA or by an agent in JEA's name; Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in JEA's name; and Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in JEA's name. In accordance with GASB Statement No. 3, these category classifications do not apply to investment pools or investments in mutual funds. For fiscal year 2001, all cash and investments were classified as Category 1.

During fiscal year 2001, JEA had a securities lending agreement with an independent third party on certain securities of the Electric System, the Bulk Power Supply System and the Water and Sewer System for the purpose of increasing investment income as permitted by the respective bond resolutions. When JEA lends securities, the risk of failure by the borrower to return the loaned securities is alleviated by such loans being continuously collateralized by securities that are permitted investments under each bond resolution. The collateral securities are in an amount equal to 103% of the market value of the loaned securities and are held by a third party safekeeping agent. Under the lending agreement, the collateral securities are deemed to be substituted for the loaned securities, and are subject to the lien or pledge under each bond resolution. JEA has the right and the ability to sell the collateral securities upon default of the borrower to return the loaned securities to JEA under the lending agreement. JEA cannot sell the collateral securities without a default by the borrower. The borrower is required by the contract agreements to indemnify JEA if upon a default the collateral securities are insufficient to replace the loaned securities or if the borrower fails to pay JEA for income distributions from the loaned securities of the Electric System, the Bulk Power Supply System and the Water and Sewer System while they are on loan. These loaned securities are considered Category 1 investments in accordance with GASB Statement No. 3.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(3) Cash and Investments: (continued)

The JEA follows GASB No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, which requires the adjustments of the carrying value of investments to fair value to be presented as a component of investment income. Investments are presented at fair value, which is based on available or equivalent market values. The Local Government Investment Pool operated by the Florida State Board of Administration is a "2a-7-like" pool in accordance with GASB No. 31; therefore, it is not presented at fair value but at its actual pooled share price which approximates fair value. At September 30, 2001, the fair value of all securities, regardless of balance sheet classification as cash equivalent or investment, was as follows (in thousands):

Securities:	
U.S. Treasury and Government Agency Securities	\$ 489,014
Repurchase Agreements	49,600
Commercial Paper	113,730
Local Government Investment Pool	100,000
Investment in Money Market Mutual Fund	75,237
Securities subtotal	<u>827,581</u>
Fair value of interest rate swaps	1,970
Total securities, at fair value	<u><u>\$ 829,551</u></u>

These securities are held in the following accounts (in thousands):

Restricted assets:	
Cash and cash equivalents	\$ 440,870
Investments, at fair value	356,130
Current assets:	
Cash and cash equivalents	65,291
Investments, at fair value	19,583
Total cash and investments	<u>881,874</u>
Plus: Interest due on securities	8,008
Less: Cash on deposit	(60,331)
Total Securities, at fair value	<u><u>\$ 829,551</u></u>

For asset management purposes, JEA has entered into various interest rate swap agreements that expire over the next three years with outstanding total notional amounts of \$160,000,000 for the Electric System at September 30, 2001, and \$45,000,000 for the Water and Sewer System at September 30, 2001. For the fiscal year ended September 30, 2001, the weighted average rates of interest were:

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(3) Cash and Investments: (continued)

Variable	3.258%
Fixed	4.279%

Asset management interest rate swap earnings and losses are recorded as an adjustment to "Interest revenue" in the Combined Statement of Revenue, Expenses, and Changes in Retained Earnings. As a result of these interest rate swap earnings, JEA increased investment income for the Electric System by \$1,323,974 in fiscal year 2001 and for the Water and Sewer System by \$351,945 in fiscal year 2001. For fiscal year 2001, the notional amounts of the interest rate swaps are not reflected in the financial statements; however, the fair value of the interest rate swaps are included in "Investments" on the Combined Balance Sheet. Although JEA has no plans or expectations to terminate the asset management interest rate swaps prior to their maturity dates, the aggregate fair value of the interest rate swaps as of September 30, 2001 were assets of \$2,520,718 for the Electric System, and an asset of \$1,531,625 for the Water and Sewer System. These amounts were calculated using market rates as of September 28, 2001, and standard cash flow present valuing techniques. The fair value of the interest rate swaps in the above schedule includes the asset management program and the RCR and JPA programs described in Note 21.A.(9). The Electric System and the Water and Sewer System are exposed to a potential nonpayment in the event of nonperformance by the counterparty of its interest rate swap agreements. JEA believes that the risk of nonpayment in the event of nonperformance by the counterparty under these agreements is not significant. JEA does not anticipate nonperformance by the counterparty.

(4) Renewal and Replacement Funds:

The requirements of the respective bond resolutions for contributions to the respective systems' renewal and replacement funds are as follows:

Electric System:	An amount equal to the greater of 10% of the prior year defined net revenues or 5% of the prior year defined gross revenues.
SJRPP System:	An amount equal to 12.5% of aggregate debt service, as defined.
Water and Sewer System:	An amount equal to the greater of 10% of the prior year defined net revenues or 5% of the prior year defined gross revenues.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(5) Long-Term Debt:

The Electric System, SJRPP System, and Water and Sewer System Revenue Bonds (JEA Revenue Bonds) are payable from and secured by a pledge of the Net Revenues of each of the respective JEA Systems. JEA is required to deposit monthly, into separate debt service sinking funds for each System, approximately one-twelfth of the aggregate amount of principal and interest becoming payable on the outstanding JEA Revenue Bonds within the bond year. Interest on the fixed rate portion of the JEA Revenue Bonds (excluding SJRPP capital appreciation bonds) is payable semi-annually on April 1 and October 1, with the principal amount payable on October 1. FPL is responsible for certain debt service payments on SJRPP Revenue Bonds. These payments are made in accordance with the requirements of the SJRPP Bond Resolution and Joint Ownership Agreement between JEA and FPL. On September 23, 1999, all of the outstanding Bulk Power Supply System Bonds were defeased.

The debt service to maturity on the outstanding JEA Revenue Bonds (excluding Commercial Paper Notes and Variable Rate Obligations) as of September 30, 2001, is summarized in the following table (in thousands):

Bond Yrs Ending October 1	Electric System		SJRPP		Water & Sewer ⁽¹⁾		Total ⁽²⁾
	Principal	Interest	Principal	Interest	Principal	Interest	
2001 ⁽³⁾	\$ 960	\$ 19,994	\$ 80,370	\$ 43,338	\$ 8,735	\$ 14,415	\$ 167,812
2002	1,455	39,940	84,715	82,321	8,660	28,462	245,553
2003	2,380	39,869	85,735	78,161	9,075	28,047	243,267
2004	2,500	39,762	90,430	73,464	9,510	27,616	243,282
2005	17,955	39,650	90,420	68,820	9,990	27,135	253,970
2006-2010	198,990	182,780	529,968	280,928	57,805	127,822	1,378,293
2011-2015	187,480	122,391	497,821	139,015	73,630	111,985	1,132,322
2016-2020	73,770	88,461	177,300	34,174	77,835	91,427	542,967
2021-2025	66,930	71,060	14,200	746	78,215	70,283	301,434
2026-2030	96,825	50,736	-	-	75,550	48,824	271,935
2031-2035	121,575	18,010	-	-	68,050	31,089	238,724
2036-2040	-	-	-	-	61,950	9,293	71,243
Total	\$770,820	\$712,653	\$1,650,959	\$800,967	\$539,005	\$616,398	\$5,090,802

1) Excludes First Crossover Series Refunding Bonds.

2) Excludes debt service on variable rate debt.

3) Represents principal and interest paid on October 1, 2001, only; excludes interest paid on April 1, 2001 of this bond year.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(5) Long-Term Debt: (continued)

The estimated fair value of the outstanding fixed rate JEA Long-Term Debt (does not include commercial paper notes and variable rate demand obligations) at September 30, 2001 was approximately \$3,130,759,000. The estimated fair value at September 30, 2001 for the fixed rate portion of the JEA Revenue Bonds was determined through a nationally recognized third-party financial information service. The estimated fair values at September 30, 2001 for the \$632,100,000 of JEA Variable Rate Electric System Subordinated Revenue Bonds and \$50,250,000 of JEA Variable Rate Water and Sewer System Revenue Bonds were determined to be the par amount outstanding at September 30, 2001.

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

	<u>Electric System</u>	<u>SJRPP</u>	<u>Water and Sewer</u>
Earliest year for redemption	2001	2001	2002
Redemption price ranges	101% - 100%	101.5% - 100%	101% - 100%

Electric System

During fiscal year 2001, JEA issued Electric System debt as summarized in the following table (in thousands):

<u>Debt Issued</u>	<u>Purpose</u>	<u>Priority Of Lien</u>	<u>Month Issued</u>	<u>Par Amount Issued</u>	<u>Par Amount Refunded</u>	<u>Accounting Loss on Refunding</u>
Series Three 2001 A	New Money	Senior	February 2001	\$ 75,000	\$ -	\$ -
Series Three 2001 B	Refunding	Senior	February 2001	83,025	80,040	2,595
2000 Series F	New Money	Subordinated	December 2000	125,000	-	-
2001 Series A	Refunding/New Money	Subordinated	February 2001	50,840	40,000	134
2001 Series B and C	New Money	Subordinated	May 2001	132,000	-	-
2001 Series D STARS ⁽¹⁾	New Money	Subordinated	September 2001	175,100	-	-
				<u>\$ 640,965</u>	<u>\$ 120,040</u>	<u>\$ 2,729</u>

(1) Short-Term Adjustable Rate Securities.

The estimated economic gain from the issuance of the Series Three 2001 B Bonds calculated as the difference between the present value of the debt service payments of the refunded bonds and the debt service payments of the refunding bonds is \$4,004,189. The refunding related to the 2001 Series A Bonds did not have an economic effect because the refunded bonds were variable rate obligations.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(5) Long-Term Debt: (continued)

The payment of principal and interest on the 2000 Series F, 2001 Series A, 2001 Series B and C, and 2001 Series D STARS is subordinate in all respects to the payment of principal and interest on the Series Two and Three Electric System Revenue Bonds from the Net Revenues of the Electric System.

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

The following table summarizes JEA's outstanding subordinated VRDO:

Series	Principal Amount Outstanding	Liquidity Facility Expiration Date	Average Interest Rate for Fiscal Year 2001
2000 Series A	\$ 100,000	January 18, 2003	3.190%
2000 Series B	100,000	January 14, 2002	3.190%
2000 Series F	125,000	December 5, 2001	2.910%
2001 Series B	66,000	May 22, 2004	2.510%
2001 Series C	66,000	May 22, 2006	2.510%
	<u>\$ 457,000</u>		

JEA also has outstanding \$175,100,000 of its Variable Rate Electric System Subordinated Revenue Bonds, 2001 Series D Short-Term Adjustable Rate Securities (STARS). The 2001 Series D STARS are subject to the Auction Procedures as set forth in the Electric System Seventeenth Supplemental Subordinated Resolution. The 2001 Series D STARS were initially issued and currently are issued in the auction mode. Interest for each auction period (other than the initial auction period) will be an amount equal to the sum of the rate per annum determined on the basis of orders placed in an auction conducted on the business day preceding the commencement of such auction period and the service charge rate. Interest on the 2001 Series D STARS are currently payable every thirty-five days. The interest rate on the 2001 Series D

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(5) Long-Term Debt: (continued)

STARS for any subsequent auction period may not exceed the lesser of 15% per annum and the maximum interest rate permitted by law.

SJRPP

In July 1995, JEA issued \$141,755,000 of SJRPP Special Obligation Bonds, Fifth Crossover Series (Fifth Crossover Series). The proceeds from the Fifth Crossover Series were held in a special escrow fund until October 1, 1999, the "crossover date." A portion of the invested proceeds and income of the special escrow fund was used to pay the interest on the Fifth Crossover Series until the crossover date. On the crossover date, the balance of the funds on deposit in the special escrow fund was used to redeem \$138,450,000 of Issue Two, Series Five Bonds. Also, on the crossover date, the SJRPP Special Obligation Bonds, Fifth Crossover Series were exchanged for the SJRPP Issue Two, Series Twelve Bonds. JEA realized and deferred an accounting loss of \$2,802,258 in October 1999 on the redemption. However, a net economic gain of \$9,963,165 was realized as a result of the transaction. After the crossover date, the SJRPP Issue Two, Series Twelve Refunding Bonds that were exchanged for the Fifth Crossover Series bear the same interest rates, have the same maturity dates, and are subject to optional and mandatory redemption at the same times, in the same amounts, and at the same redemption prices as the Fifth Crossover Series.

Water and Sewer System

On January 4, 2001, JEA issued \$130,000,000 of Water and Sewer System Revenue Bonds 2001 Series A to fund various additions and improvements to the Water & Sewer System.

On March 20, 2001, JEA issued \$81,990,000 Water and Sewer System Subordinated Revenue Bonds, First Crossover Series. The proceeds from the First Crossover Series are to be held in a special escrow fund until the crossover date of April 1, 2005. The First Crossover Series are secured by a pledge upon the moneys and eligible investments on deposit in the special escrow fund and by amounts on deposit in the Subordinated Indebtedness Fund. A portion of the invested proceeds (and income thereon) will be used to pay interest on the First Crossover Series until the crossover date. On the crossover date, unless certain conditions are not satisfied, the balance of the funds on deposit in the special escrow fund will be used to redeem the \$78,890,000 of Water & Sewer System Revenue Bonds 2000 Series A. On the crossover date, the First Crossover Series will be exchanged for Water and Sewer System Revenue Bonds 2001 Series B (the 2001 Series B). Upon the

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(5) Long-Term Debt: (continued)

exchange, the 2001 Series B bonds will bear the same interest rates, have the same maturity dates and be subject to optional and mandatory redemptions at the same times, in the same amounts and at the same redemption prices as the First Crossover Series bonds. In addition, upon the exchange the 2001 Series B bonds will be secured by a pledge of the Revenues of the Water & Sewer System on a rank equal to that of any other bonds outstanding under the Water and Sewer System Bond Resolution. The First Crossover Series bonds bear interest rates ranging from 3.80% to 5.30% and mature in years beginning on October 1, 2006 through October 1, 2039.

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

<u>Bond Year Ending October 1,</u>	<u>2001 Series B</u>	<u>Total Debt Service</u>
2001	\$ -	\$ 14,414
2002	-	37,122
2003	-	37,122
2004	-	37,126
2005	2,147	36,878
2006 - 2010	22,092	183,784
2011 - 2015	22,100	183,779
2016 - 2020	28,625	167,414
2021 - 2025	36,513	146,662
2026 - 2030	22,788	122,535
2031 - 2035	18,928	97,298
2036 - 2039	39,484	69,769
Total	<u>\$ 192,677</u>	<u>\$ 1,133,903</u>

In February 2000, JEA issued \$50,250,000 of Variable Rate Water and Sewer System Bonds 2000 Series B to fund projects of the Water and Sewer System. The 2000 Series B Bonds are subject to mandatory and optional redemption prior to their scheduled maturity on October 1, 2034, and to optional and mandatory tender for purchase as set forth in the Official Statement relating to their issuance. The 2000 Series B Bonds bear interest at variable rates in the weekly mode and the average interest rate was 3.275% during fiscal year 2001. Liquidity support in connection with tenders for purchase of the 2000 Series B Bonds is provided pursuant to a standby bond purchase agreement (the liquidity facility). The liquidity facility relating to the 2000 Series B Bonds has a stated termination date of April 5, 2004. With respect to the liquidity facility, JEA can and expects to request an extension of the termination date. The purchase price of the 2000 Series B Bonds tendered or deemed tendered for purchase is payable solely from the proceeds of the remarketing thereof,

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(5) Long-Term Debt: (continued)

and moneys drawn under the liquidity facility and not payable from any funds of JEA.

On October 23, 2001, JEA issued \$152,635,000 of Water and Sewer System Revenue Bonds, 2001 Series C, to fund various additions and improvements to the Water and Sewer System.

Commercial Paper

During fiscal year 2001, JEA retired \$4,600,000 of Series B and C Commercial Paper Notes. Also, during fiscal year 2000, JEA refunded \$101,682,000 and \$100,000,000 of Series A and Series E Commercial Paper Notes, respectively, through an economic defeasance, from the proceeds of its Series Three 2000A, Series Three 2000 B and 2000 Series D bonds.

The following table summarizes the Electric System Commercial Paper Notes (Commercial Paper Notes) as of September 30, 2001 (in thousands):

	Principal Amount Outstanding	Final Maturity Date Not to Exceed	Interest Rate Not to Exceed	Average Interest Rate For Fiscal Year 2001
Series B (Taxable)	\$ 16,047	June 7, 2033	20%	5.167%
Series C (Tax exempt)	122,650	June 7, 2033	15%	3.423%
	<u>\$ 138,697</u>			

The Commercial Paper Notes, shown in the previous table, have been classified as long-term debt obligations and are subordinate in all respects to the Electric System Revenue Bonds. The estimated fair value of the Commercial Paper Notes at September 30, 2001 was \$138,697,000. The Commercial Paper Notes were valued at par.

In order to manage more effectively its finances and to reduce the net cost of its debt, JEA from time to time enters into interest rate cap agreements to limit the interest rate risk associated with the Commercial Paper Notes. As of September 30, 2001, JEA has an interest rate cap with a total notional amount of \$60 million associated with the Commercial Paper Notes. JEA is exposed to a potential nonpayment in the event of nonperformance by the counter-party to its interest rate cap agreements. JEA believes that the risk of nonpayment in the event of nonperformance by the counter-party under these agreements is not significant and furthermore, JEA does not anticipate nonperformance by the counter-party.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(5) Long-Term Debt: (continued)

In order to provide liquidity support for each series of Commercial Paper Notes, JEA has two separate revolving credit agreements with a commercial bank for its two remaining commercial paper programs. If moneys are not available to pay the principal of any maturing Commercial Paper Notes during the term of the credit agreements, JEA is entitled to make a borrowing under the applicable credit agreements, provided that certain conditions are satisfied, in an amount equal to the principal amount of the maturing Commercial Paper Notes. As of September 30, 2001, the expiration dates for the credit agreements are as follows:

Series B Commercial Paper Notes	September 25, 2002
Series C Commercial Paper Notes	May 13, 2002

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

In May 2000, JEA obtained an unsecured line of credit for \$50 million which expires May 3, 2003. As of September 30, 2001, there was no outstanding balance.

Debt Management Strategy

JEA had entered into various interest rate swap agreements in connection with its debt management strategy that would have expired over the next five years and which had total notional amounts outstanding of \$535 million for the Electric System and \$200 million for the Water and Sewer System at September 30, 2000. During March 2001, JEA terminated certain of the interest rate swaps that were previously entered into with respect to the debt management strategy program. JEA terminated \$410 million in aggregate notional amount of such interest rate swaps with respect to the Electric System and \$190 million in aggregate notional amount of such interest rate swaps with

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(5) Long-Term Debt: (continued)

respect to the Water and Sewer System. Of the remaining debt management strategy interest rate swaps, \$125 million in aggregate notional amount for the Electric System and \$10 million in aggregate notional amount for the Water and Sewer System were reallocated to the asset management program. As a result of the termination of such interest rate swap transactions, JEA has recognized gains of \$7,846,975 for the Electric System and \$5,096,864 for the Water and Sewer System, which has been included as a reduction of "Interest expense" on the Combined Statement of Revenue, Expenses, and Changes in Retained Earnings. In addition, JEA has released the reserve funds it had established pursuant to its debt management strategy policy in the amount of \$26.75 million for the Electric System and \$10 million for the Water and Sewer System.

For the fiscal year ending September 30, 2001, the weighted average rates of interest were as follows:

Variable	3.735%
Fixed	4.273%

Debt management strategy interest rate swap earnings and the related adjustments to fair value are shown as additions or reductions to "Interest expense" in the Combined Statement of Revenue, Expenses, and Changes in Retained Earnings. As a result of these interest rate swap earnings and fair value adjustments, JEA decreased "Interest expense" for the Electric System by \$11,416,606 and decreased "Interest expense" for the Water and Sewer System by \$5,671,106 in fiscal year 2001. The fair value of the interest rate swap instruments are also included as an addition to "Long-term debt and other long-term obligations" on the Combined Balance Sheet; however, the notional amounts of the interest rate swaps are not reflected in the financial statements. There were no debt management strategy interest rate swaps open at September 30, 2001.

JEA has also entered into interest rate cap instruments to manage the interest rate risk related to its Series B and Series C Commercial Paper notes. As of September 30, 2001, the fair value of these caps was an asset of \$36,000 and is reflected as a deduction to "Long-term debt and other long-term obligations" on the Combined Balance Sheet.

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

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(6) City of Jacksonville

JEA is a component unit of the City and utilizes various services provided by departments of the City, including revenue collections, insurance, legal and motor pool. JEA is billed on a proportionate cost basis with other user departments and agencies.

JEA provides electric, water and sewer service to the City and its agencies and bills for such service using established rate schedules. 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 2001	\$ 14,190	11,458

Beginning in fiscal year 1999, the JEA Electric System is required to contribute annually to the General Fund of the City an amount not to exceed 7.5 mills per kilowatt hour delivered by JEA to retail users in JEA's service area, and to wholesale customers under firm contracts having an original term of more than one year, other than sales of energy to FPL from JEA's St. Johns River Power Park System. The contribution rate, beginning with fiscal year 1999, is the greater of 5.5 mills per kilowatt hour delivered or the 1998 fiscal year contribution of \$52,039,278 plus an increase of \$3 million a year for the next five years.

The contribution rate for fiscal year 2001 was 5.5 mills per kilowatt hour delivered and amounted to \$62,589,668. A contribution of \$65,489,556 has been budgeted for the fiscal year ending September 30, 2002.

Beginning in fiscal year 1999, the JEA Water and Sewer System is required to contribute annually to the General Fund of the City an amount not to exceed 2.63 mills per cubic foot of potable water and sewer service provided, excluding reclaimed water service. The contribution amount for fiscal year 2001 was \$11,048,609. These amounts are based on a contribution rate of 1.75 mills and such rate will be in effect for the next five years. A contribution of \$11,116,676 has been budgeted for the fiscal year ending September 30, 2002.

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, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(6) 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 1988A and 1995A through fiscal year 2009. In March 1999, the City refunded the Series 1988A Bonds with the City's Excise Tax Revenue Bonds, Series 1999A. In fiscal year 2001, JEA paid to the City \$2,498,688 in principal and \$690,966 in interest. The total principal amount due the City as of September 30, 2001 was \$18,002,893, and is reflected in "Deferred credits and other liabilities" in the Combined Balance Sheet.

Joint Projects Agreement

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

Pursuant to this Agreement, JEA funded a \$750,000 working fund to be kept by the City, from which monthly payments are made for JEA's portion of these projects. The working fund is replenished the following month for payments made on behalf of JEA. JEA is not required to fund its unexpended project commitments other than the working fund amount unless the working fund becomes inadequate, which would require immediate wire transfer of needed funds. At September 30, 2001, JEA's unfunded project commitment to the City in excess of the working fund is approximately \$1.5 million.

(7) Coal Purchase and Purchased Power Commitments:

JEA has commitments to purchase a majority of the coal for SJRPP and Scherer Unit 4 under long-term contracts expiring in 2007 and 2003, respectively. JEA also has commitments for the transportation of coal purchases under a long-term contract for SJRPP expiring in 2005. Commitments for transportation of coal purchases for Scherer Unit 4 are effective through 2002 and are currently being re-bid for 2003 and beyond. Contract terms specify minimum annual purchase commitments at certain prices subject to adjustments for price level changes according to the contract.

JEA also has contracts with certain operating subsidiaries of Southern Company (such operating subsidiaries are referred to herein as "Southern") for the purchase of 200 MW of coal-fired capacity and energy through May 2010. These capacity obligations of Southern are firm, subject to the availability of

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(7) Coal Purchase and Purchased Power Commitments: (continued)

the units involved (Miller Units 1-4 and Scherer Unit 3). Upon three years notice to Southern, JEA may elect to reduce its capacity obligations by as much as 150 MW.

Under these contracts with Southern, JEA is committed to purchase for the Electric System certain energy output associated with the purchased generating capacity entitlement. The total cost to be incurred by JEA depends upon future costs incurred by Southern in connection with its ownership and operation of coal-fired generating facilities to which the agreements relate and upon the amount of energy actually purchased by JEA. A portion of such future costs is related to the electric generating capacity entitlement and is payable by JEA, subject to certain contingencies, whether or not any energy is actually produced by such units or purchased by JEA.

The maximum aggregate amount of future payments, including the projected effects of inflation for coal purchase commitments of SJRPP (at JEA's 80% ownership interest) and the Bulk Power Supply System and future estimated fixed charges for electric generating capacity entitlement and transmission, including the projected effects of inflation for JEA, appear in the following table (in thousands). The electric generating capacity and transmission charges do not reflect JEA's option to reduce its capacity obligations with three years notice.

Year Ending September 30	Coal		Electric Generating Capacity/ Energy	Transmission
	Purchases	Transportation		
2002	\$ 92,017	\$ 36,921	\$ 19,016	\$ 7,258
2003	63,625	14,382	19,368	7,608
2004	62,080	14,526	19,920	7,992
2005	63,149	14,671	20,412	8,520
2006	19,000	14,818	20,724	8,892
2007	19,200	14,966	20,664	9,072
2008 - 2011	-	-	49,508	28,723

(8) General Employees Pension Plan:

JEA Plan Description and Contributions

Substantially all of the employees of the Electric System and Water and Sewer System participate in and contribute to the City of Jacksonville General Employees Pension Plan (Plan), as amended. The Plan is a cost-sharing, multiple-employer contributory defined benefit pension plan.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(8) General Employees Pension Plan: (continued)

All full-time employees who successfully complete a physical examination and meet the medical requirements for membership are eligible to participate in the Plan. The Plan, based on laws outlined in the City of Jacksonville Ordinance Code and applicable Florida Statutes, provides for retirement, survivor, death and disability benefits.

Plan members are required to contribute 7% of their current-year annual covered salary in fiscal 2001. For fiscal year 2001, JEA was not required to contribute a percentage of annual covered payroll to the plan as it was overfunded. 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. JEA's contributions (in millions) to the Plan for the years ending September 30, 2001, 2000 and 1999 were \$0, \$4.5, and \$6.8, respectively, equal to the required contributions for each year.

St. Johns River Power Park Plan Description

The JEA St. Johns River Power Park System Employees' Retirement Plan (Plan) is a single employer contributory defined benefit plan covering employees of SJRPP. All participants who have met the requirements for number of years of vesting service and age are entitled to monthly Plan benefits as provided for retirement, survivor, death and disability. SJRPP issues a publicly available financial report that includes financial statements and required supplementary information. The latest report (1999) may be obtained by writing to JEA, Employee Services, Tower 6, 21 West Church Street, Jacksonville, Florida 32202-3139 or by calling (904) 665-6257.

Plan members are required to contribute currently 1% of their current-year annual covered salary. SJRPP's required contribution rate for fiscal year 2001 was 10% of annual covered payroll. The Plan's funding policy provides for at least quarterly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. SJRPP contributions (in millions) to the Plan for the years ending September 30, 2001, 2000, and 1999 were \$1.8, \$1.9, and \$1.4, respectively, equal to the required contributions for each year.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(9) Commitments and Contingent Liabilities:

(a) Commitments

JEA has ongoing capital improvement programs for the Electric System and the Water and Sewer System. The capital programs consist of: (a) the Electric System capital requirements for additional generating facilities, as well as improvements to existing generating facilities, that are determined to be necessary as a result of JEA's annual resource planning process, (b) the Electric System's remaining capital requirements for transmission and distribution facilities and other capital items, and (c) the Water and Sewer System capital requirements necessary to accommodate system growth.

JEA's projected total capital expenditures for fiscal year 2002 through fiscal year 2006 are as follows (in thousands):

Electric System - Generation, Transmission, Distribution, and Other	\$ 968,000
Water and Sewer System	572,000

An additional \$283 million of capital expenditures (including the acquisition price) may be spent related to JEA's anticipated acquisition of the United Water Florida, Inc. utility in the Northeast Florida area. The acquisition will be contingent upon the completion of a due diligence review.

The City has authorized a capital improvement program, referred to as the River City Renaissance Program (RCR Program), for the acquisition, construction and improvement of various civic facilities. JEA has assisted the City in structuring a financing plan, which currently consists of City-issued commercial paper notes and long-term debt. The City-issued commercial paper notes are expected to be converted to long-term debt at some date in the future. The City and JEA have agreed that JEA's contribution to the City's General Fund would be adjusted to offset any increase (or a portion of any decrease) from \$17,403,000 in the annual debt service after October 1, 2000, on the debt issued by the City to finance the RCR Program. Current projections indicate that no such increase will be required in JEA's contribution to the City's General Fund. This program was designed to provide the City with funds sufficient to pay approximately \$242,210,000 of project costs. Any increase in the JEA contribution would not be effective until after October 1, 2001. Current projections indicate that the revenue streams

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(9) Commitments and Contingent Liabilities: (continued)

(a) Commitments (continued)

will be sufficient to pay debt service on the outstanding bonds. For fiscal year 2001, the average commercial paper interest rate under this program was 3.01% and \$60 million of commercial paper notes were outstanding during this period. The average interest rate for the \$151,155,000 of long-term debt outstanding as of September 30, 2001 was 5.19%, with a final maturity on this fixed rate debt on October 1, 2018.

Beginning in fiscal year 1996, JEA entered into various interest rate swap transactions on behalf of the Electric System to manage its interest rate risk under the River City Renaissance Program. The total notional amount of the various interest rate swap agreements outstanding at September 30, 2001, was \$70 million. Under these agreements, JEA pays a variable rate of interest, based on various indices, and receives a fixed rate of interest on outstanding swap agreements expiring over the next four years. For the fiscal year ending September 30, 2001, the weighted average rates of interest were as follows:

<u>Weighted-Average Interest Rate</u>	
Variable	3.258%
Fixed	4.809%

All earnings on the interest rate swaps are paid to the City of Jacksonville to supplement the cash flows available for debt service. The notional amount of the various interest rate swaps is not reflected on the Combined Balance Sheet; however, the fair value of the interest rate swaps are included in "Investments" on the Combined Balance Sheet. Although JEA has no plans or expectations to terminate the interest rate swaps prior to their maturity dates, as of September 30, 2001, the aggregate fair value of the interest rate swaps was an asset of \$1,971,771. This amount was calculated using market rates as of September 28, 2001, and standard cash flow present valuing techniques. JEA is exposed to a potential nonpayment in the event of nonperformance by the counterparty to its interest rate swap agreements. The risk of nonpayment to JEA in the event of nonperformance by the counterparty under these agreements is not significant. JEA does not anticipate nonperformance by the counterparty.

The City has issued a fixed rate bond issue to finance and refinance various marine facilities for the Jacksonville Port Authority. JEA, through a financing agreement, has committed to guaranteeing the growth of certain revenue streams dedicated to paying the debt service for these bond issues. The principal amount of the bonds outstanding is \$48.72

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(9) Commitments and Contingent Liabilities: (continued)

(a) Commitments (continued)

million at September 30, 2001, with a final maturity of October 1, 2009. Coupon rates for the bonds range from 4.75% to 5.00%. The City and JEA have agreed that JEA's contribution to the City's General Fund would be adjusted to offset any shortfall in the dedicated revenue streams to pay the actual debt service. Current projections indicate that the revenue streams will be sufficient to pay the debt service on the outstanding bonds.

Starting in fiscal year 1997, JEA entered into an interest rate swap agreement on behalf of the Electric System to manage its interest rate risk under the City/Jacksonville Port Authority Financing Agreement. The total notional amount of the interest rate swap agreement outstanding at September 30, 2001 was \$15 million. Under this agreement, JEA pays a variable rate of interest, based on an index, and receives a fixed rate of interest on the outstanding swap agreement, which will expire during the next year. For the fiscal year ending September 30, 2001, the weighted average rates of interest were as follows:

<u>Weighted-Average Interest Rate</u>	
Variable	3.258%
Fixed	4.562%

All earnings on the interest rate swap are currently held by JEA for the benefit of the Jacksonville Port Authority. The notional amount of the interest rate swap is not reflected on the Combined Balance Sheet; however, the fair value of the interest rate swaps is included in "Investments" on the Combined Balance Sheet. Although JEA has no plans or expectations to terminate the interest rate swap prior to maturity, as of September 30, 2001, the aggregate fair value of the interest rate swap was an asset of \$193,903. These amounts were calculated using market rates as of September 28, 2001, and standard cash flow present valuing techniques. JEA is exposed to a potential nonpayment in the event of nonperformance by the counterparty to the interest rate swap agreement. The risk of nonpayment to JEA in the event of nonperformance by the counterparty under the agreement is not significant. JEA does not anticipate nonperformance by the counterparty.

(b) General Litigation

JEA is party to various pending or threatened legal actions arising in connection with its normal operations. Although the outcome of these actions is not presently determinable, it is management's opinion that the

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(9) Commitments and Contingent Liabilities: (continued)

(b) General Litigation (continued)

resolution of these matters will have no material adverse effect on JEA's financial position or results of operations.

JEA is insured for worker's compensation and general liability through an internal service fund of the City of Jacksonville.

(c) Grants and Contracts

JEA participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are 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 JEA. It is management's opinion that the results of these audits will have no material adverse effect on JEA's financial position or results of operations.

(d) Environmental Matters

JEA's generating stations are subject to regulation of their thermal and wastewater discharges, hazardous wastes, and air emissions by the U.S. Environmental Protection Agency (EPA), the Florida Department of Environmental Protection (FDEP), and the Jacksonville Regulatory and Environmental Services Department.

JEA has entered into two consent orders with the EPA related to various solid waste management units and areas of concern at J. Dillon Kennedy Generation Station and Northside Generation Station. These orders require JEA to do studies and prepare demonstrations without presently requiring remedial work. In connection with one area of concern at Kennedy Generation Station, JEA is in litigation with former owners and operators of the site and negotiating with their insurance carriers to recoup anticipated clean-up costs. It is estimated that the remedial cost could be between \$7 and \$13 million, although additional costs are possible.

Under Florida Department of Environmental Protection supervision, JEA has investigated groundwater contamination in the vicinity of the San Souci Substation in Jacksonville. The contaminants are solvents that may be associated with substation operations. JEA proposed to monitor the groundwater conditions to determine if the contaminants are naturally attenuating. If FDEP approves, it will take several years and cost

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(9) Commitments and Contingent Liabilities: (continued)

(d) Environmental Matters (continued)

approximately \$600,000 to install monitoring wells and confirm natural attenuation.

An accrued liability of \$8.0 million is reflected in the Combined Balance Sheet under "Deferred credits and other liabilities" applicable to the corrective action plans for property acquired by JEA such as the one adjacent to the J. Dillon Kennedy Generation site. This accrued liability is based on facts known at the date reported. While the final outcome of any of the proceedings referred to above cannot be predicted with certainty, JEA does not believe that its potential liabilities for such proceedings, either individually or in the aggregate, will have a material adverse effect upon its financial position and results of operations; however, changes in EPA standards, improvements in cleanup technology and discovery of additional information concerning these sites and other sites could affect the estimated costs in the future.

(e) Green Works Initiative

As part of its Green Works Initiative to supply 7.5 percent of its peak demand with renewable resources by the year 2015, JEA has contracted with Biomass Industries, Inc. (BII) to purchase up to 70 MW peak and 35 MW off-peak of firm renewable (Green Power) energy from a gasified biomass fueled electric generation plant proposed to be constructed by BII in south Florida. The proposed facility is to be fueled by "E-grass" to be grown by BII. The initial term of the purchase is for 15 years from the commercial operations date of the facility, and the parties, by mutual agreement, have the right to extend the initial term for two additional five-year periods, on terms to be agreed upon by the parties. The facility currently is scheduled to be in service by January 2003. Under the contract, JEA will be obligated to take and pay for such energy as is produced by the facility, up to the limits stated above, at a fixed price stated in the contract (subject to periodic escalations). The facility is in the early stages of development, so JEA can make no assurances as to whether the facility will be able to achieve commercial operations.

(f) Acquisition of Assets and Customers of United Water Florida, Inc.

On August 1, 2001, JEA announced that it had reached an agreement with United Water Florida, Inc. (UWF) to purchase the water and sewer assets and franchise of UWF located in Florida, subject to due diligence review. UWF currently provides water and/or wastewater services, primarily to residential customers in parts of Duval County, St. Johns County and Nassau County. The purchase price of such assets and franchise is

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(9) Commitments and Contingent Liabilities: (continued)

(f) Acquisition of Assets and Customers of United Water Florida, Inc. (continued)

expected to be \$219,000,000. JEA and UWF currently are in the process of negotiating an asset purchase agreement. As a condition of the asset purchase agreement, JEA and UWF are also in the process of negotiating an operation and maintenance agreement related to certain water and sewer assets. JEA anticipates issuing long-term debt to pay for the purchase of the assets and franchise of UWF. JEA and UWF are attempting to close the acquisition before December 31, 2001.

(g) COLECTRIC PARTNERS, INC.

On April 30, 2001, JEA, along with three other public power utilities, became a member of COLECTRIC PARTNERS, INC. (formerly known as PowerPartners, Inc.), a Georgia nonprofit corporation. The purpose of COLECTRIC PARTNERS INC. (COLECTRIC PARTNERS) is to secure cost savings through the implementation of reference plant practices in the development, engineering, procurement, construction and start-up of generation facilities. Cost savings are also envisioned by joint measures for training and spare parts. The long-term goal of COLECTRIC PARTNERS is to provide its members with services in other aspects of the energy supply chain.

(10) Fuel Management Program:

The fuel management program is intended to help manage the risk of changes in the market prices of oil and natural gas. During fiscal year 2001, JEA entered into various fuel management contracts. It is possible that the market price before or at the specified time to purchase fuel oil may be lower than the price at which JEA is committed to buy. This would reduce the value of the contract. JEA is also exposed to the failure of the counterparty to fulfill the contract. JEA believes the risk of nonperformance by the counterparty under these contracts is not significant. JEA does not anticipate nonperformance by the counterparty. It is expected that the dollar value at the exercise price of such contracts in effect under the program will not exceed \$90 million.

(a) Fuel Management of Oil

At September 30, 2001, the fuel management program had no open oil contracts. For fiscal year 2001, expirations, closings and the fair value adjustment of fuel management contracts related to oil resulted in a decrease of \$152 in "Operating expense – Fuel." At September 30, 2001, the fuel management program related to oil had margin deposits of \$0.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(10) Fuel Management Program: (continued)

(b) Fuel Management of Natural Gas:

During fiscal year 2001, JEA started utilizing The Energy Authority in managing risks associated with JEA's fuel management program related to natural gas. See Note 21.A.(11) - Investment in The Energy Authority.

At September 30, 2001, the fuel management program had 17 open natural gas contracts with a notional amount of \$7,474,900 and a fair value of an asset of \$52,390. For fiscal year 2001, expirations and closings of fuel management contracts related to natural gas and the fair value adjustment resulted in a \$2,564,941 increase in "Operating expense – Fuel." At September 30, 2001, the fuel management program related to natural gas had margin deposits with a fair value of \$1,403,029, which is included in "Prepaid expenses and other assets" on the Combined Balance Sheet.

(11) Investment in The Energy Authority:

JEA is a member of The Energy Authority (TEA), a municipal power marketing and risk management joint venture, headquartered in Jacksonville, Florida. During fiscal year 2000, the four members of the power marketing function at TEA agreed to accept two new members. JEA's ownership interest decreased from 25% to its current 21.43% and as a result, JEA received a \$434,000 prorata share of the new members' membership fees, which are recorded as deferred credits and are being amortized over a 24-month period.

In fiscal 2001, TEA began natural gas purchasing and risk management activities for JEA and other joint venture members. See Note 21.A.(10) - Fuel Management Program. In accordance with contractual agreements between JEA and its joint venture partners, JEA has advanced funds to TEA for the purpose of negotiating power marketing and gas trading transactions. At inception of the gas trading activities, JEA advanced an additional approximately \$2.3 million dollars to TEA. The total net advances to TEA for power marketing and risk management activities of \$3.5 million at September 30, 2001 is reflected in "Accounts and Interest Receivable" under "Current Assets" on the Combined Balance Sheet. JEA's equity in TEA's net income was \$10.0 million in fiscal year 2001 for all power marketing and risk management activities. The investment in TEA is reflected under "Prepaid expenses and other assets" on the Combined Balance Sheet.

The following is a summary of the unaudited financial information of TEA for the 9 months ending September 30, 2001 (in thousands):

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. JEA (continued)

(11) Investment in The Energy Authority: (continued)

Condensed statement of operations:	
Operating revenues	\$ 413,139
Operating expenses	332,725
Operating income	<u>\$ 80,414</u>
Net income	<u>\$ 81,249</u>
Condensed balance sheet:	
Current assets	\$ 81,757
Noncurrent assets	11,730
Total assets	<u>\$ 93,487</u>
Current liabilities	<u>\$ 57,874</u>
Noncurrent liabilities	10,000
Equity	25,613
Total equity and liabilities	<u>\$ 93,487</u>

TEA issues separate audited financial statements on a calendar year basis. Pursuant to the Electric Advance Agreement and the Natural Gas Advance Agreement with TEA, JEA's Board has approved the use of approximately \$60,829,000 to support TEA's trading activities on behalf of JEA in the form of corporate guarantees, letters of credit and/or cash advances as determined by management.

(12) Segment Information

JEA's electric segment consists of an electric utility engaged in generation, purchase, transmission, distribution and sale of electricity primarily in Northeast Florida. JEA's water and sewer segment consists of water collection, distribution, and wastewater treatment in Northeast Florida. Segment information for JEA's electric segment and water and sewer segment activities for the fiscal year ended September 30, 2001 was as follows (in thousands):

	Electric	Water and Sewer
Operating revenue	\$ 841,061	\$ 142,098
Depreciation	120,211	37,504
Operating income	156,687	38,603
Net income	67,951	63,319
Additions to plant	546,849	264,457
Total assets	4,297,914	1,524,730
Net working capital	186,246	66,659
Long-term liabilities	3,080,626	671,907
Total equity	750,632	790,128

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS

B. Jacksonville Port Authority

(1) Summary of Significant Accounting Policies:

(a) Reporting Entity

The Jacksonville Port Authority (the Authority) was created in 1963 by Chapter 63-1447 of the Laws of Florida, to own and operate marine and aviation facilities in Duval County, Florida. The Authority is governed by an independent body (the Board) consisting of seven members, four of whom are appointed by the Governor of Florida and confirmed by the State Senate, and three of whom are appointed by the Mayor and confirmed by the City Council of the City of Jacksonville, Florida (the City or Council).

The Authority is considered a component unit of the City under Government Accounting Standards Board Statement No. 14, The Financial Reporting Entity. The Authority's financial statements include all funds and departments, which the Authority controls or which are dependent on the Authority. No other agencies or organizations have been included in the Authority's financial statements.

The Jacksonville Port Authority was split into two entities, the Jacksonville Airport Authority and the Jacksonville Seaport Authority (the Authorities) effective October 1, 2001. The Airport Authority will be governed by a seven-member board, four appointed by the governor and three appointed by the mayor. The Seaport Authority will be governed by a seven-member board, four appointed by the mayor and three by the governor. See Note 21.B.(11) - Segment Information. Both Authorities will be considered component units of the City of Jacksonville.

(b) Basis of Accounting

The Authority uses two enterprise funds, Aviation and Marine, to report its financial position, results of operations and cash flows. These funds are separately accounted for on a cost of services or capital maintenance measurement focus. The accrual basis of accounting is used for reporting purposes. Revenue is recognized when earned and expenses are recognized as incurred.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)

B. Jacksonville Port Authority (continued)

(1) Summary of Significant Accounting Policies: (continued)

(b) Basis of Accounting (continued)

governmental accounting and financial reporting principles. The Authority has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board Opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting.

The Governmental Accounting Standards Board has recently issued new pronouncements which will affect the financial presentation of future financial statements of the Authorities.

- GASB Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments; the Authority will implement concurrently with the City of Jacksonville for the fiscal year ended September 30, 2002 since the Authority is a component unit of the City; this Statement establishes that the basic financial statements and required supplementary information should consist of:
 - Management's discussion and analysis (MD&A). MD&A should introduce the basic financial statements and provide an analytical overview of the government's financial activities. Although it is required supplementary information, governments are required to present MD&A before the basic financial statements.
 - Basic financial statements.
 - Required supplementary information. In addition to MD&A, this Statement requires budgetary comparison schedules to be presented along with other types of data as required by previous GASB pronouncements.

Special-purpose governments engaged only in business-type activities should present the financial statements required for enterprise funds, including MD&A and other required supplementary information.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)

B. Jacksonville Port Authority (continued)

(1) Summary of Significant Accounting Policies: (continued)

(b) Basis of Accounting (continued)

- GASB Statement 38, Certain Financial Statement Note Disclosures modifies, establishes, and rescinds certain financial statement disclosure requirements and is effective when GASB 34 is implemented.

(c) Budgeting Procedures

The Jacksonville Port Authority's charter and related amendments, Council resolutions and/or Board policies have established the following budgetary procedures for certain accounts maintained within its enterprise funds. These include:

- i. Prior to July 1 of each year, the Authority shall prepare and submit its budget to the City Council for the ensuing fiscal year.
- ii. The Council may increase or decrease the appropriation requested by the Authority on a total basis or a line-by-line basis, subject to the following limitations:

The appropriation from the Council for construction, reconstruction, enlargement, expansion, improvement or development of any marine project or projects authorized to be undertaken by the Authority, shall not be reduced below \$800,000 (see Note 21.B.(10)).

Once adopted, the total budget may only be increased through action of the Council.

Operating budget item transfers may be made with the approval of the President and CEO or his designee. Line-to-line capital budget transfers may be made with the approval of the President and CEO or his designee if it is cumulatively less than or equal to \$100,000 or with the approval of the Board if over \$100,000.

All appropriations lapse at the end of each fiscal year and must be re-appropriated except for certain capital and maintenance related projects that have been formally encumbered.

The same budgeting procedures will be followed by the separate authorities subsequent to the split.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)
(1) Summary of Significant Accounting Policies: (continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in operating accounts and cash invested in the following highly liquid instruments: money market funds, cash investment pools payable on demand or overnight repurchase agreements. These investments have a maturity of three months or less when purchased.

(e) Investments

All investments are stated at fair market value, in accordance with GASB No. 31.

(f) Property and Equipment

Property and equipment are carried at cost less accumulated depreciation.

Property and equipment, including assets acquired by issuance of capitalized lease obligations, are depreciated on the straight-line basis over the estimated useful lives of the assets. The estimated useful lives of property and equipment are as follows:

Asset Class	Estimated Service Life (Years)	
	Aviation	Marine
Buildings	20-50	20-30
Other improvements	10-50	10-50
Equipment	3-25	3-25

Depreciation applicable to assets acquired or constructed by use of monies received as contributed capital is included in depreciation expense but charged to contributed capital rather than retained earnings.

When property and equipment are disposed of, the related cost and accumulated depreciation are removed from the accounts with gains or losses on disposition being reflected in current operations.

On September 30, 2001, property and equipment historically shared by the Aviation and Marine divisions was allocated between the two divisions. The allocation was agreed to by both divisions and was based upon a variety of sound business reasons (See Note 21.B.(1)). Depreciation expense in the future will be based upon the actual division of the commonly owned property and equipment.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)

B. Jacksonville Port Authority (continued)

(1) Summary of Significant Accounting Policies: (continued)

(g) Dredging Related Costs

Dredged soil placement rights were acquired pursuant to an agreement with the Florida Internal Improvement Trust Fund and are being amortized using the straight-line method over the estimated useful life of the rights acquired, which is 25 years.

The cost of periodic maintenance dredging of berthing areas adjacent to the Authority's wharves and of certain shipping channels not maintained by the federal government is expensed as incurred.

(h) Bond Issuance Costs

The costs incurred in connection with the issuance of the various bonds outstanding are being amortized using the straight-line method over the life of the related bonds.

(i) Contributed Capital/Grants Receivable

Contributed capital results from grants from the United States Government, the State of Florida and the City for funding of various capital projects. Such grants are recognized as a receivable and as contributed capital as related project costs are incurred (See Note 21.B.(10)).

(j) Property Taxes

In 2001, the Authority commenced paying certain property taxes and in conjunction therewith bills a portion of such taxes to certain lessees of property from the Authority. The Authority records property taxes payable and related receivables on a gross basis in the Combined Balance Sheet. Reimbursements received are accounted for as a reduction of property tax expense.

(k) Allocation of Administrative Services

The cost of general administrative services, including accounting and finance, purchasing, personnel, public relations, data processing, risk management and the chief executive officer's office, are allocated to the marine and aviation enterprise funds at 55% and 45%, respectively, based on internal studies which are periodically reviewed. In the future the marine and aviation divisions will record their actual separate expenses.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

**21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)**

(2) Cash and Investments:

The Governing Body has authorized the Authority to invest in obligations of the U.S. Government and certain of its agencies, repurchase agreements, investment grade commercial paper, money market funds, corporate bonds, time deposits, bankers' acceptances, state and /or local debt, and the Florida State Board of Administration Investment Pool. Restricted bond proceeds are invested in accordance with the bond indenture agreements.

Cash, consisting of bank balances on deposit, is entirely insured or collateralized with securities held by the Authority's agent in the Authority's name. Securities are collateralized by the full faith and credit of the U.S. Government and/or the guarantee of U.S. Government agencies. Repurchase agreements are collateralized by U.S. Treasury or U.S. agency securities valued at 102% of the value of invested funds.

The Authority's investments are categorized to indicate the level of credit risk assumed by the Authority. Category (1) includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name; Category (2) includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent, and in the Authority's name; Category (3) includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the Authority's name. All of the Authority's investments were included in category 1 for the year ended September 30, 2001.

Investments are presented at September 30, 2001, (in thousands):

<u>Security Type</u>	<u>Cost</u>	<u>Fair Value at 9/30/00</u>	<u>Purchases</u>	<u>Sales</u>	<u>Subtotal</u>	<u>Fair Value at 9/30/01</u>	<u>Change in Fair Value</u>
U.S. Government and their agencies' securities	\$ 70,510	\$ 59,212	\$ 88,599	(\$ 74,082)	\$ 73,729	\$ 71,703	(\$ 2,026)
Corporate bonds	2,907	-	2,907	(6,051)	(3,144)	2,996	6,140
Commercial paper	1,092	-	12,459	(9,252)	3,207	1,094	(2,113)
Investment agreement note	-	35,322	1,274	(36,596)	-	-	-
Total	<u>\$ 74,509</u>	<u>\$ 94,534</u>	<u>\$ 105,239</u>	<u>(\$125,981)</u>	<u>\$ 73,792</u>	<u>\$ 75,793</u>	<u>\$ 2,001</u>

Restricted cash and cash equivalents and investments must be used for renewal and replacement of existing facilities, construction and acquisition of property

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)

B. Jacksonville Port Authority (continued)

(2) Cash and Investments: (continued)

and equipment, repayment of outstanding bonds, or operations and maintenance.

Interest earned on pooled cash accounts are allocated to the enterprise funds based on relative daily balances in the pooled cash accounts.

(3) Capitalization of Interest:

The Authority capitalizes interest expense on construction in progress under FASB Statement No. 62. Capitalization of interest cost in situations involving tax exempt borrowings and certain grants is applicable when “specified qualifying assets” are constructed with proceeds that are externally restricted. Interest costs are netted against the interest earned on the invested proceeds of specific purpose tax-exempt borrowings. The capitalization period is from the time of the borrowing until the completion of the project. The following schedule summarizes capitalization of interest for the Authority for the fiscal year ended September 30, 2001, (in thousands).

Total interest expense incurred	\$ 10,866
Interest expense associated with construction	<u>4,617</u>
Interest earned in construction accounts capitalized	<u>(3,250)</u>
Net interest capitalized	<u>1,367</u>
Net interest expense incurred	<u><u>\$ 9,499</u></u>

(4) Leasing Operations:

Minimum future rental income for each of the next five years and thereafter, excluding contingent or volume variable amounts on noncancelable operating leases at September 30, 2001, is as follows (in thousands):

<u>Year</u>	<u>Aviation</u>	<u>Marine</u>	<u>Total</u>
2002	\$11,433	\$ 7,565	\$ 18,998
2003	8,930	7,138	16,068
2004	8,489	7,132	15,621
2005	7,952	4,774	12,726
2006	7,788	3,338	11,126
Thereafter	<u>25,247</u>	<u>20,426</u>	<u>45,673</u>
Total	<u><u>\$69,839</u></u>	<u><u>\$50,373</u></u>	<u><u>\$120,212</u></u>

The Authority receives contingent rentals under certain leases if cargo throughput or concessionaires’ receipts exceed minimum amounts. Contingent rentals or volume variable amounts were received as follows (in thousands):

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)
(4) Leasing Operations: (continued)

	<u>Aviation</u>	<u>Marine</u>	<u>Total</u>
Total Contingent Rentals	\$ 11,418	\$ 717	\$ 12,135

(5) Pension Plans:

(a) Plan Description

All of the full-time employees of the Authority participate in the Florida State Retirement System (the System), a cost sharing multiple-employer defined benefit public retirement system. Certain "special risk" employees who retire at or after age 55, with six years of creditable service and all other employees who retire at or after age 62, with six years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to the product of 1) average monthly compensation in the highest five years of creditable service; 2) years of creditable service; and 3) the appropriate benefit percentage. Benefits fully vest on reaching six years of creditable service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death and disability benefits. Benefits are established by Florida Statute. The system issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Florida State Retirement

System, Division of Policy, Cedars Executive Center Building C, 2639 North Monroe Street, Tallahassee, Florida 32399-1560, attention Research and Education, or by calling (850) 414-6349.

(b) Funding Policy

The Authority is required by Florida Statute to contribute 18.44% of special risk, 9.28% of senior management, 12.67% of deferred retirement option and 7.3% of all other employee earnings. The contribution requirement in the accompanying financial statements, was \$1,731,000, \$1,855,000, and \$2,206,000, for the years ended September 30, 2001, 2000, and 1999, respectively. Covered employees are not required to make contributions to the System.

(c) Current Status

Effective October 1, 2001 current employees may elect to remain in the System or may elect to discontinue participation in the System and participate in the City's General Employees' Pension Plan. Years-of-

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)

B. Jacksonville Port Authority (continued)

(5) Pension Plans: (continued)

(c) Current Status (continued)

service does not carry over to the City's General Employees' Pension Plan for vesting purposes. New general employees will participate in the City's General Employees' Pension Plan.

(6) Deferred Compensation Plan:

The Authority offers its employees a deferred compensation plan (the 457 Plan) created in accordance with IRS Code Section 457. The Plan, which is available to all full-time employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All plan assets are held by trustees for the exclusive benefit of plan participants and beneficiaries. Thus the assets and liabilities relating to the 457 Plan are not reflected on the Authority's balance sheet. The market value of the Plan's investments was \$4,435,000 as of September 30, 2001.

The Authority also offers its employees a deferred compensation plan (the 401(a) Plan), created in accordance with IRS code Section 401(a). The Authority contributes a specified amount for each dollar the employee defers to the 457 Plan. All 401(a) Plan assets are held by trustees for the exclusive benefit of plan participants and beneficiaries. The market value of the 401(a) Plan's investments was \$245,000 as of September 30, 2001.

The Authorities will initially each offer identical plans to the above 457 Plan and the 401(a) Plan.

(7) Risk Management:

The Authority participates in the City's experience rated self-insurance plan which provides for auto liability, comprehensive general liability, and workers' compensation coverage, up to \$1,000,000 per occurrence for workers' compensation claims. The Authority has excess coverage for individual workers' compensation claims above \$1,000,000. The Authority's expense is the premium charged by the City's self-insurance plan. Liability for claims incurred are the responsibility of, and are recorded in, the City's self-insurance plan. The premiums may be calculated on a retrospective or prospective basis depending on the claims experience of the Authority and other participants in the City's self-insurance programs. Premium expense amounted to \$714,000 for the year ended September 30, 2001.

As a part of the Authority's risk management program, certain commercial insurance policies are purchased to cover designated exposures and potential loss situations.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

**21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)**

(8) Long-Term Debt and Capital Leases:

Long-term debt and capital leases at September 30, 2001 consisted of the following (in thousands):

Airport Revenue Bonds:

Airport Revenue Bonds, Series 2000, including serial bonds due in varying amounts through 2024. Interest rates range from 4.50% to 6.125%.	\$ 47,460
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Airport Revenue Refunding Bonds, Series 1998, including serial bonds due in varying amounts through 2017. Interest rates range from 4.00% to 5.00%.	60,050
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Airport Revenue Refunding Bonds, Series 1993, including serial bonds due in varying amounts through 2009 and term bonds due October 2017, subject to annual sinking fund redemption. Interest rates range from 4.60% to 5.65%.	29,120
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Marine Revenue Bonds:

Marine Revenue Bonds, Series 2000, including serial bonds due in Varying amounts through 2030. Interest rates range from 4.50% To 5.7%.	39,625
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Marine Revenue Refunding Bonds, Series 1996, including serial bonds due in varying amounts through 2019, subject to annual sinking fund redemption. Interest rates range from 5.50% to 5.75%.	62,080
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Marine Equipment Capital Lease Obligation:

Subordinated Equipment Lease-Purchase Agreement, Series 1999-A, with semi-annual principal and interest payments through 2014 with interest at an annual rate of 5.14%.	12,042
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Marine Note Payable:

Subordinated Revenue Note, Series 1992, with quarterly principal and Interest payments of \$188 through 2002 with interest at an Annual rate of 5.69%.	751
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Note payable, with monthly principal and interest payments of \$3 through 2002 with interest at an annual rate of 4.90%.	46
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Total Long-Term Debt	251,174
Less: Current Portion	(6,763)
Total, less current portion	\$ 244,411

In February 2000, the Authority issued \$47,460,000 principal amount of Airport Revenue Bonds, Series 2000. The proceeds from the bonds are being used for the acquisition, construction and installation of capital improvements at Jacksonville International Airport.

The Series 1993, 1998 and 2000 Airport Bonds are collateralized by a first lien upon and pledge of the operating revenues derived from operation of the Airport facilities. The Authority has agreed to take necessary actions to attain and maintain operating revenues sufficient to achieve certain minimum measures as to the ability of the Airport to service its outstanding indebtedness.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)
(8) Long-Term Debt and Capital Leases: (continued)

In November 2000, the Authority issued \$39,625,000 principal amount of Marine Revenue Bonds, Series 2000. The proceeds of the bonds are being used for the acquisition, construction and installation of capital improvements to the Marine Facilities.

The Series 2000 and 1996 Marine Bonds are collateralized by a lien upon and pledge of net revenues of the Marine Facilities and certain monies held in trust funds. The Authority has agreed in its various bond related documents to establish and maintain rates charged to Marine customers that will be sufficient to generate certain levels of operating revenues and operating income in excess of its annual debt service on the various outstanding Marine Bonds. The Series 2000 and 1996 Marine Bonds also place restrictions on the Authority's issuance of debt on a parity with Marine Bonds currently outstanding.

The Authority cash defeased \$13,855,000 principal amount of Marine Revenue Bonds, Series 1993 in September 1999. The Authority incurred a loss on defeasance of \$1,325,000. The Authority through the defeasance, reduced its aggregate debt service payments by \$2,847,000 over the next 4 years and will obtain an economic gain (difference between the present value of debt service of the refunded bonds and cash escrow) of \$778,000.

In April 1999, the Authority entered into a fifteen year Equipment Lease-Purchase Agreement Series 1999-A (the Capital Lease) in the principal amount of \$25,225,000. The proceeds from the Capital Lease are being used for the acquisition, construction and installation of four container gantry cranes and two rubber-tired cranes. During the fiscal year ending September 30, 2001, the Authority made unscheduled principal paydowns totaling \$10,422,000.

Revolving Line of Credit

In July 1999, the Authority entered into a \$25,000,000 revolving line of credit to provide interim financing for the acquisition, construction and installation of certain capital improvements to the Marine Facilities. As of September 30, 2001, the Authority had not drawn against the line of credit. The line of credit expires in June 2002.

Debt Maturities

Required debt service for the outstanding revenue bonds and notes payable for the next five years and thereafter to maturity are as follows (amounts in thousands):

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)
(8) Long-Term Debt and Capital Leases: (continued)

Years ending September 30:	Aviation		Marine		Total	
	Interest	Principal	Interest	Principal	Interest	Principal
2002	\$ 7,127	\$ 4,185	\$ 5,632	\$ 1,880	\$ 12,759	\$ 6,065
2003	6,939	4,350	5,527	1,777	12,466	6,127
2004	6,738	4,550	5,422	2,375	12,160	6,925
2005	6,524	4,760	5,292	2,805	11,816	7,565
2006	6,285	4,985	5,142	3,155	11,427	8,140
2007 to maturity	58,115	113,800	57,363	90,510	115,478	204,310
Total	<u>\$ 91,728</u>	<u>\$ 136,630</u>	<u>\$ 84,378</u>	<u>\$ 102,502</u>	<u>\$ 176,106</u>	<u>\$ 239,132</u>

The following is a schedule by years of future marine minimum lease payments under capital leases together with the present value of the marine minimum lease payments as of September 30, 2001 (in thousands):

Years Ending September 30	
2002	\$ 1,327
2003	1,278
2004	1,278
2005	1,278
2006	1,278
Thereafter	10,227
Total minimum lease payments	16,666
Less: Amount representing interest	(4,624)
Present value of minimum lease payments	<u>\$ 12,042</u>

Advance Refunding of Revenue Bonds

The Authority has defeased a revenue bond issue by placing funds in an irrevocable trust restricted for payment of all principal and interest upon maturity of the revenue bond. This transaction has been treated as an in-substance defeasement and, accordingly, has been accounted for as though the debt has been extinguished. The debt that has been defeased and the related balances at September 30, 2001 are as follows (in thousands):

	Principal Balance	Investment Balance with Escrow Agent
Marine Revenue Bonds, Series 1993	\$ 11,705	\$ 13,143

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)

B. Jacksonville Port Authority (continued)

(8) Long-Term Debt and Capital Leases: (continued)

Special Purpose Facility Revenue Bond

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

At September 30, 2001, Special Purpose Facility Revenue Bonds outstanding aggregated approximately \$3.2 million.

(9) Commitments and Contingencies:

At September 30, 2001, the Authority had commitments for purchases of equipment and future construction work of approximately \$26,489,000 for the Marine Enterprise Fund and \$55,300,000 for the Aviation Enterprise Fund. In addition to its own funds, the Authority also has funding available from the Florida Ports Financing Commission in the amount of \$5,302,000 for qualifying marine capital expenditures.

In December 1998, the Authority became aware that a piece of its real property was contaminated and may be subject to undetermined cleanup efforts. The Authority's property was sampled by the Florida Department of Environmental Protection in connection with testing at an adjacent site, not owned by the Authority, but known to be contaminated. The Authority has investigated the former uses of its property and is unable to identify any source of contamination other than from the adjacent site not owned by the Authority. The owner of the adjacent property and the United States Environmental Protection Agency have entered into an Administrative Order of Consent whereby the adjacent site will be further investigated and remediation alternatives identified. The adjacent property owner has sampled soils and groundwater from one well placed on the Authority's property; which identified pesticide related contamination at that location. Additional sampling may be conducted in the future. The Authority believes that it is not a responsible party.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

**21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)**

(10) Contributed Capital and Retained Earnings:

A summary of the changes in contributed capital for the year ended September 30, 2001 is as follows (in thousands):

	<u>Aviation</u>	<u>Marine</u>	<u>Total</u>
Balance at the beginning of the year	\$ 157,151	\$ 213,296	\$ 370,447
Reductions during the year:			
Depreciation of facilities provided by government grants	5,891	4,919	10,810
Reduction of prior year contribution	-	19	19
Total reductions	<u>5,891</u>	<u>4,938</u>	<u>10,829</u>
Balance at the end of the year	<u>\$151,260</u>	<u>\$ 208,358</u>	<u>\$ 359,618</u>

City of Jacksonville Excise Taxes Revenue Bonds

In February 1993, the City issued \$43,605,140 of Excise Tax Revenue Bonds, Series 1993 (1993 Bonds) of which \$38,880,000 of the total proceeds were loaned to the Authority for marine port expansion. In October 1996, the City issued \$57,150,000 of Excise Tax Revenue Bonds (1996 Bonds), of which \$56,035,000 of the proceeds were contributed to the Authority for marine port expansion. The City is responsible to the Bond Holders for payment of the debt service on the 1993 and 1996 bonds.

The City has allocated to the Authority an amount equal to 50% of the increase in the City's telecommunication tax revenues over the base year and 50% of an additional mill of revenue the City receives from the JEA (the Authority Allocation).

The Authority is not required to pay the City any amount for debt service on the 1993 Bonds. The City retains the Authority Allocation and the \$800,000 annual appropriation (See Note 21.B.(1)) to the Authority which is used by the City for debt service on the 1993 and 1996 Bonds. As the Authority expends funds for marine port expansion, reimbursements from the City are accounted for as contributed capital by the Authority.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)
(10) Contributed Capital and Retained Earnings: (continued)

Florida Ports Financing Commission Revenue Bonds, Series 1996

On December 19, 1996, \$222,320,000 Florida Ports Financing Commission Revenue Bonds (State Transportation Trust Fund), Series 1996 (the "Series 1996 Bonds") were issued to provide funds to finance the costs of acquiring and constructing capital projects undertaken by 11 ports located in the State of Florida (the "Ports"), including the Jacksonville Port Authority. The amount allocated to the Authority was \$32,680,000 plus earned interest which is available for approved capital expenditures on a fifty-fifty matching basis. In April, 2000, an additional \$2,437,500 plus earned interest was allocated to the Authority. In May, 2001, an additional \$7,000,000 was allocated to the Authority.

The Series 1996 Bonds do not create nor constitute an obligation or debt of the Jacksonville Port Authority. The financing program of the Commission is in substance a grant program, inasmuch as all debt service payments on the Series 1996 Bonds are payable solely from monies in the State Transportation Trust Fund. As expenditures are incurred for the approved projects, the Authority records a receivable from the Commission for 50% of qualified amounts and records the amount to be reimbursed as contributed capital. As of September 30, 2001, the Authority has drawn approximately \$45,457,325 of eligible expenditures.

Florida Ports Financing Commission Revenue Bonds, Series 1999

On October 14, 1999 the Florida Ports Financing Commission (the Commission) issued \$153,115,000 in Revenue Bonds, Series 1999 (the "Series 1999 Bonds"). The Series 1999 Bonds were issued to provide funds to finance the costs of acquiring and constructing capital projects undertaken by 9 ports located in the State of Florida (the Ports), including the Jacksonville Port Authority. The amount allocated to the Jacksonville Port Authority was \$31,966,000 which is available for approved expenditures. Including earned interest, the maximum amount approved for funding is \$33,800,000.

The Authority has not recorded a liability for the Series 1999 Bonds since it does not have any obligation except for moneys due it from the State Transportation Trust Fund. As discussed above, all of such moneys have been assigned to the Trustee to pay the debt. The Authority has no other obligation for payment of the debt. As expenditures are incurred for the approved projects, the Authority records a receivable from the Commission for 50% of qualifying amounts (75% of certain qualifying amounts) and records the amount % to be reimbursed as contributed capital. As of September 30, 2001, the Authority has drawn approximately \$28,499,095 of eligible expenditures.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
B. Jacksonville Port Authority (continued)
(10) Contributed Capital and Retained Earnings: (continued)

Federal Government Property Conveyance

On October 1, 1999, the U.S. Department of the Navy conveyed certain aviation assets of Cecil Field, a former U.S. Navy air base, to the Authority. The property consisted of land, runways, taxiways, apron and flight line, building and improvements with a total fair market value of \$74,587,000. The transaction was recorded with a credit to contributed capital of \$74,587,000.

Reserved retained earnings at September 30, 2001 are as follows (in thousands):

	<u>Aviation</u>	<u>Marine</u>	<u>Total</u>
Replacement and renewal	\$ 1,027	\$ 1,348	\$ 2,375
Capital projects	-	5,327	5,327
Operations and maintenance	2,847	2,031	4,878
	<u>\$ 3,874</u>	<u>\$ 8,706</u>	<u>\$ 12,580</u>

(11) Segment Information:

The Authority consists of two enterprise funds, Aviation and Marine. Segment information for each enterprise fund for the fiscal year ended September 30, 2001 is as follows (in thousands):

	<u>Aviation</u>	<u>Marine</u>
Operating revenue	\$ 37,441	\$ 27,183
Depreciation and amortization	12,748	14,678
Operating (loss)	(2,750)	(6,900)
Net income	15,239	2,113
Current capital contributions	10,674	28,611
Additions to property and equipment	49,264	43,741
Total assets	431,513	397,550
Net working capital	33,936	2,730
Long-term debt and capital leases	127,750	106,811
Total equity	283,264	257,961

(12) Other Non-Operating Income, Net:

Other non-operating revenue (expense) is summarized as follows (in thousands):

Passenger facility charges (restricted for qualified capital projects)	\$ 7,204
Net gain on sale of assets	37
Other	15
Total	<u>\$ 7,256</u>

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)

C. Jacksonville Transportation Authority

(1) Reporting Entity:

The Jacksonville Transportation Authority (the Authority) is a public body politic and corporate agency of the State of Florida under Chapter 349, as amended, Florida Statutes. It is empowered to construct, improve, operate and lease the Jacksonville Expressway System and improvements thereto, to fix and collect rates, rentals and other charges for the services and facilities of such system; and to secure its bonds by a pledge of such revenues and all or part of Duval County gasoline tax and sales tax funds pursuant to a Lease-Purchase Agreement between the Authority and the State of Florida Department of Transportation (FDOT). FDOT maintains responsibility for the operation of the Expressway System with the exception of certain contract maintenance functions.

The Authority is also empowered to acquire, construct, operate and lease a mass transit system; it may plan, coordinate and recommend methods and facilities for the parking of vehicles and the movement of pedestrians and vehicular traffic; it may issue evidences of indebtedness and secure payment thereof by pledge of its revenues. These activities are not related to expressway system activities or to the State of Florida's (State) obligations to holders of the Jacksonville Transportation Authority Revenue Bonds, issued on its behalf by the State.

The Authority has adopted Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, for the purpose of evaluating its financial statements. Based on the criteria in Statement No. 14, the Authority has determined that there are no other units that meet the criteria for inclusion in the Authority's financial statements. However, the Authority meets the criteria for inclusion as a discretely presented component unit in the State of Florida and the City of Jacksonville financial statements.

The Authority has adopted GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting. As provided by Statement No. 20, the Authority has elected not to adopt any Financial Accounting Standards Board statements issued after November 30, 1989 unless so directed by the GASB.

During fiscal year 2001, the Authority, through an agreement with the State of Florida, became community transportation coordinator (CTC) for Duval County. Activities related to these services are being accounted for in an enterprise fund.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

**21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
C. Jacksonville Transportation Authority (continued)**

(2) Summary of Significant Accounting Policies:

(a) Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Authority are organized and operated on the basis of funds and account groups, each an independent fiscal and accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise the assets, liabilities, fund equity, retained earnings, revenues, expenditures and expenses, as appropriate. Authority resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds and are not involved with the measurement of results of operations.

The Authority has the following fund types and account groups:

Governmental Fund Types. The focus of Governmental Fund Type measurement is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. Governmental Fund Types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis for accounting, revenues are recognized when susceptible to accrual (i.e., when they are “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 pay liabilities of the current period.

Proprietary Fund Type. The focus of Proprietary Fund Type measurement is the flow of economic resources and the accrual basis of accounting is used. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary Funds of the Authority consist of the following fund type:

Enterprise Funds—These funds are used to account for Mass Transportation operations (BUS—bus system, ASE—Automated Skyway Express system and CTC—community transportation coordinator) that are financed and operated in a manner similar to private business or where the Authority’s board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
C. Jacksonville Transportation Authority (continued)
(2) Summary of Significant Accounting Policies: (continued)

(b) Cash and Equivalents

Cash and equivalents includes certain investments and cash on deposit. The Authority considers all investments with an original maturity of three months or less when purchased to be cash equivalents. Such investments include repurchase agreements, treasury bills and money market funds and are reported at amortized cost, which approximates fair value.

(c) Investments

Investments are carried at fair value or amortized cost in accordance with GASB Statement No. 31. Investments with a maturity date greater than one year from the purchase date are reported at fair value as determined by quoted market prices, and investments with a maturity date less than one year from the purchase date are reported at amortized cost, which approximates fair value.

(d) Inventory

Inventory consists of materials and supplies and is carried using the average cost method.

(e) Fixed Assets and Infrastructure

Governmental Funds—Fixed assets and infrastructure are valued at historical cost. The cost of expressway facilities (infrastructure) includes right-of-way expenditures, construction costs and administrative and legal expenditures made from Capital Projects Fund and General Fund monies. The Authority does not record depreciation or capitalized interest on governmental funds fixed assets and infrastructure.

Enterprise Fund—Enterprise fund fixed assets are valued at historical cost. Depreciation commences when the assets are placed in service. Property and equipment is depreciated by the straight-line method over the estimated useful lives of the assets as follows:

Buildings	15 - 40 years
Vehicles	5 - 25 years
Other equipment	3 - 10 years

Because the rate structure of the Enterprise Funds (Mass Transportation operations) is not sufficient to generate revenues to cover the acquisition,

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. **MAJOR DISCRETELY PRESENTED COMPONENT UNITS** (continued)
C. **Jacksonville Transportation Authority** (continued)
(2) **Summary of Significant Accounting Policies:** (continued)
(e) **Fixed Assets and Infrastructure** (continued)

replacement, and future expansion of property and equipment, the Authority is compelled to seek contributions-in-aid for construction from local, state and federal sources. As recommended in the Industry Audit Guide for Audits of State and Local Governmental Units prepared by the State and Local Government Committee of the American Institute of Certified Public Accountants, depreciation applicable to assets acquired prior to October 1, 2000 through contributions-in-aid for construction is charged to contributions rather than retained earnings.

(f) Compensated Absences

Vested vacation, sick leave and related fringe benefits are accrued when earned.

(g) Estimated Liability for Injury and Damage Claims

Periodic provisions for injury and damage claims are charged to operations based on the estimated ultimate cost of settling claims, using past experience adjusted for current trends, and other factors, if any, that would modify past experience. Claims are charged to the estimated liability when paid.

(h) Subsidies and Grants

Capital grants from federal, state and local sources are recorded as capital contributions and subsidies and grants for operating assistance are recorded as nonoperating revenues in the statement of revenues and expenses in the accounting period in which they are earned and become measurable.

(i) Revenues and Expenditures

Sales taxes and investment earnings are recorded when earned (when they are measurable and available). Passenger fares and miscellaneous revenues are recorded as revenues when received in cash.

Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except expenditures for debt service and other long-term obligations, which are recognized when paid.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. **MAJOR DISCRETELY PRESENTED COMPONENT UNITS** (continued)
C. **Jacksonville Transportation Authority** (continued)
(2) **Summary of Significant Accounting Policies:** (continued)

(j) Transfers

During the normal course of operations, numerous transactions occur between funds. Transfers of net resources from a fund receiving revenue to a fund in which the resources are to be expended are recorded as operating transfers.

Operating transfers between the Authority and the City or State are recorded as operating transfers from/to primary government. This includes transfers of sales tax revenues from the Authority to the State to service debt issued by the State on behalf of the Authority.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. During the current fiscal year, \$1 million was transferred from the general fund to the CTC fund and \$500,000 was transferred from the general fund to the ASE fund.

(k) Budget and Budgetary Accounting

The Authority prepares budgets for each of its governmental funds. The budgets are approved by the City of Jacksonville (City). The Authority is authorized to transfer appropriated funds from one of the purposes for which funds are appropriated to another, if in the discretion of the Authority, such transfer is necessary to carry out all of the purposes for which funds are appropriated, subject to applicable law. Thus, the legal level of budgetary control is at the fund level. All budgets are adopted in accordance with accounting principles generally accepted in the United States and appropriations lapse at year-end.

(l) Fund Balance Designations

Designations of fund balance relate to amounts restricted as to their use at the discretion of the Authority.

(3) Cash and Investments:

Cash and Equivalents—At September 30, 2001, all of the Authority's cash balances were insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes. The Authority has no compensating balance arrangements.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
C. Jacksonville Transportation Authority (continued)
(3) Cash and Investments: (continued)

Investments—The Authority’s investment practices are governed by Chapter 280, Florida Statutes and various legal covenants related to the outstanding bond issues. Investments at September 30, 2001 include amounts invested in the State treasury pool for which the Authority has shares of the pool based on its investment level as compared to other pool participants. In addition to investments listed below, the Authority also invested in repurchase agreements during the year.

Cash and investments held at September 30, 2001 are categorized in accordance with GASB Statement No. 3 in the following table to indicate the level of credit risk assumed by the Authority. Certain investments cannot be categorized because they are not evidenced by securities that exist in physical or book entry form, such as mutual funds and investments in the State treasury pool. Cash and investments held at September 30, 2001, are as follows (in thousands):

Type	Risk Category			Recorded Amount	Fair Value
	1	2	3		
Investments not categorized:					
State treasury pooled investments				\$ 102,877	\$ 102,877
Cash and cash equivalents not categorized:					
Money market investments				85,646	85,646
Cash in banks				10,417	10,417
Cash on hand				6	6
Total cash and equivalents and investments				<u>\$ 198,946</u>	<u>\$ 198,946</u>

Restricted cash and equivalents and investments with the State of Florida are restricted for use for construction expenditures described in the applicable City or State bond indentures.

(4) Fixed Assets:

(a) Changes in the General Fixed Assets Account Group

The following is a schedule of changes in the General Fixed Assets Account Group for the year ended September 30, 2001 (in thousands):

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)

C. Jacksonville Transportation Authority (continued)

(4) Fixed Assets: (continued)

(a) Changes in the General Fixed Assets Account Group (continued)

	Balance September 30, 2000	Additions	Disposals/ Transfers	Balance September 30, 2001
Land and improvements	\$ 13,903	\$ 13,091	(\$ 12,538)	\$ 14,456
Buildings	-	258	-	258
Furniture and equipment	155	21	-	176
Vehicles	95	103	(103)	95
Roads and bridges	122,179	-	(122,179)	-
Construction in progress	84,403	51,552	(33,058)	102,897
Total	\$ 220,735	\$ 65,025	(\$167,878)	\$ 117,882

The Authority builds infrastructure assets for the State and the City and after completion the City or State is responsible for maintaining the assets as a result of the discharge of the 1963, 1977 and 1985 trust indenture and related lease-purchase agreements or other agreements between the Authority and FDOT or the City. Since the City or State is responsible for maintaining the infrastructure assets completed by the Authority, the Authority transfers such assets upon completion of the related construction project. During fiscal year 2001, assets with a historical cost of approximately \$128,706,000 were transferred to the State of Florida.

At September 30, 2001 the General Fixed Assets Account Group included assets of approximately \$102,897,000 which will be transferred to the City and/or the State on various dates when completed.

(b) Changes in Fixed Assets of the Enterprise Fund

The following is a schedule of changes in fixed assets of the Enterprise Funds for the year ended September 30, 2001 (in thousands):

	Balance September 30, 2000	Additions/ Transfers/ Provisions	Disposals/ Transfers/ Deletions	Balance September 30, 2001
Land	\$ 13,131	\$ 8,652	\$ -	\$ 21,783
Building and improvements	87,123	31,545	-	118,668
Vehicles	55,638	6,968	(166)	62,440
Other equipment	53,336	19,249	(21)	72,564
Construction in progress	28,624	3,764	(31,938)	450
TOTAL	237,852	70,178	(32,125)	275,905
Less:				
Accumulated Depreciation	(59,830)	(13,071)	168	(72,733)
TOTAL, net of accumulated Depreciation	\$ 178,022	\$ 57,107	(\$ 31,957)	\$ 203,172

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

**21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
C. Jacksonville Transportation Authority (continued)**

(5) Interfund Balances:

The following is a schedule of interfund balances at September 30, 2001 (in thousands):

	Due To		Total
	Expressway System	Mass Transit System	
Due From			
Expressway System	\$ -	\$ 500	\$ 500
Mass Transit System	473	-	473
TOTAL	\$ 473	\$ 500	\$ 973

During the current year, the Bus fund advanced \$232,760 to the CTC fund for operating purposes. This advance has no stated repayment period, is non interest-bearing and is expected to be repaid through future earnings of the CTC fund.

(6) Revenue Bonds:

The State of Florida has issued certain revenue bonds on behalf of the Authority which had been recorded on both the State's and the Authority's financial statements. Since these bonds represent a liability of the State and not of the Authority, effective October 1, 2000, assets and liabilities in the amount of \$29,008,614 that had been included in a debt service fund and assets and liabilities in the amount of \$370,535,000 that had been included in the general long-term debt account group have been removed from the Authority's financial statements. These amounts are now included solely on the State's financial statements.

(7) Loan Payable:

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

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

**21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
 C. Jacksonville Transportation Authority (continued)**

(8) Estimated Liability for Injury and Damage Claims:

The Authority is exposed to various risks of loss related to injury and damage claims arising from bus and ASE operations.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Individual claims in excess of \$100,000 and \$200,000 per occurrence would be subject to the Florida Sovereign Immunity Law. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability is reported in the Enterprise Funds.

The estimated liability for injury and damage claims consisted of the following (in thousands):

Reported and known claims	\$ 368
Estimated incurred but not reported claims	2,148
Total	<u>\$ 2,516</u>

Changes in the estimated liability for injury and damage claims consisted of the following (in thousands):

Balance, beginning of year	\$ 1,939
Claims provision	866
Claims paid	(289)
Balance, end of year	<u>\$ 2,516</u>

Management does not expect that these matters will have a material effect on the financial position or results of operations of the Authority.

(9) Commitments and Contingencies:

The Authority as a whole has commitments on outstanding contracts amounting to approximately \$64,991,000 at September 30, 2001.

Contingencies—The Authority is a party to a number of lawsuits and claims primarily related to condemnation proceedings for right-of-way acquisitions and injury and damage claims arising out of the normal conduct of its mass transportation activities. The Authority is self-insured in regards to injury and damage claims. In the opinion of Authority management, based on the advice

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
C. Jacksonville Transportation Authority (continued)
(9) Commitments and Contingencies: (continued)

of legal counsel, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position or results of operations of the Authority.

Federal and State grant awards are audited in accordance with OMB Circular A-133 and the Single Audit Act of 1984, and the Florida Single Audit Act, respectively, to determine the Authority's compliance with the terms and conditions of the grant awards. These grant awards are subject to audit by the respective grantor agencies. It is management's opinion that no material liabilities will result from any such audits.

Self-Insurance—During January 1988, the Florida State Department of General Services rendered an opinion which stated that the Authority was no longer included in the State Self-Insurance Fund. The Authority is responsible for any potential liability related to accidents on Jacksonville Transportation Authority projects. Any individual claim in excess of \$100,000 and \$200,000 per occurrence would be subject to the Florida Sovereign Immunity Law. Management does not expect that these matters will have a material effect on the financial position or results of operations of the Authority. The Authority has \$200,000 designated for any potential liability related to accidents on the Jacksonville Transportation Authority projects. There have been no claims of liability against the Authority or any claims payments by the Authority related to such accidents in the last four years.

(10) Employee Benefits:

Florida Retirement System—The Authority participates in the Florida Retirement System (System), a cost-sharing multiple-employer public employee retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the Authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

Benefits are determined by category and length of service as follows:

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

**21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
C. Jacksonville Transportation Authority (continued)
(10) Employee Benefits: (continued)**

Membership Category	Benefit	Vesting	Employer Contribution Rate	
			July 1, 2001	July 1, 2000
Regular	1.6% times years of service times average compensation (5 highest years) if age 62 or 30 years of service at any age.	After 6 years of creditable service.	7.30%	9.15%
Senior Management	2.0 % times years of service times average compensation (5 highest years) if age 55 or 25 years of special risk service.	After 6 years of creditable service.	9.28%	11.13%
Deferred Retirement Option Program (DROP)	Accumulated FRS benefits earn 6.50% effective annual interest compounded monthly for a period up to 60 months after becoming vested, having reached normal retirement date, and remaining employed.	Subject to normal system vesting provision for membership category.	12.67%	12.50%

Employer contributions include 1.11%, effective July 1, 2001, and 0.94% for prior periods, for a post-retirement health insurance subsidy and 0.10% administrative fee.

Participating employer contributions are based upon actuarially determined state-wide rates established by the State of Florida, that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. No employee contributions are required.

The contributions required for the years ended September 30, 2001, 2000, and 1999 were \$488,432, \$501,449, and \$677,184, respectively, which is equal to the required contribution for each year.

During the year ended June 30, 2001, the System held no securities issued by the Authority.

The Florida Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Division of Retirement, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560, or by calling 850-488-5541.

JTM Money Purchase Pension Plan—The Authority also contributes to the Jacksonville Transit Management, Inc. (JTM) Money Purchase Pension Plan,

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

21. MAJOR DISCRETELY PRESENTED COMPONENT UNITS (continued)
C. Jacksonville Transportation Authority (continued)
(10) Employee Benefits: (continued)

which covers all employees on JTM's payroll whose job classification is within the bargaining unit represented by a union. Such contributions for the year ended September 30, 2001 were based on the collective bargaining agreements in effect and are included in operating expenses in the amount of \$1,967,316.

(11) Enterprise Fund Contributed Capital:

Following is a summary of contributed capital by source at September 30, 2001 (in thousands):

United States capital grants	\$ 149,580
State of Florida capital grants	45,252
City of Jacksonville capital grants	22,879
General Fund contributed capital	<u>30,983</u>
Total	248,694
Less: Accumulated depreciation	(72,677)
Less: Grant assets consumed	<u>(7,388)</u>
Total, net of accumulated depreciation and grant assets consumed	<u><u>\$ 168,629</u></u>

(12) New Accounting Pronouncement:

On October 1, 2000, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Statement No. 33 establishes standards for accounting and reporting for various types of nonexchange transactions. The adoption of Statement No. 33 resulted in the reporting of current year capital contributions as increases in retained earnings in the amount of \$39,465,419.

REQUIRED SUPPLEMENTAL INFORMATION

**CITY OF JACKSONVILLE, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 GENERAL EMPLOYEES RETIREMENT SYSTEM
 SEPTEMBER 30, 2001**

(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>
1996	\$ 42,719	\$ 42,634	\$ 85	\$ 42,719	100%
1997	25,754	21,930	3,824	25,754	100%
1998	28,782	20,668	8,114	28,782	100%
1999	17,673	16,081	1,592	17,673	100%
2000*	12,429	11,681	748	12,429	100%
2001**	-	-	-	-	100%

* The financial statement expense requirement for the fiscal year ended September 30, 2000, was equal to the annual required contribution of \$12,429.

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

Note that the net pension asset is not the same as "past excess contributions," which stand for the difference, including interest, between the City's contributions for a plan year and that year's funding requirement determined as though the fund's assets did not include any contributions made in a prior year in excess of that year's requirement.

** The 2001 General Employees Pension Actuarial Report was not yet available at the time of publishing.

**CITY OF JACKSONVILLE, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 POLICE AND FIRE RETIREMENT SYSTEM
 SEPTEMBER 30, 2001**

(in thousands)

Plan Year Ending September 30	Annual Required Contribution	City Cash Contributions	Alloted from Contribution Reserves	Court Fines and Premium-Tax Refunds*	Total Employer Contributions	Total Member Contributions	Percentage Contributed
1996	\$ 15,366						100%
1997	28,910						100%
1998	34,618						100%
1999	30,201						100%
2000 **	32,146	\$ 9,187	\$ 8,144	\$ 6,830	\$ 24,161	\$ 7,985	100%
2001	26,875	9,058	3,170	6,881	19,109	7,766	100%

* Includes refunds from premium tax under Florida Statutes Chapters 175 and 185.

** The financial statement expense requirement for the fiscal year ended September 30, 2000 was equal to the annual required contributions of \$32,146. The Plan has no net pension obligation.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
SEPTEMBER 30, 2001**

(in thousands)

<u>Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (1)(2) (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>
<u>GENERAL EMPLOYEES RETIREMENT SYSTEM</u>						
09/30/96	\$ 980,205	\$ 1,093,222	\$ 113,017	89.66%	\$ 193,418	58.43%
09/30/97 (3)	1,137,301	1,153,551	16,250	98.59%	196,510	8.27%
09/30/98	1,261,363	1,217,641	(43,722)	103.59%	192,859	N/A
09/30/99	1,324,735	1,321,083	(3,652)	100.28%	197,781	N/A
09/30/00 (4)	1,426,926	1,426,745	(181)	100.01%	202,321	N/A
09/30/01 (5)	-	-	-	-	-	N/A
<u>POLICE AND FIRE RETIREMENT SYSTEM</u>						
09/30/96	546,914	726,299	179,385	75.30%	101,021	177.57%
09/30/97	615,421	842,849	227,428	73.02%	106,111	214.33%
09/30/98	675,414	902,035	226,621	74.88%	110,598	204.91%
09/30/99	738,461	970,418	231,957	76.10%	97,666	237.50%
09/30/00	814,889	939,802	124,913	86.71%	97,207	128.50%
09/30/01	790,823	927,625	136,802	85.25%	96,199	142.21%

- (1) General Employees - Actuarial present values determined under the Entry Age Actuarial Cost Method.
(2) Police and Fire - Actuarial present values determined under the Entry Age Actuarial Cost Method for the 2000 valuation and the Frozen Entry Age Actuarial Cost Method for 1999 and prior valuations.

Actuarial Assumptions:

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

- (3) Actuarial present values calculated after changes in Plan provisions. The decrease in AAL (and UAAL) due to changes in Plan provisions was measured to be \$6,343.
(4) Net of the unassigned past-excess contributions separate account of \$71,006.
(5) The 2001 General Employees Pension Actuarial Report was not yet available at the time of publishing.

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.

CITY OF JACKSONVILLE, FLORIDA
BALANCE SHEET
GENERAL FUND (in thousands)
SEPTEMBER 30, 2001

	TOTALS	
	2001	2000
ASSETS		
Equity in cash and investments.....	\$ 41,123	\$ 52,245
Receivables (net, where applicable, of allowances for uncollectibles):		
Taxes.....	28	28
Accounts.....	3,392	2,049
Mortgages.....	50	-
Other.....	2,680	214
Due from other funds.....	5,055	4,199
Due from independent agencies and other governments.....	29,108	37,440
Inventories.....	1,325	1,287
TOTAL ASSETS.....	\$ 82,761	\$ 97,462
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable and accrued liabilities.....	\$ 9,427	\$ 9,304
Due to other funds.....	26	37
Due to independent agencies and other governments.....	7,560	4,935
Deferred revenue.....	7,647	6,831
TOTAL LIABILITIES.....	24,660	21,107
FUND BALANCES:		
Reserved for encumbrances.....	14,399	14,314
Reserved for imprest cash and cash in escrow.....	329	330
Reserved for mortgages receivable.....	50	-
Reserved for inventories.....	1,325	1,287
Unreserved:		
Designated for capital projects.....	6,264	8,018
Designated for budget stabilization.....	3,324	17,205
Designated for changes in fair value of investments.....	112	271
Designated for next year's budget appropriation.....	31,958	34,042
Undesignated.....	340	888
TOTAL FUND BALANCE.....	58,101	76,355
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 82,761	\$ 97,462

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	TOTALS	
	2001	2000
REVENUE:		
Taxes.....	\$ 368,333	\$ 355,610
Licenses and permits.....	14,806	13,970
Intergovernmental.....	115,561	125,119
Charges for services.....	50,876	48,430
Fines and forfeitures.....	8,069	7,744
Payment in lieu of taxes.....	3,344	3,583
Interest.....	6,912	10,171
Other.....	7,146	7,575
Total Revenue.....	575,047	572,202
EXPENDITURES:		
General government.....	94,267	86,101
Human services.....	60,623	55,610
Public safety.....	290,280	280,895
Culture and recreation.....	39,536	37,032
Transportation.....	33,684	30,792
Economic environment.....	6,481	4,357
Physical environment.....	11,890	11,019
Total Expenditures.....	536,761	505,806
EXCESS OF REVENUE OVER EXPENDITURES.....	38,286	66,396
OTHER FINANCING SOURCES (USES):		
Operating transfers in.....	650	6,399
Operating transfers out.....	(124,273)	(130,428)
Transfers - In from component units.....	73,638	71,434
Transfers - Out to component units.....	(6,593)	(5,999)
Total Other Financing (Uses).....	(56,578)	(58,594)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES.....	(18,292)	7,802
FUND BALANCES, BEGINNING OF YEAR.....	76,355	68,476
Change in reserve for inventory of supplies.....	38	77
FUND BALANCES, END OF YEAR.....	\$ 58,101	\$ 76,355

See accompanying independent auditors' report.



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SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Non-Budgeted General Government Fund accounts for the Public Records Modernization activity which receives revenues from a service charge authorized by Florida Statute 28.24(15)(d) to be held in trust and used exclusively for equipment, personnel training, and technical assistance in modernizing the official public records system of the Clerk's office and also accounts for numerous smaller funds whose revenues are dedicated to a variety of specific purposes.



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**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS (in thousands)
 SEPTEMBER 30, 2001**

BUDGETED ON AN ANNUAL BASIS

ASSETS	CONCURRENCY MANAGEMENT	AIR POLLUTION CONTROL AND MONITORING	SPORTS, CONVENTION AND TOURISM DEVELOPMENT
Equity in cash and investments.....	\$ 6,009	\$ 1,046	\$ 5,268
Cash in escrow and with fiscal agents.....	-	-	100
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts	-	-	6
Mortgages.....	-	-	-
Due from other funds.....	-	-	-
Due from component units.....	-	-	-
Due from independent agencies and other governments.....	-	-	-
TOTAL ASSETS.....	<u>\$ 6,009</u>	<u>\$ 1,046</u>	<u>\$ 5,374</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and accrued liabilities.....	\$ 6	\$ 16	\$ 63
Due to other funds.....	-	-	-
Due to other governments.....	-	-	-
Deposits.....	345	-	-
Deferred revenue.....	-	-	-
TOTAL LIABILITIES.....	<u>351</u>	<u>16</u>	<u>63</u>
FUND BALANCES:			
Reserved for encumbrances.....	219	147	845
Reserved for cash in escrow.....	-	-	100
Reserved for mortgages receivable.....	-	-	-
Unreserved:			
Designated for subsequent years' budget.....	-	-	-
Designated for changes in fair value of investments.....	15	3	13
Undesignated (deficit).....	5,424	880	4,353
Total Fund Balances.....	<u>5,658</u>	<u>1,030</u>	<u>5,311</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 6,009</u>	<u>\$ 1,046</u>	<u>\$ 5,374</u>

BUDGETED ON AN ANNUAL BASIS

<u>TRANSPORTATION</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>
\$ 17,877	\$ 17,602	\$ 561	\$ 2,786	\$ 2,395	\$ 2,103
-	-	-	-	-	-
-	38	-	-	-	-
-	276	-	-	-	-
-	-	-	-	-	-
<u>14,560</u>	<u>13</u>	<u>-</u>	<u>237</u>	<u>-</u>	<u>2,568</u>
<u>\$ 32,437</u>	<u>\$ 17,929</u>	<u>\$ 561</u>	<u>\$ 3,023</u>	<u>\$ 2,395</u>	<u>\$ 4,671</u>
\$ 18,193	\$ 483	\$ 119	\$ 88	\$ -	\$ 1,526
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,193</u>	<u>483</u>	<u>119</u>	<u>88</u>	<u>-</u>	<u>1,526</u>
1,443	799	29	186	100	3,012
-	-	-	-	-	-
-	-	-	-	-	-
12,417	-	-	-	-	-
46	45	-	7	6	5
338	16,602	413	2,742	2,289	128
<u>14,244</u>	<u>17,446</u>	<u>442</u>	<u>2,935</u>	<u>2,395</u>	<u>3,145</u>
<u>\$ 32,437</u>	<u>\$ 17,929</u>	<u>\$ 561</u>	<u>\$ 3,023</u>	<u>\$ 2,395</u>	<u>\$ 4,671</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (in thousands; continued)
SEPTEMBER 30, 2001

ASSETS	COMMUNITY DEVELOPMENT BLOCK GRANT	HOUSING REHABILITATION AND HOME INVESTMENT AND OPPORTUNITY GRANTS	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION
Equity in cash and investments.....	\$ -	\$ 1,189	\$ 482	\$ 5,195
Cash in escrow and with fiscal agents.....	769	2,302	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	-	27
Mortgages.....	-	11,207	-	-
Due from other funds.....	-	-	-	-
Due from component units.....	584	-	-	-
Due from independent agencies and other governments....	1,209	453	-	-
TOTAL ASSETS.....	\$ 2,562	\$ 15,151	\$ 482	\$ 5,222
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 705	\$ 279	\$ -	\$ 194
Due to other funds.....	1,815	-	-	-
Due to other governments.....	-	-	-	-
Deposits.....	6	77	-	-
Deferred revenue.....	-	-	-	-
TOTAL LIABILITIES.....	2,526	356	-	194
FUND BALANCES:				
Reserved for encumbrances.....	4,167	2,648	-	99
Reserved for cash in escrow.....	769	2,302	-	-
Reserved for mortgages receivable.....	-	11,207	-	-
Unreserved:				
Designated for subsequent years' budget.....	-	-	-	825
Designated for changes in fair value of investments....	-	3	1	12
Undesignated (deficit).....	(4,900)	(1,365)	481	4,092
Total Fund Balances.....	36	14,795	482	5,028
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 2,562	\$ 15,151	\$ 482	\$ 5,222

METROPOLITAN PLANNING ORGANIZATION	OTHER FEDERAL, STATE AND LOCAL GRANTS	STATE HOUSING INITIATIVE PARTNERSHIP	BETTER JACKSONVILLE TRUST FUND	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2001	2000
\$ 58	\$ 8,179	\$ 5,159	\$ -	\$ 546	\$ 76,455	\$ 106,587
-	40	100	-	474	3,785	4,751
-	-	-	-	-	71	172
-	-	5,978	-	-	17,185	20,611
-	-	-	-	3	279	227
-	-	-	-	-	584	584
313	3,271	-	9,025	-	31,649	31,353
<u>\$ 371</u>	<u>\$ 11,490</u>	<u>\$ 11,237</u>	<u>\$ 9,025</u>	<u>\$ 1,023</u>	<u>\$ 130,008</u>	<u>\$ 164,285</u>
\$ 115	\$ 1,175	\$ 557	\$ -	\$ 22	\$ 23,541	\$ 12,967
-	-	-	-	-	1,815	2,334
-	-	-	-	-	-	4,103
-	-	-	-	-	428	138
-	2,274	-	-	-	2,274	-
115	3,449	557	-	22	28,058	19,542
290	5,582	6,105	-	31	25,702	47,203
-	40	100	-	474	3,785	4,751
-	-	5,978	-	-	17,185	20,611
-	-	-	-	-	13,242	26,978
-	21	13	-	1	191	524
(34)	2,398	(1,516)	9,025	495	41,845	44,676
256	8,041	10,680	9,025	1,001	101,950	144,743
<u>\$ 371</u>	<u>\$ 11,490</u>	<u>\$ 11,237</u>	<u>\$ 9,025</u>	<u>\$ 1,023</u>	<u>\$ 130,008</u>	<u>\$ 164,285</u>

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	<u>BUDGETED ON AN ANNUAL BASIS</u>		
	<u>CONCURRENCY MANAGEMENT</u>	<u>AIR POLLUTION CONTROL AND MONITORING</u>	<u>SPORTS, CONVENTION AND TOURISM DEVELOPMENT</u>
REVENUE:			
Taxes.....	\$ -	\$ -	\$ 10,952
Intergovernmental.....	-	1,716	1,833
Charges for services.....	3,621	-	-
Fines and forfeitures.....	-	-	-
Interest.....	206	46	185
Other.....	-	-	445
	<u>3,827</u>	<u>1,762</u>	<u>13,415</u>
Total Revenue.....			
EXPENDITURES:			
General government.....	59	-	-
Human services.....	-	-	-
Public safety.....	-	-	-
Culture and recreation.....	-	-	651
Transportation.....	97	-	-
Economic environment.....	-	-	3,669
Physical environment.....	-	2,059	-
	<u>156</u>	<u>2,059</u>	<u>4,320</u>
Total Expenditures.....			
EXCESS OF REVENUE OVER (UNDER)			
EXPENDITURES.....	<u>3,671</u>	<u>(297)</u>	<u>9,095</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in.....	-	400	570
Operating transfers out.....	(304)	-	(8,917)
Transfers - Out to component units.....	-	-	-
	<u>(304)</u>	<u>400</u>	<u>(8,347)</u>
Total Other Financing Sources (Uses).....			
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES.....			
	3,367	103	748
FUND BALANCES, BEGINNING OF YEAR.....			
	2,291	927	4,563
Residual equity transfer out.....	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR.....	<u>\$ 5,658</u>	<u>\$ 1,030</u>	<u>\$ 5,311</u>

BUDGETED ON AN ANNUAL BASIS

<u>TRANSPORTATION</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>
\$ 83,220	\$ -	\$ -	\$ -	\$ 6,252	\$ -
6,882	2,157	281	-	-	25,668
-	8,152	-	3,724	-	-
-	2,219	-	-	-	-
693	622	32	116	6	261
-	5,402	-	-	155	2,768
<u>90,795</u>	<u>18,552</u>	<u>313</u>	<u>3,840</u>	<u>6,413</u>	<u>28,697</u>
-	3,337	-	-	-	-
-	949	-	-	-	19,606
-	7,126	363	2,732	-	-
-	-	-	-	-	-
76,984	-	-	-	-	-
-	-	-	-	-	21,320
-	1,841	-	-	-	-
<u>76,984</u>	<u>13,253</u>	<u>363</u>	<u>2,732</u>	<u>-</u>	<u>40,926</u>
<u>13,811</u>	<u>5,299</u>	<u>(50)</u>	<u>1,108</u>	<u>6,413</u>	<u>(12,229)</u>
-	268	7	-	14	12,889
(3,866)	(450)	-	-	(4,032)	(321)
(17,128)	-	-	-	-	-
<u>(20,994)</u>	<u>(182)</u>	<u>7</u>	<u>-</u>	<u>(4,018)</u>	<u>12,568</u>
(7,183)	5,117	(43)	1,108	2,395	339
65,919	12,329	485	1,827	-	2,806
(44,492)	-	-	-	-	-
<u>\$ 14,244</u>	<u>\$ 17,446</u>	<u>\$ 442</u>	<u>\$ 2,935</u>	<u>\$ 2,395</u>	<u>\$ 3,145</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	COMMUNITY DEVELOPMENT BLOCK GRANT	HOUSING REHABILITATION AND HOME INVESTMENT AND OPPORTUNITY GRANTS	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION
REVENUE:				
Taxes.....	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	12,183	2,682	-	-
Charges for services.....	-	-	-	1,499
Fines and forfeitures.....	-	-	-	-
Interest.....	99	92	25	271
Other.....	(1,319)	(3,277)	-	107
Total Revenue.....	10,963	(503)	25	1,877
EXPENDITURES:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	-	1,782
Transportation.....	-	-	-	-
Economic environment.....	13,962	2,805	-	-
Physical environment.....	-	-	-	-
Total Expenditures.....	13,962	2,805	-	1,782
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(2,999)	(3,308)	25	95
OTHER FINANCING SOURCES (USES):				
Operating transfers in.....	75	-	-	-
Operating transfers out.....	(42)	-	-	(371)
Transfers - Out to component units.....	-	-	-	-
Total Other Financing Sources (Uses).....	33	-	-	(371)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES.....	(2,966)	(3,308)	25	(276)
FUND BALANCES, BEGINNING OF YEAR.....	3,002	18,103	457	5,304
Residual equity transfer out.....	-	-	-	-
FUND BALANCES, END OF YEAR.....	\$ 36	\$ 14,795	\$ 482	\$ 5,028

METROPOLITAN PLANNING ORGANIZATION	OTHER FEDERAL, STATE AND LOCAL GRANTS	STATE HOUSING INITIATIVE PARTNERSHIP	BETTER JACKSONVILLE TRUST FUND	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2001	2000
\$ -	\$ -	\$ -	\$ 38,496	\$ -	\$ 138,920	\$ 108,394
1,172	19,063	6,817	-	-	80,454	75,780
-	4	-	-	518	17,518	13,872
-	-	-	-	127	2,346	2,194
-	454	393	60	10	3,571	7,391
-	249	1,221	-	98	5,849	11,078
<u>1,172</u>	<u>19,770</u>	<u>8,431</u>	<u>38,556</u>	<u>753</u>	<u>248,658</u>	<u>218,709</u>
1,275	1,107	-	-	187	5,965	6,180
-	9,105	-	-	318	29,978	25,841
-	11,207	-	-	24	21,452	17,236
-	2,029	-	-	20	4,482	3,693
-	-	-	-	-	77,081	88,949
-	306	8,862	-	6	50,930	38,939
-	5,556	-	-	-	9,456	4,333
<u>1,275</u>	<u>29,310</u>	<u>8,862</u>	<u>-</u>	<u>555</u>	<u>199,344</u>	<u>185,171</u>
<u>(103)</u>	<u>(9,540)</u>	<u>(431)</u>	<u>38,556</u>	<u>198</u>	<u>49,314</u>	<u>33,538</u>
105	3,469	-	-	62	17,859	15,815
-	(199)	-	(29,531)	-	(48,033)	(14,840)
-	-	(313)	-	-	(17,441)	(8,904)
<u>105</u>	<u>3,270</u>	<u>(313)</u>	<u>(29,531)</u>	<u>62</u>	<u>(47,615)</u>	<u>(7,929)</u>
2	(6,270)	(744)	9,025	260	1,699	25,609
254	14,311	11,424	-	741	144,743	119,300
-	-	-	-	-	(44,492)	(166)
<u>\$ 256</u>	<u>\$ 8,041</u>	<u>\$ 10,680</u>	<u>\$ 9,025</u>	<u>\$ 1,001</u>	<u>\$ 101,950</u>	<u>\$ 144,743</u>

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL BUDGETED SPECIAL REVENUE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	CONCURRENCY MANAGEMENT				
	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUE:					
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	-	-	-	-	-
Charges for services.....	3,621	-	3,621	3,563	58
Fines and forfeitures.....	-	-	-	-	-
Interest.....	206	-	206	10	196
Other.....	-	-	-	-	-
Total Revenue.....	<u>3,827</u>	<u>-</u>	<u>3,827</u>	<u>3,573</u>	<u>254</u>
EXPENDITURES AND ENCUMBRANCES:					
General government.....	59	9	68	2,576	2,508
Human services.....	-	-	-	-	-
Public safety.....	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-
Transportation.....	97	210	307	695	388
Economic environment.....	-	-	-	-	-
Physical environment.....	-	-	-	-	-
Total Expenditures.....	<u>156</u>	<u>219</u>	<u>375</u>	<u>3,271</u>	<u>2,896</u>
EXCESS OF REVENUE OVER (UNDER)					
EXPENDITURES.....	<u>3,671</u>	<u>(219)</u>	<u>3,452</u>	<u>302</u>	<u>3,150</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in.....	-	-	-	-	-
Operating transfers out.....	(304)	-	(304)	(304)	-
Transfers - Out to component units.....	-	-	-	-	-
Total Other Financing Sources (Uses).....	<u>(304)</u>	<u>-</u>	<u>(304)</u>	<u>(304)</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	3,367	(219)	3,148	(2)	3,150
FUND BALANCE ALLOCATION.....					
	-	-	-	2	(2)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	<u>\$ 3,367</u>	<u>(\$ 219)</u>	<u>\$ 3,148</u>	<u>\$ -</u>	<u>\$ 3,148</u>

AIR POLLUTION CONTROL AND MONITORING

<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,716	-	1,716	2,056	(340)
-	-	-	-	-
-	-	-	-	-
46	-	46	22	24
-	-	-	-	-
<u>1,762</u>	<u>-</u>	<u>1,762</u>	<u>2,078</u>	<u>(316)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,059	147	2,206	2,593	387
<u>2,059</u>	<u>147</u>	<u>2,206</u>	<u>2,593</u>	<u>387</u>
<u>(297)</u>	<u>(147)</u>	<u>(444)</u>	<u>(515)</u>	<u>71</u>
400	-	400	400	-
-	-	-	-	-
-	-	-	-	-
<u>400</u>	<u>-</u>	<u>400</u>	<u>400</u>	<u>-</u>
103	(147)	(44)	(115)	71
-	-	-	115	(115)
<u>\$ 103</u>	<u>(\$ 147)</u>	<u>(\$ 44)</u>	<u>\$ -</u>	<u>(\$ 44)</u>

(continued)

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL BUDGETED SPECIAL REVENUE FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

SPORTS, CONVENTION AND TOURISM DEVELOPMENT

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUE:					
Taxes.....	\$ 10,952	\$ -	\$ 10,952	\$ 10,005	\$ 947
Intergovernmental.....	1,833	-	1,833	2,000	(167)
Charges for services.....	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-
Interest.....	185	-	185	143	42
Other.....	445	-	445	445	-
Total Revenue.....	<u>13,415</u>	<u>-</u>	<u>13,415</u>	<u>12,593</u>	<u>822</u>
EXPENDITURES AND ENCUMBRANCES:					
General government.....	-	-	-	-	-
Human services.....	-	-	-	-	-
Public safety.....	-	-	-	-	-
Culture and recreation.....	651	5	656	777	121
Transportation.....	-	-	-	-	-
Economic environment.....	3,669	840	4,509	7,028	2,519
Physical environment.....	-	-	-	-	-
Total Expenditures.....	<u>4,320</u>	<u>845</u>	<u>5,165</u>	<u>7,805</u>	<u>2,640</u>
EXCESS OF REVENUE OVER (UNDER)					
EXPENDITURES.....	<u>9,095</u>	<u>(845)</u>	<u>8,250</u>	<u>4,788</u>	<u>3,462</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in.....	570	-	570	570	-
Operating transfers out.....	(8,917)	-	(8,917)	(9,104)	187
Transfers - Out to component units.....	-	-	-	-	-
Total Other Financing Sources (Uses).....	<u>(8,347)</u>	<u>-</u>	<u>(8,347)</u>	<u>(8,534)</u>	<u>187</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	<u>748</u>	<u>(845)</u>	<u>(97)</u>	<u>(3,746)</u>	<u>3,649</u>
FUND BALANCE ALLOCATION.....					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,746</u>	<u>(3,746)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	<u>\$ 748</u>	<u>(\$ 845)</u>	<u>(\$ 97)</u>	<u>\$ -</u>	<u>(\$ 97)</u>

TRANSPORTATION

<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 83,220	\$ -	\$ 83,220	\$ 80,807	\$ 2,413
6,882	-	6,882	6,090	792
-	-	-	-	-
-	-	-	-	-
693	-	693	-	693
-	-	-	-	-
<u>90,795</u>	<u>-</u>	<u>90,795</u>	<u>86,897</u>	<u>3,898</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
76,984	1,443	78,427	90,899	12,472
-	-	-	-	-
-	-	-	-	-
<u>76,984</u>	<u>1,443</u>	<u>78,427</u>	<u>90,899</u>	<u>12,472</u>
<u>13,811</u>	<u>(1,443)</u>	<u>12,368</u>	<u>(4,002)</u>	<u>16,370</u>
-	-	-	-	-
(3,866)	-	(3,866)	(4,090)	224
<u>(17,128)</u>	<u>-</u>	<u>(17,128)</u>	<u>(23,230)</u>	<u>6,102</u>
<u>(20,994)</u>	<u>-</u>	<u>(20,994)</u>	<u>(27,320)</u>	<u>6,326</u>
(7,183)	(1,443)	(8,626)	(31,322)	22,696
<u>-</u>	<u>-</u>	<u>-</u>	<u>31,322</u>	<u>(31,322)</u>
<u><u>(\$ 7,183)</u></u>	<u><u>(\$ 1,443)</u></u>	<u><u>(\$ 8,626)</u></u>	<u><u>\$ -</u></u>	<u><u>(\$ 8,626)</u></u>

(continued)

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL BUDGETED SPECIAL REVENUE FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	BUDGETED GENERAL GOVERNMENT				
	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUE:					
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	2,157	-	2,157	4,664	(2,507)
Charges for services.....	8,152	-	8,152	7,691	461
Fines and forfeitures.....	2,219	-	2,219	2,088	131
Interest.....	622	-	622	183	439
Other.....	5,402	-	5,402	647	4,755
Total Revenue.....	18,552	-	18,552	15,273	3,279
EXPENDITURES AND ENCUMBRANCES:					
General government.....	3,337	125	3,462	3,891	429
Human services.....	949	27	976	1,184	208
Public safety.....	7,126	116	7,242	7,204	(38)
Culture and recreation.....	-	-	-	-	-
Transportation.....	-	-	-	-	-
Economic environment.....	-	-	-	-	-
Physical environment.....	1,841	531	2,372	5,623	3,251
Total Expenditures.....	13,253	799	14,052	17,902	3,850
EXCESS OF REVENUE OVER (UNDER)					
EXPENDITURES.....	5,299	(799)	4,500	(2,629)	7,129
OTHER FINANCING SOURCES (USES):					
Operating transfers in.....	268	-	268	268	-
Operating transfers out.....	(450)	-	(450)	(451)	1
Transfers - Out to component units.....	-	-	-	-	-
Total Other Financing Sources (Uses).....	(182)	-	(182)	(183)	1
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	5,117	(799)	4,318	(2,812)	7,130
FUND BALANCE ALLOCATION.....	-	-	-	2,812	(2,812)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	<u>\$ 5,117</u>	<u>(\$ 799)</u>	<u>\$ 4,318</u>	<u>\$ -</u>	<u>\$ 4,318</u>

PUBLIC SAFETY

<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
281	-	281	281	-
-	-	-	-	-
-	-	-	-	-
32	-	32	-	32
-	-	-	-	-
<u>313</u>	<u>-</u>	<u>313</u>	<u>281</u>	<u>32</u>
-	-	-	-	-
-	-	-	-	-
363	29	392	310	(82)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>363</u>	<u>29</u>	<u>392</u>	<u>310</u>	<u>(82)</u>
<u>(50)</u>	<u>(29)</u>	<u>(79)</u>	<u>(29)</u>	<u>(50)</u>
7	-	7	7	-
-	-	-	-	-
-	-	-	-	-
<u>7</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
(43)	(29)	(72)	(22)	(50)
-	-	-	22	(22)
<u>(\$ 43)</u>	<u>(\$ 29)</u>	<u>(\$ 72)</u>	<u>\$ -</u>	<u>(\$ 72)</u>

(continued)

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL BUDGETED SPECIAL REVENUE FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

EMERGENCY 9-1-1

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUE:					
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	-	-	-	-	-
Charges for services.....	3,724	-	3,724	3,811	(87)
Fines and forfeitures.....	-	-	-	-	-
Interest.....	116	-	116	34	82
Other.....	-	-	-	-	-
Total Revenue.....	<u>3,840</u>	<u>-</u>	<u>3,840</u>	<u>3,845</u>	<u>(5)</u>
EXPENDITURES AND ENCUMBRANCES:					
General government.....	-	-	-	-	-
Human services.....	-	-	-	-	-
Public safety.....	2,732	186	2,918	4,439	1,521
Culture and recreation.....	-	-	-	-	-
Transportation.....	-	-	-	-	-
Economic environment.....	-	-	-	-	-
Physical environment.....	-	-	-	-	-
Total Expenditures.....	<u>2,732</u>	<u>186</u>	<u>2,918</u>	<u>4,439</u>	<u>1,521</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....					
	<u>1,108</u>	<u>(186)</u>	<u>922</u>	<u>(594)</u>	<u>1,516</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in.....	-	-	-	-	-
Operating transfers out.....	-	-	-	-	-
Transfers - Out to component units.....	-	-	-	-	-
Total Other Financing Sources (Uses).....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	<u>1,108</u>	<u>(186)</u>	<u>922</u>	<u>(594)</u>	<u>1,516</u>
FUND BALANCE ALLOCATION.....					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>594</u>	<u>(594)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	<u>\$ 1,108</u>	<u>(\$ 186)</u>	<u>\$ 922</u>	<u>\$ -</u>	<u>\$ 922</u>

TAX INCREMENT DISTRICTS

<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 6,252	\$ -	\$ 6,252	\$ 6,263	(\$ 11)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6	-	6	-	6
<u>155</u>	<u>-</u>	<u>155</u>	<u>-</u>	<u>155</u>
<u>6,413</u>	<u>-</u>	<u>6,413</u>	<u>6,263</u>	<u>150</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	200	200
-	100	100	1,454	1,354
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>100</u>	<u>100</u>	<u>1,654</u>	<u>1,554</u>
<u>6,413</u>	<u>(100)</u>	<u>6,313</u>	<u>4,609</u>	<u>1,704</u>
14	-	14	14	-
(4,032)	-	(4,032)	(4,623)	591
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(4,018)</u>	<u>-</u>	<u>(4,018)</u>	<u>(4,609)</u>	<u>591</u>
2,395	(100)	2,295	-	2,295
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,395</u>	<u>(\$ 100)</u>	<u>\$ 2,295</u>	<u>\$ -</u>	<u>\$ 2,295</u>

(continued)

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL BUDGETED SPECIAL REVENUE FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

JACKSONVILLE CHILDREN'S COMMISSION

	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUE:					
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	25,668	-	25,668	27,828	(2,160)
Charges for services.....	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-
Interest.....	261	-	261	363	(102)
Other.....	2,768	-	2,768	3,609	(841)
Total Revenue.....	28,697	-	28,697	31,800	(3,103)
EXPENDITURES AND ENCUMBRANCES:					
General government.....	-	-	-	-	-
Human services.....	19,606	2,896	22,502	21,661	(841)
Public safety.....	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-
Transportation.....	-	-	-	-	-
Economic environment.....	21,320	116	21,436	23,797	2,361
Physical environment.....	-	-	-	-	-
Total Expenditures.....	40,926	3,012	43,938	45,458	1,520
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....					
	(12,229)	(3,012)	(15,241)	(13,658)	(1,583)
OTHER FINANCING SOURCES (USES):					
Operating transfers in.....	12,889	-	12,889	12,889	-
Operating transfers out.....	(321)	-	(321)	(321)	-
Transfers - Out to component units.....	-	-	-	-	-
Total Other Financing Sources (Uses).....	12,568	-	12,568	12,568	-
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	339	(3,012)	(2,673)	(1,090)	(1,583)
FUND BALANCE ALLOCATION.....					
	-	-	-	1,090	(1,090)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES, ENCUMBRANCES AND OTHER USES.....					
	\$ 339	(\$ 3,012)	(\$ 2,673)	\$ -	(\$ 2,673)

ALL BUDGETED SPECIAL REVENUE FUNDS

<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY BASIS</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 100,424	\$ -	\$ 100,424	\$ 97,075	\$ 3,349
38,537	-	38,537	42,919	(4,382)
15,497	-	15,497	15,065	432
2,219	-	2,219	2,088	131
2,167	-	2,167	755	1,412
<u>8,770</u>	<u>-</u>	<u>8,770</u>	<u>4,701</u>	<u>4,069</u>
<u>167,614</u>	<u>-</u>	<u>167,614</u>	<u>162,603</u>	<u>5,011</u>
3,396	134	3,530	6,467	2,937
20,555	2,923	23,478	22,845	(633)
10,221	331	10,552	11,953	1,401
651	5	656	777	121
77,081	1,653	78,734	91,794	13,060
24,989	1,056	26,045	32,279	6,234
<u>3,900</u>	<u>678</u>	<u>4,578</u>	<u>8,216</u>	<u>3,638</u>
<u>140,793</u>	<u>6,780</u>	<u>147,573</u>	<u>174,331</u>	<u>26,758</u>
<u>26,821</u>	<u>(6,780)</u>	<u>20,041</u>	<u>(11,728)</u>	<u>31,769</u>
14,148	-	14,148	14,148	-
(17,890)	-	(17,890)	(18,893)	1003
<u>(17,128)</u>	<u>-</u>	<u>(17,128)</u>	<u>(23,230)</u>	<u>6,102</u>
<u>(20,870)</u>	<u>-</u>	<u>(20,870)</u>	<u>(27,975)</u>	<u>7,105</u>
5,951	(6,780)	(829)	(39,703)	38,874
<u>-</u>	<u>-</u>	<u>-</u>	<u>39,703</u>	<u>(39,703)</u>
<u>\$ 5,951</u>	<u>(\$ 6,780)</u>	<u>(\$ 829)</u>	<u>\$ -</u>	<u>(\$ 829)</u>

See accompanying independent auditors' report.



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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 that are included in the General Long-Term Obligations Account Group. Individual debt service funds are described below.

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

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

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

The Other Non-Bonded Debt Obligations Fund accounts for the accumulation of resources for, and the payment of, principal and interest on other non-bonded debt obligations including the River City Renaissance Commercial Paper debt.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS (in thousands)
 SEPTEMBER 30, 2001**

	<u>GENERAL BONDED DEBT OBLIGATIONS</u>	<u>SPECIAL BONDED DEBT OBLIGATIONS</u>	<u>SPECIAL BONDED DEBT- BETTER JAX OBLIGATIONS</u>	<u>OTHER NON-BONDED DEBT OBLIGATIONS</u>	<u>TOTALS</u>	
					<u>2001</u>	<u>2000</u>
ASSETS						
Equity in cash and investments.....	\$ -	\$ 47,019	\$ 12,115	\$ 49	\$ 59,183	\$ 47,393
Cash in escrow and with fiscal agents.....	<u>39</u>	<u>-</u>	<u>30,646</u>	<u>210</u>	<u>30,895</u>	<u>249</u>
TOTAL ASSETS.....	<u>\$ 39</u>	<u>\$ 47,019</u>	<u>\$ 42,761</u>	<u>\$ 259</u>	<u>\$ 90,078</u>	<u>\$ 47,642</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Matured bonds and interest payable.....	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 39</u>
TOTAL LIABILITIES.....	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>39</u>
FUND BALANCES:						
Reserved:						
Reserved for cash in escrow and with fiscal agents....	-	-	30,646	210	30,856	210
Reserved for debt service.....	-	46,900	10,579	49	57,528	47,160
Unreserved:						
Designated for changes in fair value of investments...	<u>-</u>	<u>119</u>	<u>1,536</u>	<u>-</u>	<u>1,655</u>	<u>233</u>
TOTAL FUND BALANCE.....	<u>-</u>	<u>47,019</u>	<u>42,761</u>	<u>259</u>	<u>90,039</u>	<u>47,393</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 39</u>	<u>\$ 47,019</u>	<u>\$ 42,761</u>	<u>\$ 259</u>	<u>\$ 90,078</u>	<u>\$ 47,642</u>

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	GENERAL BONDED DEBT OBLIGATIONS	SPECIAL BONDED DEBT OBLIGATIONS	SPECIAL BONDED DEBT- BETTER JAX OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	TOTALS	
					2001	2000
REVENUES:						
Interest.....	\$ -	\$ 1,701	\$ 2,301	\$ 1,183	\$ 5,185	\$ 2,952
Other.....	-	-	2,858	-	2,858	-
Total Revenues.....	-	1,701	5,159	1,183	8,043	2,952
EXPENDITURES:						
Principal.....	-	28,320	-	4,410	32,730	28,200
Interest and fiscal agent charges.....	-	37,172	-	3,768	40,940	42,251
Total Expenditures.....	-	65,492	-	8,178	73,670	70,451
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....						
	-	(63,791)	5,159	(6,995)	(65,627)	(67,499)
OTHER FINANCING SOURCES:						
Proceeds from sale of notes and bonds and issuance of other debt obligations.....	-	345	31,771	-	32,116	-
Operating transfers in.....	-	63,912	5,831	6,204	75,947	73,107
Total Other Financing Sources	-	64,257	37,602	6,204	108,063	73,107
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES.....						
	-	466	42,761	(791)	42,436	5,608
FUND BALANCES, BEGINNING OF YEAR..	-	46,553	-	1,050	47,603	41,995
FUND BALANCES, END OF YEAR.....	\$ -	\$ 47,019	\$ 42,761	\$ 259	\$ 90,039	\$ 47,603



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

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

The 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.

The Better Jax 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
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS (in thousands)
 SEPTEMBER 30, 2001**

ASSETS	BOND PROJECTS	GENERAL PROJECTS
Equity in cash and investments.....	\$ 59,294	\$ 90,497
Cash in escrow and with fiscal agents.....	276	-
Due from independent agencies and other governments.....	-	202
TOTAL ASSETS.....	<u>\$ 59,570</u>	<u>\$ 90,699</u>
 LIABILITIES AND FUND BALANCES 		
LIABILITIES:		
Accounts payable and accrued liabilities.....	\$ 1,675	\$ 1,823
Contracts payable.....	482	225
Due to other funds.....	-	-
Advances from other funds.....	-	13,083
Deferred credits and other.....	-	742
TOTAL LIABILITIES.....	<u>2,157</u>	<u>15,873</u>
 FUND BALANCES:		
Reserved for encumbrances.....	11,868	14,716
Reserved for cash in escrow.....	276	-
 Unreserved:		
Designated for capital projects.....	45,118	59,879
Designated for changes in fair value of investments.....	151	231
Undesignated (deficit).....	-	-
Total Fund Balances.....	<u>57,413</u>	<u>74,826</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 59,570</u>	<u>\$ 90,699</u>

<u>GRANT PROJECTS</u>	<u>RIVER CITY RENAISSANCE PROJECT</u>	<u>BETTER JAX CONSTRUCTION PROJECT</u>	<u>TOTALS</u>	
			<u>2001</u>	<u>2000</u>
\$ -	\$ 5,155	\$ 312,493	\$ 467,439	\$ 162,308
584	11	-	871	1,108
<u>2,793</u>	<u>-</u>	<u>-</u>	<u>2,995</u>	<u>2,918</u>
<u>\$ 3,377</u>	<u>\$ 5,166</u>	<u>\$ 312,493</u>	<u>\$ 471,305</u>	<u>\$ 166,334</u>
\$ 148	\$ 23	\$ 8,386	\$ 12,055	\$ 4,658
245	35	1,642	2,629	876
1,173	-	-	1,173	998
-	-	-	13,083	13,551
<u>-</u>	<u>-</u>	<u>-</u>	<u>742</u>	<u>689</u>
<u>1,566</u>	<u>58</u>	<u>10,028</u>	<u>29,682</u>	<u>20,772</u>
2,414	349	224,474	253,821	37,280
584	11	-	871	1,108
-	4,735	77,542	187,274	109,221
-	13	794	1,189	797
<u>(1,187)</u>	<u>-</u>	<u>(345)</u>	<u>(1,532)</u>	<u>(2,844)</u>
<u>1,811</u>	<u>5,108</u>	<u>302,465</u>	<u>441,623</u>	<u>145,562</u>
<u>\$ 3,377</u>	<u>\$ 5,166</u>	<u>\$ 312,493</u>	<u>\$ 471,305</u>	<u>\$ 166,334</u>

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 ALL CAPITAL PROJECTS FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	<u>BOND PROJECTS</u>	<u>GENERAL PROJECTS</u>
REVENUE:		
Intergovernmental.....	\$ -	\$ -
Interest.....	4,229	3,853
Other.....	<u>66</u>	<u>4,532</u>
Total Revenue.....	<u>4,295</u>	<u>8,385</u>
EXPENDITURES:		
Capital outlay.....	<u>23,221</u>	<u>27,626</u>
EXCESS OF REVENUE UNDER EXPENDITURES.....	<u>(18,926)</u>	<u>(19,241)</u>
OTHER FINANCING SOURCES (USES):		
Proceeds from sale of notes and bonds and issuance of other debt obligations.....	91	-
Operating transfers in.....	-	33,558
Operating transfers out.....	(259)	(1,197)
Transfers - In from component units.....	-	-
Transfers - Out to component units.....	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>(168)</u>	<u>32,361</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES.....	(19,094)	13,120
FUND BALANCES, BEGINNING OF YEAR.....	76,507	61,706
Residual equity transfer in.....	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR.....	<u><u>\$ 57,413</u></u>	<u><u>\$ 74,826</u></u>

GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	BETTER JAX CONSTRUCTION PROJECT	TOTALS	
			2001	2000
\$ 4,098	\$ -	\$ 9,940	\$ 14,038	\$ 1,251
-	274	5,472	13,828	9,350
<u>910</u>	<u>-</u>	<u>-</u>	<u>5,508</u>	<u>5,137</u>
<u>5,008</u>	<u>274</u>	<u>15,412</u>	<u>33,374</u>	<u>15,738</u>
<u>6,176</u>	<u>845</u>	<u>79,042</u>	<u>136,910</u>	<u>75,548</u>
<u>(1,168)</u>	<u>(571)</u>	<u>(63,630)</u>	<u>(103,536)</u>	<u>(59,810)</u>
-	253	340,527	340,871	44,939
1,013	-	27,566	62,137	34,479
-	-	-	(1,456)	(448)
43	-	-	43	-
<u>-</u>	<u>-</u>	<u>(46,490)</u>	<u>(46,490)</u>	<u>-</u>
<u>1,056</u>	<u>253</u>	<u>321,603</u>	<u>355,105</u>	<u>78,970</u>
(112)	(318)	257,973	251,569	19,160
1,923	5,426	-	145,562	126,236
<u>-</u>	<u>-</u>	<u>44,492</u>	<u>44,492</u>	<u>166</u>
<u>\$ 1,811</u>	<u>\$ 5,108</u>	<u>\$ 302,465</u>	<u>\$ 441,623</u>	<u>\$ 145,562</u>

See accompanying independent auditors' report.



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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 enterprise funds are described below.

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

The Sports Complex, Convention Center and Auditorium Fund accounts for the operation of the ALLTEL Stadium-Wolfson Baseball Park-Veterans Memorial Coliseum sports complex, the Prime Osborn Convention Center and Performing Arts Center.

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

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS (in thousands)
SEPTEMBER 30, 2001

<u>ASSETS</u>	<u>PUBLIC PARKING SYSTEM</u>	<u>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</u>
CURRENT ASSETS:		
Equity in cash and investments.....	\$ 3,979	\$ 3,143
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts.....	-	1,072
Due from independent agencies and other governments.....	-	-
Inventories.....	-	-
Prepaid expenses and other assets.....	-	130
Total Current Assets.....	<u>3,979</u>	<u>4,345</u>
RESTRICTED ASSETS:		
Sinking fund cash and investments.....	-	892
Construction fund cash and investments.....	-	-
Accounts and interest receivable.....	-	115
Total Restricted Assets.....	<u>-</u>	<u>1,007</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land.....	4,573	23,260
Buildings and improvements.....	11,669	209,611
Improvements other than buildings.....	4,266	43,238
Furniture and equipment.....	265	5,704
Construction work in process.....	981	21
Total.....	<u>21,754</u>	<u>281,834</u>
Less accumulated depreciation.....	<u>(6,767)</u>	<u>(57,711)</u>
Total Property, Plant and Equipment - Net.....	<u>14,987</u>	<u>224,123</u>
DEFERRED CHARGES:		
Landfill closure and postclosure care costs.....	-	-
Other deferred charges.....	-	-
Total Deferred Charges.....	<u>-</u>	<u>-</u>
TOTAL ASSETS.....	<u><u>\$ 18,966</u></u>	<u><u>\$ 229,475</u></u>

<u>MOTOR VEHICLE INSPECTION</u>	<u>SOLID WASTE DISPOSAL</u>	<u>MAYPORT FERRY</u>	<u>TOTALS</u>	
			<u>2001</u>	<u>2000</u>
\$ 584	\$ 40,931	\$ 70	\$ 48,707	\$ 49,681
-	2,539	26	3,637	2,473
-	358	-	358	375
3	-	-	3	2
-	-	80	210	205
<u>587</u>	<u>43,828</u>	<u>176</u>	<u>52,915</u>	<u>52,736</u>
-	-	-	892	697
-	12,327	-	12,327	11,333
-	-	-	115	58
-	<u>12,327</u>	-	<u>13,334</u>	<u>12,088</u>
32	1,859	610	30,334	24,112
210	1,690	125	223,305	223,393
30	39,404	1,390	88,328	87,987
94	5,134	4,809	16,006	17,384
-	<u>13,726</u>	-	<u>14,728</u>	<u>656</u>
366	61,813	6,934	372,701	353,532
<u>(272)</u>	<u>(19,043)</u>	<u>(2,053)</u>	<u>(85,846)</u>	<u>(78,778)</u>
<u>94</u>	<u>42,770</u>	<u>4,881</u>	<u>286,855</u>	<u>274,754</u>
-	36,898	-	36,898	38,421
-	<u>578</u>	-	<u>578</u>	<u>617</u>
-	37,476	-	37,476	39,038
<u>\$ 681</u>	<u>\$ 136,401</u>	<u>\$ 5,057</u>	<u>\$ 390,580</u>	<u>\$ 378,616</u>

(continued)

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS (in thousands; continued)
SEPTEMBER 30, 2001

	PUBLIC PARKING SYSTEM	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS):		
Accounts payable and accrued liabilities.....	\$ 119	\$ 1,962
Contracts payable.....	61	-
Due to other governments.....	3	-
Accrued compensated absences, current portion.....	12	-
Deposits.....	70	-
Deferred revenue.....	-	50
Total Current Liabilities (Payable From Current Assets).....	<u>265</u>	<u>2,012</u>
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS):		
Deposits held for construction and events.....	-	1,007
Accrued interest payable.....	589	-
Current portion of bonds payable.....	920	-
Total Current Liabilities (Payable From Restricted Assets).....	<u>1,509</u>	<u>1,007</u>
LONG-TERM LIABILITIES, net of current portion:		
Liability for landfill closure and postclosure care.....	-	-
Accrued compensated absences.....	89	-
Revenue bonds.....	21,276	-
Total Long-Term Liabilities.....	<u>21,365</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>23,139</u>	<u>3,019</u>
FUND EQUITY:		
Contributed capital.....	2,456	200,338
Retained earnings (deficit):		
Unreserved (deficit).....	(6,629)	26,118
Total Retained Earnings (deficit).....	<u>(6,629)</u>	<u>26,118</u>
TOTAL FUND EQUITY (DEFICIT).....	<u>(4,173)</u>	<u>226,456</u>
TOTAL LIABILITIES AND FUND EQUITY.....	<u>\$ 18,966</u>	<u>\$ 229,475</u>

<u>MOTOR VEHICLE INSPECTION</u>	<u>SOLID WASTE DISPOSAL</u>	<u>MAYPORT FERRY</u>	<u>TOTALS</u>	
			<u>2001</u>	<u>2000</u>
\$ 17	\$ 3,444	\$ 152	\$ 5,694	\$ 4,594
-	1,188	-	1,249	514
-	-	-	3	25
3	61	-	76	76
-	47	-	117	117
-	-	30	80	190
<u>20</u>	<u>4,740</u>	<u>182</u>	<u>7,219</u>	<u>5,516</u>
-	-	-	1,007	755
-	1,491	-	2,080	835
-	<u>2,395</u>	-	<u>3,315</u>	<u>2,115</u>
-	<u>3,886</u>	-	<u>6,402</u>	<u>3,705</u>
-	21,218	-	21,218	21,752
22	448	-	559	562
-	<u>55,235</u>	-	<u>76,511</u>	<u>79,564</u>
<u>22</u>	<u>76,901</u>	-	<u>98,288</u>	<u>101,878</u>
<u>42</u>	<u>85,527</u>	<u>182</u>	<u>111,909</u>	<u>111,099</u>
-	11,556	4,184	218,534	226,652
639	<u>39,318</u>	<u>691</u>	<u>60,137</u>	<u>40,865</u>
<u>639</u>	<u>39,318</u>	<u>691</u>	<u>60,137</u>	<u>40,865</u>
639	<u>50,874</u>	<u>4,875</u>	<u>278,671</u>	<u>267,517</u>
<u>\$ 681</u>	<u>\$ 136,401</u>	<u>\$ 5,057</u>	<u>\$ 390,580</u>	<u>\$ 378,616</u>

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN RETAINED EARNINGS (DEFICIT)
ALL ENTERPRISE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	PUBLIC PARKING SYSTEM	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM
OPERATING REVENUE:		
Charges for services.....	\$ 2,969	\$ 12,004
Total Operating Revenue.....	<u>2,969</u>	<u>12,004</u>
OPERATING EXPENSES:		
Personal services.....	1,173	8,189
Supplies and materials.....	109	1,556
Central services.....	88	-
Interdepartmental charges.....	451	413
Other services and charges.....	889	6,218
Bad debts, net of recoveries.....	-	14
Depreciation and amortization.....	405	5,889
Total Operating Expenses.....	<u>3,115</u>	<u>22,279</u>
OPERATING INCOME (LOSS).....	<u>(146)</u>	<u>(10,275)</u>
NON-OPERATING REVENUE (EXPENSES):		
Interest revenue.....	204	206
Interest expense.....	307	-
Operating grants.....	-	-
Other.....	(61)	2,288
Total Non-Operating Revenue (Expenses).....	<u>450</u>	<u>2,494</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS.....	<u>304</u>	<u>(7,781)</u>
Capital contributions.....	-	6,269
OPERATING TRANSFERS:		
Operating transfers in.....	1,457	4,475
Operating transfers out.....	(1,307)	(1,848)
Total Operating Transfers In (Out).....	<u>150</u>	<u>2,627</u>
NET INCOME (LOSS).....	454	1,115
Add depreciation on contributed assets.....	165	6,976
Increase in retained earnings.....	619	8,091
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR.....	<u>(7,248)</u>	<u>18,027</u>
RETAINED EARNINGS (DEFICIT), END OF YEAR.....	<u>(\$ 6,629)</u>	<u>\$ 26,118</u>

MOTOR VEHICLE INSPECTION	SOLID WASTE DISPOSAL	MAYPORT FERRY	TOTALS	
			2001	2000
<u>\$ 496</u>	<u>\$ 35,625</u>	<u>\$ 1,045</u>	<u>\$ 52,139</u>	<u>\$ 47,585</u>
496	35,625	1,045	52,139	47,585
335	4,933	784	15,414	14,909
16	759	133	2,573	2,284
7	89	-	184	160
-	21	-	885	586
24	47,326	705	55,162	58,489
73	28	-	115	139
17	2,036	274	8,621	9,315
<u>472</u>	<u>55,192</u>	<u>1,896</u>	<u>82,954</u>	<u>85,882</u>
24	(19,567)	(851)	(30,815)	(38,297)
30	3,125	11	3,576	2,987
-	(4,097)	-	(3,790)	(2,097)
-	665	-	665	914
(12)	1,366	(1)	3,580	4,884
<u>18</u>	<u>1,059</u>	<u>10</u>	<u>4,031</u>	<u>6,688</u>
42	(18,508)	(841)	(26,784)	(31,609)
-	-	-	6,269	-
-	28,283	657	34,872	31,646
-	(48)	-	(3,203)	(2,581)
-	28,235	657	31,669	29,065
42	9,727	(184)	11,154	(2,544)
-	734	243	8,118	8,124
42	10,461	59	19,272	5,580
597	28,857	632	40,865	35,285
<u>\$ 639</u>	<u>\$ 39,318</u>	<u>\$ 691</u>	<u>\$ 60,137</u>	<u>\$ 40,865</u>

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>PUBLIC PARKING SYSTEM</u>	<u>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</u>
OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS).....	(\$ 146)	(\$ 10,275)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization.....	405	5,889
Bad debt expense, net of recoveries.....	-	14
Other non-operating revenue/(expenses).....	(61)	2,274
Change in assets and liabilities:		
Decrease (increase) in receivables and other current assets, net.....	-	(827)
Decrease (increase) in due from independent agencies and other governments.....	-	-
Decrease (increase) in inventories.....	-	-
Decrease (increase) in prepaid expenses.....	-	(6)
Decrease (increase) in deferred charges.....	-	-
Increase (decrease) in accounts payable and accrued expenses.....	43	(143)
Increase (decrease) in due to other funds.....	(22)	-
Increase (decrease) in contracts payable.....	5	-
Increase (decrease) in current portion long-term liabilities.....	(4)	-
Increase (decrease) in deposits.....	4	252
Increase (decrease) in deferred revenue.....	(89)	(20)
Increase (decrease) in liability for landfill closure and postclosure care.....	-	-
Increase (decrease) in accrued compensated absences.....	(30)	-
 TOTAL ADJUSTMENTS.....	 251	 7,433
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	 105	 (2,842)
NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received.....	-	-
Cash received through operating transfers from other funds.....	1,457	4,475
Cash payments through operating transfers to other funds.....	(1,307)	(1,848)
 NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....	 150	 2,627
CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property, plant and equipment.....	(515)	(6,809)
Proceeds from sale of property, plant and equipment.....	46	228
Additions to contributed capital assets.....	-	6,269
Principal paid on long-term obligations.....	(619)	-
Interest and payments to refunded bond escrow agent.....	619	-
 NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES.....	 (\$ 469)	 (\$ 312)

MOTOR VEHICLE INSPECTION	SOLID WASTE DISPOSAL	MAYPORT FERRY	TOTALS	
			2001	2000
<u>\$ 24</u>	<u>(\$ 19,567)</u>	<u>(\$ 851)</u>	<u>(\$ 30,815)</u>	<u>(\$ 38,297)</u>
17	2,036	274	8,621	9,315
73	28	-	115	139
(85)	1,338	(1)	3,465	4,884
-	(375)	(19)	(1,221)	1,043
-	17	-	17	205
(1)	-	-	(1)	(1)
-	-	1	(5)	(3)
-	1,562	-	1,562	1,310
12	1,187	1	1,100	851
-	-	-	(22)	(23)
-	731	(1)	735	178
-	4	-	-	(11)
-	(4)	-	252	(415)
-	-	(1)	(110)	107
-	(534)	-	(534)	2,219
-	27	-	(3)	(73)
<u>16</u>	<u>6,017</u>	<u>254</u>	<u>13,971</u>	<u>19,725</u>
<u>40</u>	<u>(13,550)</u>	<u>(597)</u>	<u>(16,844)</u>	<u>(18,572)</u>
-	665	-	665	914
-	28,283	657	34,872	31,646
-	(48)	-	(3,203)	(2,581)
<u>-</u>	<u>28,900</u>	<u>657</u>	<u>32,334</u>	<u>29,979</u>
(17)	(14,611)	(80)	(22,032)	(1,925)
16	1,020	-	1,310	594
-	-	-	6,269	-
-	(1,234)	-	(1,853)	(1,007)
-	(3,164)	-	(2,545)	(3,448)
<u>(\$ 1)</u>	<u>(\$ 17,989)</u>	<u>(\$ 80)</u>	<u>(\$ 18,851)</u>	<u>(\$ 5,786)</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>PUBLIC PARKING SYSTEM</u>	<u>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</u>
INVESTING ACTIVITIES:		
Interest and dividends on investments.....	\$ 204	\$ 206
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>204</u>	<u>206</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(10)	(321)
Cash and cash equivalents at October 1.....	<u>3,989</u>	<u>4,356</u>
Cash and cash equivalents at September 30.....	<u>\$ 3,979</u>	<u>\$ 4,035</u>
CLASSIFIED AS:		
Current Assets.....	\$ 3,979	\$ 3,143
Restricted Assets.....	<u>-</u>	<u>892</u>
TOTAL.....	<u>\$ 3,979</u>	<u>\$ 4,035</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Change in the fair value of investments.....	(\$ 9)	(\$ 6)
Acquisition of contributed capital assets.....	-	-
Accrual of landfill closure, postclosure care and decontamination costs.....	<u>-</u>	<u>-</u>
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>(\$ 9)</u>	<u>(\$ 6)</u>

<u>MOTOR VEHICLE INSPECTION</u>	<u>SOLID WASTE DISPOSAL</u>	<u>MAYPORT FERRY</u>	<u>TOTALS</u>	
			<u>2001</u>	<u>2000</u>
<u>\$ 30</u>	<u>\$ 3,125</u>	<u>\$ 11</u>	<u>\$ 3,576</u>	<u>\$ 2,987</u>
<u>30</u>	<u>3,125</u>	<u>11</u>	<u>3,576</u>	<u>2,987</u>
<u>69</u>	<u>486</u>	<u>(9)</u>	<u>215</u>	<u>8,608</u>
<u>515</u>	<u>52,772</u>	<u>79</u>	<u>61,711</u>	<u>53,103</u>
<u>\$ 584</u>	<u>\$ 53,258</u>	<u>\$ 70</u>	<u>\$ 61,926</u>	<u>\$ 61,711</u>
<u>\$ 584</u>	<u>\$ 40,931</u>	<u>\$ 70</u>	<u>\$ 48,707</u>	<u>\$ 49,681</u>
<u>-</u>	<u>12,327</u>	<u>-</u>	<u>13,219</u>	<u>12,030</u>
<u>\$ 584</u>	<u>\$ 53,258</u>	<u>\$ 70</u>	<u>\$ 61,926</u>	<u>\$ 61,711</u>
<u>(\$ 1)</u>	<u>(\$ 99)</u>	<u>\$ -</u>	<u>(\$ 115)</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,539</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40</u>
<u>(\$ 1)</u>	<u>(\$ 99)</u>	<u>\$ -</u>	<u>(\$ 115)</u>	<u>\$ 2,579</u>

See accompanying independent auditors' report.



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INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS (in thousands)
SEPTEMBER 30, 2001

ASSETS	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
CURRENT ASSETS:			
Equity in cash and investments.....	\$ 62,313	\$ 445	\$ 17,372
Accounts receivable.....	-	-	-
Other receivables.....	-	-	-
Due from other funds.....	1	-	10
Due from independent agencies and other governments.....	1,200	3	249
Advances to other funds.....	-	-	-
Inventories.....	1,024	-	364
Prepaid expenses and other assets.....	-	-	-
	<hr/>	<hr/>	<hr/>
Total Current Assets.....	64,538	448	17,995
 PROPERTY, PLANT AND EQUIPMENT:			
Land.....	36	-	22
Buildings and improvements.....	3,429	-	457
Improvements other than buildings.....	329	-	4,845
Furniture and equipment.....	91,102	-	32,717
Construction work in process.....	-	-	12
Total.....	<hr/> 94,896	<hr/> -	<hr/> 38,053
Less accumulated depreciation.....	(57,469)	-	(31,785)
Total Property, Plant and Equipment, Net.....	<hr/> 37,427	<hr/> -	<hr/> 6,268
 TOTAL ASSETS.....	 <hr/>\$ 101,965	 <hr/>\$ 448	 <hr/>\$ 24,263

LEGAL	SELF- INSURANCE	GROUP HEALTH	INSURED PROGRAMS	TOTALS	
				2001	2000
\$ 3,150	\$ 51,515	\$ 3,997	\$ 3,365	\$ 142,157	\$ 147,439
1	145	84	-	230	245
-	-	-	57	57	75
15	2,988	-	-	3,014	3,369
381	257	2	-	2,092	3,086
-	13,083	-	-	13,083	13,551
-	-	-	-	1,388	1,371
-	-	-	-	-	14
<u>3,547</u>	<u>67,988</u>	<u>4,083</u>	<u>3,422</u>	<u>162,021</u>	<u>169,150</u>
-	-	-	-	58	58
-	-	-	-	3,886	3,886
62	-	-	47	5,283	4,868
179	15	131	305	124,449	113,502
-	-	-	-	12	132
<u>241</u>	<u>15</u>	<u>131</u>	<u>352</u>	<u>133,688</u>	<u>122,446</u>
<u>(201)</u>	<u>(10)</u>	<u>(106)</u>	<u>(219)</u>	<u>(89,790)</u>	<u>(82,226)</u>
<u>40</u>	<u>5</u>	<u>25</u>	<u>133</u>	<u>43,898</u>	<u>40,220</u>
<u>\$ 3,587</u>	<u>\$ 67,993</u>	<u>\$ 4,108</u>	<u>\$ 3,555</u>	<u>\$ 205,919</u>	<u>\$ 209,370</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS (in thousands; continued)
SEPTEMBER 30, 2001

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities.....	\$ 921	\$ 27	\$ 732
Due to other funds.....	-	-	-
Due to independent agencies and other governments.....	-	-	-
Capitalized lease obligations, current portion.....	-	-	539
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences, current portion.....	116	5	131
Total Current Liabilities.....	<u>1,037</u>	<u>32</u>	<u>1,402</u>
LONG-TERM LIABILITIES, net of current portion:			
Accrued compensated absences.....	853	56	961
Capitalized lease obligations.....	-	-	1,332
Total Long-Term Liabilities.....	<u>853</u>	<u>56</u>	<u>2,293</u>
TOTAL LIABILITIES.....	<u>1,890</u>	<u>88</u>	<u>3,695</u>
FUND EQUITY:			
Contributed capital.....	6,140	-	4,949
Retained earnings:			
Unreserved.....	93,935	360	15,619
Total Retained Earnings.....	<u>93,935</u>	<u>360</u>	<u>15,619</u>
TOTAL FUND EQUITY.....	<u>100,075</u>	<u>360</u>	<u>20,568</u>
TOTAL LIABILITIES AND FUND EQUITY.....	<u>\$ 101,965</u>	<u>\$ 448</u>	<u>\$ 24,263</u>

LEGAL	SELF- INSURANCE	GROUP HEALTH	INSURED PROGRAMS	TOTALS	
				2001	2000
\$ 70	\$ 73	\$ 3,190	\$ 206	\$ 5,219	\$ 4,796
-	-	-	-	-	-
-	16	-	-	16	16
-	-	-	-	539	332
-	56,790	-	-	56,790	56,147
86	3	10	3	354	327
<u>156</u>	<u>56,882</u>	<u>3,200</u>	<u>209</u>	<u>62,918</u>	<u>61,618</u>
627	25	70	25	2,617	2,410
-	-	-	-	1,332	777
<u>627</u>	<u>25</u>	<u>70</u>	<u>25</u>	<u>3,949</u>	<u>3,187</u>
<u>783</u>	<u>56,907</u>	<u>3,270</u>	<u>234</u>	<u>66,867</u>	<u>64,805</u>
2	-	14	26	11,131	11,345
2,802	11,086	824	3,295	127,921	133,220
<u>2,802</u>	<u>11,086</u>	<u>824</u>	<u>3,295</u>	<u>127,921</u>	<u>133,220</u>
<u>2,804</u>	<u>11,086</u>	<u>838</u>	<u>3,321</u>	<u>139,052</u>	<u>144,565</u>
<u>\$ 3,587</u>	<u>\$ 67,993</u>	<u>\$ 4,108</u>	<u>\$ 3,555</u>	<u>\$ 205,919</u>	<u>\$ 209,370</u>

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
OPERATING REVENUE:			
Charges for services.....	\$ 34,194	\$ 1,057	\$ 23,115
Charges for services for independent authorities.....	5,607	5	2,547
Other.....	-	-	66
Total Operating Revenue.....	39,801	1,062	25,728
OPERATING EXPENSES:			
Personal services.....	7,244	195	7,348
Supplies and materials.....	10,269	16	814
Central services.....	94	421	3,949
Other services and charges.....	5,240	281	9,224
Depreciation.....	13,649	18	3,692
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	29	-	44
Total Operating Expenses.....	36,525	931	25,071
OPERATING INCOME (LOSS).....	3,276	131	657
NON-OPERATING REVENUE (EXPENSES):			
Interest revenue.....	2,825	(1)	709
Other.....	1,014	(47)	(1,875)
Total Non-Operating Revenue (Expenses)	3,839	(48)	(1,166)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS.....	7,115	83	(509)
Capital contributions	3	18	7
OPERATING TRANSFERS:			
Operating transfers in.....	5,044	-	79
Operating transfers out.....	(2)	-	-
Total Operating Transfers In (Out).....	5,042	-	79
NET INCOME (LOSS).....	12,160	101	(423)
Add depreciation on contributed assets.....	142	-	52
Increase (decrease) in retained earnings.....	12,302	101	(371)
RETAINED EARNINGS, BEGINNING OF YEAR.....	81,633	259	15,990
RETAINED EARNINGS, END OF YEAR.....	\$ 93,935	\$ 360	\$ 15,619

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	TOTALS	
				2001	2000
\$ 5,121	\$ 16,401	\$ 37,944	\$ 4,414	\$ 122,246	\$ 123,781
2,427	4,299	-	-	14,885	-
5	3	15	-	89	352
<u>7,553</u>	<u>20,703</u>	<u>37,959</u>	<u>4,414</u>	<u>137,220</u>	<u>124,133</u>
4,311	468	621	388	20,575	19,837
70	10	16	4	11,199	11,609
114	28	58	14	4,678	4,046
1,007	4,093	720	474	21,039	18,108
12	3	21	98	17,493	13,198
25	-	-	-	25	-
-	13,990	-	-	13,990	327
4	4,934	36,299	2,914	44,224	37,722
<u>5,543</u>	<u>23,526</u>	<u>37,735</u>	<u>3,892</u>	<u>133,223</u>	<u>104,847</u>
<u>2,010</u>	<u>(2,823)</u>	<u>224</u>	<u>522</u>	<u>3,997</u>	<u>19,286</u>
56	3,839	142	150	7,720	7,968
(242)	(581)	(302)	557	(1,476)	(497)
<u>(186)</u>	<u>3,258</u>	<u>(160)</u>	<u>707</u>	<u>6,244</u>	<u>7,471</u>
<u>1,824</u>	<u>435</u>	<u>64</u>	<u>1,229</u>	<u>10,241</u>	<u>26,757</u>
<u>2</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>57</u>	<u>-</u>
-	1,072	-	-	6,195	5,776
(4)	(22,000)	-	-	(22,006)	(18,913)
<u>(4)</u>	<u>(20,928)</u>	<u>-</u>	<u>-</u>	<u>(15,811)</u>	<u>(13,137)</u>
1,822	(20,493)	64	1,256	(5,513)	13,620
<u>-</u>	<u>1</u>	<u>6</u>	<u>13</u>	<u>214</u>	<u>1,492</u>
1,822	(20,492)	70	1,269	(5,299)	15,112
980	31,578	754	2,026	133,220	118,108
<u>\$ 2,802</u>	<u>\$ 11,086</u>	<u>\$ 824</u>	<u>\$ 3,295</u>	<u>\$ 127,921</u>	<u>\$ 133,220</u>

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS).....	<u>\$ 3,276</u>	<u>\$ 131</u>	<u>\$ 657</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	13,649	18	3,692
Other non-operating revenue/(expenses).....	1,014	(47)	(1,875)
Change in assets and liabilities:			
Decrease (increase) in receivables and other current assets, net.....	-	-	-
Decrease (increase) in due from other funds.....	1	-	4
Decrease (increase) in due from independent agencies and other governments....	60	-	747
Decrease (increase) in inventories.....	70	-	(87)
Increase (decrease) in accounts payable and accrued expenses.....	45	25	(271)
Increase (decrease) in due to other funds.....	-	-	-
Increase (decrease) in due to independent agencies and other governments.....	-	-	-
Increase (decrease) in compensated absences.....	26	5	72
Increase (decrease) in liability for self-insured losses.....	-	-	-
TOTAL ADJUSTMENTS.....	<u>14,865</u>	<u>1</u>	<u>2,282</u>
NET CASH PROVIDED BY (USED IN)			
OPERATING ACTIVITIES.....	<u>18,141</u>	<u>132</u>	<u>2,939</u>
NONCAPITAL FINANCING ACTIVITIES:			
Cash received through operating transfers from other funds.....	5,044	-	79
Cash payments through operating transfers to other funds.....	(2)	-	-
NET CASH PROVIDED BY (USED IN)			
NONCAPITAL FINANCING ACTIVITIES:.....	<u>5,042</u>	<u>-</u>	<u>79</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Additions to property, plant and equipment.....	(27,420)	(18)	(5,000)
Proceeds from sale of property, plant and equipment.....	8,016	-	3,516
Additions to contributed capital assets.....	3	18	7
Principal paid on long-term obligations.....	-	-	555
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(\$ 19,401)</u>	<u>\$ -</u>	<u>(\$ 922)</u>

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	TOTALS	
				2001	2000
<u>\$ 2,010</u>	<u>(\$ 2,823)</u>	<u>\$ 224</u>	<u>\$ 522</u>	<u>\$ 3,997</u>	<u>\$ 19,286</u>
12	3	21	98	17,493	13,198
(242)	(581)	(302)	557	(1,476)	(497)
1	19	9	18	47	(105)
6	812	-	-	823	9,702
95	94	(2)	-	994	1,580
-	-	-	-	(17)	7
(52)	42	429	205	423	196
-	-	-	-	-	(560)
-	-	-	-	-	(1,839)
115	6	(1)	11	234	(29)
-	643	-	-	643	(9,433)
<u>(65)</u>	<u>1,038</u>	<u>154</u>	<u>889</u>	<u>19,164</u>	<u>12,220</u>
<u>1,945</u>	<u>(1,785)</u>	<u>378</u>	<u>1,411</u>	<u>23,161</u>	<u>31,506</u>
-	1,072	-	-	6,195	5,776
(4)	(22,000)	-	-	(22,006)	(18,913)
<u>(4)</u>	<u>(20,928)</u>	<u>-</u>	<u>-</u>	<u>(15,811)</u>	<u>(13,137)</u>
(41)	(4)	-	(30)	(32,513)	(28,554)
12	-	5	-	11,549	11,394
2	-	-	27	57	-
-	-	-	-	555	777
<u>(\$ 27)</u>	<u>(\$ 4)</u>	<u>\$ 5</u>	<u>(\$ 3)</u>	<u>(\$ 20,352)</u>	<u>(\$ 16,383)</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
INVESTING ACTIVITIES:			
Interest and dividends on investments.....	<u>\$ 2,825</u>	<u>(\$ 1)</u>	<u>\$ 709</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES.....	<u>2,825</u>	<u>(1)</u>	<u>709</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....			
	6,607	131	2,805
Cash and cash equivalents at October 1.....	<u>55,706</u>	<u>314</u>	<u>14,567</u>
Cash and cash equivalents at September 30.....	<u><u>\$ 62,313</u></u>	<u><u>\$ 445</u></u>	<u><u>\$ 17,372</u></u>
CLASSIFIED AS:			
Current Assets.....	<u><u>\$ 62,313</u></u>	<u><u>\$ 445</u></u>	<u><u>\$ 17,372</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	(\$ 114)	(\$ 1)	(\$ 29)
Acquisition of assets through capital lease.....	-	-	1,094
Acquisition of contributed capital assets.....	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u><u>(\$ 114)</u></u>	<u><u>(\$ 1)</u></u>	<u><u>\$ 1,065</u></u>

LEGAL	SELF- INSURANCE	GROUP HEALTH	INSURED PROGRAMS	TOTALS	
				2001	2000
<u>\$ 56</u>	<u>\$ 3,839</u>	<u>\$ 142</u>	<u>\$ 150</u>	<u>\$ 7,720</u>	<u>\$ 7,968</u>
<u>56</u>	<u>3,839</u>	<u>142</u>	<u>150</u>	<u>7,720</u>	<u>7,968</u>
1,970	(18,878)	525	1,558	(5,282)	9,954
<u>1,180</u>	<u>70,393</u>	<u>3,472</u>	<u>1,807</u>	<u>147,439</u>	<u>137,485</u>
<u>\$ 3,150</u>	<u>\$ 51,515</u>	<u>\$ 3,997</u>	<u>\$ 3,365</u>	<u>\$ 142,157</u>	<u>\$ 147,439</u>
<u>\$ 3,150</u>	<u>\$ 51,515</u>	<u>\$ 3,997</u>	<u>\$ 3,365</u>	<u>\$ 142,157</u>	<u>\$ 147,439</u>
\$ 2	(\$ 224)	(\$ 7)	\$ -	(\$ 373)	\$ -
-	-	-	-	1,094	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166</u>
<u>\$ 2</u>	<u>(\$ 224)</u>	<u>(\$ 7)</u>	<u>\$ -</u>	<u>\$ 721</u>	<u>\$ 166</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 those retirement funds for which the participant's retirement annuity is based on a statutory formula utilizing such factors as age, average salary, length of service and others. The City has two pension trust funds as described below.

The General Employees Pension Trust Fund includes resources accumulated to pay present and future retirement annuities to eligible employees of the City except for employees of the Office of the Sheriff and City Department of Fire and Rescue.

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

NONEXPENDABLE TRUST FUNDS are funds whose resources, excluding principal may be expended in the course of the fund's designated operations.

The Nonexpendable Trust Fund receives funds from donors who legally restrict the resources so that only earnings may be spent for the trusts' intended purpose, maintaining the principal for future earnings.

EXPENDABLE TRUST FUNDS are funds whose resources, including principal and interest, may be expended in the course of the fund's designated operations.

The Expendable Trust Fund receives revenue from many miscellaneous governmental and non-governmental sources in the form of contributions, donations, gifts, and grants to be held in trust that can be expended only for those purposes specified by the donors as set forth in the City ordinance under which the expendable trust was established.

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

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

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

The Clerk of the Circuit Court Fund accounts for assets and liabilities from revenues collected on behalf of the State and City by the Court System for various judgements, fines, bonds, fees and licenses, and other miscellaneous amounts.

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.



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CITY OF JACKSONVILLE, FLORIDA
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS (in thousands)
SEPTEMBER 30, 2001

	PENSION TRUST FUNDS			
	GENERAL EMPLOYEES	POLICE AND FIRE	NONEXPENDABLE TRUST	EXPENDABLE TRUST
ASSETS				
CURRENT ASSETS:				
Equity in cash and investments.....	\$ 1,427,464	\$ 779,421	\$ 318	\$ 6,850
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts.....	-	-	-	7
Due from individuals.....	-	-	-	-
Due from other funds.....	-	224	-	-
TOTAL CURRENT ASSETS.....	1,427,464	779,645	318	6,857
PROPERTY, PLANT AND EQUIPMENT:				
Land.....	-	24	-	-
Building and improvements.....	-	155	-	-
Improvements other than buildings.....	-	97	-	-
Furniture and equipment.....	120	444	-	-
Less: accumulated depreciation.....	(76)	(277)	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT, Net.....	44	443	-	-
TOTAL ASSETS.....	\$ 1,427,508	\$ 780,088	\$ 318	\$ 6,857
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 608	\$ 522	\$ -	\$ 190
Contracts payable.....	-	-	-	36
Due to other funds.....	-	-	-	-
Due to independent agencies and other governments.....	-	-	-	-
Due to individuals.....	-	51,576	-	262
Current portion of long-term liabilities.....	2	6	-	-
Deposits held in escrow.....	-	281	-	8
Total Current Liabilities.....	610	52,385	-	496
LONG-TERM LIABILITIES, net of current portion:				
Accrued compensated absences.....	17	41	-	-
TOTAL LIABILITIES.....	627	52,426	-	496
FUND EQUITY:				
Fund balance:				
Reserved:				
Reserved for employees' retirement benefits.....	1,426,881	727,662	-	-
Unreserved:				
Designated for changes in fair value of investments....	-	-	-	17
Undesignated.....	-	-	318	6,344
Total Fund Balances.....	1,426,881	727,662	318	6,361
Total Fund Equity.....	1,426,881	727,662	318	6,361
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 1,427,508	\$ 780,088	\$ 318	\$ 6,857

AGENCY FUNDS						TOTALS	
TREASURER	TAX COLLECTOR	CLERK OF THE CIRCUIT COURT	PLAT DEPOSITS	DUVAL CO SCHOOL READINESS COALITION	FLORIDA RETIREMENT SYSTEM	2001	2000
\$ 2,856	\$ 15,955	\$ 11,509	\$ 369	\$ 387	\$ 34	\$ 2,245,163	\$ 2,416,739
82	-	111	-	-	-	200	319
-	3,176	-	-	-	-	3,176	3,940
-	-	-	-	-	-	224	246
<u>2,938</u>	<u>19,131</u>	<u>11,620</u>	<u>369</u>	<u>387</u>	<u>34</u>	<u>2,248,763</u>	<u>2,421,244</u>
-	-	-	-	-	-	24	24
-	-	-	-	-	-	155	155
-	-	-	-	-	-	97	97
-	-	-	-	-	-	564	321
-	-	-	-	-	-	(353)	(303)
-	-	-	-	-	-	487	294
<u>\$ 2,938</u>	<u>\$ 19,131</u>	<u>\$ 11,620</u>	<u>\$ 369</u>	<u>\$ 387</u>	<u>\$ 34</u>	<u>\$ 2,249,250</u>	<u>\$ 2,421,538</u>
\$ 2,938	\$ -	\$ -	\$ -	\$ 387	\$ -	\$ 4,645	\$ 3,928
-	-	-	-	-	-	36	35
-	3,176	2,382	-	-	-	5,558	4,672
-	6,782	3,120	-	-	34	9,936	14,459
-	478	1,914	-	-	-	54,230	30,281
-	-	-	-	-	-	8	6
-	8,695	4,204	369	-	-	13,557	18,011
<u>2,938</u>	<u>19,131</u>	<u>11,620</u>	<u>369</u>	<u>387</u>	<u>34</u>	<u>87,970</u>	<u>71,392</u>
-	-	-	-	-	-	58	44
<u>2,938</u>	<u>19,131</u>	<u>11,620</u>	<u>369</u>	<u>387</u>	<u>34</u>	<u>88,028</u>	<u>71,436</u>
-	-	-	-	-	-	2,154,543	2,344,614
-	-	-	-	-	-	17	26
-	-	-	-	-	-	6,662	5,462
-	-	-	-	-	-	2,161,222	2,350,102
-	-	-	-	-	-	2,161,222	2,350,102
<u>\$ 2,938</u>	<u>\$ 19,131</u>	<u>\$ 11,620</u>	<u>\$ 369</u>	<u>\$ 387</u>	<u>\$ 34</u>	<u>\$ 2,249,250</u>	<u>\$ 2,421,538</u>

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN FUND BALANCES
FIDUCIARY FUNDS - NONEXPENDABLE TRUST FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	<u>TOTALS</u>	
	<u>2001</u>	<u>2000</u>
OPERATING REVENUE:		
Earnings on investments.....	<u>\$ 16</u>	<u>\$ 19</u>
Total Operating Revenue.....	<u>16</u>	<u>19</u>
OPERATING EXPENSES:		
Other.....	<u>8</u>	<u>8</u>
Total Operating Expenses.....	<u>8</u>	<u>8</u>
OPERATING INCOME.....	8	11
NET INCOME.....	8	11
FUND BALANCES, BEGINNING OF YEAR.....	<u>310</u>	<u>299</u>
FUND BALANCES, END OF YEAR.....	<u>\$ 318</u>	<u>\$ 310</u>

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FIDUCIARY FUNDS - EXPENDABLE TRUST FUND (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	TOTALS	
	2001	2000
REVENUE:		
Intergovernmental.....	\$ 241	\$ -
Fines and forfeitures.....	1	-
Interest.....	93	96
Other.....	2,261	3,051
Total Revenue.....	2,596	3,147
EXPENDITURES:		
General government.....	529	478
Human services.....	132	87
Public safety.....	1,527	1,057
Culture and recreation.....	475	281
Economic environment.....	85	127
Physical environment.....	59	61
Total Expenditures.....	2,807	2,091
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(211)	1,056
OTHER FINANCING SOURCES (USES):		
Operating transfers in.....	1,486	162
Operating transfers out.....	(92)	(12)
Total Other Financing (Uses).....	1,394	150
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES.....	1,183	1,206
FUND BALANCES, BEGINNING OF YEAR.....	5,178	3,972
FUND BALANCES, END OF YEAR.....	\$ 6,361	\$ 5,178

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
 FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	<u>BALANCE OCTOBER 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2001</u>
TREASURER				
ASSETS				
Equity in cash and investments.....	\$ 2,803	\$ 469,162	\$ 469,109	\$ 2,856
Accounts receivable.....	<u>68</u>	<u>132</u>	<u>118</u>	<u>82</u>
TOTAL ASSETS.....	<u>\$ 2,871</u>	<u>\$ 469,294</u>	<u>\$ 469,227</u>	<u>\$ 2,938</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	<u>\$ 2,871</u>	<u>\$ 626,424</u>	<u>\$ 626,357</u>	<u>\$ 2,938</u>
TOTAL LIABILITIES.....	<u>\$ 2,871</u>	<u>\$ 626,424</u>	<u>\$ 626,357</u>	<u>\$ 2,938</u>
TAX COLLECTOR				
ASSETS				
Equity in cash and investments.....	\$ 19,987	\$ 386,335	\$ 390,367	\$ 15,955
Due from individuals.....	<u>3,940</u>	<u>726</u>	<u>1,490</u>	<u>3,176</u>
TOTAL ASSETS.....	<u>\$ 23,927</u>	<u>\$ 387,061</u>	<u>\$ 391,857</u>	<u>\$ 19,131</u>
LIABILITIES				
Due to other funds.....	\$ 2,246	\$ 1,655	\$ 725	\$ 3,176
Due to independent agencies and other governments....	11,962	135	5,315	6,782
Due to individuals.....	323	276	121	478
Deposits held in escrow.....	<u>9,396</u>	<u>390,864</u>	<u>391,565</u>	<u>8,695</u>
TOTAL LIABILITIES.....	<u>\$ 23,927</u>	<u>\$ 392,930</u>	<u>\$ 397,726</u>	<u>\$ 19,131</u>

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
 FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

	<u>BALANCE OCTOBER 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2001</u>
<u>CLERK OF THE CIRCUIT COURT</u>				
ASSETS				
Equity in cash and investments.....	\$ 14,726	\$ -	\$ 3,217	\$ 11,509
Accounts receivable.....	129	-	18	111
TOTAL ASSETS.....	<u>\$ 14,855</u>	<u>\$ -</u>	<u>\$ 3,235</u>	<u>\$ 11,620</u>
LIABILITIES				
Due to other funds.....	\$ 2,426	\$ 2,382	\$ 2,426	\$ 2,382
Due to independent agencies and other governments.....	2,483	637	-	3,120
Due to individuals.....	1,550	364	-	1,914
Deposits held in escrow.....	8,396	2,426	6618	4,204
TOTAL LIABILITIES.....	<u>\$ 14,855</u>	<u>\$ 5,809</u>	<u>\$ 9,044</u>	<u>\$ 11,620</u>
<u>PLAT DEPOSITS</u>				
ASSETS				
Equity in cash and investments.....	\$ 299	\$ 753	\$ 683	\$ 369
TOTAL ASSETS.....	<u>\$ 299</u>	<u>\$ 753</u>	<u>\$ 683</u>	<u>\$ 369</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	\$ 88	\$ 595	\$ 683	\$ -
Deposits held in escrow.....	211	753	595	369
TOTAL LIABILITIES.....	<u>\$ 299</u>	<u>\$ 1,348</u>	<u>\$ 1,278</u>	<u>\$ 369</u>
<u>DUVAL CO SCHOOL READINESS COALITION</u>				
ASSETS				
Equity in cash and investments.....	\$ -	\$ 4,968	\$ 4,581	\$ 387
TOTAL ASSETS.....	<u>\$ -</u>	<u>\$ 4,968</u>	<u>\$ 4,581</u>	<u>\$ 387</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	\$ -	\$ 6,146	\$ 5,759	\$ 387
TOTAL LIABILITIES.....	<u>\$ -</u>	<u>\$ 6,146</u>	<u>\$ 5,759</u>	<u>\$ 387</u>

(continued)

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>BALANCE OCTOBER 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2001</u>
FLORIDA RETIREMENT SYSTEM				
ASSETS				
Equity in cash and investments.....	\$ 14	\$ 298	\$ 278	\$ 34
TOTAL ASSETS.....	<u>\$ 14</u>	<u>\$ 298</u>	<u>\$ 278</u>	<u>\$ 34</u>
LIABILITIES				
Due to independent agencies and other governments.....	\$ 14	\$ 271	\$ 251	\$ 34
TOTAL LIABILITIES.....	<u>\$ 14</u>	<u>\$ 271</u>	<u>\$ 251</u>	<u>\$ 34</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in cash and investments.....	\$ 37,829	\$ 861,516	\$ 868,235	\$ 31,110
Accounts receivable.....	197	132	136	193
Due from individuals.....	3,940	726	1,490	3,176
TOTAL ASSETS.....	<u>\$ 41,966</u>	<u>\$ 862,374</u>	<u>\$ 869,861</u>	<u>\$ 34,479</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	\$ 2,959	\$ 633,165	\$ 632,799	\$ 3,325
Due to other funds.....	4,672	4,037	3,151	5,558
Due to independent agencies and other governments.....	14,459	1,043	5,566	9,936
Due to individuals.....	1,873	640	121	2,392
Deposits held in escrow.....	18,003	394,043	398,778	13,268
TOTAL LIABILITIES.....	<u>\$ 41,966</u>	<u>\$ 1,032,928</u>	<u>\$ 1,040,415</u>	<u>\$ 34,479</u>

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
NONEXPENDABLE TRUST FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>TOTALS</u>	
	<u>2001</u>	<u>2000</u>
OPERATING ACTIVITIES:		
OPERATING INCOME.....	\$ 8	\$ 11
Change in assets and liabilities:		
Increase (decrease) in accounts payable and accrued expenses.....	(1)	1
Interest on investments.....	(16)	(19)
TOTAL ADJUSTMENTS.....	<u>(17)</u>	<u>(18)</u>
NET CASH USED IN OPERATING ACTIVITIES.....	<u>(9)</u>	<u>(7)</u>
INVESTING ACTIVITIES:		
Interest on investments.....	16	19
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>16</u>	<u>19</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	7	12
Cash and cash equivalents at October 1.....	311	299
Cash and cash equivalents at September 30.....	<u>\$ 318</u>	<u>\$ 311</u>
CLASSIFIED AS:		
Current Assets.....	\$ 318	\$ 311
TOTAL.....	<u>\$ 318</u>	<u>\$ 311</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Change in the fair value of investments.....	(\$ 1)	\$ -
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>(\$ 1)</u>	<u>\$ -</u>

See accompanying independent auditors' report.



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GENERAL FIXED ASSET ACCOUNT GROUP

The General Fixed Asset Account Group is maintained to account for fixed assets acquired or constructed for use by the City, other than those accounted for in proprietary and fiduciary funds.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY SOURCE (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>BALANCE OCTOBER 1, 2000</u>	<u>ADDITIONS</u>	<u>RETIREMENTS AND OTHER DELETIONS</u>	<u>RECLASSIFICATION*</u>	<u>BALANCE SEPTEMBER 30, 2001</u>
GENERAL FIXED ASSETS:					
Land.....	\$ 98,883	\$ 19,243	\$ 4,943	\$ -	\$ 113,183
Buildings and improvements.....	463,002	3,937	-	-	466,939
Furniture and equipment.....	53,034	5,021	4,578	-	53,477
TOTAL GENERAL FIXED ASSETS...	<u>\$ 614,919</u>	<u>\$ 28,201</u>	<u>\$ 9,521</u>	<u>\$ -</u>	<u>\$ 633,599</u>
INVESTMENT IN GENERAL FIXED ASSETS FROM:					
Current revenue.....	\$ 225,632	\$ 3,486	\$ 6,397	\$ -	\$ 222,721
Bond proceeds.....	292,662	21,023	1,497	71,263	383,451
Federal grants.....	94,521	3,692	1,585	(71,263)	25,365
Gifts.....	2,104	-	42	-	2,062
TOTAL INVESTMENT IN GENERAL FIXED ASSETS.....	<u>\$ 614,919</u>	<u>\$ 28,201</u>	<u>\$ 9,521</u>	<u>\$ -</u>	<u>\$ 633,599</u>

* Reclassification of Investment Source of General Fixed Assets

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY (in thousands)
AS OF SEPTEMBER 30, 2001

FUNCTION AND ACTIVITY :	Land	Building & Improvements	Furniture & Equipment	TOTAL
GENERAL GOVERNMENT				
Legislative	\$ -	\$ -	\$ 1,321	\$ 1,321
Executive	-	-	234	234
Financial and Administrative	3,050	28,339	3,574	34,963
Comprehensive Planning	-	-	631	631
Pension Benefits	-	469	128	597
Other General Governmental Services	2,676	13,834	886	17,396
TOTAL GENERAL GOVERNMENT	5,726	42,642	6,774	55,142
PUBLIC SAFETY				
Law Enforcement	5,993	92,812	14,103	112,908
Fire Control	1,196	14,405	3,654	19,255
Detention and/or Correction	-	-	404	404
Protective Inspection	-	232,243	486	232,729
Emergency and Disaster Relief Services	-	256	751	1,007
Ambulance and Rescue Services	-	-	3,912	3,912
Medical Examiners	-	-	364	364
Consumers Affairs	-	-	45	45
Other Public Safety	-	-	7	7
TOTAL PUBLIC SAFETY	7,189	339,716	23,726	370,631
PHYSICAL ENVIRONMENT				
Conservation and Resource Management	-	-	4,211	4,211
Other Physical Environment	381	-	514	895
TOTAL PHYSICAL ENVIRONMENT	381	-	4,725	5,106
TRANSPORTATION				
Road and Streets Facilities	-	-	943	943
Other Transportation Services	-	-	8	8
TOTAL TRANSPORTATION	-	-	951	951
ECONOMIC ENVIRONMENT				
Employment Opportunity and Development	-	-	50	50
Industry Development	1,686	-	279	1,965
Veterans Services	-	-	109	109
Housing and Urban Development	2,601	-	1,024	3,625
Other Economic Environment	-	-	2,629	2,629
TOTAL ECONOMIC ENVIRONMENT	4,287	-	4,091	8,378
HUMAN SERVICES				
Health	-	13,725	2,493	16,218
Mental Health	-	-	233	233
Developmental Disabilities	-	-	41	41
Other Human Services	-	749	1,252	2,001
TOTAL HUMAN SERVICES	-	14,474	4,019	18,493
CULTURE AND RECREATION				
Libraries	6,040	285	2,667	8,992
Parks and Recreation	33,564	22,980	3,221	59,765
Special Events	-	-	77	77
Special Recreation Facilities	-	-	24	24
TOTAL CULTURE AND RECREATION	39,604	23,265	5,989	68,858
GENERAL ADMINISTRATION (COURT-RELATED)				
State Attorney Administration	-	-	125	125
Clerk of Court Administration	-	12,282	1,680	13,962
Court Administration	-	-	1,378	1,378
Information System (Court Related)	-	1,911	18	1,929
Public Law Library	-	-	1	1
TOTAL GENERAL ADMIN. (COURT-RELATED)	-	14,193	3,202	17,395
OTHER UNCLASSIFIED	55,996	32,649	-	88,645
TOTAL GENERAL FIXED ASSETS	\$ 113,183	\$ 466,939	\$ 53,477	\$ 633,599

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

FUNCTION AND ACTIVITY :	Balance October 1, 2000	Additions	Retirements and Other Deletions	Balance September 30, 2001
GENERAL GOVERNMENT				
Legislative	\$ 1,273	\$ 64	\$ 16	\$ 1,321
Executive	229	5	-	234
Financial and Administrative	34,775	229	41	34,963
Comprehensive Planning	609	21	-	630
Pension Benefits	597	-	-	597
Other General Governmental Services	14,581	2,998	182	17,397
TOTAL GENERAL GOVERNMENT	52,064	3,317	239	55,142
PUBLIC SAFETY				
Law Enforcement	111,003	3,166	1,261	112,908
Fire Control	18,064	1,190	-	19,254
Detention and/or Correction	332	72	-	404
Protective Inspection	232,670	60	-	232,730
Emergency and Disaster Relief Services	371	636	-	1,007
Ambulance and Rescue Services	3,818	94	-	3,912
Medical Examiners	354	10	-	364
Consumers Affairs	45	-	-	45
Other Public Safety	7	-	-	7
TOTAL PUBLIC SAFETY	366,664	5,228	1,261	370,631
PHYSICAL ENVIRONMENT				
Conservation and Resource Management	4,061	150	-	4,211
Other Physical Environment	524	381	10	895
TOTAL PHYSICAL ENVIRONMENT	4,585	531	10	5,106
TRANSPORTATION				
Road and Streets Facilities	927	43	27	943
Other Transportation Services	8	-	-	8
TOTAL TRANSPORTATION	935	43	27	951
ECONOMIC ENVIRONMENT				
Employment Opportunity and Development	21	29	-	50
Industry Development	290	1,686	11	1,965
Veterans Services	109	-	-	109
Housing and Urban Development	3,566	72	13	3,625
Other Economic Environment	2,625	4	-	2,629
TOTAL ECONOMIC ENVIRONMENT	6,611	1,791	24	8,378
HUMAN SERVICES				
Health	15,294	924	-	16,218
Mental Health	181	52	-	233
Developmental Disabilities	41	-	-	41
Other Human Services	1,086	915	-	2,001
TOTAL HUMAN SERVICES	16,602	1,891	-	18,493
CULTURE AND RECREATION				
Libraries	4,199	4,930	137	8,992
Parks and Recreation	54,474	10,234	4,943	59,765
Special Events	77	-	-	77
Special Recreation Facilities	24	-	-	24
TOTAL CULTURE AND RECREATION	58,774	15,164	5,080	68,858
GENERAL ADMINISTRATION (COURT-RELATED)				
State Attorney Administration	125	-	-	125
Clerk of Court Administration	13,750	212	-	13,962
Court Administration	1,372	6	-	1,378
Information System (Court Related)	1,911	18	-	1,929
Public Law Library	1	-	-	1
TOTAL GENERAL ADMIN. (COURT-RELATED)	17,159	236	-	17,395
OTHER UNCLASSIFIED	91,525	-	2,880	88,645
TOTAL GENERAL FIXED ASSETS	\$ 614,919	\$ 28,201	\$ 9,521	\$ 633,599

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

The General Long-Term Obligations Account Group accounts for unmatured principal of bonds, notes and other forms of long-term indebtedness which are not accounted for in proprietary or fiduciary funds.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF GENERAL
LONG-TERM OBLIGATIONS (in thousands)
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2001, and 2000

	<u>2001</u>	<u>2000</u>
Amount Available for the Retirement of General Long-Term Obligations:		
Special bonded debt obligations.....	\$ 46,900	\$ 46,324
Special bonded debt obligations - BJP.....	41,225	-
Non-Bonded debt obligations.....	<u>259</u>	<u>1,046</u>
Total Available.....	<u>88,384</u>	<u>47,370</u>
Amount to be Provided for the Retirement of General Long-Term Obligations:		
General Fund.....	651,279	680,827
Tax Increment Districts.....	9,495	11,219
Sports, Convention and Tourism Development.....	109,962	111,260
Transportation.....	175,574	-
Better Jax Trust Fund.....	<u>180,910</u>	<u>-</u>
Total to be Provided.....	<u>1,127,220</u>	<u>803,306</u>
TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED.....	<u>\$ 1,215,604</u>	<u>\$ 850,676</u>
GENERAL LONG-TERM OBLIGATIONS:		
Due to component units.....	\$ 400	\$ 800
Accrued compensated absences.....	54,264	53,017
Commercial paper notes.....	60,000	60,000
General obligation bonds payable.....	1,195	1,755
Special obligation bonds payable.....	689,010	718,300
Special obligation bonds payable - BJP.....	397,710	-
Notes payable.....	13,025	16,565
Capitalized lease obligations.....	<u>-</u>	<u>239</u>
TOTAL GENERAL LONG-TERM OBLIGATIONS.....	<u>\$ 1,215,604</u>	<u>\$ 850,676</u>

SUPPLEMENTAL INFORMATION

The Supplemental Information provided herein contains schedules of the Debt Service Funds bonded indebtedness and debt service requirements detail.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands)
SEPTEMBER 30, 2001

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
GENERAL OBLIGATION BONDS PAYABLE			
FROM AD VALOREM TAXES:			
Duval County Certificates of Indebtedness of 1972.....	4.50 - 5.25%	4/1; 10/1	10/01/72
TOTAL PAYABLE FROM AD VALOREM TAXES.....			
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE			
SOURCES OTHER THAN AD VALOREM TAXES:			
Excise Taxes Revenue Refunding Bonds, Series 1991.....	6.30 %	4/1; 10/1	08/13/91
Excise Taxes Revenue Refunding Bonds, Series 1992.....	6.00 - 6.50 %	4/1; 10/1	02/25/92
Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A.....	5.40 - 5.90 %	4/1; 10/1	09/17/92
Excise Taxes Revenue Bonds, Series 1993.....	5.00 - 6.30 %	4/1; 10/1	02/23/93
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	4.70 - 5.375%	4/1; 10/1	08/11/93
Capital Improvement Revenue Bonds, Series 1994.....	5.05 - 5.875%	4/1; 10/1	08/17/94
Sunshine State Governmental Finance Commission Bonds, Series 1994.....	9.20 % (1)	Monthly	08/24/94
Capital Improvement Revenue Bonds, Series 1995.....	5.00 - 5.875%	4/1; 10/1	03/14/95
Sales Tax Revenue Bonds, Series 1995.....	5.00 - 6.00 %	4/1; 10/1	06/28/95
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.875 - 5.125%	4/1; 10/1	01/04/96
Guaranteed Entitlement Revenue Refunding Bonds, Series 1995A.....	4.40 %	4/1; 10/1	11/29/95
Sunshine State Governmental Finance Commission Bonds, Series 1995A.....	4.75 - 5.65 %	4/1; 10/1	10/05/95
Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT)....	4.60 - 5.75 %	4/1; 10/1	10/05/95
Sales Tax Revenue Bonds, Series 1996.....	4.35 - 5.50 %	4/1; 10/1	01/07/97
Excise Taxes Revenue Bonds, Series 1996B	4.75 - 4.90 %	4/1; 10/1	11/05/96
Excise Taxes Revenue Bonds, Series 1996C	4.35 - 4.85 %	4/1; 10/1	11/05/96
Capital Improvement Revenue Bonds, Series 1997.....	4.20 - 5.25 %	4/1; 10/1	03/11/97
Capital Project Revenue Bonds, Series 1997-1.....	7.81 % (1)	Monthly	01/22/98
Capital Project Revenue Bonds, Series 1997-2.....	8.89 % (1)	Monthly	11/04/99
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	3.90 - 5.00 %	4/1; 10/1	08/26/98
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A...	3.30 - 5.00 %	4/1; 10/1	03/09/99
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	3.00 - 5.00 %	4/1; 10/1	04/24/01
Excise Taxes Refunding Bonds, Series 2001A.....	5.00 %	4/1; 10/1	07/03/01
TOTAL PAYABLE FROM SPECIFIC REVENUE SOURCES.....			
Transportation Revenue Bonds, Series 2001.....	3.00 - 5.25 %	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	3.00 - 5.50 %	4/1; 10/1	06/05/01
TOTAL PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES.....			
TOTAL GENERAL AND SPECIAL OBLIGATION BONDS.....			

(1) The above rates represent assumed rates on variable rate debt for coverage analysis or other purposes.

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/02	<u>\$ 9,370</u>	<u>\$ 9,370</u>	<u>\$ 8,175</u>	<u>\$ 1,195</u>
	<u>9,370</u>	<u>9,370</u>	<u>8,175</u>	<u>1,195</u>
10/01/01	25,070	25,070	23,535	1,535
10/01/13	80,690	80,690	19,800	60,890
10/01/12	66,880	66,880	4,765	62,115
10/01/20	43,605	43,605	810	42,795
10/01/09	35,085	35,085	10,765	24,320
10/01/19	74,995	74,995	31,430	43,565
09/15/06	10,075	9,825	5,120	4,705
10/01/25	27,855	27,855	1,175	26,680
10/01/05	100,000	100,000	82,585	17,415
10/01/09	7,580	7,580	-	7,580
10/01/01	12,205	12,205	8,970	3,235
10/01/11	9,050	9,050	-	9,050
10/01/15	15,945	15,945	3,485	12,460
10/01/18	65,640	65,640	35,625	30,015
10/01/02	57,150	57,150	50,915	6,235
10/01/06	4,055	4,055	1,185	2,870
10/01/25	8,285	8,285	465	7,820
10/01/17	54,000	30,000	1,110	28,890
10/01/22	45,000	45,000	700	44,300
10/01/25	37,310	37,310	1,025	36,285
10/01/19	75,890	75,890	5,850	70,040
10/01/18	127,000	103,725	-	103,725
10/01/09	49,000	42,485	-	42,485
	<u>1,032,365</u>	<u>978,325</u>	<u>289,315</u>	<u>689,010</u>
10/01/31	750,000	179,280	-	179,280
10/01/30	1,500,000	218,430	-	218,430
	<u>2,250,000</u>	<u>397,710</u>	<u>0</u>	<u>397,710</u>
	<u>\$ 3,291,735</u>	<u>\$ 1,385,405</u>	<u>\$ 297,490</u>	<u>\$ 1,087,915</u>

(continued)

Unaudited - see accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)
SEPTEMBER 30, 2001

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
PAYABLE FROM ENTERPRISE FUNDS:			
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	4.70 - 5.375%	4/1; 10/1	08/11/93
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.25 - 5.125%	4/1; 10/1	01/04/96
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	4.00 - 5.00 %	4/1; 10/1	02/28/96
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B...	4.20 - 5.75 %	4/1; 10/1	09/23/99
TOTAL PAYABLE FROM ENTERPRISE FUNDS.....			
 PAYABLE FROM GENERAL REVENUE:			
U.S. Government Guaranteed Note Payable, Series 1994A (Vistakon).....	6.44 - 6.53 %	2/1; 8/1	03/02/94
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	8.24 - 9.03 %	2/1; 8/1	02/01/95
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	6.23 - 6.88 %	2/1; 8/1	12/18/96
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	6.23 - 7.03 %	2/1; 8/1	11/20/96
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	6.23 - 7.08 %	2/1; 8/1	02/19/97
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	6.23 - 6.78 %	2/1; 8/1	04/02/97
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	6.23 - 7.08 %	2/1; 8/1	10/28/97
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	6.23 - 7.03 %	2/1; 8/1	10/28/97
TOTAL PAYABLE FROM GENERAL REVENUE.....			
 TOTAL BONDED INDEBTEDNESS.....			

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/11	\$ 14,780	\$ 14,780	\$ 3,510	\$ 11,270
10/01/09	12,270	12,270	-	12,270
10/01/16	19,965	19,965	635	19,330
10/01/16	<u>40,835</u>	<u>40,835</u>	<u>720</u>	<u>40,115</u>
	<u>87,850</u>	<u>87,850</u>	<u>4,865</u>	<u>82,985</u>
08/01/03	10,000	10,000	7,000	3,000
08/01/14	3,845	3,845	155	3,690
08/01/12	1,065	1,065	265	800
08/01/15	2,850	2,850	200	2,650
08/01/16	1,700	1,700	595	1,105
08/01/10	700	700	170	530
08/01/16	775	775	35	740
08/01/15	<u>550</u>	<u>550</u>	<u>40</u>	<u>510</u>
	<u>21,485</u>	<u>21,485</u>	<u>8,460</u>	<u>13,025</u>
	<u><u>\$ 3,401,070</u></u>	<u><u>\$ 1,494,740</u></u>	<u><u>\$ 310,815</u></u>	<u><u>\$ 1,183,925</u></u>

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS
COMPARED TO CASH IN SINKING FUND
LONG-TERM OBLIGATIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

	PRINCIPAL OUTSTANDING
General Obligation Bonds Payable from Ad Valorem Taxes:	
Duval County Certificates of Indebtedness of 1972.....	\$ 1,195,000
Total.....	<u>1,195,000</u>
Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Taxes:	
Excise Taxes Revenue Refunding Bonds, Series 1991.....	1,535,000
Excise Taxes Revenue Refunding Bonds, Series 1992.....	60,890,000
Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A.....	62,115,000
Excise Taxes Revenue Refunding Bonds, Series 1993.....	42,795,140
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	24,320,000
Capital Improvement Revenue Bonds, Series 1994.....	43,565,000
Sunshine State Governmental Finance Commission Bonds, Series 1994.....	4,705,000
Capital Improvement Revenue Bonds, Series 1995.....	26,680,000
Sales Tax Revenue Bonds, Series 1995.....	17,415,000
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	7,580,000
Guaranteed Entitlement Revenue Refunding Bonds, Series 1995A.....	3,235,000
Sunshine State Governmental Finance Commission Bonds, Series 1995A.....	9,050,000
Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT).....	12,460,000
Sales Tax Revenue Bonds, Series 1996.....	30,015,000
Excise Taxes Revenue Bonds, Series 1996B.....	6,235,000
Excise Taxes Revenue Bonds, Series 1996C.....	2,870,000
Capital Improvement Revenue Bonds, Series 1997.....	7,820,000
Capital Project Revenue Bonds, Series 1997-1.....	28,890,000
Capital Project Revenue Bonds, Series 1997-2.....	44,300,000
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	36,285,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	70,040,000
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	103,725,000
Excise Taxes Refunding Bonds, Series 2001A.....	42,485,000
Total.....	<u>689,010,140</u>
Special Obligation Bonds Payable from Other Specific Revenue Source other than Ad Valorem Taxes:	
Transportation Revenue Bonds, Series 2001.....	179,280,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	218,430,000
Total.....	<u>397,710,000</u>
Payable from Enterprise Funds:	
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	11,270,000
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	12,270,000
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	19,330,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	40,115,000
Total.....	<u>82,985,000</u>
Other Long - Term Obligations:	
U.S. Government Guaranteed Note Payable, Series 1994A (Vistakon).....	3,000,000
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	3,690,000
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	800,000
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	2,650,000
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	1,105,000
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associaties).....	530,000
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	740,000
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	510,000
Total.....	<u>13,025,000</u>
Grand Total.....	<u>\$ 1,183,925,140</u>

TOTAL INTEREST TO MATURITY	TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY	CASH IN SINKING FUND	NET DEBT
\$ 56,326	\$ 1,251,326	\$ -	\$ 1,251,326
<u>56,326</u>	<u>1,251,326</u>	<u>-</u>	<u>1,251,326</u>
48,352	1,583,352	1,583,352	0
26,191,838	87,081,838	5,571,492	81,510,346
24,174,348	86,289,348	2,498,403	83,790,946
52,582,338	95,377,478	1,319,723	94,057,756
6,111,269	30,431,269	3,909,520	26,521,749
29,369,493	72,934,493	1,917,480	71,017,013
1,322,500	6,027,500	221,324	5,806,176
24,875,796	51,555,796	1,103,778	50,452,018
2,558,250	19,973,250	3,592,950	16,380,300
2,791,672	10,371,672	619,371	9,752,301
71,170	3,306,170	3,306,170	0
3,382,038	12,432,038	239,979	12,192,059
6,825,610	19,285,610	1,310,510	17,975,100
16,409,297	46,424,297	2,888,378	43,535,919
315,241	6,550,241	3,025,601	3,524,640
417,657	3,287,657	506,145	2,781,512
6,092,666	13,912,666	368,296	13,544,370
22,843,463	51,733,463	1,202,056	50,531,407
61,782,676	106,082,676	872,156	105,210,520
35,750,194	72,035,194	998,601	71,036,593
20,704,715	90,744,715	6,844,025	83,900,690
61,607,610	165,332,610	2,689,944	162,642,666
12,171,813	54,656,813	531,063	54,125,751
<u>418,400,006</u>	<u>1,107,410,146</u>	<u>47,120,316</u>	<u>1,060,289,830</u>
219,813,996	399,093,996	3,705,948	395,388,048
213,095,131	431,525,131	6,873,631	424,651,500
<u>432,909,127</u>	<u>830,619,127</u>	<u>10,579,579</u>	<u>820,039,548</u>
3,533,648	14,803,648	-	14,803,648
3,976,881	16,246,881	-	16,246,881
8,754,806	28,084,806	1,128,081	26,956,725
19,363,993	59,478,993	2,758,113	56,720,880
<u>35,629,328</u>	<u>118,614,328</u>	<u>3,886,194</u>	<u>114,728,134</u>
289,190	3,289,190	-	3,289,190
2,935,321	6,625,321	-	6,625,321
334,718	1,134,718	-	1,134,718
1,674,432	4,324,432	-	4,324,432
768,922	1,873,922	-	1,873,922
196,071	726,071	-	726,071
504,570	1,244,570	-	1,244,570
331,375	841,375	-	841,375
<u>7,034,599</u>	<u>20,059,599</u>	<u>-</u>	<u>20,059,599</u>
<u>\$ 894,029,386</u>	<u>\$ 2,077,954,526</u>	<u>\$ 61,586,089</u>	<u>\$ 2,016,368,437</u>

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES (continued)
SEPTEMBER 30, 2001

Fiscal Year	Development of Third Terminal for Operation by the Jacksonville Port Authority		To Refund Excise Taxes Revenue Refunding Bonds, Series 1987A		Superstructure Renovation of the ALLTEL Stadium	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 310,000	\$ 2,011,695	\$ 2,210,000	\$ 1,188,443	\$ 715,000	\$ 2,386,906
2003	350,000	1,994,845	2,315,000	1,080,948	785,000	2,348,639
2004	225,000	1,979,783	2,430,000	965,853	860,000	2,305,850
2005	260,000	1,966,800	2,545,000	842,693	940,000	2,258,365
2006	300,000	1,951,530	2,670,000	710,315	1,025,000	2,205,780
2007	355,000	1,933,340	2,805,000	567,931	1,625,000	2,133,418
2008	395,000	1,912,142	2,950,000	415,018	1,755,000	2,039,590
2009	445,000	1,887,980	3,115,000	253,968	1,890,000	1,936,585
2010	190,465	2,209,610	3,280,000	86,100	2,040,000	1,823,560
2011	1,076,112	3,978,963			2,200,000	1,699,775
2012	1,061,197	4,148,878			2,370,000	1,569,975
2013	1,352,429	5,042,646			2,545,000	1,434,812
2014	1,313,363	5,276,712			2,730,000	1,289,750
2015	1,288,056	5,507,019			2,930,000	1,134,100
2016	1,263,518	5,746,557			3,135,000	967,313
2017	5,360,000	1,720,975			3,615,000	781,687
2018	5,900,000	1,397,250			3,865,000	575,988
2019	6,480,000	1,041,325			4,130,000	356,125
2020	7,100,000	650,900			4,410,000	121,275
2021	7,770,000	223,388				
2022						
2023						
2024						
2025						
2026						
	<u>\$ 42,795,140</u>	<u>\$ 52,582,338</u>	<u>\$ 24,320,000</u>	<u>\$ 6,111,269</u>	<u>\$ 43,565,000</u>	<u>\$ 29,369,493</u>

Interest Rates: 5.00 - 6.30%

4.70 - 5.375%

5.05 - 5.875%

Construction of the Automated Skyway Express River Crossing Leg		Superstructure Renovation of the ALLTEL Stadium		River City Renaissance Projects	
Sunshine State Governmental Finance Commission Bonds, Series 1994		Capital Improvement Revenue Bonds, Series 1995		Sales Tax Revenue Bonds, Series 1995	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 890,000	\$ 432,860	\$ 335,000	\$ 1,529,181	\$ 3,090,000	\$ 913,200
915,000	350,980	370,000	1,511,371	3,275,000	722,250
940,000	266,800	415,000	1,491,250	3,470,000	519,900
965,000	180,320	460,000	1,468,604	3,680,000	305,400
995,000	91,540	510,000	1,443,256	3,900,000	97,500
		560,000	1,415,029		
		610,000	1,383,719		
		670,000	1,348,824		
		735,000	1,309,819		
		805,000	1,266,296		
		880,000	1,218,274		
		955,000	1,165,738		
		1,040,000	1,107,731		
		1,130,000	1,043,988		
		1,230,000	974,663		
		1,320,000	899,756		
		1,345,000	821,472		
		1,370,000	741,719		
		1,400,000	660,350		
		1,430,000	577,219		
		1,455,000	492,472		
		1,485,000	406,109		
		1,510,000	318,131		
		2,210,000	208,856		
		2,450,000	71,969		
<u>\$ 4,705,000</u>	<u>\$ 1,322,500</u>	<u>\$ 26,680,000</u>	<u>\$ 24,875,796</u>	<u>\$ 17,415,000</u>	<u>\$ 2,558,250</u>

Variable Rate
Assumed at 9.20%

5.00 - 5.875%

5.00 - 6.00%

(continued)

Unaudited - see accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES (continued)
SEPTEMBER 30, 2001

Fiscal Year	Excise Taxes Revenue Bonds Series 1996C		Capital Improvement Revenue Bonds, Series 1997		Capital Project Revenue Bonds Series 1997 - 1	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 440,000	\$ 122,720	\$ 170,000	\$ 393,022	\$ 1,155,000	\$ 2,254,232
2003	455,000	103,026	175,000	385,690	1,200,000	2,166,103
2004	470,000	82,210	180,000	377,968	1,255,000	2,072,383
2005	485,000	60,241	190,000	369,827	1,305,000	1,976,186
2006	505,000	36,971	200,000	361,148	1,365,000	1,870,723
2007	515,000	12,489	210,000	351,817	1,430,000	1,765,841
2008			215,000	341,935	1,495,000	1,654,158
2009			230,000	331,363	1,565,000	1,538,814
2010			240,000	319,962	1,640,000	1,413,869
2011			250,000	307,833	1,720,000	1,287,088
2012			265,000	294,825	1,805,000	1,152,756
2013			275,000	280,986	1,895,000	1,012,717
2014			290,000	266,365	1,995,000	862,991
2015			305,000	250,819	2,095,000	707,977
2016			320,000	234,412	2,205,000	544,357
2017			340,000	217,087	2,320,000	372,489
2018			355,000	198,844	2,445,000	190,779
2019			375,000	179,681		
2020			395,000	159,469		
2021			415,000	138,206		
2022			435,000	115,894		
2023			460,000	92,400		
2024			485,000	67,594		
2025			510,000	41,475		
2026			535,000	14,044		
	<u>\$ 2,870,000</u>	<u>\$ 417,657</u>	<u>\$ 7,820,000</u>	<u>\$ 6,092,666</u>	<u>\$ 28,890,000</u>	<u>\$ 22,843,463</u>

Interest Rates: 4.35 - 4.85%

4.20 - 5.25%

Variable Rate
Assumed at 7.81%

Drainage and General Capital Programs		To Refund a Portion of Capital Improvement Revenue Bonds, Series 1994		To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1988A and 1991 and Preservation and Recreational Programs	
Capital Project Revenue Bonds Series 1997 - 2		Capital Improvement and Refunding Revenue Bonds, Series 1998		Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 800,000	\$ 3,934,644	\$ 140,000	\$ 1,714,473	\$ 5,370,000	\$ 2,859,445
800,000	3,867,150	145,000	1,708,842	7,185,000	2,645,102
800,000	3,796,030	155,000	1,702,843	7,435,000	2,389,252
900,000	3,728,340	160,000	1,696,462	7,690,000	2,066,890
900,000	3,641,544	165,000	1,689,718	8,075,000	1,721,215
1,000,000	3,564,890	175,000	1,682,577	7,385,000	1,383,165
1,000,000	3,475,990	180,000	1,675,078	3,670,000	1,125,140
1,100,000	3,390,209	190,000	1,667,167	3,815,000	975,440
1,100,000	3,286,271	195,000	1,658,793	1,410,000	870,940
1,200,000	3,191,510	205,000	1,649,890	1,465,000	811,608
1,200,000	3,084,830	215,000	1,640,332	1,530,000	747,965
1,300,000	2,980,892	225,000	1,630,100	1,590,000	680,473
1,400,000	2,859,944	235,000	1,619,231	1,665,000	608,030
1,400,000	2,738,120	245,000	1,607,525	1,740,000	530,548
1,500,000	2,613,660	260,000	1,594,900	1,820,000	447,758
1,600,000	2,482,594	270,000	1,581,650	1,905,000	359,744
1,700,000	2,335,917	285,000	1,567,775	1,995,000	264,625
4,400,000	2,186,940	300,000	1,553,150	2,095,000	162,375
4,600,000	1,795,780	315,000	1,538,169	2,200,000	55,000
4,900,000	1,388,117	5,035,000	1,411,106		
5,200,000	950,354	5,330,000	1,164,937		
5,500,000	488,950	5,640,000	904,400		
		5,970,000	628,663		
		5,640,000	352,925		
		4,610,000	109,488		
<u>\$ 44,300,000</u>	<u>\$ 61,782,676</u>	<u>\$ 36,285,000</u>	<u>\$ 35,750,194</u>	<u>\$ 70,040,000</u>	<u>\$ 20,704,715</u>

Variable Rate
Assumed at 8.89%

3.90 - 5.00%

3.30 - 5.00%

(continued)

Unaudited - see accompanying independent auditors' report.

To Partially Refund Excise Taxes Revenue Bonds, Series 1991A		To Partially Refund Excise Taxes Revenue Bonds, Series 1991B and Construction of Trail Ridge Landfill		
Excise Taxes Revenue Refunding Bonds, Series 1996A		Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B		Total Principal And Interest
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
\$ 660,000	\$ 922,962	\$ 1,735,000	\$ 2,009,790	\$ 7,404,647
695,000	895,863	1,805,000	1,934,548	7,681,991
930,000	862,781	1,885,000	1,855,212	7,889,590
970,000	822,987	1,970,000	1,771,345	7,886,834
1,010,000	774,600	2,055,000	1,681,768	7,879,834
1,065,000	717,538	2,145,000	1,585,927	8,838,859
1,120,000	662,490	2,245,000	1,483,005	10,027,014
1,175,000	609,117	2,355,000	1,372,283	10,021,571
1,230,000	551,985	2,465,000	1,253,255	10,022,327
1,285,000	490,983	2,590,000	1,120,405	6,827,450
1,350,000	425,750	2,730,000	974,105	6,819,111
1,420,000	356,500	2,880,000	816,230	5,472,730
1,490,000	283,750	3,050,000	645,742	5,469,492
1,565,000	207,375	3,220,000	471,115	5,463,490
1,645,000	127,125	3,400,000	290,675	5,462,800
1,720,000	43,000	3,585,000	98,588	5,446,588
<u>\$ 19,330,000</u>	<u>\$ 8,754,806</u>	<u>\$ 40,115,000</u>	<u>\$ 19,363,993</u>	<u>\$ 118,614,328</u>

4.00 - 5.50%

4.20 - 5.75%

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
PAYABLE FROM GENERAL REVENUE
SEPTEMBER 30, 2001**

Fiscal Year	U.S. Government Guaranteed Note Payable, Series 1994A		U.S. Government Guaranteed Note Payable, Series 1995		U.S. Government Guaranteed Note Payable, Series 1996	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 1,550,000	\$ 194,505	\$ 75,000	\$ 324,344	\$ 65,000	\$ 52,551
2003	1,450,000	94,685	80,000	318,165	65,000	48,501
2004			115,000	311,548	65,000	44,399
2005			150,000	302,073	65,000	40,266
2006			170,000	289,487	70,000	36,099
2007			235,000	275,089	75,000	31,577
2008			285,000	254,949	75,000	26,709
2009			335,000	230,239	80,000	21,752
2010			385,000	200,860	80,000	16,392
2011			420,000	166,749	80,000	10,968
2012			455,000	129,327	80,000	5,504
2013			500,000	88,696		
2014			485,000	43,795		
2015						
2016						
	<u>\$ 3,000,000</u>	<u>\$ 289,190</u>	<u>\$ 3,690,000</u>	<u>\$ 2,935,321</u>	<u>\$ 800,000</u>	<u>\$ 334,718</u>

Interest Rates:	6.44 - 6.53% (Taxable)	8.24 - 9.03% (Taxable)	6.23 - 6.88% (Taxable)
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HUD Section 108 Program Loan for Hilton Hotel Project		HUD Section 108 Program Loan for LaVilla Project		HUD Section 108 Program Loan for HTV Associates Project	
U.S. Government Guaranteed Note Payable, Series 1996-B		U.S. Government Guaranteed Note Payable, Series 1997		U.S. Government Guaranteed Note Payable, Series 1997	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 70,000	\$ 178,969	\$ 25,000	\$ 75,167	\$ 45,000	\$ 34,590
80,000	174,609	30,000	73,609	50,000	31,787
90,000	169,560	35,000	71,717	50,000	28,631
105,000	163,837	40,000	69,490	50,000	25,452
140,000	157,106	45,000	66,927	50,000	22,246
160,000	148,062	55,000	64,019	50,000	19,017
175,000	137,678	60,000	60,450	55,000	15,771
195,000	126,110	60,000	56,484	85,000	12,136
215,000	113,046	70,000	52,464	95,000	6,441
250,000	98,468	90,000	47,718		
275,000	81,394	100,000	41,571		
295,000	62,473	110,000	34,691		
300,000	42,030	125,000	27,068		
300,000	21,090	130,000	18,343		
		130,000	9,204		
<u>\$ 2,650,000</u>	<u>\$ 1,674,432</u>	<u>\$ 1,105,000</u>	<u>\$ 768,922</u>	<u>\$ 530,000</u>	<u>\$ 196,071</u>

6.23 - 7.03%
(Taxable)

6.23 - 7.08%
(Taxable)

6.23 - 6.78%
(Taxable)

(continued)

Unaudited - see accompanying independent auditors' report.



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**CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION
SEPTEMBER 30, 2001**

Pledged Revenue for the Fiscal Year Ended September 30

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 53,189,883	\$ 57,609,792	\$ 61,775,050
7th Cent Gasoline Tax:			
7th Cent Gasoline Tax	\$ 2,670,932	\$ 2,814,214	\$ 3,231,997
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	\$ 4,136,209	\$ 4,408,422	\$ 4,633,183
Peoples Gas	1,091,841	1,135,414	1,120,391
Telecommunications Tax	17,387,934	19,370,288	23,013,866
JEA (2)	37,217,093	39,972,094	40,051,957
Miscellaneous	3,183,882	3,217,673	2,764,122
Total Utilities Service Tax	<u>63,016,959</u>	<u>68,103,891</u>	<u>71,583,519</u>
Fuel Oil Tax	212,660	237,661	232,255
Occupational License Taxes	6,394,220	6,522,655	6,674,579
Total Excise Tax Pledged Revenues	<u>\$ 69,623,839</u>	<u>\$ 74,864,207</u>	<u>\$ 78,490,353</u>
Junior Lien Excise Taxes:			
Total Excise Taxes	\$ 69,623,839	\$ 74,864,207	\$ 78,490,353
Net Parking Garage Revenues	-	-	-
Total Junior Lien Excise Tax Revenues	<u>\$ 69,623,839</u>	<u>\$ 74,864,207</u>	<u>\$ 78,490,353</u>
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	\$ 867,108	\$ 824,720	\$ 729,692
Southern Bell	2,459,832	2,731,112	2,835,185
Cable Television	2,732,213	2,902,976	2,904,064
Total Franchise Fees	<u>6,059,153</u>	<u>6,458,808</u>	<u>6,468,941</u>
Sports Facility Sales Tax Rebate	2,166,581	1,999,944	1,999,944
Convention Development Tax (2%)	2,542,967	2,883,981	3,058,553
Sports Facility Tourist Development Tax (2%)	2,739,428	3,094,453	3,285,332
Total Sports Facility Capital Improvements Pledged Revenues	<u>\$ 13,341,432</u>	<u>\$ 14,437,186</u>	<u>\$ 14,812,770</u>

(1) Recognition of revenue per GASB 33.

(2) Variance between 2000 and 2001 financial statements due to incorrect recognition of revenue.

<u>2000</u>	<u>2001</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 67,373,395	\$ 67,487,001	\$ 19,661,848	3.44 x	1.35 x
\$ 3,447,789	\$ 3,469,260	\$ 1,322,860	2.63 x	1.50 x
\$ 4,878,361	\$ 4,890,098			
1,068,503	904,315			
23,894,566	26,267,409			
40,965,363	43,336,805			
2,534,348	3,087,032			
<u>73,341,141</u>	<u>78,485,659</u>			
245,233	287,443			
6,720,992	6,910,069			
<u>\$ 80,307,366</u>	<u>\$ 85,683,171</u>	\$ 41,253,781	2.08 x	1.40 x
\$ 80,307,366	\$ 85,683,171			
-	-			
<u>\$ 80,307,366</u>	<u>\$ 85,683,171</u>	\$ 41,253,781	2.08 x	1.25 x
\$ 665,978	\$ 1,012,176			
3,405,328	3,524,759			
3,127,769	3,309,345			
<u>7,199,075</u>	<u>7,846,280</u>			
1,999,944	1,833,292			
3,134,146	3,474,960			
3,365,147	3,737,587			
<u>\$ 15,698,312</u>	<u>\$ 16,892,119</u>	\$ 9,025,180	1.88 x	1.35 x

(continued)

Unaudited - see accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION (continued)
SEPTEMBER 30, 2001

Pledged Revenue for the Fiscal Year Ended September 30

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Guaranteed Entitlement Revenues:			
County Revenue Sharing:			
Cigarette Tax	\$ 660,771	\$ 742,319	\$ 705,953
Intangible Tax (1)	17,167,089	21,322,225	22,025,365
Sales Tax (1)	-	-	-
County Total	<u>\$ 17,827,860</u>	<u>\$ 22,064,544</u>	<u>\$ 22,731,318</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>8.92 x</u>	<u>11.04 x</u>	<u>11.37 x</u>
City Revenue Sharing:			
Cigarette Tax (2)	\$ 9,864,797	\$ 10,169,136	\$ 9,366,612
Sales and Use Tax (2)	-	-	-
City Total	<u>\$ 9,864,797</u>	<u>\$ 10,169,136</u>	<u>\$ 9,366,612</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>1.69 x</u>	<u>1.75 x</u>	<u>1.61 x</u>
Aggregate City / County Guaranteed	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>
Statewide Revenue Sharing - Counties:			
Intangible Tax (1)	\$ 302,454,662	\$ 380,824,284	\$ 409,844,667
Cigarette Tax	11,271,362	11,875,417	10,494,872
Sales Tax (1)	-	-	-
Total Receipts	<u>\$ 313,726,024</u>	<u>\$ 392,699,701</u>	<u>\$ 420,339,539</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>3.30 x</u>	<u>4.13 x</u>	<u>4.42 x</u>
Statewide Revenue Sharing - Municipalities:			
Cigarette Tax (2)	\$ 125,928,324	\$ 132,677,078	\$ 127,545,634
8th Cent Motor Fuel Tax	72,220,880	74,511,080	76,852,577
Special Tax and Alternative Fuel User Decal Fee	1,055,508	438,636	736,176
Sales and Use Tax (2)	-	-	-
Total Receipts	<u>\$ 199,204,712</u>	<u>\$ 207,626,794</u>	<u>\$ 205,134,387</u>
Guaranteed Entitlement for all Florida Municipalities	<u>\$ 110,811,385</u>	<u>\$ 110,811,385</u>	<u>\$ 112,261,230</u>
Average Coverage - All Florida Municipalities	<u>1.80 x</u>	<u>1.87 x</u>	<u>1.83 x</u>

(1) Prior to July 1, 2000 intangible tax revenues, not Sales Tax, funded the State Revenue Sharing Trust Fund for Counties.

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

<u>2000</u>	<u>2001</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 673,724	\$ 596,894			
19,509,391	-			
-	16,718,361			
\$ 20,183,115	\$ 17,315,255			
\$ 1,999,042	\$ 1,999,042			
10.10 x	8.66 x			
\$ 9,803,251	\$ -			
-	10,404,649			
\$ 9,803,251	\$ 10,404,649			
\$ 5,826,077	\$ 5,826,077			
1.68 x	1.79 x			
\$ 7,825,119	\$ 7,825,119	\$ 7,527,590	1.04 x	1.10 x
\$ 355,976,483	\$ -			
12,117,511	11,149,461			
-	306,361,416			
\$ 368,093,994	\$ 317,510,877			
\$ 95,086,330	\$ 95,086,330			
3.88 x	3.34 x			
\$ 123,878,513	\$ -			
80,870,856	80,474,387			
1,028,891	1,060,517			
-	145,896,115			
\$ 205,778,260	\$ 227,431,019			
\$ 112,261,230	\$ 112,304,159			
1.84 x	2.03 x			

Unaudited - see accompanying independent auditors' report.



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STATISTICAL SECTION

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

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

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

	<u>2001</u>	<u>%</u>	<u>2000</u>	<u>%</u>	<u>1999</u>	<u>%</u>	<u>1998</u>	<u>%</u>
SOURCE								
Taxes.....	\$ 507,253	58.63	\$ 464,004	57.31	\$ 425,912	58.28	\$ 406,372	57.60
Licenses and Permits.....	14,806	1.71	13,970	1.73	13,194	1.81	13,028	1.85
Intergovernmental.....	210,053	24.28	202,150	24.97	182,543	24.98	166,477	23.60
Charges for Services.....	68,394	7.91	62,302	7.70	55,275	7.56	57,652	8.17
Fines and Forfeitures.....	10,415	1.20	9,938	1.22	8,948	1.21	9,914	1.40
Payment in Lieu of Taxes.....	3,344	0.39	3,583	0.44	3,799	0.52	3,904	0.55
Interest.....	29,496	3.41	29,864	3.69	22,373	3.06	22,055	3.13
Other.....	<u>21,361</u>	<u>2.47</u>	<u>23,790</u>	<u>2.94</u>	<u>18,820</u>	<u>2.58</u>	<u>26,068</u>	<u>3.70</u>
Total General Governmental Revenue....	<u>\$ 865,122</u>	<u>100.00</u>	<u>\$ 809,601</u>	<u>100.00</u>	<u>\$ 730,864</u>	<u>100.00</u>	<u>\$ 705,470</u>	<u>100.00</u>

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

<u>1997</u>	<u>%</u>	<u>1996</u>	<u>%</u>	<u>1995</u>	<u>%</u>	<u>1994</u>	<u>%</u>	<u>1993</u>	<u>%</u>	<u>1992</u>	<u>%</u>
\$ 378,665	56.87	\$ 370,590	59.11	\$ 349,208	58.34	\$ 329,993	59.83	\$ 319,032	56.04	\$ 301,666	55.04
12,499	1.88	12,129	1.93	11,592	1.94	11,442	2.07	11,377	2.00	11,246	2.05
149,095	22.39	148,789	23.74	143,141	23.91	132,535	24.03	162,282	28.51	149,613	27.30
55,209	8.29	51,192	8.17	50,644	8.46	45,725	8.29	44,387	7.80	41,289	7.53
7,485	1.12	6,521	1.04	6,380	1.07	7,232	1.31	5,917	1.04	6,782	1.24
4,027	0.60	4,275	0.68	3,612	0.60	3,808	0.69	4,134	0.73	4,991	0.91
18,900	2.84	19,217	3.07	22,153	3.70	12,717	2.31	13,188	2.32	15,648	2.86
<u>39,992</u>	<u>6.01</u>	<u>14,161</u>	<u>2.26</u>	<u>11,825</u>	<u>1.98</u>	<u>8,089</u>	<u>1.47</u>	<u>8,893</u>	<u>1.56</u>	<u>16,818</u>	<u>3.07</u>
<u>\$ 665,872</u>	<u>100.00</u>	<u>\$ 626,874</u>	<u>100.00</u>	<u>\$ 598,555</u>	<u>100.00</u>	<u>\$ 551,541</u>	<u>100.00</u>	<u>\$ 569,210</u>	<u>100.00</u>	<u>\$ 548,053</u>	<u>100.00</u>

Unaudited - see accompanying independent auditors' report.

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

	<u>2001</u>	<u>%</u>	<u>2000</u>	<u>%</u>	<u>1999</u>	<u>%</u>	<u>1998</u>	<u>%</u>
FUNCTIONAL AREA								
General Government.....	\$ 100,232	10.59	\$ 92,281	11.03	\$ 85,213	11.07	\$ 85,213	11.51
Human Services.....	90,601	9.57	81,451	9.73	75,358	9.79	71,290	9.63
Public Safety.....	311,732	32.93	298,131	35.61	276,361	35.88	267,017	36.04
Culture and Recreation.....	44,018	4.65	40,725	4.87	38,350	4.98	36,202	4.89
Transportation.....	110,765	11.70	119,741	14.31	110,019	14.29	106,854	14.43
Economic Environment.....	57,411	6.06	43,296	5.17	44,555	5.79	40,663	5.49
Physical Environment.....	21,346	2.25	15,352	1.83	13,891	1.80	11,812	1.60
Debt Service.....	73,670	7.78	70,451	8.42	64,443	8.37	59,147	7.99
Capital Outlay.....	<u>136,910</u>	<u>14.47</u>	<u>75,548</u>	<u>9.03</u>	<u>61,826</u>	<u>8.03</u>	<u>62,330</u>	<u>8.42</u>
Total General Governmental Expenditures.....	<u>\$ 946,685</u>	<u>100.00</u>	<u>\$ 836,976</u>	<u>100.00</u>	<u>\$ 770,016</u>	<u>100.00</u>	<u>\$ 740,528</u>	<u>100.00</u>

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

<u>1997</u>	<u>%</u>	<u>1996</u>	<u>%</u>	<u>1995</u>	<u>%</u>	<u>1994</u>	<u>%</u>	<u>1993</u>	<u>%</u>	<u>1992</u>	<u>%</u>
\$ 75,064	9.37	\$ 69,054	9.45	\$ 69,527	8.42	\$ 65,120	10.23	\$ 63,882	10.14	\$ 58,622	10.04
63,071	7.88	59,991	8.21	53,866	6.53	50,768	7.47	51,993	8.26	48,571	8.32
257,565	32.17	243,139	33.26	232,820	28.20	218,350	31.49	204,971	32.53	192,443	32.98
36,413	4.55	33,854	4.63	34,263	4.15	32,490	4.78	30,264	4.81	28,289	4.85
106,943	13.36	103,606	14.17	102,145	12.37	100,169	14.74	99,915	15.86	98,072	16.80
43,215	5.40	39,899	5.46	40,937	4.96	42,776	6.29	75,008	11.91	82,506	14.13
15,220	1.90	15,937	2.18	16,180	1.96	21,099	3.10	18,235	2.90	14,267	2.44
104,298	13.03	58,145	7.95	78,635	9.53	39,871	5.87	36,380	5.78	41,102	7.04
<u>98,830</u>	<u>12.34</u>	<u>107,370</u>	<u>14.69</u>	<u>197,118</u>	<u>23.88</u>	<u>108,921</u>	<u>16.03</u>	<u>49,167</u>	<u>7.81</u>	<u>19,843</u>	<u>3.40</u>
<u>\$ 800,619</u>	<u>100.00</u>	<u>\$ 730,995</u>	<u>100.00</u>	<u>\$ 825,491</u>	<u>100.00</u>	<u>\$ 679,564</u>	<u>100.00</u>	<u>\$ 629,815</u>	<u>100.00</u>	<u>\$ 583,715</u>	<u>100.00</u>

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

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Ad Valorem Taxes (1)				
General Services District.....	\$ 293,080,537	\$ 278,501,775	\$ 266,765,762	\$ 255,789,300
Urban Services District.....	-	-	24,024	1,887,009
Tax Increment District.....	6,251,919	4,263,409	5,441,737	3,996,224
Total Ad Valorem Taxes.....	<u>299,332,456</u>	<u>282,765,184</u>	<u>272,231,523</u>	<u>261,672,533</u>
Utility Service Taxes				
Fuel Oil Companies.....	287,443	245,233	232,255	237,661
City Water.....	4,890,098	4,878,361	4,633,183	4,408,512
People's Gas.....	904,315	1,068,503	1,120,391	1,135,414
Telecommunications.....	26,267,409	23,894,566	23,013,614	19,370,288
JEA.....	39,815,943	44,486,956	36,255,365	36,068,367
Others.....	3,087,032	2,534,348	2,764,122	3,217,673
Total Utility Service Taxes.....	75,252,240	77,107,967	68,018,930	64,437,915
Tourist Development Tax.....	7,477,106	6,729,490	6,570,683	6,189,018
Convention Development Tax.....	3,474,960	3,134,146	3,058,553	2,883,981
Local Option Gas Tax (2).....	25,723,304	27,408,778	24,055,882	22,948,341
Local Option Sales Tax - Transportation (3).....	57,496,406	66,858,197	51,976,595	48,240,640
Local Option Sales Tax - Infrastructure (4).....	38,496,315	-	-	-
Total Tax Revenue.....	<u>\$ 507,252,787</u>	<u>\$ 464,003,762</u>	<u>\$ 425,912,166</u>	<u>\$ 406,372,428</u>

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

Source: Tax Collector's Office

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
\$ 231,645,388	\$ 225,044,088	\$ 215,496,848	\$ 204,462,560	\$ 200,036,912	\$ 192,060,189
1,735,471	1,794,848	1,727,718	1,762,200	1,781,704	1,763,654
<u>4,569,270</u>	<u>4,355,758</u>	<u>4,662,265</u>	<u>4,627,753</u>	<u>5,872,261</u>	<u>8,080,949</u>
<u>237,950,129</u>	<u>231,194,694</u>	<u>221,886,831</u>	<u>210,852,513</u>	<u>207,690,877</u>	<u>201,904,792</u>
212,660	366,168	330,737	406,171	280,361	316,341
4,136,209	3,833,754	3,202,330	2,698,922	2,048,399	1,751,914
1,091,841	1,390,202	1,282,169	1,317,215	1,422,389	1,535,100
17,387,934	16,689,932	13,452,383	12,977,579	11,227,650	7,872,779
37,217,093	39,975,747	37,649,886	36,807,357	36,020,218	31,467,325
<u>3,183,882</u>	<u>3,329,476</u>	<u>2,975,258</u>	<u>3,172,871</u>	<u>3,349,904</u>	<u>3,284,299</u>
63,229,619	65,585,279	58,892,762	57,380,115	54,348,921	46,227,758
5,478,886	4,853,878	4,022,243	2,531,120	1,871,328	2,013,039
2,542,967	2,253,466	1,991,297	1,679,594	1,754,974	1,884,032
24,228,183	22,508,967	21,847,527	21,975,041	21,317,284	21,181,275
45,235,670	44,193,979	40,565,755	35,573,977	32,048,807	31,756,871
-	-	-	-	-	-
<u>\$ 378,665,454</u>	<u>\$ 370,590,263</u>	<u>\$ 349,206,415</u>	<u>\$ 329,992,360</u>	<u>\$ 319,032,191</u>	<u>\$ 304,967,767</u>

**CITY OF JACKSONVILLE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Year</u>		<u>Current Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>
1992	General Fund - General Services District	\$ 193,553,996	\$ 180,856,747	93.4%
	General Fund - Urban Services District	<u>1,766,042</u>	<u>1,617,332</u>	91.6%
	Totals	\$ 195,320,038	\$ 182,474,079	93.4%
1993	General Fund - General Services District	\$ 206,741,651	\$ 196,190,115	94.9%
	General Fund - Urban Services District	<u>2,029,008</u>	<u>1,893,355</u>	93.3%
	Totals	\$ 208,770,659	\$ 198,083,470	94.9%
1994	General Fund - General Services District	\$ 211,012,591	\$ 201,414,185	95.5%
	General Fund - Urban Services District	<u>1,956,505</u>	<u>1,835,711</u>	93.8%
	Totals	\$ 212,969,096	\$ 203,249,896	95.4%
1995	General Fund - General Services District	\$ 224,122,401	\$ 212,579,284	94.8%
	General Fund - Urban Services District	<u>1,948,887</u>	<u>1,821,716</u>	93.5%
	Totals	\$ 226,071,288	\$ 214,401,000	94.8%
1996	General Fund - General Services District	\$ 229,855,681	\$ 221,114,198	96.2%
	General Fund - Urban Services District	<u>1,969,347</u>	<u>1,870,103</u>	95.0%
	Totals	\$ 231,825,028	\$ 222,984,301	96.2%
1997	General Fund - General Services District	\$ 244,346,056	\$ 234,578,511	96.0%
	General Fund - Urban Services District	<u>2,022,502</u>	<u>1,893,107</u>	93.6%
	Totals	\$ 246,368,558	\$ 236,471,618	96.0%
1998	General Fund - General Services District	\$ 257,656,758	\$ 244,965,131	95.1%
	General Fund - Urban Services District	<u>2,075,611</u>	<u>1,919,421</u>	92.5%
	Totals	\$ 259,732,369	\$ 246,884,552	95.1%
1999	General Fund - General Services District	\$ 275,432,033	\$ 261,480,331	94.9%
	General Fund - Urban Services District (2)	<u>-</u>	<u>-</u>	0.0%
	Totals	\$ 275,432,033	\$ 261,480,331	94.9%
2000	General Fund - General Services District	\$ 287,849,421	\$ 274,189,507	95.3%
	General Fund - Urban Services District (2)	<u>-</u>	<u>-</u>	0.0%
	Totals	\$ 287,849,421	\$ 274,189,507	95.3%
2001	General Fund - General Services District	\$ 317,955,818	\$ 290,003,150	91.2%
	General Fund - Urban Services District (2)	<u>-</u>	<u>-</u>	0.0%
	Totals	\$ 317,955,818	\$ 290,003,150	91.2%

(1) Tax levies are final certified amounts net of discounts allowed. The discount schedule is as follows:
 For taxes paid in: November - 4%
 December - 3%
 January - 2%
 February - 1%

(2) Beginning in 1999, the amounts for USD represent delinquent collections.
 Source: Tax Collector's Office

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
\$ 11,440,526	\$ 192,297,273	99.4%	\$ 12,697,249	6.6 %
<u>142,815</u>	<u>1,760,147</u>	99.7%	<u>148,710</u>	8.4 %
\$ 11,583,341	\$ 194,057,420	99.4%	\$ 12,845,959	6.6 %
\$ 9,656,052	\$ 205,846,167	99.6%	\$ 10,551,536	5.1 %
<u>112,899</u>	<u>2,006,254</u>	98.9%	<u>135,653</u>	6.7 %
\$ 9,768,951	\$ 207,852,421	99.6%	\$ 10,687,189	5.1 %
\$ 8,159,804	\$ 209,573,990	99.3%	\$ 9,598,406	4.5 %
<u>99,170</u>	<u>1,934,882</u>	98.9%	<u>120,793</u>	6.2 %
\$ 8,258,974	\$ 211,508,872	99.3%	\$ 9,719,199	4.6 %
\$ 7,885,069	\$ 220,464,353	98.4%	\$ 11,543,117	5.2 %
<u>93,859</u>	<u>1,915,576</u>	98.3%	<u>127,171</u>	6.5 %
\$ 7,978,928	\$ 222,379,929	98.4%	\$ 11,670,288	5.2 %
\$ 8,129,025	\$ 229,243,224	99.7%	\$ 8,741,482	3.8 %
<u>94,724</u>	<u>1,964,827</u>	99.8%	<u>99,244</u>	5 %
\$ 8,223,749	\$ 231,208,051	99.7%	\$ 8,840,726	3.8 %
\$ 7,839,598	\$ 242,418,109	99.2%	\$ 9,767,546	4 %
<u>97,423</u>	<u>1,990,530</u>	98.4%	<u>129,395</u>	6.4 %
\$ 7,937,021	\$ 244,408,639	99.2%	\$ 9,896,941	4.0 %
\$ 8,950,810	\$ 253,915,941	98.5%	\$ 12,691,627	4.9 %
<u>97,861</u>	<u>2,017,282</u>	97.2%	<u>156,191</u>	7.5 %
\$ 9,048,671	\$ 255,933,223	98.5%	\$ 12,847,818	4.9 %
\$ 10,916,310	\$ 272,396,641	98.9%	\$ 13,951,702	5.1 %
<u>108,071</u>	<u>108,071</u>	0.0%	<u>-</u>	0.0 %
\$ 11,024,381	\$ 272,504,712	98.9%	\$ 13,951,702	5.1 %
\$ 8,866,740	\$ 283,056,247	98.3%	\$ 13,659,914	4.7 %
<u>12,057</u>	<u>12,057</u>	0.0%	<u>-</u>	0.0 %
\$ 8,878,797	\$ 283,068,304	98.3%	\$ 13,659,914	4.7 %
\$ 10,588,622	\$ 300,591,772	94.5%	\$ 27,952,669	8.8 %
<u>-</u>	<u>-</u>	0.0%	<u>-</u>	0.0 %
\$ 10,588,622	\$ 300,591,772	94.5%	\$ 27,952,669	8.8 %

Unaudited - see accompanying independent auditors' report.

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

<u>Year</u>	<u>Assessed Taxable Values</u>			<u>Total Taxable Property</u>	<u>Estimated Actual Values (4)</u>	<u>Ratio of Assessed to Actual Values</u>
	<u>Real Property (1)</u>	<u>Personal Property (2)</u>	<u>Centrally Assessed Property (3)</u>			
1992	\$ 15,657,898	\$ 3,061,922	\$ 73,622	\$ 18,793,442	\$ 29,754,657	63.16%
1993	15,995,946	3,238,039	72,328	19,306,313	30,648,376	62.99%
1994	16,141,786	3,321,345	65,037	19,528,168	30,750,732	63.50%
1995	16,577,725	3,553,360	70,912	20,201,997	31,944,549	63.24%
1996	17,425,021	3,947,455	75,478	21,447,954	33,474,993	64.07%
1997	18,459,034	4,137,983	85,635	22,682,652	35,304,582	64.25%
1998	19,683,790	4,230,470	124,628	24,038,888	37,202,821	64.62%
1999	21,189,061	4,414,181	138,561	25,741,803	39,448,272	65.25%
2000	22,747,401	4,517,816	108,934	27,374,151	41,803,761	65.48%
2001	24,706,692	4,700,314	138,448	29,545,454	44,158,093	66.91%

- (1) Prior to fiscal year 1981, State Homestead Exemption Laws exempted from taxation the first \$5,000 of assessed value for qualified homeowners. For 1981, the homestead exemption was increased to \$15,000; for 1982, it was increased to \$20,000; and for 1983 and subsequent years, it was increased to \$25,000.
- (2) Personal property values are also net of certain allowable exemptions - primarily for inventories (which have not been assessed since 1982) and government property.
- (3) Centrally assessed property is primarily railroad property and private car line property, which must be separately assessed.
- (4) Estimated actual values are the total "just" values or property subject to taxation, as defined by Section 193.011 of the Florida Statutes.

Source: Property Appraiser's Office

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

Year	City of Jacksonville				Other Taxing Authorities			Combined Millage Total
	District (Note 1)	Operations	Debt Service	Total	Schools	Water Management District	FIND (Note 3)	
1992	GSD(2)	11.1054	0.1722	11.2776	9.8420	0.3580	0.0530	21.5306
	USD	11.552	0.2975	11.8495	9.8420	0.3580	0.0530	22.1025
1993	GSD(2)	11.1367	0.1791	11.3158	9.8420	0.3580	0.0520	21.5678
	USD	11.5823	0.3054	11.8877	9.8420	0.3580	0.0520	22.1397
1994	GSD(2)	11.1628	0.1530	11.3158	9.8420	0.4700	0.0530	21.6808
	USD	11.6008	0.2869	11.8877	9.8420	0.4700	0.0530	22.2527
1995	GSD(2)	11.2131	0.1027	11.3158	10.3210	0.4820	0.0490	22.1678
	USD	11.6934	0.1943	11.8877	10.3210	0.4820	0.0490	22.7397
1996	GSD(2)	11.1196	0.0962	11.2158	10.3070	0.4820	0.0400	22.0448
	USD	11.6	0.1877	11.7877	10.3070	0.4820	0.0400	22.6167
1997	GSD(2)	11.0866	0.0292	11.1158	10.0670	0.4820	0.0380	21.7028
	USD	11.6417	0.0460	11.6877	10.0670	0.4820	0.0380	22.2747
1998	GSD(2)	10.9883	0.0275	11.0158	9.8750	0.4820	0.0500	21.4228
	USD	11.5602	0.0275	11.5877	9.8750	0.4820	0.0500	21.9947
1999	GSD (4)	10.8901	0.0257	10.9158	9.8560	0.4820	0.0470	21.3008
2000	GSD (4)	10.7618	0.0243	10.7861	9.3660	0.4820	0.0440	20.6781
2001	GSD (4)	10.5498	0.0225	10.5723	9.2580	0.4720	0.0410	20.3433

(1) The GSD (General Services District) millage rate is the one which applies to most taxpayers in the City of Jacksonville, and it is effectively a county-wide rate. Due to the existence of six other taxing districts, a total of seven combined millage rates apply to taxpayers within the City of Jacksonville. The two most prevalent millage rates are shown here.

The USD (Urban Services District 1) millage rates apply to the area of the preconsolidation City of Jacksonville. The millage rates shown include the GSD rate.

(2) Beginning in 1981, as the result of a double-taxation suit settlement, the four independent Urban Services Districts within Duval County began paying 18.8% less than the GSD millage rate, subject to a limit of 10.0000 mills plus debt service. Each of the four levies additional taxes for its own municipal services.

(3) Florida Inland Navigational District

(4) Beginning in 1999, the same rates apply to the consolidated City of Jacksonville.

Source: Property Appraiser's Office

**CITY OF JACKSONVILLE, FLORIDA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Year	Population (1)	Assessed Value (2)	Gross General Obligation Bonded Debt (3)	Less Respective Debt Service Funds	Net General Obligation Bonded Debt		
					Amount	Ratio to Assessed Value	Per Capita
1992	693,758	\$ 18,793,442,000	\$ 15,475,000	\$ 1,102,469	\$ 14,372,531	0.08%	20.72
1993	701,608	19,306,313,000	12,310,000	1,108,244	11,201,756	0.06%	15.97
1994	716,472	19,528,168,000	9,090,000	696,559	8,393,441	0.04%	11.71
1995	732,034	20,201,997,000	6,335,000	-	6,335,000	0.03%	8.65
1996	740,870	21,447,954,000	4,190,000	-	4,190,000	0.02%	5.66
1997	754,048	22,682,652,000	3,260,000	-	3,260,000	0.01%	4.32
1998	766,705	24,038,888,000	2,785,000	-	2,785,000	0.01%	3.63
1999	778,341	25,741,803,000	2,285,000	-	2,285,000	0.01%	2.94
2000	791,507	27,374,151,000	1,755,000	-	1,755,000	0.01%	2.22
2001	793,898	29,545,454,000	1,195,000	-	1,195,000	0.00%	1.51

- (1) Population estimates for Duval County from the University of Florida, Bureau of Economic and Business Research, as revised after the 2000 census analysis. General obligation bonded debt applies to all of Duval County.
- (2) Assessed values are the final adjusted appraisals as reported by the Duval County Property Appraiser.
- (3) Gross general obligation bonded debt represents bonds payable from ad valorem taxes only.

**CITY OF JACKSONVILLE, FLORIDA
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
 SEPTEMBER 30, 2001**

<u>Name of Governmental Agency</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Jacksonville (2)</u>	<u>City of Jacksonville's Share of Gross Debt</u>
City of Jacksonville, Florida	\$ 1,195,000	100%	\$ 1,195,000
Duval County School Board	96,840,000	100%	<u>96,840,000</u>
			<u>\$ 98,035,000</u>

- (1) The gross debt outstanding includes debt which is secured by the authority to levy taxes on real estate.
 (2) The applicable percentage is based on the municipality's geographical boundaries within Duval County.

**CITY OF JACKSONVILLE, FLORIDA
 LEGAL DEBT LIMIT
 SEPTEMBER 30, 2001**

Neither the City of Jacksonville charter or code nor the Florida State Statutes limits the amount of debt the City of Jacksonville can issue.

CITY OF JACKSONVILLE, FLORIDA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>Year</u>	<u>General Obligation Debt</u>			<u>Total General Governmental Expenditures (1) (in thousands)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
1992	\$ 3,050,000	\$ 736,235	\$ 3,786,235	\$ 583,715	0.65%
1993	3,165,000	607,645	3,772,645	629,815	0.60%
1994	3,295,000	476,449	3,771,449	679,564	0.55%
1995	2,755,000	357,992	3,112,992	825,491	0.38%
1996	2,145,000	260,424	2,405,424	730,995	0.33%
1997	930,000	178,905	1,108,905	799,495	0.14%
1998	475,000	154,144	629,144	740,528	0.08%
1999	500,000	128,550	628,550	770,016	0.08%
2000	530,000	101,513	631,513	836,976	0.08%
2001	560,000	72,900	632,900	946,685	0.07%

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



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**CITY OF JACKSONVILLE, FLORIDA
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Revenue (1)</u>	<u>Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>
1992	\$ 79,847,000	\$ 57,283,000	\$ 22,564,000
1993	86,618,000	57,943,000	28,675,000
1994	95,615,000	68,923,000	26,692,000
1995	112,292,000	60,975,000	51,317,000
1996	122,927,000	63,086,000	59,841,000
1997 (4)	84,019,000	45,413,000	38,606,000
1998 (4)	5,508,000	2,473,000	3,035,000
1999 (4)(5)	(6,071,000)	2,392,000	(8,463,000)
2000	4,373,000	2,917,000	1,456,000
2001	3,112,000	2,710,000	402,000

(1) Revenue includes interest earned and other non-operating revenue.

(2) Expenses exclude depreciation and interest expense.

(3) Coverage is an expression of the number of times "Net Revenue Available for Debt Service" exceeds "Debt Service Requirements" (P & I).

(4) Reduced amounts reflect the transfer of the Water and Sewer Utility Enterprise Fund to JEA on June 1, 1997; the "Debt Service Requirements" shown here are not covered by Enterprise Fund pledged revenues.

(5) Parking Garage given to Adam's Mark Hotel.

Debt Service Requirements			Coverage (3)
Principal	Interest	Totals	
\$ 4,958,245	\$ 7,268,211	\$ 12,226,456	1.85
5,238,770	14,715,676	19,954,446	1.44
6,086,909	13,888,233	19,975,142	1.34
7,530,661	13,187,611	20,718,272	2.48
8,231,974	13,048,240	21,280,214	2.81
1,665,000	3,840,694	5,505,694	7.01
1,740,000	3,598,168	5,338,168	0.57
1,830,000	3,508,238	5,338,238	(1.59)
1,925,000	4,027,263	5,952,263	0.24
2,115,000	4,204,152	6,319,152	0.06

Unaudited - see accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS (in thousands)

Year	New Construction (1)			Bank Deposits (2)	Real Property (3)		
	Residential	Commercial	Alterations (1)		Commercial	Residential	Nontaxable
1992	\$ 285,018	\$ 132,934	\$ 195,775	\$ 5,982,421	\$ 7,619,437,880	\$ 12,794,480,200	\$ 4,254,319,300
1993	345,648	220,053	230,406	6,192,683	7,618,317,883	13,228,964,522	3,938,609,825
1994	352,166	124,571	363,420	6,365,459	7,604,099,466	13,864,791,273	4,081,588,110
1995	361,598	209,100	337,284	7,502,639	7,730,829,569	14,770,621,802	4,095,070,672
1996	510,739	162,925	370,106	8,118,088	8,034,155,678	16,121,151,945	4,381,582,635
1997	453,670	301,790	671,128	8,583,244	8,445,725,666	17,207,002,871	5,978,050,566
1998	472,076	309,018	753,196	10,973,592	9,108,427,299	18,789,586,995	4,362,323,727
1999	594,438	376,159	479,738	10,127,170	9,688,132,922	20,147,735,943	4,357,721,556
2000	600,833	259,934	854,827	9,780,491	10,610,894,987	21,736,221,819	4,362,900,928
2001	622,959	374,950	688,407	8,882,117	11,330,305,166	24,657,180,107	4,364,901,962

Source (1) Building and Zoning Division

(2) Florida Bankers Association

(3) The Property Appraiser's Office

**CITY OF JACKSONVILLE, FLORIDA
 DEMOGRAPHIC STATISTICS
 SEPTEMBER 30, 2001**

POPULATION		
<u>Year</u>	<u>JACKSONVILLE</u>	<u>DUVAL COUNTY</u>
1910	57,699	75,163
1920	92,588	113,540
1930	129,549	155,503
1940	173,065	210,143
1950	204,517	304,029
1960	201,030	455,411
1970	504,265 (1)	528,865
1980	540,920 (1)	571,003
1990	635,230 (1)	672,971
1995	690,996 (1)	732,034
2000	747,270 (1)(2)	791,507 (2)
2001	750,513 (1)(2)	793,898 (2)

(1) After Consolidation

(2) As of April 1

POPULATION PROJECTIONS (3)		
<u>YEAR</u>	<u>DUVAL COUNTY</u>	<u>STATE OF FLORIDA</u>
2005	846,458	16,882,830
2010	896,652	18,121,273
2015	953,508	19,400,913

Source: University of Florida, Bureau of Economic and Business Research, June 2000
 City of Jacksonville, Planning and Development Department

(3) Five year projections done in 2000

POPULATION DISTRIBUTION BY AGE		
<u>AGE</u>	<u>DUVAL COUNTY</u>	<u>STATE OF FLORIDA</u>
0-14	22.35%	19.54%
15-24	12.61	11.73
25-44	32.29	29.00
45-64	21.77	20.68
65+	10.98	19.03

Source: Department of Commerce, Bureau of the Census - April 1, 2000
 University of Florida, Bureau of Economic and Business Research, June 2000

**CITY OF JACKSONVILLE, FLORIDA
TEN LARGEST TAXPAYERS
SEPTEMBER 30, 2001**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Valuation</u>	<u>Percentage</u>
Bell South/Jacksonville MSA Limited.....	Communications	\$ 434,470,896	1.08%
AT&T/Media One.....	Communications	333,986,872	0.83%
Anheuser-Busch/Metal Container Corp.....	Manufacturing	293,769,111	0.73%
Bank of America.....	Banking	266,935,601	0.66%
Cedar Bay Generating Co.....	Utilities	202,776,399	0.50%
Gran Central Corp.....	Real Estate Owner/Developer	199,321,586	0.49%
Vistakon/Johnson & Johnson Vision.....	Manufacturing	194,874,468	0.48%
Liberty Property Limited Partnership.....	Real Estate Management/Development	187,370,826	0.46%
Blue Cross & Blue Shield.....	Insurance	183,171,779	0.45%
Gate Petroleum/Maritime /Lands.....	Pertroleum	<u>152,203,156</u>	<u>0.38%</u>
Total Taxable Assessed Value of 10 Largest Taxpayers		2,448,880,694	6.06%
Total Taxable Assessed Value of Other Taxpayers		<u>37,933,506,541</u>	<u>93.94%</u>
Total Taxable Assessed Value of All Taxpayers		<u>\$ 40,382,387,235</u>	<u>100.00%</u>

Source: Tax Collector's Office

**CITY OF JACKSONVILLE, FLORIDA
 MISCELLANEOUS STATISTICAL DATA
 SEPTEMBER 30, 2001**

First Charter	February 11, 1832
Consolidation	October 1, 1968
Form of Government	Mayor and City Council
Area of City	840.1 square miles
Miles of Streets:	3,351.0
Streets - Paved	3,346.9
Streets - Unpaved	4.1
State Maintained Primary	362.7
Interstate	95.1
Wastewater System:	
Number of Treatment Plants	10
Total Miles of Sewer Lines	2,521
Fire Protection:	
Stations	49
Employees - Sworn	1008
Employees - Civilian	72
Police Protection:	
Employees - Sworn	1,557
Employees - Civilian	1,010
Vehicular Patrol Units - Patrol Cars	1,122
Motorcycles	17
Other Vehicles	150
Unmarked	357
Horse Patrol	7
Electric Utility Customers	363,053
Water Utility Customers	200,276
Sewer Utility Customers	148,338
Recreation:	
Acreage of parks and open spaces	6,338
Basketball courts	198
Boat ramps	23
Community Centers	30
Softball and baseball diamonds	209
Swimming pools	33
Tennis Courts	127
Soccer Fields	27

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2001**

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
General Fund	General Fund	
	General Services District	011
	Mosquito Control State I	012
	Property Appraiser	015
Special Revenue Funds	Special Revenue Funds	
	Concurrency Management	
	Concurrency Management System	112
	Concurrency Management Traffic Data	113
	Fair Share Sector Areas Transportation Improvement	114
	Air Pollution Control and Monitoring Fund	
	Air Pollution Tag Fee	121
	Air Pollution EPA	122
	Air Monitoring	123
	Ambient Air Monitoring	124
	Title V	125
	Air Monitoring - Grants	126
	Sports, Convention and Tourism Development Fund	
	Alltel Stadium Revenue	131
	Tourist Development Council	132
	Convention Development	133
	Special Events	134
	Neighborhood Services Community Activities	135
	Tourist Development Special Revenue	136
	Transportation Fund	
	Streets & Highways 5-Year Road Program	141
	Local Option 1/2 Cent Transportation	142
	Local Option Gas Tax	143
	General Government Fund (Budgeted)	
	Tax Collector / JEA Modernization	151
	Local Government Criminal Justice	152
	Construction Trades Qualifying Board	153
	Hazardous Waste Program	154
	Gas Storage Tank Inspections and Cleanup	155
	Duval County Drug Abuse Program	156
	Alcoholic Rehabilitation Trust	157
	Court Facilities/Civil Trust	158
	Building Inspection	159
	Environmental Protection	15A

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2001**

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Special Revenue Funds (continued)	General Government Fund (Budgeted) (continued)	
	Duval County Law Library	15B
	Family Mediation/County Mediation	15C
	Animal Care and Control	15D
	Victim Assistance Services	15E
	Tree Protection & Related Expense	15F
	Veterinary Services	15G
	Tax Collector / JEA Modernization	15I
	Court Capital Improvement	15J
	County Mediation	15K
	Duval County Teen Court Programs	15L
	Gas Storage Tank Inspections and Cleanup	15M
	Public Safety Fund	161
	Emergency 9-1-1	
	911 Emergency User Fee	171
	911 Capital Equipment Replacement	172
	E911 Emergency Wireless User Fees	173
	E911 Wireless Capital Equipment Replacement	174
	Tax Increment Districts Fund	
	USD1 C Northeast Tax Increment	181
	USD1 A Southside Tax Increment	182
	USD1 B Northwest Tax Increment	183
	JIA Area Redevelopment Trust	185
	Jacksonville Children's Commission	
	Jacksonville Children's Commission	191
	Jacksonville Children's Commission Grants	192
	Jacksonville Children's Commission Projects	193
	Community Development Block Grant Fund	
	Community Development	1A1
	Housing Opportunity for Persons with AIDS	1A2
	Housing Rehabilitation and Home Investment and Opportunity Grants Fund	
	Rehabilitation Loan Program	1B1
	HOME Investment Trust	1B2
	HOPE Program	1B3
	HUD Miscellaneous Grants	1B4
	Housing UDAG	1B5
	Rental Rehabilitation Program	1B6

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2001**

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Special Revenue Funds (continued)	Job Training Partnership Act Grant Fund	
	JTPA Title II ABC & III	1C1
	Maintenance, Parks and Recreation Fund	
	Huguenot Park	1D1
	Kathryn A. Hanna Park Improvement	1D2
	Metropolitan Park Maintenance	1D4
	Recreation Maintenance and Improvements	1D5
	Parks and Recreation Facilities Trust	1D6
	Woodstock Park Development Trust	1D7
	FL Boating Improvement Program	1D8
	Sisters Creek Park Maintenance and Improvements	1D9
	Metropolitan Planning Organization Fund	1E1
	Other Federal, State and Local Grants Fund	
	Miscellaneous Federal Projects	1F1
	Prepaid Grants	1F2
	Beach Erosion - State	1F3
	Beach Erosion - Local	1F4
	Library Grants (Council Appropriated)	1F5
	Community Service Grants	1F6
	Sheriff's Office Grants	1F7
	Library Grants (Self-Appropriated)	1F8
	Fire and Rescue Grants	1F9
	Parks, Recreation and Entertainment Grants	1FA
	Regulatory and Environmental Grants	1FB
	DCHFAs State Housing Initiatives Partnership Fund	1G1
	Better Jacksonville Trust Fund	1I1
	General Government Fund (Non-Budgeted)	
	Public Records Modernization	1H1
	Animal Care and Control Programs	1H2
	Legal Aid Program	1H3
	Senior Services	1H4
	James Brady Disabled Scholarship	1H5
	Fire/Rescue Production Revolving Fund	1H6
	Parks & Recreational Activities	1H7
	Handicap Parking Fines	1H8
	Choose Life Trust Fund	1J1
	Derelict Vessel removal Fund	1K1

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2001**

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Debt Service Funds	Debt Service Funds	
	General Bonded Debt Obligations Fund	211
	Special Bonded Debt Obligations Fund	
	1992 ETR Refunding S/F	221
	1993 Excise Tax Revenue Bonds S/F	222
	1993A ETR Refunding S/F	223
	ETR Refunding 1984C New Money S/F	224
	1988A ETR Refunding S/F	226
	1991 ETR Refunding S/F	228
	Criminal Justice Bond S/F	22A
	1992 Guaranteed Entitlement Revenue	22D
	1995A ETR Refunding S/F	22E
	1994 Municipal Stadium Capital Improvement Bonds S/F	22F
	1995 Sales Tax Bonds (RCR) S/F	22G
	1996 Sales Tax (RCR) S/F	22I
	1995 Municipal Stadium Capital Improvement Bonds S/F	22J
	1995A Guaranteed Entitlement Revenue Refunding S/F	22K
	1996B ETR Bonds S/F	22L
	1996C ETR Bonds S/F	22M
	1995 Sunshine State S/F	22N
	1997 Municipal Stadium Capital Improvement Bonds S/F	22P
	1997 Capital Project Revenue Bonds S/F	22R
	1999 Alltel Stadium S/F	22S
	1999A ETR Refunding S/F	22T
	2001 Sales Tax Refunding	22U
	2001A ETR Refunding S/F	22V
	Special Bonded Debt - Better Jax Obligations Fund	
	BJP Transportation Series 2001	241
	BJP Infrastructure Series 2001	242
	BJP Transportation Series 2001 Reserve	243
	BJP Infrastructure Series 2001 Reserve	244
	Other Non-Bonded Debt Obligations Fund	
	Sunshine State S/F	231
	River City Renaissance Bond S/F	232
	HUD 108 Loan S/F - Vistakon	233
	HUD 108 Loan S/F - Coach Distribution	234
	HUD 108 Loan S/F - Southside Harbor	235
	HUD 108 Loan S/F - Hilton Hotel	236
	HUD 108 Loan S/F - Sally Beauty	237
	HUD 108 Loan S/F - LaVilla	238
	HUD 108 Loan S/F - HTV Associates	239

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2001**

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Debt Service Funds (continued)	Other Non-Bonded Debt Obligations Fund (continued)	
	HUD 108 Loan S/F - Jax Landing	23A
	HUD 108 Loan S/F - American Body Armor	23B
	HUD 108 Loan S/F - Hampton Inn	23C
Capital Projects Funds	Capital Projects Funds	
	Bond Projects Fund	
	1983 Capital Improvement Revenue Construction	311
	1985A Excise Tax Revenue Bond Construction	312
	1986A Excise Taxes Revenue Bonds	313
	1988A ETR Refunding Construction	314
	1988B ETR Bond Construction	315
	1991 ETR Refunding Construction	316
	1992 ETR Refunding Construction, 1986A	317
	1992 ETR Refunding Construction, 1988B	318
	1993 ETR Bond Construction	319
	1993A ETR Bond Construction	31A
	Streets and Drainage Bond Construction	31B
	1994 Alltel Stadium Bond Construction	31C
	1996B ETR Bonds Construction Fund	31D
	1996C ETR Bond Construction Fund	31E
	1988 Capital Improvement Revenue Construction	31F
	Criminal Justice 1987A Construction	31G
	1995A ETR Refunding Construction	31H
	1995 Alltel Stadium Bond Construction	31I
	1995 Sunshine State Construction	31J
	1997 Alltel Stadium Bond Construction Fund	31K
	Capital Project Revenue Bond Construction	31L
	1999 Alltel Stadium Construction	31M
	1999A ETR Bond Construction	31R
	2001A ETR Refunding Bonds	31N
	General Projects Fund	
	River City Renaissance Pay-As-You-Go	321
	General Capital Projects	322
	First Municipal Loan Construction	323
	Jacksonville Environmental Land Acquisition	324
	St Andrews Church Renovation	325
	Recreation Lands and Park Acquisition	1D3
	Grant Capital Improvements Projects Fund	331
	River City Renaissance Bond Construction Project Fund	341
	2001 Sales Tax Refunding	342

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2001**

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Capital Projects Funds (continued)	Better Jax Construction Project Fund	
	City/JTA Transportation Projects Pay-As-You-Go	351
	City/JTA Transportation Projects Bonds	352
	Better Jax Projects Pay-As-You-Go	353
	Better Jax Projects Bonds	354
Enterprise Funds	Enterprise Funds	
	Public Parking System Fund	
	Public Parking System	411
	Parking Garage Revenue	412
	Parking & ETR S/F RSV	413
	1986 Parking & ETR Construction	414
	1987 Parking & ETR Refunding S/F	415
	Sports Complex, Convention Center and Auditorium Fund	
	Sports Complex	421
	Convention Center and Auditorium	422
	Public Parking System Fund	
	SMG - Jacksonville	423
	Alltel Stadium	424
	Motor Vehicle Inspection Fund	431
	Solid Waste Disposal Fund	
	Solid Waste Disposal	441
	Contamination Assessments	442
	Landfill Closure	443
	Solid Waste Grants	444
	Solid Waste Facilities Mitigation	445
	Solid Waste Class III Mitigation	446
	1991A Excise Tax Bonds S/F	447
	1991B Excise Tax Bonds S/F	448
	1991A Construction	449
	1991B Construction	44A
	1996A ETR Refunding S/F	44B
	1999B ETR Construction	44C
	1999B ETR Refunding S/F	44D
	Mayport Ferry	451
Internal Service Funds	Internal Service Funds	
	Fleet Management Fund	
	Motor Pool	511
	Motor Pool - Vehicle Replacement	512

**CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
 SEPTEMBER 30, 2001**

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Internal Service Funds (continued)	Copy Center Fund	
	Copy Center	521
	Storeroom/Printing	522
	Information Technologies Fund	
	Information Technologies	531
	Information Technologies (Lapse/Self-appropriating)	532
	Communications	533
	Communications - Radio Replacement	534
	Office of General Counsel	551
	Self Insurance Fund	561
	Group Health Fund	571
	Insured Programs Fund	581
Fiduciary Funds	Fiduciary Funds	
	Expendable Trust Fund	
	Pickettville Rd Dump Site	641
	Cemetery Perpetual Care and Maintenance	642
	City Council Parks Acquisition, Development and Maintenance	643
	Treaty Oak Park Trust	644
	Jacksonville Veterans Memorial Wall Trust	645
	Child Services Trust	646
	City Access Cable Enhancement Trust	647
	Mimi & Lee Adams Trust	648
	Board of Library Trustees Trust	649
	Sheriff's Trusts (Carryforward/Council-appropriated)	64A
	Sheriff's Trusts (Lapse/Self-appropriated)	64B
	Sheriff's Trusts (Carryforward/Self-appropriated)	64C
	Sheriff's Trusts (Lapse/Council-appropriated)	64D
	Federal Forfeitures Trust	64E
	General Trust & Agency (Carryforward/Council-appropriated)	64F
	General Trust & Agency (Carryforward/Self-appropriated)	64G
	General Trust & Agency (Lapse/Council-appropriated)	64H
	General Trust & Agency (Lapse/Self-appropriated)	64I
	Flexible Spending Plan	64J
	Lavilla Cultural and Heritage District Trust	64L
	Youth Travel Trust (Jacksonville Children's Comm.)	64M
	Art in Public Places Trust Fund	64N
	Balis Estate Trust Fund	64P

CITY OF JACKSONVILLE, FLORIDA
FUND CONVERSION TABLE
SEPTEMBER 30, 2001

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Fiduciary Funds (continued)	Expendable Trust Fund (continued)	
	Unclaimed Checks	662
	Tax Deed Sale - Surplus	663
	Outstanding Checks - Treasury	664
	Duplicate Checks- Treasury	666
	Unclaimed Refunds	66Y
	Execution Funds 5 Year	66Z
	Non-expendable Trust Fund	
	Michael Jackson Music Scholarship Trust	651
	Cemetery Maintenance Trust	652
	J. B. Smith Memorial Scholarship Trust	653
	Treasurer Agency Fund	661
	Plat Deposits	665
	Tax Collector Agency Fund	671
	Clerk of the Circuit Court Fund	681
	Florida Retirement System	6A1
	Duval Co School Readiness Coalition, Inc	6B1
Pension Trust Funds	Pension Trust Funds	
	General Employees	611
	Police and Fire	621
Discretely Presented Component Units	Discretely Presented Component Units	
	Duval County Housing Finance Authority	721
	Jacksonville Economic Development Commission	
	Jacksonville Economic Development Commission	751
	Sports Development Events	752
	Jacksonville Film & Television Office Trust	753
	International Marketing Trust	754
	SS Redevelopment Trust Parks and Recreation	755
	Greenleaf/Jacobs Clock Restoration	756
	JEDC Prepaid Grants	757
	JEDC Miscellaneous Federal/State/Local Grants	758
	JEDC Cecil Field Trust	759
	Jacksonville Game Trust Fund	760



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