

CITY OF JACKSONVILLE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002



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, 2002

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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 2001/2002.

The City continues efforts to improve public services, strengthen neighborhoods, manage growth and preserve our natural assets. Today, Jacksonville is home to the largest urban park system in America. The City of Jacksonville is committed to its efforts toward continuous improvement as recognized by the Sterling Award in 2001.

Efficiencies in city government continue 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 find this document useful. Jacksonville has one of the most responsive and efficient city governments in America, and is clearly 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", written over a horizontal line.

John A. Delaney



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DEPARTMENT OF ADMINISTRATION AND FINANCE

Office of the Director



March 28, 2003

**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, 2002 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 (GAAP) in the United States, presents fairly and consistently the City's financial position and changes in financial position and conforms to the standards of governmental accounting and financial reporting principles as promulgated by the Governmental Accounting Standards Board (GASB). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the changes in financial position of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

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

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



Recipient of the 2001 Governor's Sterling Award

Financial Reporting Entity. The financial reporting entity includes all funds of the primary government (Consolidated Government City of Jacksonville/Duval County), as well as all of its component units. Component units are legally separate organizations for which the City is financially accountable and, for financial statement purposes, are either blended with the activities of the City or discretely presented. The criteria used to determine whether an organization should be a part of the City of Jacksonville's reporting entity were those outlined by the GASB under Statement No. 14, The Financial Reporting Entity. The criteria considered in establishing financial accountability, set forth in GASB Statement No. 14, include appointing a voting majority of the organization's governing body and either (1) the ability to impose its will on the organization or (2) the potential for the organization to provide specific benefits to or to impose financial burdens on the City. Also included are component units where the nature and significance of their relationship with the City are such that their exclusion would cause the 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 Airport Authority, the Jacksonville Seaport 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 significant ones consisting of a solid waste disposal, collection, and recycling system; a parking system; and a sports complex, convention center and performing arts center.

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

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

Summary of local economy:

Population Growth: The Jacksonville MSA population increased from 1,115,000 in 2001 to 1,229,030 in 2002, a 1.0% increase.

Employment: The Jacksonville MSA continues to possess a strong labor force. The service industry employment leads the way with 31% of the total employment, with retail and total government at 22% and 11%, respectively.

INDUSTRY TITLE	Employment by Industry			
	EMPLOYMENT 2002	PROJECTED EMPLOYMENT 2010	PROJECTED ANNUAL CHANGE	
			TOTAL	PERCENT
Total All Industries	666,287	761,667	11,923	1.79
Agriculture, Forestry, and Fishing, Total	11,430	2,634	151	1.32
Mining, Total	489	473	(2)	(0.41)
Construction, Total	33,532	37,960	554	1.65
Manufacturing, Total	43,024	44,433	176	0.41
Transportation, Communications, and Public Utilities, Total	42,128	47,865	717	1.70
Wholesale and Retail Trade, Total	146,764	161,461	1,837	1.25
Finance, Insurance, and Real Estate, Total	60,679	71,965	1,411	2.32
Services, Total	205,787	255,343	6,195	3.01
Government, Total	74,678	79,057	547	0.73
Self-Employed and Unpaid Family Workers	47,776	50,476	338	0.71

Source: Florida Agency for Workforce Innovation, Occupational Employment Projections

2002 Economic Activity

The Cornerstone Division of the Jacksonville Chamber of Commerce announced 28 business projects in 2002, which retained a total of 122 jobs and brought 4,030 new jobs to the area. Private capital investment associated with these projects totaled \$115 million.

Major Economic Development Program Announcements 01/01/02-12/31/02

Company Name	Type of Business	Projected New Jobs	Capital Investment
Merrill Lynch & C.	Client Support	350 (new)	No New Cap. Inve.
Ringpower	Heavy Equip Distri.	100 (new)	12,500,000
Option One	Mortgage Servicing Co.	400 (new)	2,500,000
American Online Inc.	Information Technology	300 (new)	No New Cap. Inve.
SYSCO Corp.	Wholesale Food Distri.	125 (new)	18,750,000
BMW	SE Reg. Corp. Finished Goods Distri.	50 (new)	12,000,000
CF Gomma	Auto Parts Manufacturer	250 (new)	6,000,000
Henry Schein, Inc.	Distri. Of Pharmaceutical Supplies	110 (new)	8,250,000
Burriss Refrigerated Logistics	Refrigerated warehousing expansion	75 (new)	12,000,000
CitiStreet	Employee benefits management	200 (new)	3,800,000

The Jacksonville International Airport serviced over 4.9 million passengers in 2002. This total reflects a 36.9% increase since 1996 and reflects the City's position as an emerging tourist and business center.

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 2003 issue. Jacksonville has ranked in the **top ten for five straight years** and is the **only city to be ranked #1 three times**.
- In the September 2002 issue of *Expansion Management* magazine, Jacksonville was ranked **#2 in the Top 328 Logistics Friendly Cities**.
- Jacksonville has earned the nation's first **Well City USA** award from The Wellness Councils of America (Summer 2002).
- According to the results of a survey generated by Get There, a Sabre online meeting planning tool, Jacksonville ranks **as the most economic location for corporate meetings** (October 2002).
- Jacksonville was ranked **eighth** in the "**Top 10 Southern Major Markets**" by Southern Business & Development magazine in its Summer 2002 issue.
- Florida Community College Jacksonville was ranked by *Yahoo Internet Life* online magazine as the **second most "wired" community college** in the nation for 2002.
- 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.

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.

The Better Jacksonville Plan continues to improve roads and infrastructure, protect the environment, target economic development as well as build 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 \$2.2 billion 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 are seeing direct benefits from the plan. 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. The Better Jacksonville Plan is building new public facilities and includes funding for improved branch libraries as well as a new main library, sports and entertainment arena, baseball park and county courthouse complex. The ballpark and arena will open in 2003.

The Better Jacksonville Plan marries all of these elements into a design that encourages managed growth while improving the 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 and the City Council.

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 2002/2003, Mayor Delaney again reduced the property tax rate. This eighth consecutive property tax cut reduced the millage to its lowest rate in two decades. The tax cuts have saved taxpayers \$120 million dollars over eight years.

Neighborhoods

Intensive Care Neighborhoods. The City has focused services and resources on six targeted neighborhoods in Jacksonville with the goal of improving learning environments for kids, enhancing infrastructure, improving recreational opportunities as well as improving 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 six planning districts, the department helps residents navigate through community issues 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 and have planted one million trees.

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. The city and its partners have preserved more than 33 square miles, creating the largest urban park system 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 hosted the St. Johns River Summit in January 2003. Federal, state and local officials meet 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.

Other Financial Information

Pension Trust Funds. The City sponsors two public employee retirement systems administered by two separate and distinct pension Boards of Trustees that provide retirement, death, and disability benefits to 7,720 active City employees, 509 DROP participants for the Police and Fire Pension Plan and 5,619 retirees and beneficiaries at September 30, 2002. 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 2002, the net plan assets of the General Employees Pension Plan (\$1.3 billion at September 30, 2002) decreased a net of \$132.0 million. The net plan assets of the Police and Fire Pension Plan (\$639.6 million at September 30, 2002) decreased a net of \$88.0 million during fiscal year 2002, with the plan being 75.44% funded.

The City made all of its required contributions in 2002 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. The City continues to follow prudent fiscal policies and practices to maintain these strong credit ratings.

Cash Management. The City has a detailed written statement of investment policy 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, 2002, of the \$3.0 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 \$59.7 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 \$29.4 million during the fiscal year ended September 30, 2002. From this total, \$17.4 million was derived from a City-administered, commingled investment pool which generated a total weighted average yield of 2.337% on an average daily invested balance of \$757.9 million. The remaining \$11.7 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, 2002, the general investment portfolio of government securities carried a weighted-average number of days to maturity of 632 days and a weighted average yield of 3.330%.

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

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

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

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

General Information

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

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

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

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 certified public accountants,

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 certified public accountants on internal control and compliance with applicable laws and regulations, and findings and questioned costs, is in a report to be issued separately at a later date.

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, 2001. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Jacksonville has received this Certificate for twenty-two consecutive years (fiscal years 1980 through 2001). 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-fourth (1969 - 2002) Comprehensive Annual Financial Report of the City audited by a nationally recognized firm of certified public accountants, since the City of Jacksonville and Duval County Governments were consolidated on October 1, 1968. Approximately 350 copies of this report will be distributed. In addition to citizens of the community, the recipients will include city, state, and federal officials; university students; schools; libraries; newspapers; investment banking firms; banks and rating agencies.

The Report will be made available to any person or organization requesting it. The extensive effort of preparation and distribution of this report fulfills the Department of Administration and Finance's goal of full disclosure of the City's finances. We are committed to issuing reports that are informative and meet the highest standards of governmental accounting and financial reporting. Reports that meet these standards provide the reader with an opportunity to make more informed judgements about the government's financial position and changes in financial position.

The 2002 Comprehensive Annual Financial Report represents our commitment to this goal and could not have been prepared without the efficient and dedicated efforts of the entire staff of the Department of Administration and Finance - Accounting Division and Treasury Division, who devoted many hours in compiling and assembling the report. We also wish to express our appreciation to all other City personnel who have contributed to its preparation. In addition, we thank the City's independent certified public accountants, Ernst & Young LLP and the Office of the Council Auditor for their efforts and professional conduct throughout the audit engagement.

Special acknowledgment is due Mayor John Delaney, Council President Jerry Holland, and Councilperson Dr. Gwen Chandler, Finance Committee Chair, and other members of the City Council, for their strong and effective leadership and continued support in the coordination and planning of the financial affairs of the City of Jacksonville in a responsible and progressive manner.

Respectfully submitted,



Calvin C. Ray
Director, Department of
Administration and Finance



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



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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, 2001

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.

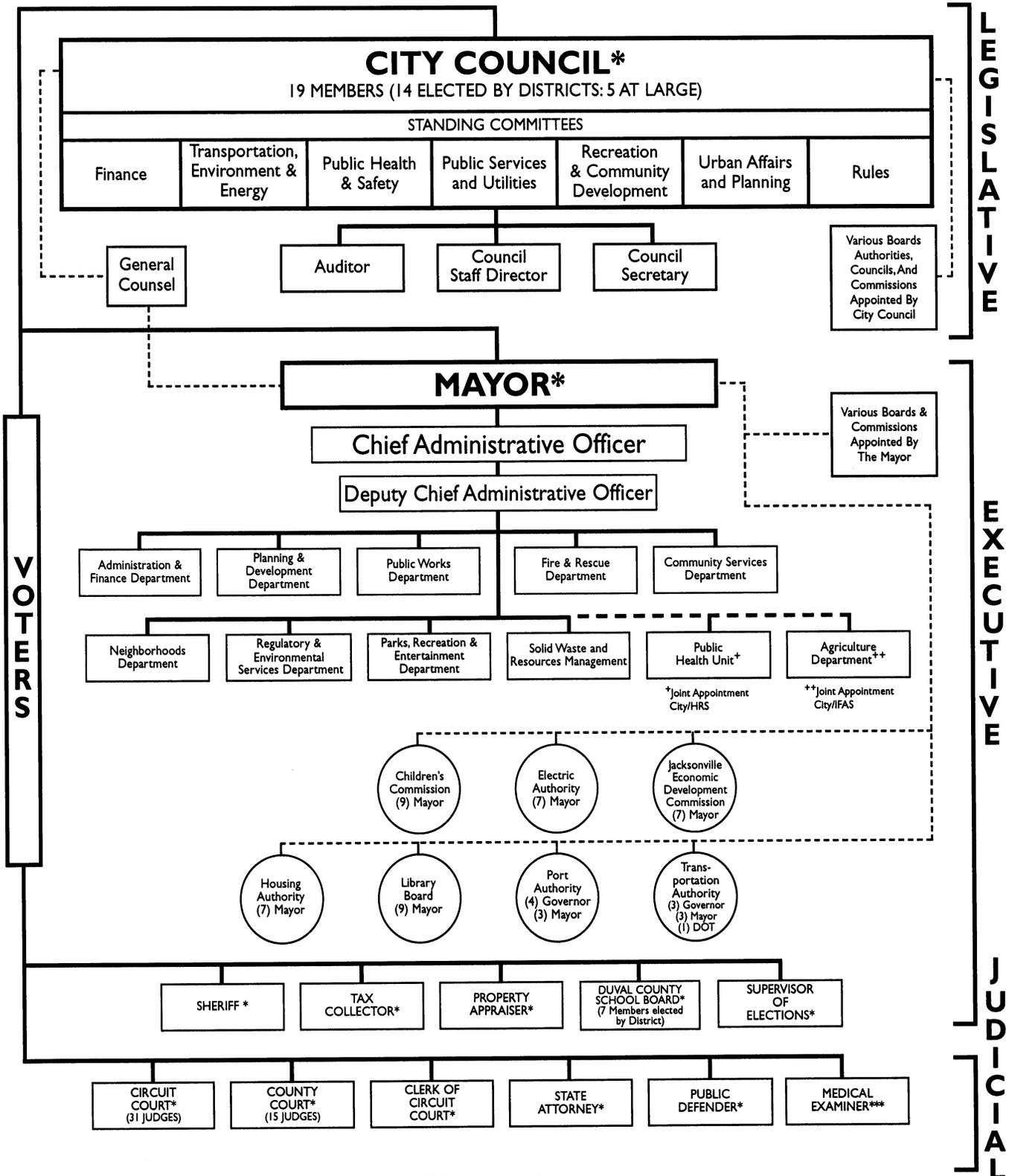


William Patrick Pate
President

Jeffrey L. Essler
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 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 Council Jerry Holland
Vice President of Council.....Lad Daniels

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

Council Staff

Robert O. Johnson, CPA..... Council Auditor
Cheryl Brown.....Council Secretary
Kristi Sikes..... Chief of Administrative Services
Dana Farris.....Chief of Legislative Services
Cindy Warner.....Chief of Public Information
Jeff Clements Chief of Research



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Report of Independent Certified Public Accountants

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, the Jacksonville Transportation Authority and Jacksonville Airport Authority, both discretely presented component units, each major fund and the aggregate remaining fund information of the of the City of Jacksonville, Florida (the City), as of and for the year ended September 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following component units, which statements reflect total assets and total revenues as of September 30, 2002 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	\$6,598,243	\$987,839	Proprietary Fund Type
Jacksonville Seaport Authority	405,238	27,641	Proprietary Fund Type
Police and Fire Pension Trust Fund	717,905	(20,716)	Fiduciary Fund Type
Downtown Vision, Inc.	1,357	925	Governmental Fund Type

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions on the financial statements, insofar as it relates to data included for the aforementioned component units, are 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.



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Management's discussion and analysis, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general and major special revenue funds, and the schedules of employer contributions and funding progress listed under required supplemental information in the table of contents are not a required part of the financial statements but are supplemental information required by the Government Accounting Standards Board (GASB). 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of September 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

As disclosed in Note 1.W. to the financial statements, effective October 1, 2001, the City adopted the provisions of 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*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2003 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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



February 11, 2003



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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This is the first year the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board (GASB) Statement Number 34. The Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts. The information contained within this MD&A should be considered only a part of the entire report. Please read and evaluate all sections of this report, including the Transmittal Letter at the front of this report and the City's Financial Statements, which follow this section.

HIGHLIGHTS

Financial Highlights

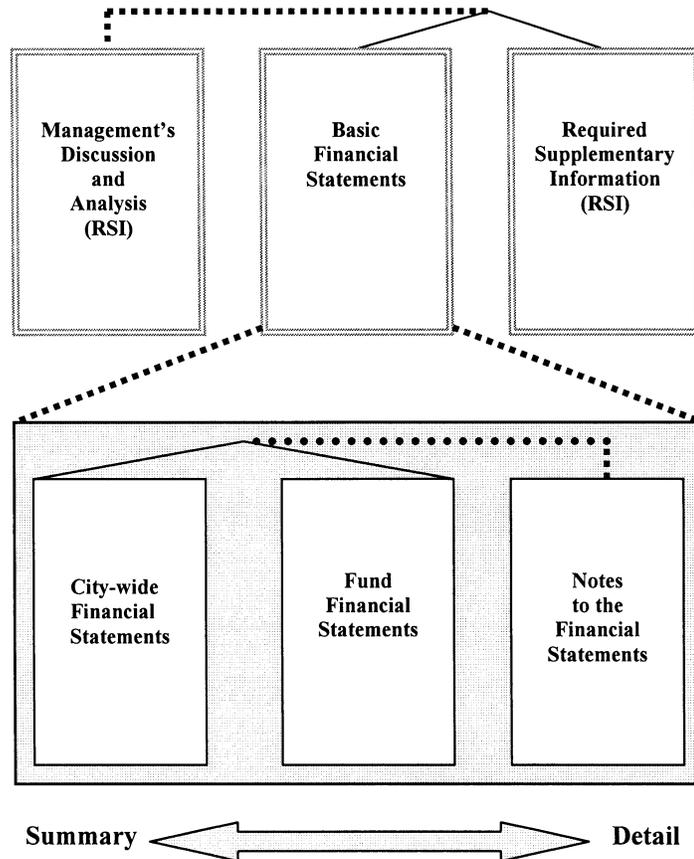
- The City of Jacksonville's total net assets exceeded its liabilities at the close of the 2002 fiscal year. For the year, net assets increased by \$126 million.
- Capital assets were \$883 million at September 30, 2002, up \$271 million over last year, an increase of 44%.
- The City took advantage of historically low interest rates during the year, refunding old bond issues and borrowing new money to fund capital improvements in the amount of \$192 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Figure A-1

COMPONENTS OF THE ANNUAL FINANCIAL REPORT



City-Wide Financial Statements

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

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

Component Units, which are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the city-wide statements. The City of Jacksonville's separate entities are as follows; JEA, Jacksonville Transportation Authority, Jacksonville Airport Authority, Jacksonville Seaport Authority, Duval County Housing Finance Authority, Downtown Vision, and Jacksonville Economic Development Commission. The Jacksonville Metropolitan Planning Organization functions as a blended component unit. The focus of the statements is on the Primary Government and the presentation allows the user to address the relationship with the Component Units.

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

Enterprise funds are used to report the same functions presented as business-type activities in the city-wide financial statements. The City uses enterprise funds to report separate information on operations such as solid waste, ferry operations, and sports complex activities.

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

Fiduciary Funds

The City of Jacksonville is the trustee, or fiduciary, for trusts such as the City employee's retirement plan. Because of a trust arrangement, these assets can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City of Jacksonville's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the city-wide financial statements because the assets cannot be used to support or finance the City's programs or operations.

Notes to the Financial Statements

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

Other Information

This report additionally includes required supplementary information (RSI) containing budgetary comparisons and the progress of the City's employees pension obligations.

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

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

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

CITY-WIDE FINANCIAL ANALYSIS

Since this is the first year that the City has presented financial information under the provisions of GASB Statement No. 34, no comparative data is available. Comparative information will be provided in future years' MD&As.

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

As of September 30, 2002, the City of Jacksonville is able to report positive balances in net assets, both for governmental and business-type activities. (See Table A-1)

Table A-1
Summary Statement of Net Assets
(In Thousands)
as of September 30, 2002

	Governmental Activities	Business Type Activities	Total Primary Government
Cash and Investments	\$ 890,778	\$ 61,444	\$ 952,222
Other Current Assets	123,991	39,822	163,813
Capital Assets	602,789	280,239	883,028
Total assets	1,617,558	381,505	1,999,063
Current Liabilities	123,548	10,391	133,939
Long-term debt outstanding	1,482,831	100,037	1,582,868
Total liabilities	1,606,379	110,428	1,716,807
Net assets			
Invested in capital assets, net of related debt	(635,233)	201,456	(433,777)
Restricted	448,836	11,884	460,720
Unrestricted	197,576	57,737	255,313
Total net assets	\$ 11,179	\$ 271,077	\$ 282,256

The largest portion of the City's net assets reflects its capital projects, investments and capital assets. The City maintains a cash and investment pool that is available for use by all funds except for monies which are legally restricted to separate administration (i.e. pension plan custodians and deferred compensation plan administrators). The "Equity in cash and investments" consist of cash and investments owned by each fund and defined as resources that can be liquidated without delay or penalty. In addition, cash and investments separately held and individually accounted for by several of the City's funds where contractual arrangements and bond covenants provide for and require such arrangements are classified as "restricted assets."

Net Assets- The net asset category Invested in Capital Assets, net of related debt, is negative because infrastructure assets such as roads and bridges were not required under governmental accounting rules to be reported on the City' Statement of Net Assets. Historically, much of those improvements have been financed by bonds, which are reported on the Statement of Net Assets. New accounting rules regarding infrastructure reporting (see Notes to the Financial Statements, Note 1) require these assets to be reported prospectively beginning this year, and retroactively reported within four years. The City intends to report infrastructure assets from previous years within that deferral period. That amount is expected to be significant, and will reduce or eliminate the negative net asset balance reported in this category.

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

The City's general governmental revenues increased to \$1.05 billion (see Table A-2). More than half of the City's revenue comes from taxes. Almost a quarter comes from intergovernmental and the major portion of the remainder is charges for services.

Governmental activities increased the City of Jacksonville's net assets by \$133 million, accounting for 100% of the total growth in net assets.

The following Table A-2 provides a summary of the City's operations for the 2002 fiscal year end.

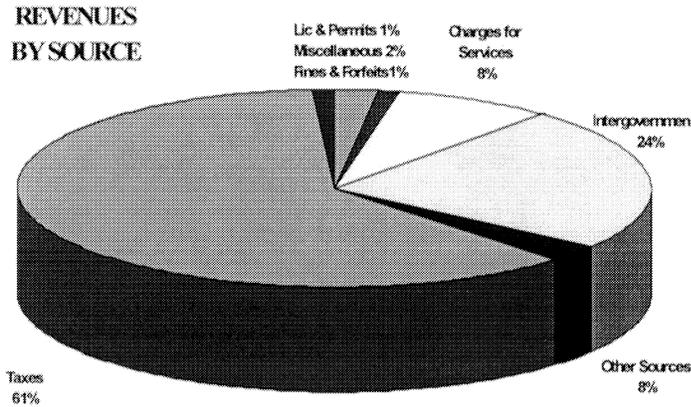
Table A-2
Statement of Activities
(In Thousands)
as of September 30, 2002

	Governmental Activities	Business Type Activities	Total Primary Government
Revenues:			
Program Revenues:			
Fines & Charges for services	\$ 95,493	\$ 50,013	\$ 145,506
Operating grants/contributions	86,833	229	87,062
Capital grants/contributions	26,453	1,371	27,824
General revenues:			
Property/utility service/sales taxes	558,090		558,090
Intergovernmental	122,145	117	122,262
Payments from component units	111,054		111,054
Payment in lieu of taxes	2,984		2,984
Unrestricted earnings on investmtns	26,743	2,787	29,530
Miscellaneous	20,275	2,542	22,817
Total Revenues	1,050,070	57,059	1,107,129
Expenses			
General government	112,505		112,505
Human Services	95,609		95,609
Public safety	332,829		332,829
Cultural and recreational	47,832		47,832
Transportation	91,594		91,594
Economic & physical environment	95,015		95,015
Payments to component units	58,585		58,585
Interest on long term debt	55,745		55,745
Parking system		3,497	3,497
Sports complex		20,471	20,471
Motor vehicle inspections		706	706
Solid Waste		65,323	65,323
Ferry	-	1,871	1,871
Total Expenses	889,714	91,868	981,582
Increases (decreases) in net assets before transfers	160,356	(34,809)	125,547
Transfers	(27,215)	27,215	-
Increase (decrease) in net assets	\$ 133,141	\$ (7,594)	\$ 125,547

FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

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

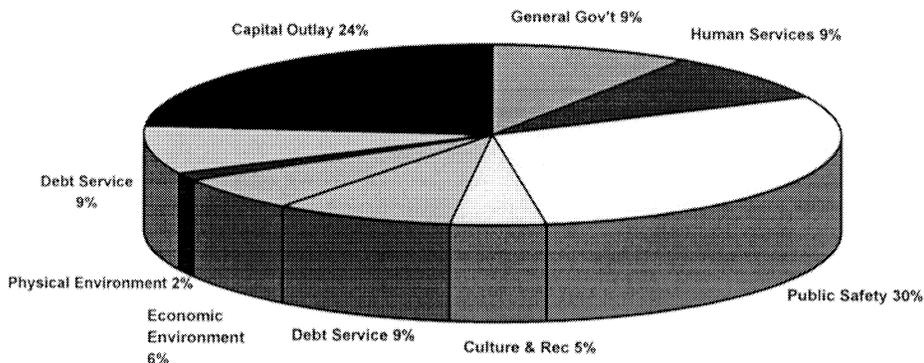
GENERAL GOVERNMENTAL REVENUES



The total cost of programs and services was virtually unchanged. The City's expenditures cover a range of services, with over half related to public safety and capital outlay.

GENERAL GOVERNMENTAL EXPENDITURES

EXPENDITURES BY CATEGORY



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

At the end of the current fiscal year, the City of Jacksonville's governmental funds reported combined ending fund balances of \$766 million. Approximately 8.5% of this total amount constitutes unreserved funds balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for encumbrances, to provide for prepaid items, to pay for debt service and to provide for advances to other funds.

All nonmajor funds of each governmental fund type with legally adopted annual budgets are included in the Combining Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual. The General Fund and Major Special Revenue Fund Budget and Actual Schedules are included as RSI following the Notes to the Financial Statements.

Governmental Funds:

- The City's general governmental revenues increased by \$48 million, expenditures increased by \$151 million. Capital outlay expenditures were the major portion of the increase. Additional increases are from Other Financing Sources (Proceeds From Sale of Notes and Bonds and Issuance of Other Debt Obligations) of \$252 million.
- At the close of the 2002 fiscal year, the City of Jacksonville's governmental funds reported combined ending fund balances of \$766 million.
- The unreserved fund balance for the general fund was \$47 million or 76% of the total general fund balance. Management has designated 88% of these reserved funds toward capital projects and next year budget appropriations. Taxes, the largest source of City revenue, reported a 10% increase in 2002, \$50.8 million over last year, largely due to Ordinance 2002-794-E which changed the tax structure and established a new communication service tax. This service tax replaced chapter 790, the public service tax, and broadened the base for collection.
- Public Safety increased \$15.9 million, an increase of 29.6% compared to 2001. Most of this increase is the product of the Sheriff's Department receiving additional monies to fund various grant programs.
- Transportation decreased \$18.8 million, a decrease of 8.4% compared to 2001 due to projects being completed and major roadwork such as resurfacing currently being done under the Better Jacksonville Plan.

General Fund

- Ad Valorem millage rate was reduced two tenths of a mill for the seventh consecutive year.
- Assessed tax roll increased by \$2.2 billion on a July to July basis, a 7.5% increase.
- The City continues its effort to build up reserves. General Fund cash carryover has been increased by \$500 thousand to a total of \$24.5 million.
- The contribution to Shands Hospital/Jacksonville in support of indigent care was set at \$23.8 million.
- Funding to the Jacksonville Children's Commission has again been increased by \$1 million. Ninety percent of the new money will translate into additional direct services to children.
- Fire Rescue received an additional 48 positions: 37 were firefighters, 7 were EMTs, and 4 positions for Fire Prevention.
- Funding was provided for replacement of fire fighting equipment totaling \$6.8 million.
- The Office of the Sheriff received five additional police officers.

Over the course of the year, the city Council revised the City budget several times. These budget amendments fall into three categories:

- Amendments and supplemental appropriations approved shortly after the beginning of the year to reflect the actual beginning account balances (correcting the estimated amounts).
- Changes made in the third quarter to account for the midyear hiring and overtime freeze, and some of the City's staff restructuring efforts.
- Increases in appropriations to prevent budget overruns.

Differences between the original budget and the final amended budget were relatively minor (\$4.8 million increase in appropriations). The original budget projected \$30 million (adjusted for cash carryover) would be used from available fund balance. During the year, revenues exceeded budgetary estimates and expenses were less than budgetary estimates, thus \$3.5 million was added to the available fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Jacksonville's investment in capital assets for its governmental and business-type activities as of September 30, 2002, amounts to \$883,028 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, current year infrastructure, and construction in progress (see Table A-3).

Table A-3
Capital Assets
Net of Accumulated Depreciation
(In Thousands)
as of September 30, 2002

	Governmental Activities	Business Type Activities	Total
Land	\$ 163,162	\$ 31,553	\$ 194,715
Buildings and improvements	305,201	312,258	617,459
Furniture & Equipment	49,433	15,514	64,947
Construction in progress	63,490	14,658	78,148
Infrastructure	118,807		118,807
Capital assets reported in Internal Service Funds, net	63,831		63,831
Less accumulated depreciation	(161,135)	(93,744)	(254,879)
Total	\$ 602,789	\$ 280,239	\$ 883,028

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

- Capital outlay increased \$122.5 million, 889.5%, over fiscal year 2001.
- The Better Jacksonville Plan began major projects such as a new arena, a baseball park and a new main library. The ballpark and arena are scheduled to open in 2003.
- Additionally a variety of street construction projects in new residential developments and widening and expansion projects for existing streets and bridges began.

The City of Jacksonville's Capital Improvement Program schedule includes total projects budgeted at \$1,427.6 million. This amount is composed of \$10.5 million in new appropriations for the new year and \$1,417.1 million appropriated in prior years but not yet expended.

The majority of the newly appropriated funding comes from the financing of the joint City and Jacksonville Transportation Authority road, bridge and drainage capital improvement projects used to finance transportation infrastructure projects.

Debt Administration

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

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

At year-end the City had \$1.4 billion in bonds and notes outstanding as shown in Table A-4. Additional information on the City of Jacksonville's long term-debt can be found on pages 80-92 of this report.

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

	Governmental Activities	Business-type Activities	Total
General Long-Term Obligations	\$ 605		\$ 605
Special Obligation Bonds	1,276,835		1,276,835
Revenue Bonds Payable		\$ 79,670	79,670
Notes Payable	71,165		71,165
Deferred Amounts	(896)	(2,897)	(3,793)
Total	\$ 1,347,709	\$ 76,773	\$ 1,424,482

The City of Jacksonville's debt Service increased by \$19.3 million as compared to fiscal year 2001. This increase was due to the October 1, 2002 Better Jacksonville Plan bond. The City anticipates future debt

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

The City does not borrow for operating needs. All of its outstanding long-term indebtedness is for capital needs only. At September 30, 2002, the City of Jacksonville had \$0.6 million in general obligation bonds payable from ad valorem taxes, \$881 million in special obligation bonds payable from specific revenue sources other than ad valorem taxes, \$395 million in special obligation bonds payable from other specific revenue sources (Better Jacksonville Plan), \$80 million in bonds payable from Enterprise Funds, and \$71 million in commercial paper and U.S. Government-Guaranteed Notes. The direct net debt per capita as of September 30, 2002, was \$1,769.

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, 2002.

On April 8, 2002 the City closed on the sale of \$46,735,000 Excise Taxes Revenue Bonds, Series 2001B. The proceeds were used to provide funds for public improvements and infrastructure improvements for the redevelopment of the Jacksonville Shipyards property.

On July 3, 2002, the City closed on the forward delivery sale of \$56,685,000 in Excise Taxes Refunding and Improvement Revenue Bonds, Series 2002A. The proceeds were used to defease a current refunding of \$57,255,000 previously outstanding Excise Taxes Revenue Refunding Bonds, Series 1992 and for improvements to the City's Animal Care and Control Center. As a result of the refunding, the City realized an economic gain of \$4,065,665 or 7.10% as a percentage of bonds refunded. The present value savings were used to lower future debt service and provide additional proceeds as previously mentioned.

Also on July 3, 2002, the City closed on the sale of \$115,265,000 Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002. The issuance provided net proceeds of \$114,766,205 to fund the costs of various improvements and to purchase securities that were placed in an irrevocable trust with an escrow agent to provide all future debt service payments on the \$61,360,000 refunded Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A. As a result of the refunding an economic gain was realized of \$495,836.24 or 0.81% as a percentage of bonds refunded. A portion of the proceeds of the 2002 Guaranteed Entitlement Bonds will be applied by the City to pay the costs of a new building for the Children's Commission, a new documents processing facility for the Clerk of the Court, replacement or expansion of fire stations, historic preservation expenditures, a new facility for processing and review of plans and permits, park development, acquisition and development of renovations plans for the Haverty/YMCA building for City use and other capital expenditures.

In addition, the City closed on September 9, 2002 on \$123,225,000 Capital Improvement and Refunding Revenue Bonds, Series 2002A, Crossover Series 2002B, and Crossover Series 2002C. The issuance provided net proceeds of \$124,545,447 to fund the \$40,000,000 in improvements to Alltel Stadium and to fund escrow deposits for crossover refunding of the City's Capital Improvement Revenue Bonds, Series 1994, lien ascension date October 1, 2004, and the Capital Improvement Revenue Bonds, Series 1995, lien ascension date October 1, 2005. This debt will not be legally defeased until each lien ascension date, therefore the liability for the 1994 and 1995 bonds has not been removed from the governmental activities column. This advance refunding was undertaken to reduce total debt service payments by \$84,606.36 over the next 24 years and an economic gain was realized of \$2,399,380.86 or 3.70% as a percentage of bonds refunded.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, utilities services, etc.) and fees (franchise, occupational license, etc.) for their governmental activities.

There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.

Other Economic Factors;

- The unemployment rate for the City of Jacksonville is less than 5%. This compares favorably to the state's average unemployment rate and the national average unemployment rate.
- Inflationary trends in the region compare favorably to national indices.
- CSX Transportation will be moving its headquarter to Jacksonville in 2003. With this move the City of Jacksonville is home to two Fortune 500 Companies, CSX and Winn Dixie.

Budget Highlights;

- Ad Valorem millage rate reduced for the eighth consecutive year of millage cuts, resulting in a 10% decrease over the eight years. This represents tax savings to taxpayers of approximately \$36 million in FY 2003. A millage rate decrease in FY 2003 from FY 2002 resulted in a decrease of 1.8% (\$5.8 million).
- The Police Operations Division has added 30 new police officers as part of the COPS program for the Universal Hiring Program. Salaries and benefits will be funded by the Federal Government.
- As part of the Better Jacksonville Plan, the new baseball park and the new arena are scheduled for opening in March, 2003 and October, 2003 respectively. Construction in underway for the new main library and new city courthouse.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



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**CITY-WIDE FINANCIAL
STATEMENTS**

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS (in thousands)
SEPTEMBER 30, 2002

<u>ASSETS</u>	<u>PRIMARY GOVERNMENT</u>			<u>COMPONENT UNITS</u>
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>	
CURRENT ASSETS:				
Equity in cash and investments.....	\$ 856,172	\$ 61,444	\$ 917,616	\$ 1,169,890
Cash in escrow and with fiscal agents.....	34,606	-	34,606	-
Receivables, net.....	21,471	3,389	24,860	183,182
Due from primary government.....	-	-	-	3,900
Due from independent agencies and other governments.....	91,932	363	92,295	30,231
Inventories.....	2,927	3	2,930	114,804
Prepaid expenses and other assets.....	6,297	224	6,521	491,367
Deferred charge - Landfill related costs.....	-	35,303	35,303	-
Other deferred charges.....	1,364	540	1,904	-
CAPITAL ASSETS:				
Land and work in progress.....	226,710	46,211	272,921	2,097,908
Other capital assets, net of depreciation.....	376,079	234,028	610,107	3,927,716
TOTAL ASSETS.....	\$ 1,617,558	\$ 381,505	\$ 1,999,063	\$ 8,018,998
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 83,479	\$ 6,638	\$ 90,117	\$ 100,616
Contracts payable.....	2,006	1,280	3,286	128,405
Due to component units.....	3,900	-	3,900	-
Due to independent agencies and other governments.....	178	34	212	163
Deposits.....	453	123	576	18,453
Deposits held for construction and events.....	-	252	252	-
Accrued interest payable.....	28,258	2,010	30,268	79,021
Deferred revenue.....	5,274	54	5,328	153,244
Liabilities payable from restricted assets.....	-	-	-	90,000
NONCURRENT LIABILITIES:				
Due within one year.....	114,103	4,264	118,367	115,914
Due in more than one year.....	1,368,728	95,773	1,464,501	4,677,334
TOTAL LIABILITIES.....	1,606,379	110,428	1,716,807	5,363,150
NET ASSETS:				
Invested in capital assets, net of related debt.....	(635,233)	201,456	(433,777)	1,586,015
Restricted for:				
Debt service.....	104,058	205	104,263	16,786
Capital projects.....	344,778	11,679	356,457	580,149
Other purposes.....	-	-	-	6,057
Unrestricted.....	197,576	57,737	255,313	466,841
TOTAL NET ASSETS.....	\$ 11,179	\$ 271,077	\$ 282,256	\$ 2,655,848

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF ACTIVITIES (in thousands)
SEPTEMBER 30, 2002

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			PRIMARY GOVERNMENT			COMPONENT UNITS
		FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT:								
Governmental activities:								
General government.....	\$ 112,505	\$ 54,848	\$ 3,114	\$ 157	(\$ 54,386)		(\$ 54,386)	
Human services.....	95,609	347	19,972	-	(75,290)		(75,290)	
Public safety.....	332,829	34,779	8,592	-	(289,458)		(289,458)	
Culture and recreation.....	47,832	2,641	2,094	2,072	(41,025)		(41,025)	
Transportation.....	91,594	2,081	-	21,422	(68,091)		(68,091)	
Economic environment.....	81,615	-	49,292	2,767	(29,556)		(29,556)	
Physical environment.....	13,400	797	3,769	35	(8,799)		(8,799)	
Payments to component units.....	58,585	-	-	-	(58,585)		(58,585)	
Interest on long term debt.....	55,745	-	-	-	(55,745)		(55,745)	
Total governmental activities.....	889,714	95,493	86,833	26,453	(680,935)		(680,935)	
Business-type activities:								
Parking system.....	3,497	2,858	-	-	-	(\$ 639)	(639)	
Sports complex.....	20,471	9,578	-	1,366	-	(9,527)	(9,527)	
Motor vehicle inspections.....	706	548	-	-	-	(158)	(158)	
Solid Waste.....	65,323	35,987	229	-	-	(29,107)	(29,107)	
Ferry.....	1,871	1,042	-	5	-	(824)	(824)	
Total business-type activities.....	91,868	50,013	229	1,371	-	(40,255)	(40,255)	
Total primary government.....	\$ 981,582	\$ 145,506	\$ 87,062	\$ 27,824	(680,935)	(40,255)	(721,190)	
COMPONENT UNITS:								
Housing programs.....	\$ 1,332	\$ -	\$ -	\$ -				(\$ 1,332)
Economic development programs....	7,113	3	-	-				(7,110)
Downtown development programs...	835	756	-	153				74
Utilities.....	1,035,296	987,839	-	29,991				(17,466)
Seaports.....	39,542	27,641	-	16,594				4,693
Airports.....	53,318	46,963	-	18,261				11,906
Transportation.....	76,507	19,884	7,747	21,134				(27,742)
Total component units.....	\$ 1,213,943	\$ 1,083,086	\$ 7,747	\$ 86,133				(36,977)
General revenues:								
Property taxes.....					312,551	-	312,551	-
Utility service taxes.....					93,978	-	93,978	-
Sales and tourist taxes.....					151,561	-	151,561	57,471
Intergovernmental.....					122,145	117	122,262	8,406
Payments from component units.....					111,054	-	111,054	-
Payments (to) from primary government.....					-	-	-	(52,469)
Payment in lieu of taxes.....					2,984	-	2,984	-
Unrestricted earnings on investments.....					26,743	2,787	29,530	56,833
Miscellaneous.....					20,275	2,542	22,817	65,924
Transfers.....					(27,215)	27,215	-	(56,968)
Total general revenues, special items, and transfers.....					814,076	32,661	846,737	79,197
Change in net assets.....					133,141	(7,594)	125,547	42,220
Net assets, beginning of year, as restated.....					(121,962)	278,671	156,709	2,613,628
Net assets, end of year.....					\$ 11,179	\$ 271,077	\$ 282,256	\$ 2,655,848

See accompanying independent auditors' report.



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**FUND FINANCIAL
STATEMENTS**



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MAJOR GOVERNMENTAL FUNDS:

GENERAL FUND

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

SPECIAL REVENUE FUND

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.

CAPITAL PROJECTS FUNDS

The Bond Projects Fund receives proceeds from the sale of bonded debt issued by the City to fund major capital improvement projects.

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

The Better 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
BALANCE SHEET - GOVERNMENTAL FUNDS (in thousands)
SEPTEMBER 30, 2002

	BETTER JACKSONVILLE						TOTAL GOVERNMENTAL FUNDS
	GENERAL	TRANSPORTATION	BOND	GENERAL	CONSTRUCTION	OTHER	
	FUND	FUND	PROJECTS	PROJECTS	PROJECT	FUNDS	
ASSETS:							
Equity in cash and investments.....	\$ 37,999	\$ 13,982	\$ 155,951	\$ 81,656	\$ 206,669	\$ 225,078	\$ 721,335
Cash in escrow and with fiscal agents.....	-	-	276	-	-	34,330	34,606
Receivables (net, where applicable, of allowances for uncollectibles):							
Taxes.....	28	-	-	-	-	-	28
Accounts and interest.....	3,585	-	-	-	-	48	3,633
Mortgages.....	48	-	-	-	-	14,765	14,813
Other.....	2,638	-	-	-	-	-	2,638
Due from independent agencies and other governments....	38,875	22,288	-	196	-	27,472	88,831
Inventories.....	1,521	-	-	-	-	-	1,521
Prepaid items.....	-	-	-	-	1,364	-	1,364
TOTAL ASSETS.....	\$ 84,694	\$ 36,270	\$ 156,227	\$ 81,852	\$ 208,033	\$ 301,693	\$ 868,769
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable and accrued liabilities.....	\$ 15,091	\$ 21,688	\$ 2,917	\$ 3,797	\$ 24,100	\$ 7,317	\$ 74,910
Contracts payable.....	-	-	439	312	865	390	2,006
Due to other funds.....	25	-	-	-	1,364	1,529	2,918
Due to component units.....	3,900	-	-	-	-	-	3,900
Due to independent agencies and other governments.....	162	-	-	-	-	-	162
Due to individuals.....	-	-	-	-	-	305	305
Matured bonds and interest payable.....	-	-	-	-	-	39	39
Deposits.....	-	-	-	-	-	453	453
Deferred revenue.....	3,936	-	-	-	-	1,069	5,005
Advances from other funds.....	-	-	-	12,593	-	-	12,593
TOTAL LIABILITIES.....	23,114	21,688	3,356	16,702	26,329	11,102	102,291
FUND BALANCES:							
Reserved for:							
Encumbrances.....	12,847	6,484	59,753	20,368	180,958	30,848	311,258
Imprest cash and cash in escrow.....	329	-	276	-	-	34,291	34,896
Mortgages receivable.....	48	-	-	-	-	14,765	14,813
Inventories.....	1,521	-	-	-	-	-	1,521
Debt service.....	-	-	-	-	-	142,438	142,438
Unreserved:							
Designated for capital projects.....	3,973	-	92,269	44,484	-	5,272	145,998
Designated for subsequent years' budget.....	-	-	-	-	-	379	379
Designated for budget stabilization.....	5,473	-	-	-	-	-	5,473
Designated for changes in fair value of investments.....	140	68	573	298	746	4,826	6,651
Designated for next year's budget appropriation.....	37,228	-	-	-	-	-	37,228
Undesignated (deficit).....	21	8,030	-	-	-	-	8,051
Unreserved, reported in nonmajor:							
Special revenue funds.....	-	-	-	-	-	60,459	60,459
Capital projects funds.....	-	-	-	-	-	(2,857)	(2,857)
Permanent fund.....	-	-	-	-	-	170	170
TOTAL FUND BALANCES.....	61,580	14,582	152,871	65,150	181,704	290,591	766,478
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 84,694	\$ 36,270	\$ 156,227	\$ 81,852	\$ 208,033	\$ 301,693	\$ 868,769

See accompanying independent auditors' report.

City of Jacksonville, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2002
(in thousands)

Total fund balances- governmental funds	\$	766,478
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		538,958
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Long term liabilities liabilities are not due and payable in the current period and are not reported in the funds:

Bonds and notes payable	\$	1,348,605	
Unamortized bond discounts		(1,362)	
Unamortized bond premium		5,705	
Unamortized loss on advance refunding of debt		(5,239)	
Compensated absences		60,142	
Interest payable		28,219	
			(1,436,070)

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

Umamortized bond issuance costs		4,238
Interest receivable		115

Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets

		137,460
Net assets of governmental activities	\$	11,179

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	BETTER JACKSONVILLE PLAN						
	GENERAL FUND	TRANSPORTATION FUND	BOND PROJECTS	GENERAL PROJECTS	CONSTRUCTION PROJECT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE:							
Property taxes.....	\$ 310,460	\$ -	\$ -	\$ -	\$ -	\$ 2,091	\$ 312,551
Utility Service taxes.....	93,978	-	-	-	-	-	93,978
Sales and tourist taxes.....	-	85,153	-	-	-	66,408	151,561
Licenses and permits.....	10,238	-	-	-	-	-	10,238
Intergovernmental.....	118,973	6,543	-	-	-	90,788	216,304
Charges for services.....	53,014	-	-	-	-	21,295	74,309
Fines and forfeitures.....	8,425	-	-	-	-	2,521	10,946
Payment in lieu of taxes.....	2,984	-	-	-	-	-	2,984
Interest.....	4,769	467	2,087	2,055	5,797	7,943	23,118
Other.....	9,327	-	-	2,834	-	8,114	20,275
Total Revenue.....	612,168	92,163	2,087	4,889	5,797	199,160	916,264
EXPENDITURES:							
Current:							
General government.....	95,153	-	-	-	-	7,016	102,169
Human services.....	66,274	-	-	-	-	28,101	94,375
Public safety.....	303,418	-	-	-	-	24,216	327,634
Culture and recreation.....	44,552	-	-	-	-	5,040	49,592
Transportation.....	34,767	56,884	-	-	-	288	91,939
Economic environment.....	7,256	-	-	-	-	57,311	64,567
Physical environment.....	12,302	-	-	-	-	5,384	17,686
Capital outlay.....	-	-	45,239	23,266	184,087	6,894	259,486
Debt service:							
Principal.....	-	-	-	-	-	35,960	35,960
Interest on fiscal charges.....	-	-	-	-	-	52,675	52,675
Other - cost of issuance.....	-	-	4,415	-	-	-	4,415
Total Expenditures.....	563,722	56,884	49,654	23,266	184,087	222,885	1,100,498
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	48,446	35,279	(47,567)	(18,377)	(178,290)	(23,725)	(184,234)
OTHER FINANCING SOURCES (USES):							
Long term debt issued.....	-	-	138,690	-	-	203,220	341,910
Premium on special obligation bonds payable.....	-	-	5,833	-	-	-	5,833
Discount on special obligation bonds payable.....	-	-	(1,409)	-	-	-	(1,409)
Payment to escrow agent - refunded bonds.....	-	-	-	-	-	(123,854)	(123,854)
Operating transfers in.....	4,964	-	-	16,460	41,192	105,617	168,233
Operating transfers out.....	(115,000)	(4,513)	(89)	(759)	-	(70,545)	(190,906)
Transfers - In from component units.....	76,682	-	-	-	25,368	9,004	111,054
Transfers - Out to component units.....	(11,809)	(30,428)	-	(7,000)	(9,031)	(317)	(58,585)
Total Other Financing Sources (Uses).....	(45,163)	(34,941)	143,025	8,701	57,529	123,125	252,276
NET CHANGES IN FUND BALANCES.....	3,283	338	95,458	(9,676)	(120,761)	99,400	68,042
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED.....							
	58,101	14,244	57,413	74,826	302,465	191,191	698,240
Change in reserve for inventory of supplies.....	196	-	-	-	-	-	196
FUND BALANCES, END OF YEAR.....	\$ 61,580	\$ 14,582	\$ 152,871	\$ 65,150	\$ 181,704	\$ 290,591	\$ 766,478

City of Jacksonville, Florida
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended September 30, 2002
(in thousands)

Net change in fund balances- total governmental activities \$ 68,042

Amounts reported for governmental activities in the statement of activities because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, certain capital assets are contributed to the City upon completion, requiring recognition of income not reported in the funds.

Capital assets acquired by use of financial resources	247,701	
Capital assets contributed by developers	18,970	
Capital assets transferred from proprietary funds of the City	2,853	
Current year depreciation	(11,984)	
		257,540

Revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements:

Accrued interest earned		115
-------------------------	--	-----

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

Bond issuance costs	4,415	
Amortization of issuance costs	(177)	
Discounts on bonds sold	1,409	
Amortization of bond discounts	(47)	
Premium on bonds sold	(5,833)	
Additional current year interest expense, bond premiums	128	
		(105)

Repayment of bond principal is an expenditure in governmental funds, but the repayment results in a reduction of long-term liabilities in the statement of net assets. Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount by which debt issued (\$341,910) exceeded principal repayment (\$159,884).

(182,026)

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

Accrued interest expense		(3,151)
Increases in compensated absences payable		(5,878)
Changes in reserves for inventory		196

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

(1,592)

\$ 133,141



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MAJOR ENTERPRISE FUNDS:

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

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

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

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS (in thousands)
SEPTEMBER 30, 2002

	ENTERPRISE FUNDS					
	PUBLIC PARKING SYSTEM	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	SOLID WASTE DISPOSAL	OTHER ENTERPRISE	TOTAL	INTERNAL SERVICE FUNDS
<u>ASSETS</u>						
CURRENT ASSETS:						
Equity in cash and investments.....	\$ 2,294	\$ 2,570	\$ 42,875	\$ 563	\$ 48,302	\$ 134,837
Receivables (net, where applicable, of allowances for uncollectibles):						
Accounts.....	-	1,938	1,312	92	3,342	188
Other.....	-	-	-	-	-	56
Due from other funds.....	-	-	-	-	-	5,362
Due from independent agencies and other governments.....	-	-	160	203	363	3,101
Advances to other funds.....	-	-	-	-	-	12,593
Inventories.....	-	-	-	3	3	1,406
Prepaid expenses and other assets.....	-	124	-	100	224	2,059
Total Current Assets.....	2,294	4,632	44,347	961	52,234	159,602
NONCURRENT ASSETS:						
Sinking fund cash and investments.....	-	205	-	-	205	-
Construction fund cash and investments.....	-	-	12,937	-	12,937	-
Accounts and interest receivable.....	-	47	-	-	47	-
CAPITAL ASSETS:						
Land and work in progress.....	4,573	24,576	16,420	642	46,211	58
Other capital assets, net of depreciation.....	9,033	195,806	24,944	4,245	234,028	63,773
Deferred charge - Landfill related costs.....	-	-	35,303	-	35,303	-
Other deferred charges.....	-	-	540	-	540	-
Total Noncurrent Assets.....	13,606	220,634	90,144	4,887	329,271	63,831
TOTAL ASSETS.....	\$ 15,900	\$ 225,266	\$ 134,491	\$ 5,848	\$ 381,505	\$ 223,433

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS (in thousands)
SEPTEMBER 30, 2002

	ENTERPRISE FUNDS					
	PUBLIC PARKING SYSTEM	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	SOLID WASTE DISPOSAL	OTHER ENTERPRISE	TOTAL	INTERNAL SERVICE FUNDS
<u>LIABILITIES</u>						
CURRENT LIABILITIES:						
Accounts payable and accrued liabilities.....	\$ 73	\$ 2,681	\$ 3,471	\$ 413	\$ 6,638	\$ 8,264
Contracts payable.....	15	7	1,258	-	1,280	-
Due to other funds.....	-	-	-	-	-	2,444
Due to independent agencies and other governments.....	34	-	-	-	34	16
Capitalized lease obligations, current portion.....	-	-	-	-	-	3,252
Deposits.....	78	-	45	-	123	-
Deposits held for construction and events.....	-	252	-	-	252	-
Accrued interest payable.....	568	-	1,442	-	2,010	-
Current portion of bonds payable.....	1,245	-	2,500	-	3,745	-
Deferred revenue.....	-	31	-	23	54	269
Accrued compensated absences, current portion.....	91	-	400	28	519	2,239
Total Current Liabilities.....	2,104	2,971	9,116	464	14,655	16,484
NONCURRENT LIABILITIES:						
Estimated liability for self-insured losses.....	-	-	-	-	-	53,587
Liability for landfill closure and postclosure care.....	-	-	22,556	-	22,556	-
Accrued compensated absences.....	24	-	153	12	189	710
Capitalized lease obligations.....	-	-	-	-	-	15,192
Revenue bonds.....	20,172	-	52,856	-	73,028	-
Total Noncurrent Liabilities.....	20,196	-	75,565	12	95,773	69,489
TOTAL LIABILITIES.....	22,300	2,971	84,681	476	110,428	85,973
NET ASSETS:						
Invested in capital assets, net of related debt.....	(8,379)	220,382	(15,434)	4,887	201,456	45,387
Restricted for:						
Debt service.....	-	205	-	-	205	-
Capital.....	-	-	11,679	-	11,679	-
Unrestricted.....	1,979	1,708	53,565	485	57,737	92,073
TOTAL NET ASSETS.....	\$ (6,400)	\$ 222,295	\$ 49,810	\$ 5,372	\$ 271,077	\$ 137,460

See accompanying independent auditors' report.



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CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	ENTERPRISE FUNDS					
	PUBLIC PARKING SYSTEM	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	SOLID WASTE DISPOSAL	OTHER ENTERPRISE	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUE:						
Charges for services.....	\$ 2,858	\$ 9,578	\$ 35,987	\$ 1,590	\$ 50,013	\$ 131,522
Charges for services for independent authorities.....	-	-	-	-	-	15,639
Other.....	-	-	-	-	-	404
Total Operating Revenue.....	<u>2,858</u>	<u>9,578</u>	<u>35,987</u>	<u>1,590</u>	<u>50,013</u>	<u>147,565</u>
OPERATING EXPENSES:						
Personal services.....	1,307	8,211	5,723	1,133	16,374	22,484
Supplies and materials.....	104	2,160	182	144	2,590	11,388
Central services.....	817	140	2,544	24	3,525	4,310
Interdepartmental charges.....	507	471	22	-	1,000	-
Other services and charges.....	216	3,788	51,586	961	56,551	26,461
Depreciation and amortization.....	546	5,701	2,383	315	8,945	17,544
Court reporter services.....	-	-	-	-	-	25
Claims and losses.....	-	-	-	-	-	12,079
Insurance premiums and participant dividends.....	-	-	-	-	-	49,737
Total Operating Expenses.....	<u>3,497</u>	<u>20,471</u>	<u>62,440</u>	<u>2,577</u>	<u>88,985</u>	<u>144,028</u>
OPERATING INCOME (LOSS).....	<u>(639)</u>	<u>(10,893)</u>	<u>(26,453)</u>	<u>(987)</u>	<u>(38,972)</u>	<u>3,537</u>
NON-OPERATING REVENUE (EXPENSES):						
Interest revenue.....	1,005	66	1,694	22	2,787	3,510
Interest expense.....	0	-	(2,883)	-	(2,883)	-
Operating grants.....	0	-	229	-	229	-
Other.....	222	2,388	(63)	(5)	2,542	(1,401)
Total Non-Operating Revenue (Expenses).....	<u>1,227</u>	<u>2,454</u>	<u>(1,023)</u>	<u>17</u>	<u>2,675</u>	<u>2,109</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS.....						
	588	(8,439)	(27,476)	(970)	(36,297)	5,646
Capital contributions.....	-	1,366	-	5	1,371	157
Operating transfers in.....	1,447	3,872	26,412	823	32,554	4,172
Operating transfers out.....	<u>(4,262)</u>	<u>(960)</u>	<u>-</u>	<u>-</u>	<u>(5,222)</u>	<u>(11,567)</u>
CHANGES IN NET ASSETS.....	<u>(2,227)</u>	<u>(4,161)</u>	<u>(1,064)</u>	<u>(142)</u>	<u>(7,594)</u>	<u>(1,592)</u>
NET ASSETS, BEGINNING OF YEAR.....	<u>(4,173)</u>	<u>226,456</u>	<u>50,874</u>	<u>5,514</u>	<u>278,671</u>	<u>139,052</u>
NET ASSETS, END OF YEAR.....	<u>(\$ 6,400)</u>	<u>\$ 222,295</u>	<u>\$ 49,810</u>	<u>\$ 5,372</u>	<u>\$ 271,077</u>	<u>\$ 137,460</u>

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	ENTERPRISE FUNDS	
	PUBLIC PARKING SYSTEM	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers.....	\$ 2,858	\$ 8,699
Payments to suppliers.....	(1,250)	(5,362)
Payments to employees	(1,293)	(8,211)
Internal activity- payments to other funds.....	-	-
Other receipts (expenses).....	222	2,388
Other operating cash payments.....	(143)	(471)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	394	(2,957)
NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received.....	-	-
Cash received through operating transfers from other funds.....	1,447	3,872
Cash received from capital contributions.....	-	1,366
Cash payments through operating transfers to other funds.....	(4,262)	(960)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	(2,815)	4,278
CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property, plant and equipment.....	(546)	(5,701)
Proceeds from sale of property, plant and equipment.....	1,381	3,741
Increase in construction fund cash and investments.....	-	-
Principal paid on long-term obligations.....	(1,104)	-
Increase in capitalized lease obligations.....	-	-
Additions to contributed capital assets.....	-	-
Interest and payments to refunded bond escrow agent.....	-	-
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(269)	(1,960)
INVESTING ACTIVITIES:		
Interest and dividends on investments.....	1,005	66
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	1,005	66
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(1,685)	(573)
Cash and cash equivalents at October 1.....	3,979	3,143
Cash and cash equivalents at September 30.....	<u>\$ 2,294</u>	<u>\$ 2,570</u>

ENTERPRISE FUNDS

<u>SOLID WASTE DISPOSAL</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
\$ 37,412	\$ 1,294	\$ 50,263	\$ 145,030
(54,264)	(885)	(61,761)	(88,894)
(5,679)	(1,118)	(16,301)	(22,506)
-	-	-	2,444
(63)	-	2,547	(1,249)
<u>1,419</u>	<u>-</u>	<u>805</u>	<u>(17,361)</u>
<u>(21,175)</u>	<u>(709)</u>	<u>(24,447)</u>	<u>17,464</u>
229	-	229	-
26,412	823	32,554	4,172
-	-	1,366	(11,567)
<u>-</u>	<u>-</u>	<u>(5,222)</u>	<u>-</u>
<u>26,641</u>	<u>823</u>	<u>28,927</u>	<u>(7,395)</u>
(2,383)	(315)	(8,945)	(37,479)
3,039	88	8,249	-
(610)	-	(610)	-
(2,379)	-	(3,483)	13,860
-	-	-	2,713
-	-	-	7
<u>(2,883)</u>	<u>-</u>	<u>(2,883)</u>	<u>-</u>
<u>(5,216)</u>	<u>(227)</u>	<u>(7,672)</u>	<u>(20,899)</u>
<u>1,694</u>	<u>22</u>	<u>2,787</u>	<u>3,510</u>
<u>1,694</u>	<u>22</u>	<u>2,787</u>	<u>3,510</u>
1,944	(91)	(405)	(7,320)
<u>40,931</u>	<u>654</u>	<u>48,707</u>	<u>142,157</u>
<u>\$ 42,875</u>	<u>\$ 563</u>	<u>\$ 48,302</u>	<u>\$ 134,837</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	ENTERPRISE FUNDS	
	<u>PUBLIC PARKING SYSTEM</u>	<u>SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS).....	<u>(\$ 639)</u>	<u>(\$ 10,893)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization.....	546	5,701
Other non-operating revenue/(expenses).....	222	2,388
Change in assets and liabilities:		
Decrease (increase) in receivables and other current assets, net.....	-	(866)
(Increase) in due from other funds.....	-	-
Decrease (increase) in due from independent agencies and other governments...	-	-
(Increase) in due from other governments.....	-	-
(Increase) in inventories.....	-	-
Decrease (increase) in prepaid expenses.....	-	6
Increase (decrease) in accounts payable and accrued expenses.....	(46)	719
Increase in due to other funds.....	-	-
Increase (decrease) in contracts payable.....	(46)	7
Increase in due to independent agencies and other governments.....	31	-
Increase (decrease) in deposits.....	8	-
(Decrease) in interest payable.....	(21)	-
Increase in current portion of bond payables.....	325	-
Increase (decrease) in deferred revenue.....	-	(19)
Increase in liability for landfill closure and postclosure care.....	-	-
(Decrease) in liability for self-insured losses.....	-	-
Increase (decrease) in accrued compensated absences.....	14	-
TOTAL ADJUSTMENTS.....	<u>1,033</u>	<u>7,936</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	 <u><u>\$ 394</u></u>	 <u><u>(\$ 2,957)</u></u>
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Change in the fair value of investments.....	<u>(\$ 2)</u>	<u>\$ 3</u>
 TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	 <u><u>(\$ 2)</u></u>	 <u><u>\$ 3</u></u>

ENTERPRISE FUNDS

<u>SOLID WASTE DISPOSAL</u>	<u>OTHER ENTERPRISE</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
<u>(\$ 26,453)</u>	<u>(\$ 987)</u>	<u>(\$ 38,972)</u>	<u>\$ 3,537</u>
2,383	315	8,945	17,544
(63)	-	2,547	(1,249)
1,227	(66)	295	43
-	-	-	(1,858)
198	-	198	(1,009)
-	(203)	(203)	-
-	-	-	(18)
-	(20)	(14)	(2,059)
27	244	944	3,045
-	-	-	2,444
70	-	31	-
-	-	31	-
(2)	-	6	-
(49)	-	(70)	-
105	-	430	-
-	(7)	(26)	269
1,338	-	1,338	-
-	-	-	(3,203)
44	15	73	(22)
<u>5,278</u>	<u>278</u>	<u>14,525</u>	<u>13,927</u>
<u>(\$ 21,175)</u>	<u>(\$ 709)</u>	<u>(\$ 24,447)</u>	<u>\$ 17,464</u>
<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 125</u>
<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 125</u>

See accompanying independent auditors' report.



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FIDUCIARY FUND LEVEL STATEMENTS

PENSION TRUST FUNDS are funds administered by independent boards for which the City performs a fiduciary role under a defined benefit program 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.

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

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

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS (in thousands)
FIDUCIARY FUNDS
SEPTEMBER 30, 2002

<u>ASSETS</u>	<u>PENSION TRUST FUNDS</u>	<u>PRIVATE PURPOSE TRUST FUND</u>	<u>AGENCY FUNDS</u>
CURRENT ASSETS:			
Equity in cash and investments.....	\$ 115,833	\$ 154	\$ 28,959
Receivables (net, where applicable, of allowances for uncollectibles):			
Interest and dividends.....	10,518	-	-
Accounts.....	45	-	3,377
Total receivables.....	<u>10,563</u>	<u>-</u>	<u>3,377</u>
Investments, at fair value:			
U.S. Government obligations.....	471,441	-	-
Municipal Bonds.....	1,114	-	-
Domestic corporate bonds.....	357,542	-	-
Commercial paper.....	5,996	-	-
Domestic stocks.....	886,122	-	-
International stocks.....	159,218	-	-
Real Estate.....	7,250	-	-
Total investments.....	<u>1,888,683</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS.....	<u>2,015,079</u>	<u>154</u>	<u>32,336</u>
CAPITAL ASSETS			
Other capital assets, net of depreciation.....	318	-	-
TOTAL CAPITAL ASSETS, Net.....	<u>318</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS.....	<u>2,015,397</u>	<u>154</u>	<u>\$ 32,336</u>
LIABILITIES:			
Accounts payable and accrued liabilities.....	3,308	-	\$ 175
Due to independent agencies and other governments.....	-	-	8,543
Due to individuals.....	-	-	2,111
Current portion of long-term liabilities.....	31	-	-
Deposits held in escrow.....	-	-	21,507
Total Current Liabilities.....	<u>3,339</u>	<u>-</u>	<u>32,336</u>
NONCURRENT LIABILITIES:			
Accrued compensated absences.....	42	-	-
Due to Drop participants.....	77,538	-	-
TOTAL LIABILITIES.....	<u>80,919</u>	<u>-</u>	<u>\$ 32,336</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....	<u>\$ 1,934,478</u>	<u>\$ 154</u>	

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (in thousands)
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	PENSION TRUST FUNDS	PRIVATE PURPOSE TRUST
<u>ADDITIONS</u>		
Contributions:		
Employer.....	\$ 9,619	\$ -
Plan Member.....	24,524	-
Total contributions.....	<u>34,143</u>	<u>-</u>
Other additions:		
State insurance contributions.....	5,222	-
Court fines & penalties.....	3,117	-
Parking revenues.....	155	-
Miscellaneous.....	89	-
Operating transfer in.....	-	6
Gain/Loss on Sale of Fixed Assets.....	104	-
Total other additions.....	<u>8,687</u>	<u>6</u>
Investment income:		
Net depreciation		
in fair value of investments.....	(182,096)	-
Interest.....	55,780	4
Dividends.....	15,281	-
Rebate of Commissions.....	726	-
Rental income.....	493	-
Earnings other miscellaneous.....	1,037	-
Total investment income.....	<u>(108,779)</u>	<u>4</u>
Less investment expense.....	(7,359)	-
Less rental expense.....	(135)	-
Net investment income.....	<u>(116,273)</u>	<u>4</u>
TOTAL ADDITIONS.....	<u>(73,443)</u>	<u>10</u>
<u>DEDUCTIONS</u>		
Benefits payments.....	140,661	-
Refunds of contributions.....	2,356	-
Operating transfers out.....	123	-
Administrative expenses.....	3,482	-
Operating Expenses.....	-	8
TOTAL DEDUCTIONS.....	<u>146,622</u>	<u>8</u>
CHANGE IN NET ASSETS.....	(220,065)	2
NET ASSETS, BEGINNING OF YEAR.....	<u>2,154,543</u>	<u>152</u>
NET ASSETS, END OF YEAR.....	<u><u>\$ 1,934,478</u></u>	<u><u>\$ 154</u></u>

See accompanying independent auditors' report.



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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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CITY OF JACKSONVILLE, FLORIDA
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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Jacksonville, Florida (the City) conform to accounting principles generally accepted in the United States (GAAP) as applicable to governments. The following is a summary of the more significant policies. Notes 1.C. through 18 are note disclosures of the primary government with significant disclosures for major component units incorporated within. Additional significant component unit disclosures are presented in Note 19 and condensed financial information for component units is presented in Note 20.

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 807,000 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, 2002

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

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the Mayor and/or controlled by or dependent upon the City Council as set forth in the City Charter. The City, a primary government, has also considered for inclusion all potential component units for which it may be financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. In 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.

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. City Ordinance 2001-1271-E authorized the "privatization" of JEDCO. The Mayor and the Jacksonville Economic Development Commission also approved a Memorandum of Understanding (MOU) with JEDCO to continue to provide certain services pursuant to the terms of the agreement. JEDCO and the City determined that it was in their mutual best interest for JEDCO to become independent of the City. Therefore, JEDCO is no longer a component unit of the City.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

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.

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 Fiduciary Funds.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

The **Jacksonville Seaport Authority (JSA)** was created by Resolution 2000-1104-A, which abolished the Jacksonville Port Authority (JPA). The JPA was created in 1963 by Chapter 63-1447 of the Laws of Florida, to own and operate marine and aviation facilities in the Consolidated City/County Government of Jacksonville/Duval County. These state laws were repealed and separate seaport and airport authorities were established. The governing body of the JSA consists of seven members, four of whom are appointed by the Mayor and confirmed by the City Council, and three of whom are appointed by the Governor. The City can impose its will on the JSA through modification and approval of its budgets, which ensures strong accountability to the local constituent citizenry. The JSA issues separate financial statements, which may be obtained from its administrative office at 2831 Tallyrand Avenue, Jacksonville, Florida 32206.

The **Jacksonville Airport Authority (JAA)** was created by Resolution 2000-1104-A, which abolished the Jacksonville Port Authority (JPA). The JPA was created in 1963 by Chapter 63-1447 of the Laws of Florida, to own and operate marine and aviation facilities in the Consolidated City/County Government of Jacksonville/Duval County. These state laws were repealed and separate seaport and airport authorities were established. The governing body of the JAA consists of seven members, four of whom are appointed by the Governor, and three of whom are appointed by the Mayor and confirmed by the City Council. The JAA is, however, fiscally dependent upon the City because the City Council can modify the budget and also has to approve it, which ensures strong accountability to the local constituent citizenry. The JAA issues separate financial statements, which may be obtained from its administrative office at P.O. Box 18018, Jacksonville, Florida 32229-0018.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

Non-major Component Units

The **Duval County Housing Finance Authority (DCHFA)**, 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 DCHFA board members and has the ability to impose its will. There are no separately issued financial statements for the DCHFA, whose financial activity is accounted for by the City as a special revenue fund during the year. However, for financial reporting purposes, fund financial statements for DCHFA are presented in the Combining Individual Fund Statements and Schedules section of this report.

The **Jacksonville Economic Development Commission (JEDC)**, created July 1, 1997, under Chapter 92-341, Laws of Florida, provides a focal point for economic development in the City that results in a centralization of economic development programs under the auspices of one agency, thus ensuring a more efficient and practical means of addressing the goals, objectives and strategies for future economic development in the City. The JEDC operates with all the powers and authority of a community redevelopment agency under Part III, Chapter 163, Florida Statutes and as an industrial development authority under Part III, Chapter 159, Florida Statutes. The mayor appoints the board members and a chairman, who are confirmed by the City Council, and the City has the ability to impose its will. 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. However, for financial reporting purposes, fund financial statements for JEDC are presented in the Combining Individual Fund Statements and Schedules section of this report.

The **Downtown Vision, Inc. (DVI)**, was established as a not-for-profit corporation under the Laws of Florida in 1997. DVI was created to provide community enhancements in the downtown area, with associated costs assessed to the properties benefited. The assessment is levied and collected by the City in accordance with the Enhanced Municipal Services Agreement, and was approved by City Ordinance 1999-1175-E. 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

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

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

Related Organizations

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basic Financial Statements:

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

The city-wide statement of net assets reports all assets and liabilities of the City, including both long-term assets and long-term debt and other obligations. The statement of activities reports the degree to which direct expenses of City functions are offset by program revenues, which include program specific grants and charges for services provided by a specific function. Direct expenses are those that are clearly identifiable with a specific function or program. The net cost of these programs, which was not reported in the previous statement model, is funded from general revenues such as taxes, intergovernmental revenue, and interest earnings.

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

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

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

D. Fund Structure:

The City's accounts are maintained in accordance with the principles of fund accounting to ensure compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations,

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure: (continued)

restrictions, or limitations. Each individual fund is a self-balancing set of accounts recording assets and other financing resources, together with liabilities and residual equities or balances, and changes therein. For financial statement presentation, funds with similar characteristics, including those component units referenced above, are grouped into generic classifications as required by GAAP. A brief description of these classifications follows:

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

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

Special Revenue Fund:

Transportation Fund - The Transportation Fund accounts for revenue from the City's six cent local option gas tax, state shared fifth and sixth 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.

Capital Project Funds:

Bond Projects Fund - The Bond Projects Fund receives money from the sale of bonded debt issued by the City to fund major capital improvement projects.

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
D. Fund Structure: (continued)

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

Sports Complex, Convention Center, and Auditorium Fund - This fund accounts for the operation of ALLTEL Stadium/Wolfson Baseball Park/Veteran's Memorial Coliseum sports complex, the Prime Osborn Convention Center, and the Performing Arts Center.

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

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

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

In addition, the City reports the following fund types:

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure: (continued)

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

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

E. Basis of Accounting:

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

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

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

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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting: (continued)

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

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

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

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

F. Cash, Cash Equivalents, and Investments:

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Receivables:

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

H. Inventories:

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

All purchased capital assets are recorded at cost where historical records are available and at estimated cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, capital assets costing more than \$750 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. Capital assets are reported in the applicable governmental or business-type column in the city-wide financial statements.

In accordance with GASB Statement No. 34, an extended period of deferral until September 30, 2006 fiscal year end is available before the City is required to record and depreciate infrastructure assets acquired prior to October 1, 2001. Infrastructure assets include roads, bridges, drainage improvements, traffic signals, etc. The City has elected to defer reporting of infrastructure assets acquired prior to October 1, 2001. Infrastructure assets acquired during the 2001-02 fiscal year are reported on the city-wide Statement of Net Assets. This asset category is likely to be a significant asset of the City. As allowed by prior accounting rules, the City opted not to include the cost of these assets on its financial statements prior to implementation of GASB Statement No. 34.

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Contributed Capital:

In accordance with GASB Statement No. 34, Contributed Capital has been reclassified as a component of net assets.

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 operating transfers.

L. Restricted Assets:

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

M. Compensated Absences:

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

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

N. Risk Financing:

The City is self-insured for general and automobile liability and up to \$1 million per occurrence of workers' compensation. (See Note 13.) The liability for self-insured losses is based on individual case estimates for reported claims, historical loss data, and

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Risk Financing: (continued)

valuations performed by independent actuaries at September 30, 2002, 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 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 14.C.)

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Long-Term Obligations:

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

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:

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

Explanations of significant designations include:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Bond Discounts, Premiums and Issuance Costs:

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

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

T. Deferred Loss on Debt Refundings:

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

U. Use of Estimates:

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

V. Reclassification:

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

W. New Accounting Standards:

The City adopted the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, and Statement No. 37, the related Omnibus Statement, for the fiscal year ending September 30, 2002. The statements establish financial reporting standards for state and local governments, including states, cities, towns, villages, and special-purpose governments such as school districts and public utilities. They establish that the basic financial

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. New Accounting Standards: (continued)

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 also adopted the provisions of GASB Statement No. 38, Certain Financial Statement Note Disclosures, for the fiscal year ending September 30, 2002. This statement modifies, establishes, and rescinds certain financial statement disclosure requirements.

Several funds were reclassified to comply with GASB Statement No. 34 provisions. Accordingly, beginning fund balances have been restated to reflect these changes.

Fund balances reported at September 30, 2001 do not include certain assets and liabilities required to report financial position. The necessary changes in fund balance are presented below (in thousands):

Fund Balances, September 30, 2001	\$ 698,074
Non-expendable trust funds reclassified from Fiduciary	
Fund to Permanent Fund and added to governmental	166
	<u>698,240</u>
Amounts not included in fund balances:	
Capital assets, net of accumulated depreciation	281,418
Bonds, Notes and compensated absences	(1,160,940)
Amounts due to component units	(400)
Compensated absences payable	(54,264)
Interest payable on long term debt	(25,068)
Internal service funds	139,052
City-Wide Net Asset Balances at September 30, 2001	<u>(\$ 121,962)</u>

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.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

2. BUDGETARY DATA (continued)

The City presents a Budgetary Comparison Schedule as Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget. The City has opted to make this presentation in the format and classifications of the budget document. These schedules report actual expenditures using generally accepted accounting principles as well as expenditures on the budgetary basis, which include amounts encumbered for future spending.

- B.** All funds of each governmental fund type with legally adopted annual budgets are included in the Combining Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual.
- C.** The City adopts annual budgets for the General Fund, certain Special Revenue Funds, and Proprietary Funds. The City reports Budgetary Comparisons for its General Fund and Major Special Revenue Funds in the Required Supplementary Information section of this report. Proprietary Fund budgets are adopted for management control purposes. The City is not required to include Budgetary Comparisons for Proprietary Funds in this report. Project or program budgets, which may not coincide with the City's fiscal year, or which may exceed a single annual period, are adopted by separate ordinance for most Special Revenue Funds and Capital Project Funds. Budgets are not formally adopted for Debt Service Funds as internal spending controls are set by compliance with bond covenants. The Special Revenue Funds which are not budgeted annually include the following: Community Development Block Grant, 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.
- D.** Level of Budgetary Control - Expenditures may not exceed appropriations and are controlled in the following manner:
 - (1)** The budget is adopted by Ordinance which sets the legal level of control at the fund level by department.
 - (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.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

2. BUDGETARY DATA (continued)

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 2002 Annual Budget Ordinance were made throughout the year, the effects of which were not material.

F. All appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end or at the close of the authorizing project/program, unless specifically carried forward by ordinance.

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

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, 2002, the City's cash on deposit in its bank accounts was \$140.7 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 \$560.3 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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

3. CASH AND INVESTMENTS (continued)

B. Cash on Deposit: (continued)

held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" and covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

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

C. Investments and Investment Practices:

The City is authorized to invest in 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 2002.

Investments at September 30, 2002, are categorized in accordance with GASB Statement No. 3 in the following table (in thousands) to indicate the level of risk assumed by the City: Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name; Category 2 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name; Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name. Due to significantly higher cash flows at certain times during the year, the City's investment in overnight repurchase agreements, for which the underlying securities were held by the dealer, fluctuated throughout the period. As a result, the amounts that were in Category 3 at those times were marginally higher than at year-end.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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	\$ -	\$ -	\$ 59,240	\$ 59,240
U.S. Government and Agency Securities	493,104	-	499	493,603
Total	<u>\$ 493,104</u>	<u>\$ -</u>	<u>\$ 59,739</u>	<u>552,843</u>
<u>Pension Trust Funds</u>				
U.S. Government and Agency Securities	\$ 471,441	\$ -	\$ -	471,441
Corporate Bonds	357,542	-	-	357,542
Common Stock	1,045,340	-	-	1,045,340
Real Estate	7,250	-	-	7,250
Municipal Bonds	1,114	-	-	1,114
Commercial Paper	5,996	-	-	5,996
Total	<u>\$1,888,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,888,683</u>
Total Risk-Classified Investments				2,441,526
<u>Unclassified as to Credit Risk:</u>				
Accrued Interest Receivable				14,078
Cash Bank Deposits				560,330
Less: Equity in cash and investments of certain Component units discretely presented and Related organizations				<u>(19,565)</u>
Total Cash and Investments at September 30, 2002				<u>\$ 2,996,369</u>
<u>Summary of Cash and Investment Accounts:</u>				
Equity in Cash and Investments				\$ 2,948,621
Cash in Escrow and with Fiscal Agents				34,606
Restricted Cash and Investments				<u>13,142</u>
Total Cash and Investments at September 30, 2002				<u>\$ 2,996,369</u>

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

4. ACCOUNTS AND MORTGAGES RECEIVABLE

The accounts and mortgages receivable balances in the funds listed below, in thousands, are shown net of an allowance for doubtful accounts. No other funds had an allowance for doubtful accounts at September 30, 2002.

Fund	Accounts Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
General Fund	\$ 18,414	(\$ 14,829)	\$ 3,585
Non-Major Special Revenue Funds:			
Sports, Convention & Tourism Development	13	(6)	7
Budgeted General Government	78	(39)	39
Major Enterprise Fund:			
Solid Waste Disposal	1,329	(17)	1,312

Fund	Mortgages Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
Non-Major Special Revenue Funds:			
Community Development Block Grant	2,162	(1,127)	1,035
Housing Rehabilitation and Home Investment and Opportunity Grants	15,198	(5,482)	9,716
State Housing Initiative Partnership	5,545	(1,531)	4,014

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 10.3465 for the fiscal year ended September 30, 2002.

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, 2002**

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. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended September 30, 2002, was as follows (in thousands):

Primary Government

	Restated Beginning Balance September 30, 2001	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2002
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 113,183	\$ 53,824	\$ 3,845	\$ 163,162
Construction in progress	-	63,490	-	63,490
Land reported in Internal Service Funds	58	-	-	58
CIP reported in Internal Service Funds	12	-	12	-
Total capital assets not being depreciated	113,253	117,314	3,857	226,710
Capital assets being depreciated:				
Buildings	275,939	3,654	(3,873)	283,466
Furniture and equipment	53,477	5,638	9,682	49,433
Improvements	-	21,735	-	21,735
Infrastructure	-	118,807	-	118,807
Capital assets reported in Internal Service Funds, net	43,828	19,993	48	63,773
Total assets being depreciated	373,244	169,827	5,857	537,214
Less accumulated depreciation for:				
Buildings	124,505	6,079	4,557	126,027
Furniture and equipment	36,676	5,905	7,473	35,108
Total accumulated depreciation	161,181	11,984	12,030	161,135
Total capital assets being depreciated, net	212,063	157,843	(6,173)	376,079
Governmental activities capital assets, net	\$ 325,316	\$ 275,157	(\$ 2,316)	\$ 602,789

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

6. CAPITAL ASSET ACTIVITY (continued)

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 30,334	\$ 1,277	\$ 58	\$ 31,553
Construction in progress	14,728	932	1,002	14,658
Total capital assets not being depreciated	<u>45,062</u>	<u>2,209</u>	<u>1,060</u>	<u>46,211</u>
Capital assets being depreciated:				
Buildings and improvements	311,633	625	-	312,258
Furniture and equipment	16,006	320	812	15,514
Total assets being depreciated	<u>327,639</u>	<u>945</u>	<u>812</u>	<u>327,772</u>
Less accumulated depreciation for:				
Buildings and improvements	73,634	8,006	-	81,640
Furniture and equipment	12,212	939	1047	12,104
Total accumulated depreciation	<u>85,846</u>	<u>8,945</u>	<u>1047</u>	<u>93,744</u>
Total capital assets being depreciated, net	<u>241,793</u>	<u>(8,000)</u>	<u>(235)</u>	<u>234,028</u>
Business-type activities capital assets, net	<u>\$ 286,855</u>	<u>(\$ 5,791)</u>	<u>\$ 825</u>	<u>\$ 280,239</u>

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

Governmental activities:

General government	\$ 2,393
Human services	5,574
Public safety	315
Culture and recreation	90
Transportation	164
Economic environment	1,608
Physical environment	1,840
Total depreciation expense - governmental activities	<u>\$ 11,984</u>

Business-type activities:

Parking system	\$ 546
Sports complex	5,701
Motor vehicle inspections	17
Solid waste	2,383
Ferry	298
Total depreciation expense - business-type activities	<u>\$ 8,945</u>

General Fixed Asset balances reported in the prior year have been restated as follows (in thousands):

Balance at September 30, 2001	\$ 633,599
Less: Accumulated Depreciation at September 30, 2001	(161,181)
Restatement of Operating Leased Assets of Shands Hospital	(191,000)
Add: Internal Service Funds - Capital Assets, net	43,898
Governmental Activities Capital Assets at October 1, 2001	<u>\$ 325,316</u>

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

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>
MAJOR FUNDS:		
General Fund		
General Fund	\$ 8	Fleet Management
General Fund	6	Information Technologies
General Fund	10	Legal
General Fund	1	Self Insurance
Total	25	
Capital Projects		
Better Jacksonville Plan Construction Project	1,364	Insured Programs
Total	1,364	
NONMAJOR FUNDS:		
Special Revenue		
Community Development Block Grant	1,262	Self Insurance
Metropolitan Planning Organization	267	Self Insurance
	1,529	
Internal Service Funds		
Insured Programs	2,444	Self Insurance
	2,444	
TOTAL	\$ 5,362	
 <u>ADVANCES FROM OTHER FUNDS</u>		
MAJOR FUNDS:		
Capital Projects		
General Projects	\$ 12,593	Self Insurance
TOTAL	\$ 12,593	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
MAJOR FUNDS:		
General Fund		
General Fund	\$ 400	Public Parking System
General Fund	110	Concurrency Management
General Fund	244	Sports, Convention and Tourism Development
General Fund	16	General Government - Budgeted
General Fund	172	Maintenance, Parks and Recreation
General Fund	21	Other Federal, State and Local Grants
General Fund	607	General Government - Non-Budgeted
General Fund	320	Information Technologies
General Fund	250	Legal
General Fund	1,401	Self Insurance
General Fund	1,300	Insured Programs
General Fund	123	Police and Fire Pension
Total	4,964	
Capital Projects		
General Projects	5,248	General Fund
General Projects	500	Sports, Convention and Tourism Development
General Projects	5,285	General Government - Budgeted
General Projects	2	General Government - Non-Budgeted
General Projects	5,425	Self Insurance
Better Jacksonville Plan Construction Projects	4,513	Transportation
Better Jacksonville Plan Construction Projects	36,679	Better Jacksonville Plan Trust Fund
Total	57,652	
Enterprise Funds		
Public Parking System	1,447	General Fund
Sports Complex, Convention Center and Auditorium	3,822	General Fund
Sports Complex, Convention Center and Auditorium	50	Maintenance, Parks and Recreation
Solid Waste Disposal	26,412	General Fund
	31,731	

In the fund financial statements, total transfers out are greater than total transfers in by \$2,853. This is due to the treatment of transfers of capital assets from the Public Parking Fund to the general government. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources. The Public Parking Fund reports a transfer out of \$2,853.

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
NON-MAJOR FUNDS:		
Special Revenue		
Air Pollution Control and Monitoring	400	General Fund
General Government - Budgeted	933	General Fund
Tax Increment Districts	2	General Fund
Jacksonville Children's Commission	14,039	General Fund
Jacksonville Children's Commission	50	Other Federal, State and Local Grants
Jacksonville Children's Commission	50	General Government - Non-Budgeted
Community Development Block Grant	75	Tax Increment Districts
Maintenance, Parks and Recreation	796	General Fund
Metropolitan Planning Organization	100	General Fund
Metropolitan Planning Organization	36	Concurrency Management
Other Federal, State and Local Grants	5,623	General Fund
Other Federal, State and Local Grants	156	Jacksonville Children's Commission
General Government - Non-Budgeted	263	General Fund
General Government - Non-Budgeted	6	Maintenance, Parks and Recreation
General Government - Non-Budgeted	89	Bond Projects
General Government - Non-Budgeted	545	General Projects
General Government - Non-Budgeted	1	Sports Complex, Convention Center and Auditorium
Total	23,164	
Debt Service		
Special Bonded Debt Obligations	50,796	General Fund
Special Bonded Debt Obligations	9,854	Sports, Convention and Tourism Development
Special Bonded Debt Obligations	1,478	Tax Increment Districts
Special Bonded Debt Obligations	1,009	Public Parking System
Special Bonded Debt Obligations	959	Sports Complex, Convention Center and Auditorium
Special Bonded Debt - Better Jacksonville Plan Obligations	14,117	Better Jacksonville Plan Trust Fund
Other Non-Bonded Debt Obligations	1,838	General Fund
Other Non-Bonded Debt Obligations	977	Tax Increment Districts
Total	81,028	
Capital Projects		
Grant Capital Improvement Projects	1,179	General Fund
Grant Capital Improvement Projects	32	Maintenance, Parks and Recreation
Grant Capital Improvement Projects	214	General Projects
Total	1,425	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
NON-MAJOR FUNDS: (continued)		
Enterprise Funds		
Mayport Ferry	823	General Fund
Total	823	
Internal Service Funds		
Fleet Management	103	General Fund
Fleet Management	22	General Government - Budgeted
Fleet Management	600	Information Technologies
Fleet Management	1,600	Legal
Fleet Management	198	Self Insurance
Fleet Management	400	Group Health
Information Technologies	104	General Fund
Self Insurance	1,072	General Fund
Group Health	45	Self Insurance
Insured Programs	28	Self Insurance
Total	4,172	
Fiduciary Funds		
Private Purpose Trust	6	General Government - Non-Budgeted
Total	6	
TOTAL	\$ 204,965	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

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

<u>DUE TO COMPONENT UNITS</u>	<u>AMOUNT</u>	<u>DUE FROM PRIMARY GOVERNMENT</u>
MAJOR FUNDS:		
General Fund	\$ 3,900	Jacksonville Seaport Authority
Total	<u>\$ 3,900</u>	

<u>TRANSFERS IN FROM COMPONENT UNIT</u>	<u>AMOUNT</u>	<u>PAYMENTS TO PRIMARY GOVERNMENT</u>
MAJOR FUNDS:		
General Fund	\$ 76,607	JEA
General Fund	75	Duval County Housing Finance Authority
Special Bonded Debt - Better Jacksonville Plan Obligations	9,004	Jacksonville Transportation Authority
Better Jacksonville Plan Construction Projects	25,368	Jacksonville Transportation Authority
Total	<u>\$ 111,054</u>	

<u>TRANSFERS OUT TO COMPONENT UNIT</u>	<u>AMOUNT</u>	<u>PAYMENTS FROM PRIMARY GOVERNMENT</u>
MAJOR FUNDS:		
General Fund	\$ 6,357	Jacksonville Economic Development Commission
General Fund	1,040	Jacksonville Transportation Authority
General Fund	512	Jacksonville Airport Authority
General Fund	3,900	Jacksonville Seaport Authority
Transportation	30,428	Jacksonville Transportation Authority
General Projects	7,000	Jacksonville Economic Development Commission
Better Jacksonville Plan Construction Projects	1,109	Jacksonville Transportation Authority
Better Jacksonville Plan Construction Projects	7,922	JEA
Total	<u>\$ 58,268</u>	

NON-MAJOR FUNDS:

State Housing Initiative Partnership	\$ 317	Duval County Housing Finance Authority
Total	<u>\$ 317</u>	

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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 \$12,593,398 at September 30, 2002.

During fiscal year 2002, the City had financial transactions with its discretely presented component units classified as follows for financial reporting purposes:

JEA:

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 2002 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 Seaport Authority (JSA). The City and JEA have agreed that JEA's annual contribution to the City under Article 21 of the City Charter and Section 106.202(c) of the City Ordinance Code will be supplemented to offset any shortfall in certain cash flows in the City revenues dedicated for the benefit of the JSA (See discussion below concerning the allocation of three sources of revenue by the City to the JSA). As of September 30, 2002, revenues dedicated for the support of debt service requirements of the 1993 Bonds and the 1996B Bonds have been sufficient so as to avoid the need to call upon supplemental contributions from JEA in support of the EJ Program.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Jacksonville Seaport Authority:

Interlocal Agreement - In connection with a major port and marine facilities capital improvement project (the Project), the City and the Jacksonville Seaport Authority (JSA) 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 JSA, 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 JSA. Any insufficiency in the extent of such revenues allocated to the JSA 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 JSA has no obligation under that Amended and Restated Interlocal Agreement to any third party bondholder. The revenues allocated to the JSA 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 JSA. The first source of revenue relates to the allocation of half of the increased revenues in the Telecommunications tax, which is 85% of the Communication Services Tax ("Authority Allocation No. 1"). The second source of revenue relates to the amount calculated by multiplying one quarter (.25) mills by the gross kilowatt hours (as defined in Article 21 of the City Charter) sold by JEA during the twelve month period ending May 31 of the prior fiscal year (the "Authority Allocation No. 2"). The third source of revenue relates to the \$800,000 annual contribution remitted to the JSA as described in Section 5(a) of the JSA act. Such pledged revenues are to be applied by the City to the payment of debt service on the 1993 Bonds and the 1996B Bonds for such fiscal year prior to being paid to the JPA. To the extent that the debt service on the 1993 Bonds and the 1996B Bonds in any fiscal year exceeds the allocation of revenues to the JSA 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, 2002, the allocation of revenues from the City to the JSA exceeded the debt service requirements of the 1993 Bonds, 1996B Bonds and the 2001A Bonds by the amount of \$3.9 million. In FY 01/02, \$7.4 million was

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

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

distributed to the JSA. \$4.0 million will remain in reserves to be applied to any future debt service shortfalls of the 1993 Bonds, 1996B Bonds and the 2001A Bonds and the remaining amount will be expended on capital projects. At September 30, 2002, the cumulative balance after the distribution to JSA is \$4.0 million.

In previous years, the City expended \$43.1 million on the Project from proceeds of the 1993 Bonds for the benefit of the JSA under the Amended and Restated Interlocal Agreement, which completed the 1993 Bond Program. In previous years, the City expended \$64 million on the Project from proceeds of the 1996B Bonds for the benefit of the JSA under the Interlocal Agreement. The City accounts for these expenditures in the Capital Projects Funds. The City does not capitalize these capital outlay expenditures.

Jacksonville Transportation Authority:

Local Option One-Half Cent Sales Tax - On August 11, 1989, Jacksonville citizens voted removal of all tolls from county/city bridges and certain roads and replaced the revenue with a local option one-half cent sales tax that provides a permanent funding source for the construction and maintenance of the City's roads and bridges; the operation and maintenance of the bus system and the refinancing of existing bonds issued for the construction of such bridges and roads. All collections from the one-half cent sales tax 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 \$57.4 million in fiscal 2002. 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 \$57.4 million transfer from the City as sales tax revenue.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS

A. Long-term Obligations at September 30, 2002, are comprised of the following (in thousands):

GENERAL OBLIGATION BONDS PAYABLE FROM AD VALOREM TAXES:	INTEREST RATES	PRINCIPAL
Duval County Certificates of Indebtedness of 1972 payable in semi-annual installments to 2003	4.50 - 5.25%	<u>\$ 605</u>
Total General Obligation Bonds Payable From Ad Valorem Taxes		<u>605</u>
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:		
Excise Taxes Revenue Bonds, Series 1993 payable in semi-annual installments to 2021	5.00 - 6.30%	42,485
Excise Taxes Revenue Refunding Bonds, Series 1993A payable in semi-annual installments to 2010	4.70 - 5.375%	22,110
Capital Improvement Revenue Bonds, Series 1994 payable in semi-annual installments to 2020	5.05 - 5.875%	42,850
Sunshine State Governmental Financing Commission, Series 1994 payable in monthly installments to 2006	Variable Rate Assumed at 9.20%	3,815
Capital Improvement Revenue Bonds, Series 1995 payable in semi-annual installments to 2026	5.00 - 5.875%	26,345
Sales Tax Revenue Bonds, Series 1995 payable in semi-annual installments to 2006	5.00 - 6.00%	14,325
Excise Tax Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.875 - 5.125%	7,580
Sunshine State Governmental Financing Commission, Series 1995A payable in semi annual installments to 2012	4.75 - 5.65%	9,050
Sunshine State Governmental Financing Commission, Series 1995B (AMT) payable in semi-annual installments to 2016	4.60 - 5.75%	11,490
Sales Tax Revenue Bonds, Series 1996 payable in semi-annual installments to 2019	4.35 - 5.50%	27,860

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2002: (continued)

SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES: (continued)	INTEREST RATES	PRINCIPAL
Excise Taxes Revenue Bonds, Series 1996B payable in semi-annual installments to 2003	4.75 - 4.90%	\$ 3,360
Excise Taxes Revenue Bonds, Series 1996C payable in semi-annual installments to 2007	4.35 - 4.85%	2,430
Capital Improvement Revenue Bonds, Series 1997 payable in semi-annual installments to 2026	4.20 - 5.25%	7,650
Capital Project Revenue Bonds, Series 1997-1 payable in monthly installments to 2018	Variable Rate Assumed at 7.81%	27,735
Capital Project Revenue Bonds, Series 1997-2 payable in monthly installments to 2023	Variable Rate Assumed at 8.89%	43,500
Capital Improvement and Refunding Revenue Bonds, Series 1998 payable in semi-annual installments to 2026	3.90 - 5.00%	36,145
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A payable in semi-annual installments to 2020	3.30 - 5.00%	64,670
Local Government Sales Tax Refunding Revenue Bonds, Series 2001 payable in semi-annual installments to 2019	3.00 - 5.00%	103,645
Excise Taxes Refunding Bonds, Series 2001A payable in semi-annual installments to 2010	5.00%	42,485
Excise Taxes Revenue Bonds, Series 2001B payable in semi-annual installments to 2033	4.000% - 5.125%	46,735
Excise Taxes Revenue Refunding & Improvement Bonds, Series 2002A payable in semi-annual installments to 2014	4.250% - 5.500%	56,685
Guaranteed Entitlement Revenue Refunding & Improvement Bonds, Series 2002 payable in semi-annual installments to 2033	3.000% - 5.375%	115,265
Capital Improvement & Refunding Revenue Bonds, Series 2002A, Crossover Series 2002B and Crossover Series 2002C, payable in semi-annual installments to 2031	2.000% - 5.000%	<u>123,225</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes		<u>\$ 881,440</u>
Less: Deferred amounts on Special Obligation Bonds		<u>(896)</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes, less deferred amounts		<u>\$ 880,544</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2002: (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 2032	3.00 - 5.25%	\$ 179,280
Better Jacksonville Sales Tax Revenue Bonds, Series 2001 payable in semi-annual installments to 2031	3.00 - 5.50%	<u>216,115</u>
Total Special Obligation Bonds Payable From Other Specific Revenue Sources Other Than Ad Valorem Taxes		<u>\$ 395,395</u>
TOTAL GENERAL AND SPECIAL OBLIGATIONS BONDS		<u>\$ 1,276,544</u>
BONDS PAYABLE FROM ENTERPRISE FUNDS:		
Excise Taxes Revenue Refunding Bonds, Series 1993A payable in semi-annual installments to 2012	4.70 - 5.375%	10,480
Excise Taxes Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.25 - 5.125%	12,140
Excise Taxes Revenue Refunding Bonds, Series 1996A payable in semi-annual installments to 2017	4.00 - 5.50%	18,670
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B payable in semi-annual installments to 2017	4.20 - 5.75%	<u>38,380</u>
TOTAL BONDS PAYABLE FROM ENTERPRISE FUNDS		<u>\$ 79,670</u>
TOTAL BONDS PAYABLE		<u>\$ 1,356,214</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)	1,450
U.S. Government Guaranteed Note Payable, Series 1995 (Coach) payable in semi-annual installments to 2014	8.24 - 9.03% (Taxable)	3,615
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty) payable in semi-annual installments to 2012	6.23 - 6.88% (Taxable)	735

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2002: (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)	\$ 2,580
U.S. Government Guaranteed Note Payable, Series 1997 (Lavilla) payable in semi-annual installments to 2016	6.23 - 7.08% (Taxable)	1,080
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates) payable in semi-annual installments to 2010	6.23 - 6.78% (Taxable)	485
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings) payable in semi-annual installments to 2016	6.23 - 7.08% (Taxable)	720
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns) payable in semi-annual installments to 2015	6.23 - 7.03% (Taxable)	<u>500</u>
TOTAL NOTES PAYABLE FROM GENERAL REVENUE		<u>\$ 11,165</u>

TOTAL BONDED INDEBTEDNESS \$ 1,367,379

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

\$ 60,000

CAPITALIZED LEASE OBLIGATIONS:

Internal Service Fund:

Installment lease purchase of software payable monthly at \$19,054 to May 2004 including interest at 5.60% with a collateralized value of \$363 thousand

\$ 363

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 \$148 thousand

148

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS

A. Long-term Obligations at September 30, 2002:

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 \$641 thousand	\$ 641
Installment lease purchase of Verizon telephone switches payable monthly at \$8,589 to October 2004 including interest at 6.42% with a collateralized value of \$179 thousand	179
Installment lease purchase of Motorola 800 MHZ radios payable quarterly at \$727,534 to July 2009 including interest at 5.10% with a collateralized value of \$17,113 thousand	<u>17,113</u>
Total Capitalized Lease Obligations	<u>\$ 18,444</u>

ACCRUED COMPENSATED ABSENCES:

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

Governmental and Internal Service Funds	\$ 63,091
Business-type Funds	<u>708</u>
(Fiduciary - Pension Funds have compensated absences of \$ 73 which are not presented on the City-wide Statements)	
Total Accrued Compensated Absences	<u>\$ 63,799</u>

OTHER LONG-TERM DEBT:

Estimated Liability for Self-Insured Losses	\$ 53,587
Liability for Landfill Closure and Postclosure Care	<u>22,556</u>
Total Other Long-Term Debt	<u>\$ 76,143</u>

TOTAL LONG-TERM OBLIGATIONS \$ 1,585,765

Less Unamortized Discount/Premium and Deferred Loss on Advance Refunding	<u>(2,897)</u>
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Total, less Unamortized Discount/Premium and Deferred Loss on Advance Refunding \$ 1,582,868

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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, 2002, are as follows (in thousands):

Fiscal Year Ending September 30	General Long-Term Bonds						Bonds Payable From Enterprise Funds		Commercial Paper and Other ong-Term Obligation		Total Long-Term Obligations And Interest
	General Obligation		Special Obligation		Special Obligation BJP		Principal	Interest	Principal	Interest	
	Principal	Interest	Principal	Interest	Principal	Interest					
2003	\$ 605	\$ 14	\$ 24,755	\$ 40,853	\$ 3,420	\$ 19,714	\$ 3,745	\$ 3,937	\$ 61,790	\$ 824	\$ 159,657
2004	-	-	32,845	44,097	5,620	19,554	4,125	3,765	395	707	111,108
2005	-	-	34,840	42,386	5,920	19,315	4,310	3,577	460	679	111,487
2006	-	-	39,185	40,516	6,140	19,056	4,510	3,370	525	647	113,949
2007	-	-	41,905	38,556	6,455	18,782	5,720	3,119	635	609	115,781
2008 - 2012	-	-	197,338	167,311	36,910	89,549	33,285	10,432	4,485	2,193	541,503
2013 - 2017	-	-	167,492	132,274	28,750	80,863	23,975	3,340	2,875	431	440,000
2018 - 2022	-	-	160,070	68,629	40,905	71,837	-	-	-	-	341,441
2023 - 2027	-	-	88,760	35,026	99,005	54,825	-	-	-	-	277,616
2028 - 2032	-	-	84,165	12,538	162,270	21,267	-	-	-	-	280,240
2033	-	-	10,085	258	-	-	-	-	-	-	10,343
Total Principal and Interest	605	14	881,440	622,444	395,395	414,762	79,670	31,540	71,165	6,090	2,503,125
Less: Interest to be paid	-	(14)	-	(622,444)	-	(414,762)	-	(31,540)	-	(6,090)	(1,074,850)
Total Principal	605	-	881,440	-	395,395	-	79,670	-	71,165	-	1,428,275
Deferred amounts	-	-	(896)	-	-	-	-	-	-	-	(896)
Unamortized Discount/Premium and Deferred Loss on Advance Refunding ⁽¹⁾	-	-	-	-	-	-	(2,897)	-	-	-	(2,897)
Totals	<u>\$ 605</u>	<u>\$ -</u>	<u>\$ 880,544</u>	<u>\$ -</u>	<u>\$ 395,395</u>	<u>\$ -</u>	<u>\$ 76,773</u>	<u>\$ -</u>	<u>\$ 71,165</u>	<u>\$ -</u>	<u>\$ 1,424,482</u>
Long-Term Obligations Not Included Above:											
Accrued Compensated Absences											63,799
Capitalized Lease Obligations											18,444
Estimated Liability for Self-Insured Losses											53,587
Liability for Landfill Closure and Postclosure Care											22,556
TOTAL LONG-TERM OBLIGATIONS											<u>\$ 1,582,868</u>

⁽¹⁾ Public Parking System \$1,203 and Solid Waste Disposal \$1,694

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

C. Changes in Long-Term Liabilities:

Changes in long-term liabilities for the fiscal year ended September 30, 2002, are summarized as follows (in thousands):

	Balance October 1, 2001	Additions	Reductions	Balance September 30, 2002	Due within one year
Governmental activities:					
General long-term obligations:					
Commercial Paper Notes	\$ 60,000	\$ -	\$ -	\$ 60,000	\$ 60,000
General Obligation Bonds	1,195	-	590	605	605
Special Obligation Bonds	689,010	341,910	149,480	881,440	24,755
Special Obligation -BJP	397,710	-	2,315	395,395	3,420
Notes Payable	13,025	-	1,860	11,165	1,790
Deferred amounts:					
Loss on Advance Refunding	-	(5,239)	-	(5,239)	-
Issuance premiums	-	5,833	128	5,705	-
Issuance discounts	-	(1,409)	(47)	(1,362)	-
Total bonds and notes payable	<u>1,160,940</u>	<u>341,095</u>	<u>154,326</u>	<u>1,347,709</u>	<u>90,570</u>
Accrued Compensated Absences	57,235	5,856	-	63,091	20,281
Capitalized Lease Obligations	1,871	17,696	1,123	18,444	3,252
Due to Component Units	400	-	400	-	-
Estimated Liability for Self-Insured Losses	<u>56,790</u>	<u>-</u>	<u>3,203</u>	<u>53,587</u>	<u>-</u>
Governmental activity long-term obligations	<u>1,277,236</u>	<u>364,647</u>	<u>159,052</u>	<u>1,482,831</u>	<u>114,103</u>
Business-type activities:					
Revenue Bonds	82,985	-	3,315	79,670	3,745
Less: Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	<u>(3,159)</u>	<u>-</u>	<u>(262)</u>	<u>(2,897)</u>	<u>-</u>
Total Revenue Bonds, less Unamortized Discount/Premium and, Deferred					
Loss on Advance Refunding	79,826	-	3,053	76,773	-
Accrued Compensated Absences	635	73	-	708	519
Liability for Landfill Closure and Postclosure Care	<u>21,218</u>	<u>1,338</u>	<u>-</u>	<u>22,556</u>	<u>-</u>
Business-type activity long-term liabilities	<u>101,679</u>	<u>1,411</u>	<u>3,053</u>	<u>100,037</u>	<u>4,264</u>
TOTAL LONG-TERM LIABILITIES	<u><u>\$ 1,378,915</u></u>	<u><u>\$ 366,058</u></u>	<u><u>\$ 162,105</u></u>	<u><u>\$ 1,582,868</u></u>	<u><u>\$ 118,367</u></u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of \$710 for compensated absences payable and \$15,209 for capital leases are included above in the totals for governmental activities. Compensated absences for governmental activities are generally liquidated by the general fund.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

D. New Indebtedness and Refundings Issued by the City:

On April 8, 2002 the City closed on the sale of \$46,735,000 Excise Taxes Revenue Bonds, Series 2001B with an all-in true interest cost of 5.30%. The 2001B Excise Taxes bonds carry coupon rates ranging from 4.00% to 5.125% with maturity dates ranging from October 1, 2005 through October 1, 2032. The proceeds were used to provide funds for public improvements and infrastructure improvements for the redevelopment of the Jacksonville Shipyards property. The issuance provided net proceeds of \$45,660,424 (after payment of \$723,765 in underwriter's discounts, accrued interest, insurance and costs of issuance) to fund the improvements.

On July 3, 2002, the City closed on the forward delivery sale of \$56,685,000 in Excise Taxes Refunding and Improvement Revenue Bonds, Series 2002A with an all-in true interest cost of 4.32%. The 2002A Excise Taxes bonds carry coupon rates ranging from 4.250% to 5.500% with maturity dates ranging from October 1, 2003 through October 1, 2013. The proceeds were used to defease with a current refunding \$57,255,000 of previously outstanding Excise Taxes Revenue Refunding Bonds, Series 1992 and for improvements to the City's Animal Care and Control Center. The issuance provided net proceeds for the refunding of \$59,516,070 (after payment of \$610,349 in underwriter's discounts, 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 1992 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 \$4,065,665 or 7.10% as a percentage of bonds refunded. The present value savings were used to lower future debt service and provide additional proceeds as previously mentioned.

Also on July 3, 2002, the City closed on the sale of \$115,265,000 Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002 with an all-in true interest cost of 5.04%. The 2002 Guaranteed Entitlement Bonds carry coupon rates ranging from 3.00% to 5.375% and maturity dates beginning October 1, 2003 through October 1, 2032. The issuance provided net proceeds of \$114,766,205 (after payment of \$1,413,081 for underwriter's discounts, costs of issuance and bond insurance) to fund the costs of various improvements and to purchase securities that were placed in an irrevocable trust with an escrow agent to provide all future debt service payments on the \$61,360,000 refunded Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A. 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 \$495,836.24 or 0.81% as a percentage of bonds refunded. A portion of the proceeds of the 2002 Guaranteed Entitlement Bonds will be applied by the City to pay the costs of a new building for the Children's Commission, a new documents processing facility for the Clerk of the Court,

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

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

replacement or expansion of fire stations, historic preservation expenditures, a new facility for processing and review of plans and permits, park development, acquisition and development of renovations plans for the Haverty/YMCA building for City use and other capital expenditures.

In addition, the City closed on September 9, 2002 on \$123,225,000 Capital Improvement and Refunding Revenue Bonds, Series 2002A, Crossover Series 2002B, and Crossover Series 2002C with an all-in true interest cost of 4.84%. The 2002 Capital Improvement Bonds carry coupon rates ranging from 2.00% to 5.00% and maturity dates beginning October 1, 2005 and ending October 1, 2030. The issuance provided net proceeds of \$124,545,447 (after payment of \$1,705,139 for underwriter's discounts, costs of issuance and bond insurance) to fund the \$40,000,000 in improvements to Alltel Stadium and to fund escrow deposits for crossover refunding of the City's Capital Improvement Revenue Bonds, Series 1994, lien ascension date October 1, 2004, and the Capital Improvement Revenue Bonds, Series 1995, lien ascension date October 1, 2005. This debt will not be legally defeased until each lien ascension date, therefore the liability for the 1994 and 1995 bonds has not been removed from the governmental activities column. This advance refunding was undertaken to reduce total debt service payments by \$84,606.36 and an economic gain was realized (difference between the present values of the old and new debt service payments) of \$2,399,380.86 or 3.70% as a percentage of bonds refunded.

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, 2002

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, 2002</u>	<u>INVESTMENT BALANCE WITH ESCROW AGENT AT SEPTEMBER 30, 2002 (b)</u>
Excise Taxes Revenue Refunding Bonds, Series 1977	1984 C Excise Tax Revenue Refunding Bonds	\$ 18,405	\$ 13,365
Capital Improvement Revenue Bonds, Series 1994	1998 Capital Improvement and Revenue Refunding Bonds	31,030	32,069
Sales Tax Revenue Bonds, Series 1995 & Series 1996	2001 Local Government Sales Tax Revenue Refunding Bonds	103,372	107,870
Guaranteed Entitlement Revenue, Series 1992A	2002 Guaranteed Entitlement Refunding & Improvement	61,360	63,956
Excise Taxes Revenue Refunding Bonds, Series 1992	2002A Excise Taxes Revenue Refunding & Improvement	57,255	59,898

(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, 2002**

8. LONG-TERM OBLIGATIONS (continued)

F. Lease Obligations:

At September 30, 2002, 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, two telephone switches and wiring systems and motorola radios 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 \$17.6 million at September 30, 2002. Depreciation of the items acquired through these capital leases was \$612 thousand in fiscal year 2002.

The future minimum lease obligations as of September 30, 2002, were as follows (in thousands):

<u>Fiscal Year Ending September 30,</u>	<u>Information Technologies Internal Service Fund</u>
2003	\$ 4,263
2004	3,442
2005	3,165
2006	2,929
2007	2,910
Thereafter	5,093
Total minimum lease payments	21,802
Less: Amount representing interest	(3,358)
Present value of minimum lease Payments	<u>\$ 18,444</u>
Classified as:	
Current	\$ 3,252
Non-current	15,192
Total	<u>\$ 18,444</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, 2002

8. LONG-TERM OBLIGATIONS (continued)

G. Arbitrage Liability:

The City had no outstanding arbitrage liability as of September 30, 2002.

H. Conduit Debt:

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

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

Effective January 1, 1983, the City pursuant to Chapter 159, Florida Statutes, assumed responsibility for approving applications for IDB's and PAB's. As of September 30, 2002, the City had authorized \$1,351,473,120 in IDB's and PAB's, of which \$1,131,576,902 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, 2002, the City has authorized a total of \$1,405,230,970 Duval County Housing Finance Authority (DCHFA) Single Family and Multi-Family Bonds of which \$1,065,310,293 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$844,000,000 and \$789,030,331, respectively. The amount of Multi-Family Housing Bonds authorized and issued is \$302,263,970 and \$278,839,961, respectively. The amount of Single Family Housing Revenue Bonds authorized and issued during the fiscal year ended 2002 is \$20,000,000. The amount of Multi-Family Housing Bonds authorized and issued during the fiscal year ended 2002

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

H. Conduit Debt: (continued)

is \$8,775,000. Refundings of previous issues make up \$228,811,526 of the total amount authorized and issued.

As of September 30, 2002, the City has authorized \$681,765,000 of Jacksonville Health Facilities Authority (JHFA) Bonds, of which \$555,446,184 have been issued. The amount both authorized and issued during the fiscal year was \$62,230,000. 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.

K. JEA - 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.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

Long-term debt	Interest rates	Due dates	Amount (in thousands)
Electric System Revenue Bonds:			
Series Two, 1987A	7.500%	2002-2004	\$ 495
Series Three, 1993A	5.250-5.750%	2005-2016	-
Series Three, 1993B	4.800-5.250%	2005-2018	-
Series Three, 1998A	4.500-5.250%	2001-2033	124,995
Series Three, 2000A	5.000-6.100%	2006-2034	137,305
Series Three, 2000C	5.500-5.625%	2024-2035	59,930
Series Three, 2001A	5.125-5.250%	2020-2035	75,000
Series Three, 2001B	3.500-4.400%	2003-2011	83,025
Series Three, 2001C	5.000%	2021-2031	53,830
Series Three, 2002A	4.875-5.500%	2016-2041	75,000
Series Three, 2002B	3.250-4.700%	2008-2018	105,395
Total Electric System Revenue Bonds			714,975
SJRPP System Revenue Bonds:			
Issue Two, Series Four	5.000%	2013	-
Issue Two, Series Six-B	6.650%	2002	1,775
Issue Two, Series Six-C	6.500%	2001	-
Issue Two, Series Seven	5.250-6.200%	2002-2014	15,954
Issue Two, Series Eight and Nine	4.750-5.250%	2002-2021	67,295
Issue Two, Series Ten	4.800-6.500%	2002-2013	303,435
Issue Two, Series Eleven	5.000-5.375%	2006-2020	154,480
Issue Two, Series Twelve	5.000-5.375%	2006-2018	141,755
Issue Two, Series Thirteen, Fourteen, and Fifteen	4.300-6.000%	2002-2016	207,065
Issue Two, Series Sixteen	4.200-5.375%	2002-2015	146,990
Issue Two, Series Seventeen	2.000-5.250%	2002-2019	513,200
Total SJRPP System Revenue Bonds			1,551,949
Water and Sewer System Revenue Bonds:			
1997 Series A and B	4.375-5.625%	2002-2037	211,380
1999 Series A	4.500-5.400%	2009-2039	110,000
2000 Series A	6.000-6.125%	2018-2039	78,890
2001 Series A	4.200-5.375%	2002-2035	130,000
2001 Series C	4.150-5.250%	2002-2037	152,635
2002 Series A	5.375-5.500%	2024-2041	125,000
2000 Series B Variable Rate Obligations	Variable	2030-2034	50,250
2001 Series D and E Variable Rate Obligations	Variable	2003-2036	228,000
Total Water and Sewer System Revenue Bonds			1,086,155
Total Revenue Bonds			3,353,079

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

K. JEA - Long-Term Debt: (continued)

Electric System Subordinated Debt:			
Series B Commercial Paper Notes	Variable	N/a	14,447
Series C Commercial Paper Notes	Variable	N/a	121,650
Series 2000 A and B Variable Rate Obligations	Variable	2003-2010	200,000
Series 2000 F Variable Rate Obligations	Variable	2017-2030	125,000
Series 2001 B and C Variable Rate Obligations	Variable	2017-2030	132,000
Series 2001 D Variable Rate Obligations	Variable	2010-2031	175,100
2000 Series D	5.250-5.375%	2009-2011	-
2000 Series E	4.400-5.125%	2005-2014	31,105
2001 Series A	3.800-5.000%	2007-2016	50,840
2001 Series E	3.000-4.200%	2004-2013	30,370
2002 Series A	2.500-4.750%	2004-2015	15,000
2002 Series B	3.000-5.000%	2005-2008	33,485
2002 Series C	3.250-3.875%	2008-2011	72,710
2002 Series D	4.000-4.875%	2014-2037	153,305
Total Electric System Subordinated Debt			<u>1,155,012</u>
Water System Subordinated Debt:			
Subordinated First Crossover Series (1)	3.800-5.300%	2006-2039	81,990
Total debt principal outstanding			<u>4,590,081</u>
Plus Accretion of SJRPP Issue Two, Series Seven			
Capital Appreciation Bonds			<u>12,844</u>
Total debt outstanding			<u>4,602,925</u>
Less debt due within one year			<u>(106,730)</u>
Total long-term debt			<u>\$ 4,496,195</u>

(1) On March 20, 2001, JEA issued its Water and Sewer System Subordinated Revenue Bonds First Crossover Series. Upon the April 1, 2005 crossover date, unless certain conditions are not satisfied, \$78,890,000 of the 2000 Series A Bonds will be redeemed and the First Crossover Series will be exchangeable for \$81,990,000 of Series 2001 B Bonds. The first Series Crossover and the refunded 2000 Series A bonds will both remain on JEA's balance sheet until April 1, 2005. A corresponding escrow has been recorded which will generate sufficient income to pay the debt service on the First Crossover Series until April 1, 2005.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

Long-term debt activity for the year ended September 30, 2002 was as follows (in thousands):

	Bonds and commercial paper payable September 30, 2001	Par Amount of Bonds Issued	Par Amount of Bonds Refunded	Principal Payments	Accretion of SJRPP Issue 2 Series 7 Capital Appreciation Bonds	Bonds and commercial paper payable September 30, 2002	Current portion September 30, 2002
Electric System Revenue Bonds and Commercial Paper	\$ 1,541,617	\$ 539,095	(\$ 207,165)	(\$ 3,560)	\$ -	\$ 1,869,987	\$ 1,455
SJRPP System Revenue Bonds	1,662,154	513,200	(531,840)	(80,370)	1,649	1,564,793	96,615
Water and Sewer System Revenue Bonds	671,245	505,635	-	(8,735)	-	1,168,145	8,660
Total	<u>\$ 3,875,016</u>	<u>\$ 1,557,930</u>	<u>(\$ 739,005)</u>	<u>(\$ 92,665)</u>	<u>\$ 1,649</u>	<u>\$ 4,602,925</u>	<u>\$ 106,730</u>

The debt service to maturity on the outstanding JEA Revenue Bonds (excluding Commercial Paper Notes and Variable Rate Obligations) as of September 30, 2002, 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	
2002 (3)	\$ 1,455	\$ 22,818	\$ 96,615	\$ 29,253	\$ 8,660	\$ 21,102	\$ 179,903
2003	2,380	53,662	77,500	75,007	10,075	41,790	260,414
2004	6,130	52,770	81,555	70,913	10,510	41,337	263,215
2005	21,680	52,553	82,985	66,869	14,620	40,831	279,538
2006	19,145	51,657	87,300	62,546	15,930	40,192	276,770
2007-2011	280,670	236,993	475,819	273,344	95,675	189,588	1,552,089
2012-2016	175,630	180,996	456,610	110,146	100,805	166,457	1,190,644
2017-2021	120,850	144,672	193,565	27,367	87,370	141,291	715,115
2022-2026	99,530	115,290	-	-	102,680	116,904	434,404
2027-2031	156,295	85,534	-	-	114,520	86,040	442,389
2032-2036	158,110	38,845	-	-	120,360	56,742	374,057
2037-2041	59,915	7,934	-	-	126,700	21,412	215,961
Total	<u>\$1,101,79</u>	<u>\$1,043,72</u>	<u>\$1,551,949</u>	<u>\$715,445</u>	<u>\$807,905</u>	<u>\$963,686</u>	<u>\$6,184,499</u>

1) Excludes First Crossover Series Refunding Bonds.

2) Excludes debt service on variable rate debt.

3) Represents only the principal and interest paid on October 1, 2002; excludes interest paid on April 1, 2002 of this bond year.

The estimated fair values of the outstanding fixed rate JEA Long-Term Debt (does not include commercial paper notes and variable rate demand obligations) at September 30,

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

2002 was approximately \$3,795,998. The estimated fair values at September 30, 2002 for the fixed rate portion of the JEA Revenue Bonds was determined through a nationally recognized third-party financial information service.

The debt service to maturity on the principal outstanding (excluding interest) of the Commercial Paper Notes and Variable Rate Obligations as of September 30, 2002, is summarized in the following table (in thousands):

Bond Years Ending October	Electric System Commercial Paper (1)	Electric System Variable Rate Obligations	Water and Sewer System Variable Rate Obligations	Total Commercial Paper and Variable Rate Obligations
2002	\$ -	\$ -	\$ -	\$ -
2003	8,744	17,800	3,950	30,494
2004	9,550	18,600	4,070	32,220
2005	7,326	13,800	4,190	25,316
2006	4,155	26,600	4,310	35,065
2007-2011	15,168	135,100	23,580	173,848
2012-2016	12,659	34,000	27,350	74,009
2017-2021	39,945	82,630	31,720	154,295
2022-2026	29,845	138,050	36,790	204,685
2027-2031	8,705	165,520	61,670	235,895
2032-2036	-	-	80,620	80,620
	<u>\$ 136,097</u>	<u>\$ 632,100</u>	<u>\$ 278,250</u>	<u>\$ 1,046,447</u>

(1) Amortization based upon JEA's current Commercial Paper Payment Plan and excludes payments made during Fiscal Year 2002.

The estimated fair values at September 30, 2002 for the \$632,100 thousand of JEA Variable Rate Electric System Subordinated Revenue Bonds and \$278,250 thousand of JEA Variable Rate Water and Sewer System Revenue Bonds were determined to be the par amount outstanding at September 30, 2002.

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:

	Electric System	SJRPP	Water and Sewer
Earliest year for redemption	2002	2002	2002
Redemption price ranges	101% - 100%	101% - 100%	101% - 100%

Electric System

During fiscal year 2002, JEA issued Electric System debt as summarized in the following table (in thousands):

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

K. JEA - Long-Term Debt: (continued)

<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>
Series Three 2001 C	New Money	Senior	November 2001	\$ 53,830	\$ -
2001 Series E	New Money	Subordinated	November 2001	30,370	-
Series Three 2002 A	New Money	Senior	May 2002	75,000	-
2002 Series A	New Money	Subordinated	May 2002	15,000	-
Series Three 2002 B ⁽¹⁾	Refunding	Senior	August 2002	105,395	104,640
2002 Series B and C ⁽¹⁾	Refunding	Subordinated	August 2002	106,195	102,525
2002 Series D	New Money	Subordinated	September 2002	153,305	-
				<u>\$ 539,095</u>	<u>\$ 207,165</u>

(1) Refunding was done as a single transaction; the combined estimated economic gain savings was \$15,658 thousand. The estimated economic gain from the issuance of the Series Three 2002 B and 2002 Series B and C Bonds is 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. The combined accounting loss on refunding was \$8,855 thousand.

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 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 is 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:

<u>Series</u>	<u>Principal Amount Outstanding</u>	<u>Liquidity Facility Termination Date</u>	<u>Average Interest Rate for Fiscal Year 2002</u>
2000 Series A	\$ 100,000	January 18, 2003	1.432%
2000 Series B	100,000	January 12, 2003	1.432%
2000 Series F	125,000	December 3, 2002	1.432%
2001 Series B	66,000	May 22, 2004	1.432%
2001 Series C	66,000	May 22, 2006	1.432%
	<u>\$ 457,000</u>		

JEA also has outstanding \$175,100 thousand 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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

K. JEA - Long-Term Debt: (continued)

in the Electric System Seventeenth Supplemental Subordinated Resolution. The 2001 Series D STARS were initially issued and currently are in the auction mode. Interest for each 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 is currently payable every thirty-five days. The interest rate on the 2001 Series D STARS for any subsequent auction period may not exceed the lesser of 15% per annum and the maximum interest rate permitted by law. The average interest rate during fiscal year 2002 was 1.54%.

SJRPP

On August 28, 2002, JEA issued \$513,200 thousand of SJRPP System Issue Two Series Seventeen Refunding Revenue Bonds (the "Refunding Bonds"). The Refunding Bonds were issued to current refund \$531,840 thousand of SJRPP System bonds of several prior series. The refunding resulted in an accounting loss of \$29,361 thousand. An estimated economic gain of \$38,500 thousand was realized as a result of the refunding. The estimated economic gain from the issuance of the Refunding Bonds was calculated as the difference between the present value of the debt service payments of the refunded bonds and the debt service payments of the Refunding Bonds.

Water and Sewer System

JEA issued \$152,635 thousand of Water and Sewer System Revenue Bonds 2001 Series C on October 23, 2001 and \$125,000 thousand of Water and Sewer System Revenue Bonds 2002 Series A on April 11, 2002 to fund various additions and improvements to the Water and Sewer System.

On December 27, 2001, JEA issued \$228,000 thousand of Variable Rate Water and Sewer System Revenue Bonds 2001 Series D and 2001 Series E to provide moneys to pay the costs of acquiring the assets and customers of UWF and certain other amounts payable in connection with such acquisition.

On March 20, 2001, JEA issued \$81,990 thousand of Water and Sewer System Subordinated Revenue Bonds, First Crossover Series. The proceeds from the First Crossover Series are to be held in a special escrow fund until the crossover date of April 1, 2005. The First Crossover Series are secured by a pledge upon the moneys and eligible investments on deposit in the special escrow fund and by amounts on deposit in the Subordinated Indebtedness Fund, the debt service account for the subordinated debt. A portion of the invested proceeds (and income thereon) will be used to pay interest on

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

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 thousand 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 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 and Sewer System on a rank equal to that of any other bonds outstanding under the Water and Sewer System Bond Resolution. The First Crossover Series bonds bear interest rates ranging from 3.80% to 5.30% and mature in the years beginning on October 1, 2006 through October 1, 2039.

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

Bond Year Ending October 1,	2001 Series B	Total Debt Service
2002	\$ -	\$ 29,762
2003	-	51,865
2004	-	51,847
2005	2,147	55,204
2006	4,419	55,754
2007 - 2011	22,095	283,423
2012 - 2016	22,096	265,423
2017 - 2021	32,958	226,814
2022 - 2026	32,895	217,749
2027 - 2031	19,921	198,719
2032 - 2036	26,535	175,259
2037 - 2041	29,612	147,008
Total	<u>\$ 192,678</u>	<u>\$ 1,758,827</u>

JEA has outstanding three separate series of Water and Sewer System VRDO. The 2000 Series B VRDO are in the weekly mode and bear interest at the weekly rate which is determined on Tuesday of each week with interest payable on the first Wednesday of each month. The 2000 Series B VRDO are subject to mandatory and optional redemption prior to maturity and to optional and mandatory tenders for purchase. The 2001 Series D and 2001 Series E VRDO are in the flexible mode and will bear interest at flexible rates. While in the flexible mode, the 2001 Series D and 2001 Series E VRDO

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

will bear interest at flexible rates for the interest periods determined by the remarketing agent. The duration of each interest period will be the period determined by the remarketing agent to be the interest period which, in its judgment, will produce the greatest likelihood of the lowest overall debt service costs on the 2001 Series D or 2001 Series E VRDO, and will be a period of not less than one nor more than 270 days in length. While in the flexible mode, interest on the 2001 Series D and 2001 Series E VRDO is payable on the first business day following the end of each interest period. The 2001 Series D and 2001 Series E VRDO are subject to mandatory and optional redemption prior to maturity and to optional and mandatory tenders for purchase.

Liquidity support in connection with tenders for purchase of the Water and Sewer System VRDO is provided pursuant to standby bond purchase agreements (the liquidity facilities). With respect to each liquidity facility, JEA can and expects to request an extension of the termination date. The purchase price of the bonds tendered or deemed tendered for purchase is payable solely from the proceeds of the remarketing thereof, and moneys drawn under the liquidity facility and not payable from any funds of JEA.

The following table summarizes JEA's Water and Sewer System outstanding VRDO (in thousands):

Series	Principal Amount Outstanding	Liquidity Facility Termination Date	Average Interest Rate for Fiscal Year 2002
2000 Series B	\$ 50,250	April 5, 2004	1.426%
2001 Series D	114,000	December 26, 2002	1.349%
2001 Series E	114,000	December 26, 2002	1.366%
	<u>\$ 278,250</u>		

On October 1, 2002, JEA issued \$79,840 thousand of Water and Sewer System Revenue Bonds, 2002 Series B, to partially refund a prior series of Water and Sewer System Revenue Bonds.

On October 24, 2002, JEA issued \$160,000 thousand of Water and Sewer System Revenue Bonds, 2002 Series C, to fund various additions and improvements to the Water and Sewer System.

Commercial Paper

During fiscal year 2002, JEA retired \$2,600 thousand of Series B and C Commercial Paper Notes. The following table summarizes the outstanding Electric System Commercial Paper Notes as of September 30, 2002 (in thousands):

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

K. JEA - Long-Term Debt: (continued)

	Principal Amount Outstanding	Final Maturity Date Not to Exceed	Interest Rate Not to Exceed	Average Interest Rate For Fiscal Year 2002
Series B (Taxable)	\$ 14,447	June 7, 2033	20%	2.082%
Series C (Tax exempt)	121,650	June 7, 2033	15%	1.819%
	<u>\$ 136,097</u>			

The Commercial Paper Notes, shown in the previous table, have been classified as long-term debt obligations and are junior and subordinate in all respects to the senior lien Electric System Revenue Bonds. Valued at par, the estimated fair value of the Commercial Paper Notes at September 30, 2002 was \$136,097 thousand.

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, 2002, JEA has BMA Index interest rate caps with a total notional amount of \$60,000 thousand 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.

In order to provide liquidity support for each series of Commercial Paper Notes, JEA has two separate revolving credit agreements with a single commercial bank. If moneys are not available to pay the principal of any maturing Commercial Paper Notes during the term of the credit agreements, JEA is entitled to make a borrowing under the applicable credit 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, 2002, the expiration dates for the credit agreements are as follows:

Series B Commercial Paper Notes	September 24, 2003
Series C Commercial Paper Notes	May 12, 2003

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

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

K. JEA - Long-Term Debt: (continued)

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, 2002, there was no outstanding balance.

L. JTA - Loan Payable:

On November 27, 2000, the Authority entered into a \$21,000,000 State Infrastructure Bank Loan Agreement with the Florida Department of Transportation, 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, which is interest-free, 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 \$21,000,000 was outstanding at September 30, 2002.

M. JAA - Long-Term Indebtedness:

A summary of the long-term indebtedness changes during 2002 was as follows (in thousands):

	Beginning Balance	Issued	Payments	Ending Balance	Due within one year
Bonds payable, notes payable and capital leases:					
Revenue bonds	\$ 47,460	\$ -	\$ 660	\$ 46,800	\$ 685
Revenue refunding bonds	89,170	-	3,525	85,645	3,665
Revenue notes	-	443	-	443	15
Notes payable	-	4,326	325	4,001	776
Capital leases	-	2,862	-	2,862	194
Total	\$ 136,630	\$ 7,631	\$ 4,510	\$ 139,751	\$ 5,335

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

JAA Debt Issues

2000 Airport Revenue Bonds, Series A & B

In 2000, JAA issued \$47,460,000 of Airport Revenue Bonds, with interest rates ranging from 4.5% to 6.125%, with principal maturing in varying amounts through October 1, 2024. The proceeds of these Bonds were used for the acquisition, construction and installation of capital improvements at Jacksonville International Airport.

Maturities of the long-term outstanding revenue bond issue will require the following principal and interest payments based on the amounts outstanding at September 30, 2002 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 685	\$ 2,769	\$ 3,454
2004	720	2,735	3,455
2005	755	2,700	3,455
2006	790	2,661	3,451
2007	830	2,620	3,450
2008-2012	4,870	12,370	17,240
2013-2017	6,345	10,830	17,175
2018-2022	17,250	7,580	24,830
2023-maturity	14,555	1,401	15,956
Total	<u>\$ 46,800</u>	<u>\$ 45,666</u>	<u>\$ 92,466</u>

1998 Airport Revenue Refunding Bonds

In 1998, JAA issued \$64,610,000 of Airport Revenue Refunding Bonds, with interest rates ranging from 4.00% to 5.00%, with principal maturing in varying amounts through October 1, 2017. The proceeds of these Bonds were used to pay the cost of refunding the Airport Revenue Bonds, Series 1988, fund the Reserve Requirement for the Bonds and pay the costs of issuance of the Bonds.

Maturities of the long-term outstanding revenue bond issue will require the following principal and interest payments based on the amounts outstanding at September 30, 2002 (in thousands):

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NOTES TO FINANCIAL STATEMENTS
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8. LONG-TERM OBLIGATIONS (continued)
M. JAA - Long-Term Indebtedness: (continued)

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 2,515	\$ 2,709	\$ 5,224
2004	2,620	2,602	5,222
2005	2,730	2,489	5,219
2006	2,850	2,359	5,209
2007	2,990	2,220	5,210
2008-2012	17,145	8,839	25,984
2013-2017	21,750	4,080	25,830
2018-maturity	5,025	126	5,151
Total	<u>\$ 57,625</u>	<u>\$ 25,424</u>	<u>\$ 83,049</u>

1993 Airport Revenue Refunding Bonds

In 1993, JAA issued \$36,020,000 of Airport Revenue Refunding Bonds, with interest rates ranging from 4.60% to 5.65%, with principal maturing in varying amounts through October 1, 2009 and term bonds due October 1, 2017, subject to annul sinking fund redemption.

Maturities of the long-term outstanding revenue bond issue will require the following principal and interest payments based on the amounts outstanding at September 30, 2002 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 1,150	\$ 1,461	\$ 2,611
2004	1,210	1,401	2,611
2005	1,275	1,335	2,610
2006	1,345	1,265	2,610
2007	1,410	1,190	2,600
2008-2012	8,320	4,659	12,979
2013-2017	10,800	2,134	12,934
2018-maturity	2,510	66	2,576
Total	<u>\$ 28,020</u>	<u>\$ 13,511</u>	<u>\$ 41,531</u>

The Series 2000, 1998 and 1993 Airport Bonds are collateralized by a first lien upon and pledge of the operating revenues derived from operation of the Airport System. JAA 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.

2002 Revenue Note

In 2002, JAA entered into an \$8,000,000 Revenue Note for the acquisition, construction and installation of an administrative building to be located at Jacksonville International

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

Airport. The Revenue Note consists of two series, a 2002A Subordinated Tax-Exempt Revenue Note which will not exceed \$5,666,667 and a 2002B Subordinated Taxable Revenue Note which will not exceed \$2,333,333, with variable interest rates calculated by taking the one month LIBOR plus 18 basis points for the tax-exempt portion of the Note and an additional 125 basis points for the taxable portion of the Note. The lease term for the 2002A Note is October 1, 2021 and the term for the 2002B Note is October 1, 2011. The Revenue Note is subordinate to the 1993, 1998 and 2000 Revenue Bonds.

As of September 30, 2002, JAA had \$443,000 outstanding principal balance on the Revenue Note. JAA anticipates that this Revenue Note will be drawn to approximately \$7,500,000 by March 31, 2003.

Maturities of the long-term outstanding Revenue Note will require the following principal and interest payments based on the amounts outstanding at September 30, 2002 (in thousands):

Year ended	Principal	Interest	Total
2003	\$ 15	\$ 3	\$ 18
2004	30	5	35
2005	30	5	35
2006	30	4	34
2007	31	4	35
2008-2012	152	13	165
2013-2017	80	6	86
2018-maturity	75	2	77
Total	\$ 443	\$ 42	\$ 485

Notes Payable

In 2002, JAA entered into a Real Estate Purchase Agreement for the purchase of approximately 317.25 acres in the amount of \$2,926,000, with an interest rate of 6.5%, with principal maturing in varying amounts through 2004. As of September 30, 2002, JAA had an outstanding principal balance of \$2,776,000.

In 2002, JAA entered into an Interlocal Agreement with the City of Jacksonville (City). The City transferred and assigned all of its right, title and interest to a Lease, and to the assets funded by the City in connection with the rehabilitation of facilities located on JAA property at Cecil Field to JAA. In return, JAA agreed to pay the City \$1,000,000 for the transfer of the improvements, with respect to the Lease, with no interest cost, with principal maturing in varying amounts through 2006. As of September 30, 2002, JAA had an outstanding principal balance of \$900,000.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

In 2002, JAA entered into a Sublease Termination Agreement with a Tenant. The Tenant conveyed, released, and quitclaimed to JAA the Tenant's improvements. In return, JAA agreed to pay the Tenant \$400,000 with no interest cost, with principal maturing in varying amounts through 2004. As of September 30, 2002, JAA had an outstanding principal balance of \$325,000.

Maturities of the long-term outstanding Notes will require the following principal and interest payments based on the amount outstanding at September 30, 2002 (in thousands):

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 776	\$ 4	\$ 780
2004	1,350	83	1,433
2005	1,275	162	1,437
2006	600	-	600
Total	<u>\$ 4,001</u>	<u>\$ 249</u>	<u>\$ 4,250</u>

2002 Master Equipment Lease-Purchase Agreement

In 2002, JAA entered into a Master Equipment Lease-Purchase Agreement for the lease-purchase of baggage handling, screening and security purposes. The aggregate equipment cost with respect to all equipment leased under this Agreement and all Leases will not exceed \$15,000,000, with variable interest rates calculated by multiplying 65% times the three month LIBOR in effect as of the Reset Date, and adding 94 basis points. The lease term for each lease will not exceed 120 months. The Master Equipment Lease-Purchase Agreement is subordinate to the 1993, 1998 and 2000 Revenue Bonds.

As of September 30, 2002 JAA had entered into one lease under this Agreement with an outstanding principal balance of \$2,862,000 with a lease term through October 1, 2012. The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of September 30, 2002 (in thousands):

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

M. JAA - Long-Term Indebtedness: (continued)

Year Ended	Lease Payments
2003	\$ 247
2004	318
2005	318
2006	318
2007	318
2008-2012	1,591
2013-maturity	80
Total minimum lease payments	3,190
Less: Amount representing interest	(328)
Present value of minimum lease payments	<u>\$ 2,862</u>

Special Purpose Facility Revenue Bond

JAA has issued one series of Special Purpose Facility Revenue Bonds to provide for the construction of an air cargo shipping, storage and handling facility at the airport. These bonds are special limited obligations of JAA, payable solely from and secured by a pledge of rentals to be received from a lease agreement between JAA and an air cargo company. The bonds do not constitute a debt or pledge of the faith and credit of JAA, the County, or the State, and accordingly have not been reported in the accompanying financial statements.

At September 30, 2002, Special Purpose Facility Revenue Bonds outstanding aggregated approximately \$3,100,000 with a final maturity of June 1, 2023.

N. JSA - Long-Term Debt, Capital Leases and Other Noncurrent Liabilities:

Noncurrent liability activity for the year ended September 30, 2002 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within one year
Bonds payable, notes payable and capital leases:					
General obligation debt	\$ 797	\$ -	(\$ 790)	\$ 7	\$ 7
Revenue bonds	39,625	-	-	39,625	620
Revenue refunding bonds	62,080	-	(1,090)	60,990	1,150
Capital leases	12,042	86	(705)	11,423	732
	<u>114,544</u>	<u>86</u>	<u>(2,585)</u>	<u>112,045</u>	<u>2,509</u>
Less original issue discounts and deferred loss on refunding	(5,156)	-	285	(4,871)	-
	<u>109,388</u>	<u>86</u>	<u>(2,300)</u>	<u>107,174</u>	<u>2,509</u>
Other liabilities:					
Deferred capital contributions	16,500	-	(9,500)	7,000	-
Total noncurrent liabilities	<u>\$ 125,888</u>	<u>\$ 86</u>	<u>(\$ 11,800)</u>	<u>\$ 114,174</u>	<u>\$ 2,509</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

8. LONG-TERM OBLIGATIONS (continued)

N. JSA - Long-Term Debt, Capital Leases and Other Noncurrent Liabilities:
(continued)

Long-term debt and capital leases at September 30, 2002 consisted of the following (in thousands):

Revenue Bonds:

Revenue bonds, Series 2000, including serial bonds due in varying amounts through 2030. Interest rates range from 4.5% to 5.7%.	\$ 39,625
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Revenue Refunding Bonds, Series 1996, including serial bonds due in varying amounts through 2019, subject to annual sinking fund redemption. Interest rates range from 5.5% to 5.75%.	60,990
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Equipment Capital Lease Obligation:

Subordinated Equipment Lease-Purchase Agreement with quarterly principal and interest payments through 2005 with interest at an annual rate of 3.55%.	79
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Subordinated Equipment Lease-Purchase Agreement, Series 1999-A, with semiannual principal and interest payments through 2014 with interest at an annual rate of 5.14%.	11,344
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Note Payable:

Note payable, with monthly principal and interest payments of \$3 through 2003 with interest at an annual rate of 4.9%.	7
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	112,045
Less current portion	(2,509)
Total	\$ 109,536

In November 2000, JSA issued \$39,625,000 principal amount of Revenue Bonds, Series 2000. The proceeds of the bonds are being used for the acquisition, construction and installation of capital improvements to JSA's Facilities.

The Series 2000 and 1996 Bonds are collateralized by a lien upon and pledge of net revenues of JSA's Facilities and certain monies held in trust funds. JSA has agreed in its various bond related documents to establish and maintain rates charged to customers that will be sufficient to generate certain levels of operating revenues and operating income in excess of its annual debt service on the various outstanding Bonds. The Series 2000 and 1996 Bonds also place restrictions on JSA's issuance of debt on a parity with Bonds currently outstanding.

JSA cash defeased \$13,855,000 principal amount of Revenue Bonds, Series 1993 in September 1999. JSA incurred a loss on defeasance of \$1,325,000. JSA, 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.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

8. LONG-TERM OBLIGATIONS (continued)

N. JSA - Long-Term Debt, Capital Leases and Other Noncurrent Liabilities:
(continued)

In April 1999, JSA 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, JSA made unscheduled principal paydowns totaling \$10,422,000.

Debt Maturities - Required debt service for the outstanding revenue bonds and note payable for the next five years and thereafter to maturity is as follows (amounts in thousands):

	<u>Interest</u>	<u>Principal</u>
Years ending September 30:		
2003	\$ 5,527	\$ 1,777
2004	5,422	2,375
2005	5,292	2,805
2006	5,142	3,155
2007	4,978	3,320
2008 to maturity	52,385	87,190
Total	<u>\$ 78,746</u>	<u>\$ 100,622</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of September 30, 2002 (in thousands):

Years ending September 30:	
2003	\$ 1,308
2004	1,308
2005	1,301
2006	1,279
2007	1,279
Thereafter	<u>8,949</u>
Total minimum lease payments	15,424
Less: Amount representing interest	<u>(4,001)</u>
Present value of minimum lease payments	<u>\$ 11,423</u>

Advance Refunding of Revenue Bonds - JSA 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, 2002 are as follows (in thousands):

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

8. LONG-TERM OBLIGATIONS (continued)

N. JSA - Long-Term Debt, Capital Leases and Other Noncurrent Liabilities:
 (continued)

	<u>Principal Balance</u>	<u>Investment Balance with Escrow Agent</u>
Revenue Bonds, Series 1993	\$ 10,510	\$ 11,616

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.

A. Summary of Significant Accounting Policies:

- (1) Basis of Accounting - The City's pension trust financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.
- (2) Method Used to Value Investments - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities,

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

9. PENSION PLANS (continued)

A. Summary of Significant Accounting Policies: (continued)

traded on a national or international exchange, are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

B. General Employees Pension Plan:

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

The payroll for members covered by the plan was \$233.9 million during the 2002 fiscal year, consisting of \$138.5 million City of Jacksonville payroll, \$91.8 million JEA payroll and \$3.6 million JHA payroll. The total 2002 payroll was \$301.6 million for the City, \$107.4 million for the JEA, \$7.6 million for JHA, \$5.6 million for JSA and \$6.8 million for JAA, for a total of \$429 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.

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

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

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

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, 2002, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>4,153</u>
Current employees:	
Vested	3,079
Nonvested	<u>2,573</u>
Total Current Employees	<u>5,652</u>
Total Membership	<u>9,805</u>

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

City contribution requirements are, as part of the funding policy, met through two sources; cash payments from the City, and allocations from the Past Excess 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 2002 totaled \$33.6 million. The City contributed \$13.2 million from the Past Excess Contributions account. Employees paid \$20.3 million (\$16.0 million or 7% of covered payroll in payroll deductions and \$2.5 million from the Past Excess Contribution account). Contributions during fiscal 2001 and 2000 were \$30.4 million and \$31.3 million, respectively. These contributions were made in

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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9. PENSION PLANS (continued)
B. General Employees Pension Plan: (continued)

accordance with contribution requirements determined through an actuarial valuation performed October 1, 2001. The actuarial methods used for this purpose are the same as those used in determining funding progress.

- (3) Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Six-year historical trend information is being developed on a year by year basis and is included in the accompanying required supplemental information.

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 \$101.7 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 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, 2002, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>1,466</u>
DROP Participants	509
Active plan members	<u>2,068</u>
Total current employees	<u>2,577</u>
 Total membership	 <u>4,043</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

- (2) The City is currently contributing 9.25% of Plan members' salaries. The Plan members contribute 7.00% of salaries, and DROP participants contribute 2.00%. Additional contributions are comprised of court fines & forfeitures, State premium tax refunds (insurance contributions) 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 October 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 effective April 1, 2000, consisting of the following actuarially computed components as of September 30, 2002 (in thousands):

Combined Reserve Account ⁽¹⁾	\$ 12,265
Base benefits fund	627,361
Total net assets available for benefits	<u>\$ 639,626</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.

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, 2002, 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

9. PENSION PLANS (continued)

D. Florida Retirement System:

- (1) Plan Description - The City also participates in the Florida Retirement System (FRS), a multiple-employer cost-sharing retirement system which covers less than 1% of the City's full-time employees. FRS is a defined-benefit contributory retirement plan, administered by the State of Florida, Division of Retirement. The City payroll for employees covered by FRS was \$3.3 million during the fiscal year; the City's total payroll for all employees was \$301.6 million.

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

- (2) Contributions - During the years ended September 30, 2002, 2001, and 2000, the City contributed \$471 thousand, \$274 thousand, and \$321 thousand, respectively, to the System for covered employees. For the fiscal year ended September 30, 2002, this contribution represented less than 1% of the total contributions required by all participating employers. Contributions in both fiscal 2001 and 2000 were less than 1% of the total contributions required by all participating employers which amounted to \$2.1 and \$2.2 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, 2002, of 5.76% of the compensation for regular members, 16.01% for special risk members, and 11.86% 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, 2001 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.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

12. SEGMENT INFORMATION

A. The City's non-major enterprise activities consist of two funds: Motor Vehicle Inspection and Mayport Ferry. Motor Vehicle Inspection accounts for the operations of the City's motor vehicle inspection stations. The Mayport Ferry accounts for the operations of the ferry across the St. Johns River at Mayport. Segment information for the year ended September 30, 2002 is as follows (in thousands):

	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>	<u>TOTAL</u>
CONDENSED STATEMENT OF NET ASSETS			
Assets:			
Current assets	\$ 630	\$ 331	\$ 961
Capital assets	79	4,808	4,887
Total assets	<u>709</u>	<u>5,139</u>	<u>5,848</u>
Liabilities:			
Current liabilities	211	253	464
Noncurrent liabilities	12	-	12
Total liabilities	<u>223</u>	<u>253</u>	<u>476</u>
Net assets:			
Invested in capital assets, net of related debt	79	4,808	4,887
Unrestricted	407	78	485
Total net assets	<u>\$ 486</u>	<u>\$ 4,886</u>	<u>\$ 5,372</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS			
Operating revenues	\$ 548	\$ 1,042	\$ 1,590
Depreciation expense	(17)	(298)	(315)
Other operating expenses	(689)	(1,573)	(2,262)
Operating income	<u>(158)</u>	<u>(829)</u>	<u>(987)</u>
Nonoperating revenues (expenses):			
Investment earnings	10	12	22
Other	(5)	-	(5)
Transfer in	-	823	823
Capital contributions	-	5	5
	<u>5</u>	<u>840</u>	<u>845</u>
Change in net assets	(153)	11	(142)
Beginning net assets	639	4,875	5,514
Ending net assets	<u>\$ 486</u>	<u>\$ 4,886</u>	<u>\$ 5,372</u>
CONDENSED STATEMENT OF CASH FLOWS			
Net cash provided (used) by:			
Operating activities	(\$ 258)	(\$ 451)	(\$ 709)
Noncapital financing activities	-	823	823
Capital and related financing activities	(2)	(225)	(227)
Investing activities	10	12	22
Net increase (decrease)	<u>(250)</u>	<u>159</u>	<u>(91)</u>
Beginning cash and cash equivalents	584	70	654
Ending cash and cash equivalents	<u>\$ 334</u>	<u>\$ 229</u>	<u>\$ 563</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

13. 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, Jacksonville Seaport Authority and Jacksonville Airport Authority under a comprehensive self-insurance program wherein the City assumes substantially all risks of losses. The City funds assets on a dollar-for-dollar basis for actuarially determined estimated losses in the City's Self-Insurance Fund, an internal service fund. The Self-Insurance Fund, established under Jacksonville City Ordinance, Chapter 128, services claims for tort liability claims brought against the City, its officers, employees, or agents; workers' compensation; and direct physical damage or injury due to operation of City vehicles. The City is not involved in any risk pools with other governmental entities. The City purchases conventional, commercial insurance coverage from various independent carriers on 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.

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

	2002	2001
Reported and known claims	\$ 30,078	\$ 33,553
Incurred but not reported and claims development	23,509	23,237
Total estimated liability for self insured losses	<u>\$ 53,587</u>	<u>\$ 56,790</u>

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

	2002	2001
Balance, October 1	\$ 56,790	\$ 56,147
Current-Year Claims and Changes in Estimates	12,078	13,990
Claim Payments	<u>(15,281)</u>	<u>(13,347)</u>
Balance, September 30	<u>\$ 53,587</u>	<u>\$ 56,790</u>

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

14. 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, 2002, (in thousands):

	Fund Balance/ Net Asset (Deficit)
	<hr/>
Major Enterprise Fund:	
Public Parking	(\$ 6,400)
Non-major Governmental Funds:	
Community Development Block Grant	(4,120)
Housing Rehabilitation and Home Investment and Opportunity Grants	(1,058)
State Housing Initiative Partnership	(770)
Grant Projects	(2,857)

It is anticipated future revenues will eliminate these fund deficits.

The City had no funds with an excess of expenditures over appropriations for the year ended September 30, 2002.

C. Landfill Closure and Postclosure Care Costs:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

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

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

The estimated liability for MSWLF closure and postclosure care costs at September 30, 2002, is (in thousands):

	Balance, October 1, 2001	Accrual of Costs	Payment of Costs	Balance, September 30, 2002
Closed Landfills -				
Postclosure care costs	\$ 11,945	(\$ 173)	(\$ 337)	\$ 11,435
Operating Landfill -				
Postclosure care costs	7,945	3,672	(1,695)	9,922
Total Landfill Postclosure Care Costs	19,890	3,499	(2,032)	21,357
Waste Dump Site -				
Long Term Care Costs	1,328	(129)	-	1,199
Total Liability for Landfill Closure, Postclosure, Decontamination and Long Term Care Costs	\$ 21,218	\$3,370	(\$ 2,032)	\$ 22,556

At September 30, 2002, 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 \$3.4 million had been paid for postclosure care costs through September 30, 2002.

Funding MSWLF costs for these two closed landfills will be provided from future operating revenues of Solid Waste Disposal Enterprise Fund activities. As discussed in Note 1.P., after adjustments for the current year change in estimate, the \$61.2 million in MSWLF closure and postclosure care costs recorded for the City's two closed landfills, North and East, and the \$9.1 million in Waste Dump Site decontamination costs has been capitalized and recorded as a deferred charge in the Solid Waste Disposal Enterprise Fund. Through fiscal 2001, \$33.4 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2002, \$1.6 million of this deferred charge was expensed to solid waste operations, resulting in a balance at

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

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

September 30, 2002, of \$35.3 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 \$9.9 million. This total is based on the estimated capacity used of 39.2% or 6,881,678 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 \$26.1 million as the remaining capacity is filled. These amounts are based upon what it would cost to perform all closure and postclosure care in 2002. The City expected to close the landfill in approximately ten 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, 2002, of \$1.2 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, 2002, this proof of financial responsibility has been met by the City under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$12.9 million in deposits made to a restricted cash escrow account of the Solid Waste Disposal Enterprise Fund.

15. CHANGES IN REPORTING ENTITY

For the year ended September 30, 2002, the City had the following changes in reporting entity.

The Jacksonville Economic Development Company, Inc. (JEDCO), was reported as a component unit of the City in the prior year. City Ordinance 2001-1271-E authorized the "privatization" of JEDCO. The Mayor and the Jacksonville Economic Development Commission also approved a Memorandum of Understanding (MOU) with JEDCO to continue to provide certain services pursuant to the terms of the agreement. JEDCO and the City determined that it was in their mutual best interest for JEDCO to become independent of the City. Therefore, JEDCO is no longer a component unit of the City.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

15. CHANGES IN REPORTING ENTITY (continued)

The Jacksonville Port Authority was also reported as a component unit of the City in the prior year. Resolution 2000-1104-A abolished the Jacksonville Port Authority (JPA) and created the Jacksonville Seaport Authority (JSA), to own and operate the marine facilities, and the Jacksonville Airport Authority (JAA), to own and operate the airport facilities. Both of the new authorities are presented as component units for fiscal year 2002.

16. LESSOR OPERATING LEASE

A. Jacksonville Jaguars, Inc.

The City has entered into a lease dated September 7, 1993, pursuant to which the City leases the ALLTEL Stadium and adjacent practice facilities to the Jacksonville Jaguars, Inc. (Jaguars) for a period of thirty years from the first NFL regular season play in 1995. 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.

B. Shands Jacksonville

Under an agreement with a not-for-profit corporation, Shands Jacksonville, formerly known as University Medical Center, the City leases to Shands certain capital assets, principally land and buildings, over a term to September 30, 2027 with an option to renew for an additional forty years to 2067 at \$1 per year. In addition, Shands is to be

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

16. LESSOR OPERATING LEASE (continued)

B. Shands Jacksonville (continued)

a full service hospital in support of the indigent care programs of the City of Jacksonville and Duval County under the agreement. Shands is to maintain, in good condition, and make improvements and betterments to the Hospital as necessary over the life of the lease. At termination of the lease, all leased property shall revert to the City.

17. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation:

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

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

B. Grants and Contracts:

The City participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal or state audit may become a liability of the City.

All City agencies and departments are required to comply with various federal regulations issued by the U.S. Office of Management and Budget if such agency or department is a recipient of federal grant, contracts, or their sponsored agreements. Certain agencies and departments may not be in total compliance with these regulations. Failure to comply may result in questions concerning the allocability of related direct and indirect charges pursuant to such agreements. It is believed that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the City.

C. Self-Insurance:

Through the City's Risk Management Division, the City maintains an insurance and self-insurance program (See Note 13). Workers' compensation, public liability and general liability, including motor vehicles operated by the City under the City's Ordinance Code

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

17. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

C. Self-Insurance: (continued)

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.

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, including the Realco Wrecking Company construction and demolition debris landfill across Pickettville Road. 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 also requested a focused feasibility study to address groundwater contamination on the other side of the landfill. The study is underway.

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, 2003.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

17. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)
D. Environmental Matters: (continued)

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 being assessed, but the site may be eligible for the state-funded clean up program, relieving the City of any financial exposure.

USEPA is also investigating a former dump site known as Doeboy Dump. This site is not, primarily, an ash dump site, but may have been an open dump that received some waste for which the City may be liable. The City, the U.S. Navy, Millennium Specialty Chemical Co., LLC, Kerr-McGee Chemical Co., Benjamin Moore Paint Co., and Waste Management, Inc., have been identified by USEPA as PRPs, and have been asked to enter into an Administrative Order on Consent to conduct a remedial investigation and feasibility study at the site. Exposure is possible, but the value is presently indeterminate.

Because of the uncertainty as to the amount of any environmental cleanup costs which may ultimately be paid by the City no accrual has been made in the accompanying financial statements at September 30, 2002, except as disclosed in Note 14.C. Funding for such payment, if any, will be from general revenue sources, environmental protection trust fund monies, third-party recoveries, Federal assistance and earnings.

E. Construction Commitments:

At September 30, 2002, the City had major construction contracts for the following projects:

Grand Park Area Drainage	\$8.0 million
Football Stadium Improvements	\$36.6 million
Northbank Riverwalk	\$6.0 million
Argyle Forest(Westport to East of Shindler) Road	\$7.3 million
Pritchard Road(Jones to I-295)	\$6.6 million
New Equestrian Center	\$8.5 million
Septic Tank Remediation	\$67.3 million
Zoo Improvements	\$6.2 million
Road Resurfacing	\$63.5 million
New Arena	\$65.6 million
New County Courthouse	\$22.7 million
New Baseball Park	\$18.0 million

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

17. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

F. JSA - Commitments and Contingencies:

Prior to the 1998 tax year, the local Property Appraiser did not assess JSA-owned real property, and consequently none of its property was subject to real estate taxes. Beginning with the 1998 tax year, the local Property Appraiser began assessing JSA-owned real property, based upon a 1997 Florida Supreme Court decision that seemed to establish that local port authorities were not immune from ad valorem taxation. JSA decided to pass some of the ad valorem taxes on to its tenants. As a result, several tenants initiated a lawsuit against JSA, claiming that JSA was still immune from such taxes. This suit went to final hearing in August 2002 and the court issued an order sustaining the tenants' arguments. Upon becoming aware of the hearing, the local property appraiser challenged its validity. The court heard arguments from all parties on December 12, 2002 and issued an order dated December 17, 2002, upholding its previous ruling. It is anticipated that the local Property Appraiser will appeal this decision and it is unlikely that this issue will be resolved before the fall of 2003. Due to the uncertainty surrounding the final resolution of this issue, JSA has recorded ad valorem tax expense as if it were not immune from such taxes.

In December 1998, JSA became aware that a piece of its real property was contaminated and may be subject to undetermined cleanup efforts. JSA's property was sampled by the FDEP in connection with testing at an adjacent site, not owned by JSA, but known to be contaminated. JSA 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 JSA. The owner of the adjacent property and the USEPA 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 JSA's property, which identified pesticide related contamination at that location. Additional sampling may be conducted in the future. JSA believes that it is not a responsible party.

18. SUBSEQUENT EVENTS

On November 26, 2002, the City authorized the issuance of, not to exceed, \$90,300,000 principal amount of Excise Taxes Revenue Bonds for funding (A) a grant to Shands Jacksonville Healthcare, Inc. for public health care purposes and (B) a loan to the University of Florida Health Services Institute, LLC, to assist with the construction of a building to house medical facilities for Proton Beam Therapy. On November 15, 2002, the City closed on the sale of \$68,475,000 Excise Taxes Revenue Bonds, Series 2002B. These bonds were

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

18. SUBSEQUENT EVENTS (continued)

issued to provide funds which, together with other available funds of the City, will be used to fund the grant mentioned above and to pay the costs of issuance of these bonds. The interest rates on the bonds range from 2.50 to 5.375 percent and the maturity date is October 1, 2026. The City anticipates issuing the bonds for the loan mentioned above in late spring or early summer 2003.

On December 16, 2002, the City closed on the sale of \$63,060,000 Local Government Sales Tax Refunding and Improvement Revenue Bonds, Series 2002. These bonds provide funds, together with other available funds of the City, to (1) currently refund \$60,000,000 Commercial Paper Notes of the City in connection with the City's River City Renaissance Program, (2) finance the acquisition, construction and equipment of certain municipal improvements, including, without limitation, library computer systems and park improvements and (3) pay the costs of issuance of these bonds. The interest rates on the bonds range from 3.00 to 5.375 percent and the maturity date is October 1, 2018.

On February 19, 2003, the City closed on the sale of \$211,050,000 Better Jacksonville Sales Tax Revenue Bonds, Series 2003. These bonds provide funds, which will be used to (1) fund, or to reimburse the City for expenses previously incurred in connection with, the acquisition and construction of capital projects constituting part of the Better Jacksonville Plan, (2) deposit funds to the Subaccount in the Debt Service Reserve Account in the Sinking Fund, and (3) pay the costs of issuance of these bonds. The interest rates on the bonds range from 2.00 to 5.25 percent and the maturity date is October 1, 2030.

19. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE

A. JEA/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 2002 \$ 14,771	\$ 9,810

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

A. JEA/City of Jacksonville (continued)

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 thousand plus an increase of \$3 million a year through 2003.

The contribution for fiscal year 2002 amounted to \$65,490 thousand. A contribution of \$67,039 thousand has been budgeted for the fiscal year ending September 30, 2003.

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 2002 was \$11,117 thousand. This amount is based on a contribution rate of 1.75 mills and such rate will be in effect through fiscal year 2003. A contribution of \$11,457 thousand has been budgeted for the fiscal year ending September 30, 2003.

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

In addition to the contributions described above, JEA is also obligated to make semi-annual payments with respect to a portion of the debt service for the City's Excise Tax Revenue Bonds, Series 1999A and 1995A through fiscal year 2009. In fiscal year 2002, JEA made principal and interest payments to the City of \$3,186 thousand and \$3,190 thousand. The total remaining principal amount due the City as of September 30, 2002 was \$15,418 thousand.

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.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

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

A. JEA/City of Jacksonville (continued)

Pursuant to this Agreement, JEA funded a \$750 thousand 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, 2002, JEA's unfunded project commitment to the City in excess of the working fund is approximately \$1.5 million.

Better Jacksonville Plan

Beginning in fiscal year 2002, the City is providing funding for sewer improvements as a part of the Better Jacksonville Plan. The City receives sales tax revenues, a portion of which are used for capital contributions to JEA for sewer improvements. These contributions amounted to \$7,922 thousand in fiscal year 2002.

B. JEA - Acquisition of Assets and Customers of United Water Florida:

On December 31, 2001, JEA purchased the water and sewer assets and franchise of United Water of Florida (UWF). UWF had provided 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 was \$219 million. The purchase price was recorded as an addition to the Water and Sewer System capital assets based on an assessment of the fair value of the capital assets acquired. In addition to the purchase price, JEA made a payment to UWF of \$2 million that was intended to be a reserve for UWF's cost of capital items during the early years of the operation and maintenance agreement referred to below. JEA and UWF also entered into a transition services agreement pursuant to which JEA made payments to UWF of \$4.7 million for transition services.

In connection with the acquisition of UWF, JEA and UWF entered into an operation and maintenance agreement pursuant to which UWF will operate the Monterey Sewer Plant in Duval County and all of the UWF water and sewer plants and distribution and collection systems in St. Johns County and in Nassau County for 20 years, subject to renewal at the option of JEA. Under this agreement, JEA has agreed to pay an annual fee to UWF for the services provided by UWF thereunder. For 2002, the fee is approximately \$3.3 million (prorated for the portion of the year following the closing of the acquisition), and the fee escalates each year, with the fee in 2021 being approximately \$11.4 million. JEA is entitled to terminate the operation and maintenance agreement after the seventh anniversary thereof upon making a

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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

B. JEA - Acquisition of Assets and Customers of United Water Florida: (continued)

termination payment. The amount of the termination payment initially will be \$2.5 million and the amount of such payment will decline to zero after the tenth anniversary of such agreement.

In connection with the acquisition of UWF, JEA made payments of \$3.5 million and \$1.5 million to Nassau County and St. Johns County for the purchase of UWF's territory in these counties. These payments have been recorded in debt issue costs and other in the balance sheets. JEA financed the acquisition with proceeds of Water and Sewer System Revenue Bonds.

C. JEA - 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 2002, JEA recorded an adjustment of approximately \$6,160 thousand due to the impairment determined in an analysis related to the decommissioning of the Southside Generating Station.

20. DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

	Major Component Units					Total
	JEA	Jacksonville Transportation Authority	Jacksonville Airport Authority	Jacksonville Seaport Authority	Non-major Component Units	
Assets						
Assets (other than capital assets)	\$1,633,964	\$ 195,440	\$ 75,085	\$ 55,346	\$ 29,639	\$1,989,474
Amounts due from primary government	-	-	-	3,900	-	3,900
Capital assets	4,964,279	334,538	380,664	345,992	151	6,025,624
Total assets	<u>\$6,598,243</u>	<u>\$ 529,978</u>	<u>\$ 455,749</u>	<u>\$ 405,238</u>	<u>\$ 29,790</u>	<u>\$8,018,998</u>
Liabilities						
Liabilities (other than long-term debt outstanding)	\$ 536,231	\$ 16,774	\$ 18,010	\$ 16,847	\$ 1,103	\$ 588,965
Long-term debt outstanding	4,496,195	24,065	139,751	114,174	-	4,774,185
Total Liabilities	<u>\$5,032,426</u>	<u>\$ 40,839</u>	<u>\$ 157,761</u>	<u>\$ 131,021</u>	<u>\$ 1,103</u>	<u>\$5,363,150</u>
Net Assets						
Invested in capital assets, net of related debt	\$ 768,106	\$ 313,538	\$ 248,889	\$ 255,418	\$ 64	\$1,586,015
Restricted	439,042	129,532	21,874	12,544	-	602,992
Unrestricted	358,669	46,069	27,225	6,255	28,623	466,841
Total Net Assets	<u>\$1,565,817</u>	<u>\$ 489,139</u>	<u>\$ 297,988</u>	<u>\$ 274,217</u>	<u>\$ 28,687</u>	<u>\$2,655,848</u>

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

20. DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (continued)

The following condensed financial statement information is presented for those component units engaged in governmental activities.

	Expenses	Program revenues		Major Component Unit Net Revenue (Expense) and Changes in Net Assets	Non-major Component Unit Net Revenue (Expense) and Changes in Net Assets
		Charges for Services	Capital Grants and Contributions		
Jacksonville Transportation Authority					
General government	\$ 2,866	\$ 1,928	\$ 1,348	\$ 410	\$ -
Transportation	1,472	-	9,952	8,480	-
Unallocated depreciation	40	-	-	(40)	-
Non-major component units					
Housing finance	1,332	-	-	-	(1,332)
Economic development	7,113	3	-	-	(7,110)
Downtown development	835	756	153	-	74
Total component units - governmental activities	<u>\$ 13,658</u>	<u>\$ 2,687</u>	<u>\$ 11,453</u>	<u>8,850</u>	<u>(8,368)</u>
General revenues					
Tax revenues				57,471	-
Unrestricted earnings on investments				6,890	647
Other non-tax general revenues				74	2,233
Payments (to) from primary government				(32,982)	13,599
Transfers				(56,967)	-
				<u>(25,514)</u>	<u>16,479</u>
Change in Net Assets				(16,664)	8,111
Beginning Net Assets				<u>292,407</u>	<u>20,576</u>
Ending Net Assets				<u>\$ 275,743</u>	<u>\$ 28,687</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

20. DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (continued)

The following condensed financial statement information is presented for those major component units engaged in proprietary activities.

	JEA	Jacksonville Transportation Authority	Jacksonville Airport Authority	Jacksonville Seaport Authority	Total
Operating revenues	\$ 987,839	\$ 17,957	\$ 40,309	\$ 27,641	\$ 1,073,746
Operating expenses (other than depreciation and amortization)	657,580	58,233	25,326	20,432	761,571
Depreciation and amortization	188,725	13,896	17,977	14,767	235,365
Operating Income (Loss)	141,534	(54,172)	(2,994)	(7,558)	76,810
Non-operating revenues (expenses)					
Interest revenue	38,841	141	1,525	263	40,770
Interest expense	(188,991)	-	(7,338)	(4,343)	(200,672)
Public funding	-	7,347	-	-	7,347
Other	72,367	399	7,435	-	80,201
Capital contributions (to) from (other than City)	29,991	9,834	15,584	16,594	72,003
Shared revenue from primary government	-	-	-	7,400	7,400
Payments (to) from primary government	(68,685)	31,187	512	3,900	(33,086)
Total non-operating, contributions, and transfers	(116,477)	48,908	17,718	23,814	(26,037)
Change in Net Assets	25,057	(5,264)	14,724	16,256	50,773
Beginning Net Assets	1,540,760	218,660	283,264	257,961	2,300,645
Ending Net Assets	\$ 1,565,817	\$ 213,396	\$ 297,988	\$ 274,217	\$ 2,351,418

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	GENERAL FUND					VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	BUDGETED AMOUNTS			ENCUMBRANCES	BUDGETARY ACTUAL	
	ORIGINAL	FINAL	ACTUAL			
REVENUE:						
Property taxes.....	\$ 298,437	\$ 303,337	\$ 310,460	\$ -	\$ 310,460	\$ 7,123
Utility service taxes.....	91,813	91,813	93,978	-	93,978	2,165
Sales and tourist taxes.....	-	-	-	-	-	-
Licenses and permits.....	10,904	10,904	10,238	-	10,238	(666)
Intergovernmental.....	119,743	113,254	118,973	-	118,973	5,719
Charges for services.....	51,699	53,224	53,014	-	53,014	(210)
Fines and forfeitures.....	8,941	8,941	8,425	-	8,425	(516)
Payment in lieu of taxes.....	-	-	2,984	-	2,984	2,984
Interest.....	9,515	9,530	4,769	-	4,769	(4,761)
Other.....	10,146	9,984	9,327	-	9,327	(657)
Total Revenue.....	601,198	600,987	612,168	-	612,168	11,181
EXPENDITURES AND ENCUMBRANCES:						
Administration and Finance.....	13,380	13,873	13,177	446	13,623	250
Agriculture.....	1,205	1,158	1,104	45	1,149	9
City Council.....	6,461	7,022	6,633	151	6,784	238
Clerk of the Courts.....	14,050	14,678	14,419	259	14,678	-
Courts.....	5,247	5,139	5,010	129	5,139	-
Community Services.....	29,060	29,923	29,410	513	29,923	-
Fire/Rescue.....	89,363	97,142	96,776	366	97,142	-
General Counsel.....	307	511	508	3	511	-
Health Administrator.....	3,779	3,162	3,124	38	3,162	-
Jacksonville Economic Development Commission.....	4,558	4,472	3,785	687	4,472	-
Mayor.....	2,157	2,024	1,973	51	2,024	-
Mayor's Boards and Commissions.....	361	335	333	2	335	-
Medical Examiner.....	1,500	1,465	1,433	29	1,462	3
Metropolitan Planning Organization.....	110	110	96	14	110	-
Department of Neighborhoods.....	16,219	15,466	14,810	656	15,466	-
Property Appraiser.....	7,445	6,018	5,577	35	5,612	406
Public Defender.....	843	796	792	4	796	-
Planning and Development.....	8,055	7,589	5,797	1,412	7,209	380
Pension Funds.....	27	15	15	-	15	-
Public Libraries.....	18,713	18,328	17,495	833	18,328	-
Parks, Recreation and Entertainment.....	22,641	24,038	22,742	1,242	23,984	54
Solid Waste and Resource Management.....	39	-	-	-	-	-
Public Works.....	58,765	58,929	56,939	1,463	58,402	527
Regulatory and Environmental Services.....	7,117	6,907	6,759	129	6,888	19
State Attorney.....	2,057	2,290	2,290	-	2,290	-
Supervisor of Elections.....	3,491	3,451	3,343	108	3,451	-
Office of the Sheriff.....	206,650	202,571	200,436	2,055	202,491	80
Solid Waste.....	3,609	3,687	3,658	29	3,687	-
Tax Collector.....	9,890	9,780	9,743	37	9,780	-
Federal Program Reserve.....	3,973	342	-	-	-	342
Contribution to Shands-Jacksonville.....	23,776	23,776	23,776	-	23,776	-
Cash Carryover Reserves.....	24,500	24,500	-	-	-	24,500
Jacksonville Misc. Citywide Activities.....	21,854	20,902	11,769	2,111	13,880	7,022
Total Expenditures.....	611,202	610,399	563,722	12,847	576,569	33,830
EXCESS OF REVENUE OVER (UNDER)						
EXPENDITURES.....	(10,004)	(9,412)	48,446	(12,847)	35,599	45,011
OTHER FINANCING SOURCES (USES):						
Operating transfers in.....	3,293	4,842	4,964	-	4,964	122
Operating transfers out.....	(117,422)	(117,854)	(115,000)	-	(115,000)	2,854
Transfers - In from component units.....	76,606	76,681	76,682	-	76,682	1
Transfers - Out to component units.....	(6,941)	(7,497)	(11,809)	-	(11,809)	(4,312)
Total Other Financing Sources (Uses).....	(44,464)	(43,828)	(45,163)	-	(45,163)	(1,335)
EXCESS (DEFICIENCY) OF REVENUES						
OVER (UNDER) EXPENDITURES	(54,468)	(53,240)	3,283	(12,847)	(9,564)	43,676
FUND BALANCES - BEGINNING.....	58,101	58,101	58,101	-	58,101	-
Change in reserve for inventory of supplies.....	-	-	196	-	196	-
FUND BALANCES - ENDING.....	\$ 3,633	\$ 4,861	\$ 61,580	(\$ 12,847)	\$ 48,733	\$ 43,676

**CITY OF JACKSONVILLE, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 GENERAL EMPLOYEES RETIREMENT SYSTEM
 SEPTEMBER 30, 2002**

(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>
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	12,235	-	12,235	12,235	100%
2002 (1)	12,724	-	12,724	12,724	100%

(1) The financial statement expense requirement for the fiscal year ended September 30, 2002, was equal to the annual required contribution of \$12,724.

Certain adjustments are made to the annual required contribution if the plan carries a net pension obligation. The net pension obligation (asset) is defined in GASB Statement No. 27 as the cumulative difference at date of adoption (or transition) between annual requirements and actual contributions plus the cumulative difference between the requirements and contributions after that date. Because the plan has no net pension obligation, no other adjustments were made to determine expense this year.

Note that the net pension asset is not the same as "past excess contributions," which stand for the difference, including interest, between the City's contributions for a plan year and that year's funding requirement determined as though the fund's assets did not include any contributions made in a prior year in excess of that year's requirement.

**CITY OF JACKSONVILLE, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 POLICE AND FIRE RETIREMENT SYSTEM
 SEPTEMBER 30, 2002**

(in thousands)

Plan Year Ending September 30	Annual Required Contribution (1)	City Cash Contributions	Alloted from Contribution Reserves	Court Fines and Premium-Tax Refunds (2)	Total Employer Contributions	Total Member Contributions	Percentage Contributed
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%
2002 (3)	35,585	9,896	9,080	8,492	27,468	8,117	100%

(1) Excess contributions from all sources are accumulated in the combined account which is drawn upon if actual contributions fall below the annual required contribution.

(2) Includes refunds from premium tax under Florida Statutes Chapters 175 and 185.

(3) The financial statement expense requirement for the fiscal year ended September 30, 2002 was equal to the annual required contributions of \$35,585. The Plan has no net pension obligation.

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
GENERAL EMPLOYEES RETIREMENT SYSTEM
SEPTEMBER 30, 2002**

(in thousands)

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
09/30/97 (2)	\$ 1,137,301	\$ 1,153,551	\$ 16,250	98.59%	\$ 196,510	8.3%
09/30/98	1,261,363	1,217,641	(43,722)	103.59%	192,859	(22.7%)
09/30/99	1,324,735	1,321,083	(3,652)	100.28%	197,781	(1.8%)
09/30/00 (3)	1,426,926	1,426,745	(181)	100.01%	202,321	(0.1%)
09/30/01	1,461,866	1,511,829	49,963	96.70%	234,684	21.3%
09/30/02	1,425,708	1,528,742	103,034	93.26%	243,446	42.3%

(1) General Employees - Actuarial present values determined under the Entry Age Actuarial Cost Method for the October 1, 2002 valuation.

Actuarial Assumptions:

Investment rate of return	8.40%
Projected salary increases	4.5% to 8.0%
Includes inflation at:	4.00%
Cost-of-living adjustments	3.00% ann. Def. 5yrs.

(2) 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.

(3) Net of the unassigned past-excess contributions separate account of \$71,006.

**CITY OF JACKSONVILLE, FLORIDA
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 POLICE AND FIRE RETIREMENT SYSTEM
 SEPTEMBER 30, 2002**

(in thousands)

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
09/30/97	\$ 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 (2)	790,823	1,012,577	246,163	78.10%	96,199	255.89%
09/30/02	737,680	977,779	252,363	75.44%	101,698	248.15%

(1) Police and Fire - Actuarial present values determined under the Frozen Entry Age Actuarial Cost Method for the October 1, 2001 valuation.

Actuarial Assumptions:

Net investment rate of return	8.50%
Projected salary increases	5.00%
Includes inflation percent of	3.50%
Cost-of-living adjustments	3.00%

(2) The values were revised with the release of the October 1, 2001 Actuarial Report.



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NON-MAJOR GOVERNMENTAL FUNDS:

SPECIAL REVENUE FUNDS

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

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

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

The Sports, Convention and Tourism Development Fund collects revenues from tourist and convention development taxes and sales tax rebate revenue from the State to support ALLTEL Stadium and surrounding sports complex and convention center facilities and to fund tourism programs sponsored by the Tourist Development Council through the City.

The 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.

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.

CAPITAL PROJECTS FUNDS

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

The Grant Projects Fund accounts for monies received by the City under various federal, state and local grants restricted to expenditure of specific capital improvements funded under the grant program.

The River City Renaissance Project Fund accounts for proceeds of a comprehensive capital improvement initiative (the "River City Renaissance") for projects concerning the environment, children, health and social services, economic development, neighborhoods and downtown, parks and recreation, and the arts.

PERMANENT FUND

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry. The City accounts for its Cemetery Maintenance Funds as a Permanent Fund.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 SEPTEMBER 30, 2002**

SPECIAL REVENUE FUNDS

<u>ASSETS</u>	<u>CONCURRENCY MANAGEMENT</u>	<u>AIR POLLUTION CONTROL AND MONITORING</u>	<u>SPORTS, CONVENTION AND TOURISM DEVELOPMENT</u>
Equity in cash and investments.....	\$ 10,420	\$ 1,176	\$ 3,765
Cash in escrow and with fiscal agents.....	-	-	100
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts	-	-	7
Mortgages.....	-	-	-
Due from independent agencies and other governments.....	-	158	-
TOTAL ASSETS.....	<u>\$ 10,420</u>	<u>\$ 1,334</u>	<u>\$ 3,872</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable and accrued liabilities.....	\$ 38	\$ 45	\$ 152
Contracts payable.....	-	-	-
Due to other funds.....	-	-	-
Due to individuals.....	-	-	-
Matured bonds and interest payable.....	-	-	-
Deposits.....	362	-	-
Deferred revenue.....	-	-	-
TOTAL LIABILITIES.....	<u>400</u>	<u>45</u>	<u>152</u>
FUND BALANCES:			
Reserved for:			
Encumbrances.....	711	42	1,205
Cash in escrow.....	-	-	100
Mortgages receivable.....	-	-	-
Debt service.....	-	-	-
Unreserved:			
Designated for capital projects.....	-	-	-
Designated for subsequent years' budget.....	-	-	-
Designated for changes in fair value of investments.....	38	4	14
Undesignated (deficit).....	9,271	1,243	2,401
Total Fund Balances.....	<u>10,020</u>	<u>1,289</u>	<u>3,720</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 10,420</u>	<u>\$ 1,334</u>	<u>\$ 3,872</u>

SPECIAL REVENUE FUNDS

<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>
\$ 17,348	\$ 308	\$ 3,748	\$ 1,351	\$ 5,544
-	-	-	-	-
39	-	-	-	-
-	-	-	-	-
<u>31</u>	<u>-</u>	<u>254</u>	<u>-</u>	<u>1,703</u>
<u>\$ 17,418</u>	<u>\$ 308</u>	<u>\$ 4,002</u>	<u>\$ 1,351</u>	<u>\$ 7,247</u>
\$ 737	\$ 23	\$ 160	\$ -	\$ 471
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>737</u>	<u>23</u>	<u>160</u>	<u>-</u>	<u>471</u>
978	67	149	746	1,201
-	-	-	-	-
-	-	-	-	-
-	-	28	-	-
-	-	379	-	-
64	1	14	5	20
<u>15,639</u>	<u>217</u>	<u>3,272</u>	<u>600</u>	<u>5,555</u>
<u>16,681</u>	<u>285</u>	<u>3,842</u>	<u>1,351</u>	<u>6,776</u>
<u>\$ 17,418</u>	<u>\$ 308</u>	<u>\$ 4,002</u>	<u>\$ 1,351</u>	<u>\$ 7,247</u>

(continued)

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS (in thousands; continued)
 SEPTEMBER 30, 2002**

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	HOUSING REHABILITATION AND HOME INVESTMENT AND OPPORTUNITY GRANTS	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION
<u>ASSETS</u>				
Equity in cash and investments.....	\$ -	\$ 1,255	\$ 494	\$ 5,962
Cash in escrow and with fiscal agents.....	784	2,215	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	-	-
Mortgages.....	1,035	9,716	-	-
Due from independent agencies and other governments.....	1,678	270	-	-
TOTAL ASSETS.....	<u>\$ 3,497</u>	<u>\$ 13,456</u>	<u>\$ 494</u>	<u>\$ 5,962</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 737	\$ 661	\$ -	\$ 53
Contracts payable.....	216	-	-	-
Due to other funds.....	1,262	-	-	-
Due to individuals.....	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-
Deposits.....	6	77	-	-
Deferred revenue.....	1,069	-	-	-
TOTAL LIABILITIES.....	<u>3,290</u>	<u>738</u>	<u>-</u>	<u>53</u>
FUND BALANCES:				
Reserved for:				
Encumbrances.....	2,508	1,840	-	427
Cash in escrow.....	784	2,215	-	-
Mortgages receivable.....	1,035	9,716	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	884
Designated for subsequent years' budget.....	-	-	-	-
Designated for changes in fair value of investments.....	-	5	2	22
Undesignated (deficit).....	(4,120)	(1,058)	492	4,576
Total Fund Balances.....	207	12,718	494	5,909
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 3,497</u>	<u>\$ 13,456</u>	<u>\$ 494</u>	<u>\$ 5,962</u>

SPECIAL REVENUE FUNDS

<u>METROPOLITAN PLANNING ORGANIZATION</u>	<u>OTHER FEDERAL, STATE AND LOCAL GRANTS</u>	<u>STATE HOUSING INITIATIVE PARTNERSHIP</u>	<u>BETTER JACKSONVILLE PLAN TRUST</u>	<u>NON-BUDGETED GENERAL GOVERNMENT</u>	<u>TOTAL</u>
\$ -	\$ 8,050	\$ 5,264	\$ -	\$ 6,592	\$ 71,277
-	40	-	-	825	3,964
-	-	-	-	2	48
-	-	4,014	-	-	14,765
<u>645</u>	<u>4,303</u>	<u>-</u>	<u>13,612</u>	<u>-</u>	<u>22,654</u>
<u>\$ 645</u>	<u>\$ 12,393</u>	<u>\$ 9,278</u>	<u>\$ 13,612</u>	<u>\$ 7,419</u>	<u>\$ 112,708</u>
\$ 102	\$ 1,740	\$ 933	\$ -	\$ 159	\$ 6,011
-	-	-	-	23	239
267	-	-	-	-	1,529
-	-	-	-	305	305
-	-	-	-	-	-
-	-	-	-	8	453
-	-	-	-	-	1,069
<u>369</u>	<u>1,740</u>	<u>933</u>	<u>-</u>	<u>495</u>	<u>9,606</u>
208	5,834	5,082	-	1,363	22,361
-	40	-	-	825	3,964
-	-	4,014	-	-	14,765
-	-	-	-	-	-
-	-	-	-	-	912
-	-	-	-	-	379
-	30	19	-	24	262
<u>68</u>	<u>4,749</u>	<u>(770)</u>	<u>13,612</u>	<u>4,712</u>	<u>60,459</u>
<u>276</u>	<u>10,653</u>	<u>8,345</u>	<u>13,612</u>	<u>6,924</u>	<u>103,102</u>
<u>\$ 645</u>	<u>\$ 12,393</u>	<u>\$ 9,278</u>	<u>\$ 13,612</u>	<u>\$ 7,419</u>	<u>\$ 112,708</u>

(continued)

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS (in thousands; continued)
 SEPTEMBER 30, 2002**

DEBT SERVICE FUNDS

	GENERAL BONDED DEBT OBLIGATIONS	SPECIAL BONDED DEBT OBLIGATIONS	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	TOTAL
ASSETS					
Equity in cash and investments.....	\$ -	\$ 127,075	\$ 19,787	\$ 116	\$ 146,978
Cash in escrow and with fiscal agents.....	39	-	30,053	-	30,092
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts	-	-	-	-	-
Mortgages.....	-	-	-	-	-
Due from independent agencies and other governments..	-	-	-	-	-
TOTAL ASSETS.....	\$ 39	\$ 127,075	\$ 49,840	\$ 116	\$ 177,070
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities.....	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts payable.....	-	-	-	-	-
Due to other funds.....	-	-	-	-	-
Due to individuals.....	-	-	-	-	-
Matured bonds and interest payable.....	39	-	-	-	39
Deposits.....	-	-	-	-	-
Deferred revenue.....	-	-	-	-	-
TOTAL LIABILITIES.....	39	-	-	-	39
FUND BALANCES:					
Reserved for:					
Encumbrances.....	-	-	-	-	-
Cash in escrow.....	-	-	30,053	-	30,053
Mortgages receivable.....	-	-	-	-	-
Debt service.....	-	126,860	15,462	116	142,438
Unreserved:					
Designated for capital projects.....	-	-	-	-	-
Designated for subsequent years' budget.....	-	-	-	-	-
Designated for changes in fair value of investments..	-	215	4,325	-	4,540
Undesignated (deficit).....	-	-	-	-	-
Total Fund Balances.....	-	127,075	49,840	116	177,031
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 39	\$ 127,075	\$ 49,840	\$ 116	\$ 177,070

<u>CAPITAL PROJECTS FUNDS</u>			<u>PERMANENT FUND</u>	
<u>GRANT PROJECTS</u>	<u>RIVER CITY RENAISSANCE PROJECT</u>	<u>TOTAL</u>	<u>CEMETERY MAINTENANCE FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
\$ 1,983	\$ 4,670	\$ 6,653	\$ 170	\$ 225,078
261	13	274	-	34,330
-	-	-	-	48
-	-	-	-	14,765
<u>4,818</u>	<u>-</u>	<u>4,818</u>	<u>-</u>	<u>27,472</u>
<u>\$ 7,062</u>	<u>\$ 4,683</u>	<u>\$ 11,745</u>	<u>\$ 170</u>	<u>\$ 301,693</u>
\$ 1,267	\$ 39	\$ 1,306	\$ -	\$ 7,317
138	13	151	-	390
-	-	-	-	1,529
-	-	-	-	305
-	-	-	-	39
-	-	-	-	453
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,069</u>
<u>1,405</u>	<u>52</u>	<u>1,457</u>	<u>-</u>	<u>11,102</u>
8,246	241	8,487	-	30,848
261	13	274	-	34,291
-	-	-	-	14,765
-	-	-	-	142,438
-	4,360	4,360	-	5,272
-	-	-	-	379
7	17	24	-	4,826
<u>(2,857)</u>	<u>-</u>	<u>(2,857)</u>	<u>170</u>	<u>57,772</u>
<u>5,657</u>	<u>4,631</u>	<u>10,288</u>	<u>170</u>	<u>290,591</u>
<u>\$ 7,062</u>	<u>\$ 4,683</u>	<u>\$ 11,745</u>	<u>\$ 170</u>	<u>\$ 301,693</u>

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	SPECIAL REVENUE FUNDS		
	CONCURRENCY MANAGEMENT	AIR POLLUTION CONTROL AND MONITORING	SPORTS, CONVENTION AND TOURISM DEVELOPMENT
REVENUE:			
Property taxes.....	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	11,084
Intergovernmental.....	-	2,044	2,000
Charges for services.....	4,713	-	-
Fines and forfeitures.....	-	-	-
Interest.....	213	28	83
Other.....	-	-	367
Total Revenue.....	4,926	2,072	13,534
EXPENDITURES:			
Current:			
General government.....	130	-	-
Human services.....	-	-	-
Public safety.....	-	-	-
Culture and recreation.....	-	-	535
Transportation.....	288	-	-
Economic environment.....	-	-	3,992
Physical environment.....	-	2,213	-
Capital outlay.....	-	-	-
Debt service:			
Principal.....	-	-	-
Interest on fiscal charges.....	-	-	-
Total Expenditures.....	418	2,213	4,527
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	4,508	(141)	9,007
OTHER FINANCING SOURCES (USES):			
Long-term debt issued.....	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-
Operating transfers in.....	-	400	-
Operating transfers out.....	(146)	-	(10,598)
Transfers - In from component units.....	-	-	-
Transfers - Out to component units.....	-	-	-
Total Other Financing Sources (Uses).....	(146)	400	(10,598)
NET CHANGE IN FUND BALANCES.....	4,362	259	(1,591)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED.....	5,658	1,030	5,311
FUND BALANCES, END OF YEAR.....	\$ 10,020	\$ 1,289	\$ 3,720

SPECIAL REVENUE FUNDS

BUDGETED GENERAL GOVERNMENT	PUBLIC SAFETY	EMERGENCY 9-1-1	TAX INCREMENT DISTRICTS	JACKSONVILLE CHILDREN'S COMMISSION
\$ -	\$ -	\$ -	\$ 2,091	\$ -
-	-	-	-	-
2,270	286	-	-	34,858
10,414	-	3,600	-	-
2,385	-	-	-	-
404	11	81	-	100
<u>3,525</u>	<u>-</u>	<u>-</u>	<u>151</u>	<u>-</u>
<u>18,998</u>	<u>297</u>	<u>3,681</u>	<u>2,242</u>	<u>34,958</u>
3,949	-	-	-	-
882	-	-	-	19,952
7,639	454	2,774	-	-
-	-	-	-	-
-	-	-	758	25,358
2,903	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>15,373</u>	<u>454</u>	<u>2,774</u>	<u>758</u>	<u>45,310</u>
<u>3,625</u>	<u>(157)</u>	<u>907</u>	<u>1,484</u>	<u>(10,352)</u>
-	-	-	-	-
-	-	-	-	-
933	-	-	2	14,139
(5,323)	-	-	(2,530)	(156)
-	-	-	-	-
<u>(4,390)</u>	<u>-</u>	<u>-</u>	<u>(2,528)</u>	<u>13,983</u>
(765)	(157)	907	(1,044)	3,631
<u>17,446</u>	<u>442</u>	<u>2,935</u>	<u>2,395</u>	<u>3,145</u>
<u>\$ 16,681</u>	<u>\$ 285</u>	<u>\$ 3,842</u>	<u>\$ 1,351</u>	<u>\$ 6,776</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	HOUSING REHABILITATION AND HOME INVESTMENT AND OPPORTUNITY GRANTS	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	12,072	1,902	-	-
Charges for services.....	-	-	-	1,758
Fines and forfeitures.....	-	-	-	-
Interest.....	15	49	12	136
Other.....	1,185	100	-	132
Total Revenue.....	13,272	2,051	12	2,026
EXPENDITURES:				
Current:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	-	1,681
Transportation.....	-	-	-	-
Economic environment.....	13,176	4,128	-	-
Physical environment.....	-	-	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
Total Expenditures.....	13,176	4,128	-	1,681
EXCESS OF REVENUE OVER (UNDER)				
EXPENDITURES.....	96	(2,077)	12	345
OTHER FINANCING SOURCES (USES):				
Long-term debt issued.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Operating transfers in.....	75	-	-	796
Operating transfers out.....	-	-	-	(260)
Transfers - In from component units.....	-	-	-	-
Transfers - Out to component units.....	-	-	-	-
Total Other Financing Sources (Uses).....	75	-	-	536
NET CHANGE IN FUND BALANCES.....	171	(2,077)	12	881
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED...	36	14,795	482	5,028
FUND BALANCES, END OF YEAR.....	\$ 207	\$ 12,718	\$ 494	\$ 5,909

SPECIAL REVENUE FUNDS

<u>METROPOLITAN PLANNING ORGANIZATION</u>	<u>OTHER FEDERAL, STATE AND LOCAL GRANTS</u>	<u>STATE HOUSING INITIATIVE PARTNERSHIP</u>	<u>BETTER JACKSONVILLE PLAN TRUST</u>	<u>NON-BUDGETED GENERAL GOVERNMENT</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,091
-	-	-	55,324	-	66,408
1,028	19,299	7,463	-	238	83,460
-	35	-	-	775	21,295
-	-	-	-	136	2,521
-	195	112	59	86	1,584
-	168	-	-	1,102	6,730
<u>1,028</u>	<u>19,697</u>	<u>7,575</u>	<u>55,383</u>	<u>2,337</u>	<u>184,089</u>
1,144	1,085	-	-	708	7,016
-	6,868	-	-	399	28,101
-	12,287	-	-	1,062	24,216
-	2,264	-	-	560	5,040
-	-	-	-	-	288
-	289	9,593	-	17	57,311
-	-	-	-	268	5,384
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,144</u>	<u>22,793</u>	<u>9,593</u>	<u>-</u>	<u>3,014</u>	<u>127,356</u>
(116)	(3,096)	(2,018)	55,383	(677)	56,733
-	-	-	-	-	-
-	-	-	-	-	-
136	5,779	-	-	904	23,164
-	(71)	-	(50,796)	(665)	(70,545)
-	-	-	-	-	-
-	-	(317)	-	-	(317)
<u>136</u>	<u>5,708</u>	<u>(317)</u>	<u>(50,796)</u>	<u>239</u>	<u>(47,698)</u>
20	2,612	(2,335)	4,587	(438)	9,035
<u>256</u>	<u>8,041</u>	<u>10,680</u>	<u>9,025</u>	<u>7,362</u>	<u>94,067</u>
<u>\$ 276</u>	<u>\$ 10,653</u>	<u>\$ 8,345</u>	<u>\$ 13,612</u>	<u>\$ 6,924</u>	<u>\$ 103,102</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	DEBT SERVICE FUNDS				TOTAL
	GENERAL BONDED DEBT OBLIGATIONS	SPECIAL BONDED DEBT OBLIGATIONS	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	
REVENUE:					
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-
Charges for services.....	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-
Interest.....	-	918	4,420	891	6,229
Other.....	-	-	-	-	-
Total Revenue.....	-	918	4,420	891	6,229
EXPENDITURES:					
Current:					
General government.....	-	-	-	-	-
Human services.....	-	-	-	-	-
Public safety.....	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-
Transportation.....	-	-	-	-	-
Economic environment.....	-	-	-	-	-
Physical environment.....	-	-	-	-	-
Capital outlay.....	-	-	-	-	-
Debt service:					
Principal.....	-	31,785	2,315	1,860	35,960
Interest on fiscal charges.....	-	32,761	18,147	1,767	52,675
Total Expenditures.....	-	64,546	20,462	3,627	88,635
EXCESS OF REVENUE OVER (UNDER)					
EXPENDITURES.....	-	(63,628)	(16,042)	(2,736)	(82,406)
OTHER FINANCING SOURCES (USES):					
Long-term debt issued.....	-	203,220	-	-	203,220
Payment to escrow agent - refunded bonds.....	-	(123,854)	-	-	(123,854)
Operating transfers in.....	-	64,096	14,117	2,815	81,028
Operating transfers out.....	-	-	-	-	-
Transfers - In from component units.....	-	-	9,004	-	9,004
Transfers - Out to component units.....	-	-	-	-	-
Total Other Financing Sources (Uses).....	-	143,462	23,121	2,815	169,398
NET CHANGE IN FUND BALANCES.....	-	79,834	7,079	79	86,992
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED...	-	47,241	42,761	37	90,039
FUND BALANCES, END OF YEAR.....	\$ -	\$ 127,075	\$ 49,840	\$ 116	\$ 177,031

CAPITAL PROJECTS FUNDS			PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTAL	CEMETARY MAINTENANCE TRUST	
\$ -	\$ -	\$ -	\$ -	\$ 2,091
-	-	-	-	66,408
7,326	2	7,328	-	90,788
-	-	-	-	21,295
-	-	-	-	2,521
7	119	126	4	7,943
<u>1,384</u>	<u>-</u>	<u>1,384</u>	<u>-</u>	<u>8,114</u>
<u>8,717</u>	<u>121</u>	<u>8,838</u>	<u>4</u>	<u>199,160</u>
-	-	-	-	7,016
-	-	-	-	28,101
-	-	-	-	24,216
-	-	-	-	5,040
-	-	-	-	288
-	-	-	-	57,311
-	-	-	-	5,384
6,296	598	6,894	-	6,894
-	-	-	-	35,960
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,675</u>
<u>6,296</u>	<u>598</u>	<u>6,894</u>	<u>-</u>	<u>222,885</u>
<u>2,421</u>	<u>(477)</u>	<u>1,944</u>	<u>4</u>	<u>(23,725)</u>
-	-	-	-	203,220
-	-	-	-	(123,854)
1,425	-	1,425	-	105,617
-	-	-	-	(70,545)
-	-	-	-	9,004
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(317)</u>
<u>1,425</u>	<u>-</u>	<u>1,425</u>	<u>-</u>	<u>123,125</u>
3,846	(477)	3,369	4	99,400
<u>1,811</u>	<u>5,108</u>	<u>6,919</u>	<u>166</u>	<u>191,191</u>
<u>\$ 5,657</u>	<u>\$ 4,631</u>	<u>\$ 10,288</u>	<u>\$ 170</u>	<u>\$ 290,591</u>

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

CONCURRENCY MANAGEMENT

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUE:						
Charges for services.....	\$ 265	\$ 4,639	\$ 4,713	\$ -	\$ 4,713	\$ 74
Interest.....	45	45	213	-	213	168
Total Revenue.....	310	4,684	4,926	-	4,926	242
EXPENDITURES:						
Planning and development.....	3,737	1,980	53	31	84	1,896
Public works.....	869	6,964	365	680	1,045	5,919
Total Expenditures.....	4,606	8,944	418	711	1,129	5,919
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES.....	(4,296)	(4,260)	4,508	(711)	3,797	6,161
OTHER FINANCING (USES):						
Operating transfers out.....	(110)	(146)	(146)	-	(146)	-
Total Other Financing (Uses).....	(146)	(146)	(146)	-	(146)	-
NET CHANGE IN FUND BALANCES.....	(4,442)	(4,406)	4,362	(711)	3,651	6,161
FUND BALANCE, BEGINNING.....	5,658	5,658	5,658	-	5,658	-
FUND BALANCE, ENDING.....	\$ 1,216	\$ 1,252	\$ 10,020	(\$ 711)	\$ 9,309	\$ 6,161

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

AIR POLLUTION CONTROL AND MONITORING

	<u>BUDGETED AMOUNTS</u>			<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>			
REVENUE:						
Intergovernmental.....	\$ 2,009	\$ 2,359	\$ 2,044	\$ -	\$ 2,044	(\$ 315)
Interest.....	25	26	28	-	28	2
Total Revenue.....	2,034	2,385	2,072	-	2,072	(313)
EXPENDITURES:						
Regulatory and Environmental.....	2,577	2,839	2,213	42	2,255	584
Total Expenditures.....	2,577	2,839	2,213	42	2,255	584
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(543)	(454)	(141)	(42)	(183)	271
OTHER FINANCING SOURCES:						
Operating transfers in.....	400	400	400	-	400	-
Total Other Financing Sources.....	400	400	400	-	400	-
NET CHANGE IN FUND BALANCES.....	(143)	(54)	259	(42)	217	271
FUND BALANCE, BEGINNING.....	887	1,030	1,030	-	1,030	-
FUND BALANCE, ENDING.....	\$ 744	\$ 976	\$ 1,289	(\$ 42)	\$ 1,247	\$ 271

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

SPORTS, CONVENTION AND TOURISM DEVELOPMENT

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUE:						
Sales and tourist taxes.....	\$ 10,900	\$ 10,900	\$ 11,084	\$ -	\$ 11,084	\$ 184
Intergovernmental.....	2,000	2,000	2,000	-	2,000	-
Interest.....	150	159	83	-	83	(76)
Other.....	-	354	367	-	367	13
Total Revenue.....	13,050	13,413	13,534	-	13,534	121
EXPENDITURES:						
City Council.....	7,579	6,789	3,992	1,145	5,137	1,652
Neighborhoods.....	310	669	390	-	390	279
Sports Complex.....	205	205	145	60	205	-
Total Expenditures.....	8,094	7,663	4,527	1,205	5,732	1,931
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....						
	4,956	5,750	9,007	(1,205)	7,802	2,052
OTHER FINANCING (USES):						
Operating transfers out.....	(9,814)	(10,558)	(10,598)	-	(10,598)	40
Total Other Financing (Uses).....	(9,814)	(10,558)	(10,598)	-	(10,598)	40
NET CHANGE IN FUND BALANCES.....	(4,858)	(4,808)	(1,591)	(1,205)	(2,796)	2,092
FUND BALANCE, BEGINNING.....	5,311	5,311	5,311	-	5,311	-
FUND BALANCE, ENDING.....	\$ 453	\$ 503	\$ 3,720	(\$ 1,205)	\$ 2,515	\$ 2,092

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

BUDGETED GENERAL GOVERNMENT

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL				FINAL BUDGET -
REVENUE:						
Intergovernmental.....	\$ 2,447	\$ 4,384	\$ 2,270	\$ -	\$ 2,270	(\$ 2,114)
Charges for services.....	8,717	9,068	10,414	-	10,414	1,346
Fines and forfeitures.....	1,873	1,873	2,385	-	2,385	512
Interest.....	252	259	404	-	404	145
Other.....	691	691	3,525	-	3,525	2,834
Total Revenue.....	13,980	16,275	18,998	-	18,998	2,723
EXPENDITURES:						
Courts.....	4,125	4,093	3,627	37	3,664	429
Community Services.....	830	1,335	1,016	-	1,016	319
Neighborhoods.....	44	125	90	3	93	32
Public Works.....	9,308	10,537	8,328	912	9,240	1,297
Regulatory and Environmental.....	2,285	4,365	2,214	15	2,229	2,136
Tax Collector.....	207	207	98	11	109	98
Total Expenditures.....	16,799	20,662	15,373	978	16,351	4,311
EXCESS OF REVENUE OVER (UNDER)						
EXPENDITURES.....	(2,819)	(4,387)	3,625	(978)	2,647	7,034
OTHER FINANCING SOURCES (USES):						
Operating transfers in.....	933	933	933	-	933	-
Operating transfers out.....	(5,100)	(5,285)	(5,323)	-	(5,323)	38
Total Other Financing Sources (Uses).....	(4,167)	(4,352)	(4,390)	-	(4,390)	38
NET CHANGE IN FUND BALANCES.....	(6,986)	(8,739)	(765)	(978)	(1,743)	7,072
FUND BALANCE, BEGINNING.....	17,446	17,446	17,446	-	17,446	-
FUND BALANCE, ENDING.....	\$ 10,460	\$ 8,707	\$ 16,681	(\$ 978)	\$ 15,703	\$ 7,072

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

PUBLIC SAFETY

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL				FINAL BUDGET -
REVENUE:						
Intergovernmental.....	\$ 282	\$ 286	\$ 286	\$ -	\$ 286	\$ -
Interest.....	-	48	11	-	11	(37)
Total Revenue.....	282	334	297	-	297	(37)
EXPENDITURES:						
Fire and Rescue.....	232	535	454	67	521	14
Total Expenditures.....	232	535	454	67	521	14
EXCESS OF REVENUE (UNDER)						
EXPENDITURES.....	50	(201)	(157)	(67)	(224)	(23)
NET CHANGE IN FUND BALANCES.....	50	(201)	(157)	(67)	(224)	(23)
FUND BALANCE, BEGINNING.....	442	442	442	-	442	-
FUND BALANCE, ENDING.....	\$ 492	\$ 241	\$ 285	(\$ 67)	\$ 218	(\$ 23)

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

EMERGENCY 9-1-1

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
REVENUE:						
Charges for services.....	\$ 3,300	\$ 3,903	\$ 3,600	\$ -	\$ 3,600	(\$ 303)
Interest.....	36	36	81	-	81	45
Total Revenue.....	3,336	3,939	3,681	-	3,681	(258)
EXPENDITURES:						
Office of the Sheriff.....	4,745	6,419	2,774	149	2,923	3,496
Total Expenditures.....	4,745	6,419	2,774	149	2,923	3,496
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(1,409)	(2,480)	907	(149)	758	3,238
NET CHANGE IN FUND BALANCES.....	(1,409)	(2,480)	907	(149)	758	3,238
FUND BALANCE, BEGINNING.....	2,935	2,935	2,935	-	2,935	-
FUND BALANCE, ENDING.....	\$ 1,526	\$ 455	\$ 3,842	(\$ 149)	\$ 3,693	\$ 3,238

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

TAX INCREMENT DISTRICTS

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET -</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				<u>POSITIVE (NEGATIVE)</u>
REVENUE:						
Property taxes.....	\$ 6,532	\$ 6,532	\$ 2,091	\$ -	\$ 2,091	(\$ 4,441)
Other.....	-	-	151	-	151	151
Total Revenue.....	<u>6,532</u>	<u>6,532</u>	<u>2,242</u>	<u>-</u>	<u>2,242</u>	<u>(4,290)</u>
EXPENDITURES:						
Administration and Finance.....	2,179	2,279	658	450	1,108	1,171
Jacksonville Economic Development Commission.....	<u>1,684</u>	<u>1,684</u>	<u>100</u>	<u>296</u>	<u>396</u>	<u>1,288</u>
Total Expenditures.....	<u>3,863</u>	<u>3,963</u>	<u>758</u>	<u>746</u>	<u>1,504</u>	<u>2,459</u>
EXCESS OF REVENUE OVER EXPENDITURES.....	<u>2,669</u>	<u>2,569</u>	<u>1,484</u>	<u>(746)</u>	<u>738</u>	<u>(1,831)</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in.....	-	-	2	-	2	2
Operating transfers out.....	<u>(2,771)</u>	<u>(2,671)</u>	<u>(2,530)</u>	<u>-</u>	<u>(2,530)</u>	<u>(141)</u>
Total Other Financing Sources (Uses).....	<u>(2,771)</u>	<u>(2,671)</u>	<u>(2,528)</u>	<u>-</u>	<u>(2,528)</u>	<u>(139)</u>
NET CHANGE IN FUND BALANCES.....	<u>(102)</u>	<u>(102)</u>	<u>(1,044)</u>	<u>(746)</u>	<u>(1,790)</u>	<u>(1,970)</u>
FUND BALANCE, BEGINNING.....	<u>2,395</u>	<u>2,395</u>	<u>2,395</u>	<u>-</u>	<u>2,395</u>	<u>-</u>
FUND BALANCE, ENDING.....	<u>\$ 2,293</u>	<u>\$ 2,293</u>	<u>\$ 1,351</u>	<u>(\$ 746)</u>	<u>\$ 605</u>	<u>(\$ 1,970)</u>

See accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR GOVERNMENTAL FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001**

JACKSONVILLE CHILDREN'S COMMISSION

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUE:						
Intergovernmental.....	\$ 34,128	\$ 37,465	\$ 34,858	\$ -	\$ 34,858	(\$ 2,607)
Interest.....	(75)	(64)	100	-	100	164
Total Revenue.....	<u>34,053</u>	<u>37,401</u>	<u>34,958</u>	<u>-</u>	<u>34,958</u>	<u>(2,443)</u>
EXPENDITURES:						
Jacksonville Children's Commission.....	<u>49,233</u>	<u>49,233</u>	<u>45,310</u>	<u>1,201</u>	<u>46,511</u>	<u>2,722</u>
Total Expenditures.....	<u>49,233</u>	<u>49,233</u>	<u>45,310</u>	<u>1,201</u>	<u>46,511</u>	<u>2,722</u>
EXCESS OF REVENUE (UNDER) EXPENDITURES.....	<u>(15,180)</u>	<u>(11,832)</u>	<u>(10,352)</u>	<u>(1,201)</u>	<u>(11,553)</u>	<u>279</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in.....	14,139	14,139	14,139	-	14,139	-
Operating transfers out.....	(156)	(156)	(156)	-	(156)	-
Total Other Financing Sources (Uses).....	<u>13,983</u>	<u>13,983</u>	<u>13,983</u>	<u>-</u>	<u>13,983</u>	<u>-</u>
NET CHANGE IN FUND BALANCES.....	<u>(1,197)</u>	<u>2,151</u>	<u>3,631</u>	<u>(1,201)</u>	<u>2,430</u>	<u>279</u>
FUND BALANCE, BEGINNING.....	<u>3,145</u>	<u>3,145</u>	<u>3,145</u>	<u>-</u>	<u>3,145</u>	<u>-</u>
FUND BALANCE, ENDING.....	<u>\$ 1,948</u>	<u>\$ 5,296</u>	<u>\$ 6,776</u>	<u>(\$ 1,201)</u>	<u>\$ 5,575</u>	<u>\$ 279</u>



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NON-MAJOR ENTERPRISE FUNDS:

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

The Motor Vehicle Inspection Fund accounts for the operations of the City's motor vehicle inspection stations.

The Mayport Ferry Fund accounts for the operation of the City's ferry across the St. Johns River at Mayport.

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS (in thousands)
SEPTEMBER 30, 2002**

<u>ASSETS</u>	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>	<u>TOTAL NONMAJOR ENTERPRISE FUNDS</u>
CURRENT ASSETS:			
Equity in cash and investments.....	\$ 334	\$ 229	\$ 563
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts.....	90	2	92
Due from other governments.....	203	-	203
Inventories.....	3	-	3
Prepaid expenses and other assets.....	-	100	100
Total Current Assets.....	<u>630</u>	<u>331</u>	<u>961</u>
CAPITAL ASSETS:			
Land and work in progress.....	32	610	642
Other capital assets, net of depreciation.....	<u>47</u>	<u>4,198</u>	<u>4,245</u>
Total Capital Assets - Net.....	<u>79</u>	<u>4,808</u>	<u>4,887</u>
TOTAL ASSETS.....	<u>709</u>	<u>5,139</u>	<u>5,848</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities.....	183	230	413
Accrued compensated absences, current portion.....	28	-	28
Deferred revenue.....	-	23	23
Total Current Liabilities.....	<u>211</u>	<u>253</u>	<u>464</u>
NONCURRENT LIABILITIES:			
Accrued compensated absences.....	<u>12</u>	<u>-</u>	<u>12</u>
Total Noncurrent Liabilities.....	<u>12</u>	<u>-</u>	<u>12</u>
TOTAL LIABILITIES.....	<u>223</u>	<u>253</u>	<u>476</u>
NET ASSETS:			
Invested in capital assets, net of related debt.....	79	4,808	4,887
Unrestricted.....	<u>407</u>	<u>78</u>	<u>485</u>
TOTAL NET ASSETS.....	<u>\$ 486</u>	<u>\$ 4,886</u>	<u>\$ 5,372</u>

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING STATEMENT OF REVENUE, EXPENSES, AND
 CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS (in thousands)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002**

	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	TOTAL NONMAJOR ENTERPRISE FUNDS
OPERATING REVENUE:			
Charges for services.....	\$ 548	\$ 1,042	\$ 1,590
Total Operating Revenue.....	<u>548</u>	<u>1,042</u>	<u>1,590</u>
OPERATING EXPENSES:			
Personal services.....	375	758	1,133
Supplies and materials.....	13	131	144
Central services.....	24	-	24
Other services and charges.....	277	684	961
Depreciation and amortization.....	17	298	315
Total Operating Expenses.....	<u>706</u>	<u>1,871</u>	<u>2,577</u>
OPERATING LOSS.....	<u>(158)</u>	<u>(829)</u>	<u>(987)</u>
NON-OPERATING REVENUE (EXPENSES):			
Interest revenue.....	10	12	22
Other.....	(5)	-	(5)
Total Non-Operating Revenue (Expenses).....	<u>5</u>	<u>12</u>	<u>17</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS.....	<u>(153)</u>	<u>(817)</u>	<u>(970)</u>
Capital contributions.....	-	5	5
Operating transfers in.....	-	823	823
CHANGES IN NET ASSETS.....	<u>(153)</u>	<u>11</u>	<u>(142)</u>
TOTAL NET ASSETS, BEGINNING OF YEAR.....	<u>639</u>	<u>4,875</u>	<u>5,514</u>
TOTAL NET ASSETS, END OF YEAR.....	<u><u>\$ 486</u></u>	<u><u>\$ 4,886</u></u>	<u><u>\$ 5,372</u></u>

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>	<u>TOTAL NONMAJOR ENTERPRISE FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts to customers.....	\$ 255	\$ 1,039	\$ 1,294
Payments to suppliers.....	(148)	(737)	(885)
Payments to employees.....	(360)	(758)	(1,118)
Other receipts (expenses).....	(5)	5	-
	<u>(258)</u>	<u>(451)</u>	<u>(709)</u>
NET CASH USED IN OPERATING ACTIVITIES.....			
NONCAPITAL FINANCING ACTIVITIES:			
Cash received through operating transfers from other funds.....	-	823	823
	<u>-</u>	<u>823</u>	<u>823</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES.....			
	<u>-</u>	<u>823</u>	<u>823</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Additions to property, plant and equipment.....	(17)	(298)	(315)
Proceeds from sale of property, plant and equipment.....	15	73	88
	<u>(2)</u>	<u>(225)</u>	<u>(227)</u>
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....			
	<u>(\$ 2)</u>	<u>(\$ 225)</u>	<u>(\$ 227)</u>
INVESTING ACTIVITIES:			
Interest and dividends on investments.....	\$ 10	\$ 12	\$ 22
	<u>10</u>	<u>12</u>	<u>22</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES.....			
	<u>10</u>	<u>12</u>	<u>22</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....			
	(250)	159	(91)
Cash and cash equivalents at October 1.....	584	70	654
	<u>584</u>	<u>70</u>	<u>654</u>
Cash and cash equivalents at September 30.....	\$ 334	\$ 229	\$ 563
	<u>\$ 334</u>	<u>\$ 229</u>	<u>\$ 563</u>

	<u>MOTOR VEHICLE INSPECTION</u>	<u>MAYPORT FERRY</u>	<u>TOTAL NONMAJOR ENTERPRISE FUNDS</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED IN:			
OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS).....	<u>(\$ 158)</u>	<u>(\$ 829)</u>	<u>(\$ 987)</u>
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:			
Depreciation and amortization.....	17	298	315
Other non-operating revenue/(expenses).....	(5)	5	-
Change in assets and liabilities:			
Decrease (increase) in receivables and other current assets, net.....	(90)	24	(66)
(Increase) in due from other governments.....	(203)		(203)
(Increase) in prepaid expenses.....	-	(20)	(20)
Increase in accounts payable and accrued expenses.....	166	78	244
(Decrease) in deferred revenue.....	-	(7)	(7)
Increase in accrued compensated absences.....	<u>15</u>	<u>-</u>	<u>15</u>
TOTAL ADJUSTMENTS.....	<u>(100)</u>	<u>378</u>	<u>278</u>
NET CASH (USED IN) OPERATING ACTIVITIES.....	<u><u>(\$ 258)</u></u>	<u><u>(\$ 451)</u></u>	<u><u>(\$ 709)</u></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 STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS (in thousands)
SEPTEMBER 30, 2002

<u>ASSETS</u>	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
CURRENT ASSETS:			
Equity in cash and investments.....	\$ 63,575	\$ 482	\$ 17,861
Accounts receivable.....	-	-	-
Other receivables.....	-	-	-
Due from other funds.....	8	-	6
Due from independent agencies and other governments.....	1,129	-	221
Advances to other funds.....	-	-	-
Inventories.....	1,048	-	358
Prepaid expenses and other assets.....	-	-	-
Total Current Assets.....	65,760	482	18,446
CAPITAL ASSETS AND INFRASTRUCTURE (Note 1)			
Land and work in progress.....	36	-	22
Other capital assets, net of depreciation	42,354	-	21,276
Total Capital Assets, Net.....	42,390	-	21,298
TOTAL ASSETS.....	108,150	482	39,744
 <u>LIABILITIES</u>			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities.....	1,434	36	1,296
Due to other funds.....	-	-	-
Due to independent agencies and other governments.....	-	-	-
Capitalized lease obligations, current portion.....	-	-	3,252
Deferred revenue.....	-	-	-
Accrued compensated absences, current portion.....	773	20	865
Total Current Liabilities.....	2,207	56	5,413
NONCURRENT LIABILITIES, net of current portion:			
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	115	26	213
Capitalized lease obligations.....	-	-	15,192
Total Long-Term Liabilities.....	115	26	15,405
TOTAL LIABILITIES.....	2,322	82	20,818
NET ASSETS:			
Invested in capital assets.....	42,390	-	2,854
Unrestricted (deficit).....	63,438	400	16,072
TOTAL NET ASSETS.....	\$ 105,828	\$ 400	\$ 18,926

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTAL</u>
\$ 2,852	\$ 45,641	\$ 4,426	\$ -	\$ 134,837
-	127	61	-	188
-	-	-	56	56
10	3,974	-	1,364	5,362
388	1,339	24	-	3,101
-	12,593	-	-	12,593
-	-	-	-	1,406
-	-	-	2,059	2,059
<u>3,250</u>	<u>63,674</u>	<u>4,511</u>	<u>3,479</u>	<u>159,602</u>
-	-	-	-	58
38	5	23	77	63,773
<u>38</u>	<u>5</u>	<u>23</u>	<u>77</u>	<u>63,831</u>
<u>3,288</u>	<u>63,679</u>	<u>4,534</u>	<u>3,556</u>	<u>223,433</u>
365	1,182	3,868	83	8,264
-	-	-	2,444	2,444
-	16	-	-	16
-	-	-	-	3,252
-	-	-	269	269
465	31	57	28	2,239
<u>830</u>	<u>1,229</u>	<u>3,925</u>	<u>2,824</u>	<u>16,484</u>
-	53,587	-	-	53,587
323	4	23	6	710
-	-	-	-	15,192
<u>323</u>	<u>53,591</u>	<u>23</u>	<u>6</u>	<u>69,489</u>
<u>1,153</u>	<u>54,820</u>	<u>3,948</u>	<u>2,830</u>	<u>85,973</u>
38	5	23	77	45,387
<u>2,097</u>	<u>8,854</u>	<u>563</u>	<u>649</u>	<u>92,073</u>
<u>\$ 2,135</u>	<u>\$ 8,859</u>	<u>\$ 586</u>	<u>\$ 726</u>	<u>\$ 137,460</u>

See accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
OPERATING REVENUE:			
Charges for services.....	\$ 32,225	\$ 1,074	\$ 27,475
Charges for services for independent authorities.....	5,430	3	2,451
Other.....	47	-	88
	<u>37,702</u>	<u>1,077</u>	<u>30,014</u>
Total Operating Revenue.....			
OPERATING EXPENSES:			
Personal services.....	7,617	198	8,390
Supplies and materials.....	9,490	459	1,273
Central services.....	778	40	1,361
Other services and charges.....	4,520	287	16,136
Depreciation.....	14,445	-	3,010
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	39	-	17
	<u>36,889</u>	<u>984</u>	<u>30,187</u>
Total Operating Expenses.....			
OPERATING INCOME (LOSS).....	<u>813</u>	<u>93</u>	<u>(173)</u>
NON-OPERATING REVENUE (EXPENSES):			
Interest revenue.....	1,464	1	378
Other.....	553	(54)	(1,172)
Total Non-Operating Revenue (Expenses)	<u>2,017</u>	<u>(53)</u>	<u>(794)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS.....			
	2,830	40	(967)
Capital contributions.....	-	-	141
Operating transfers in.....	2,923	-	104
Operating transfers out.....	-	-	(920)
	<u>5,753</u>	<u>40</u>	<u>(1,642)</u>
CHANGE IN NET ASSETS.....			
NET ASSETS, BEGINNING OF YEAR.....	<u>100,075</u>	<u>360</u>	<u>20,568</u>
NET ASSETS, END OF YEAR.....	<u>\$ 105,828</u>	<u>\$ 400</u>	<u>\$ 18,926</u>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>
\$ 5,892	\$ 15,773	\$ 43,603	\$ 5,480	\$ 131,522
2,086	5,669	-	-	15,639
5	253	11	-	404
<u>7,983</u>	<u>21,695</u>	<u>43,614</u>	<u>5,480</u>	<u>147,565</u>
4,653	549	667	410	22,484
100	16	35	15	11,388
469	1,244	376	42	4,310
1,315	3,259	335	609	26,461
14	2	13	60	17,544
25	-	-	-	25
-	12,079	-	-	12,079
1	1,699	41,802	6,179	49,737
<u>6,577</u>	<u>18,848</u>	<u>43,228</u>	<u>7,315</u>	<u>144,028</u>
<u>1,406</u>	<u>2,847</u>	<u>386</u>	<u>(1,835)</u>	<u>3,537</u>
59	1,494	92	22	3,510
(293)	(546)	(375)	486	(1,401)
<u>(234)</u>	<u>948</u>	<u>(283)</u>	<u>508</u>	<u>2,109</u>
1,172	3,795	103	(1,327)	5,646
9	3	-	4	157
-	1,072	45	28	4,172
<u>(1,850)</u>	<u>(7,097)</u>	<u>(400)</u>	<u>(1,300)</u>	<u>(11,567)</u>
(669)	(2,227)	(252)	(2,595)	(1,592)
<u>2,804</u>	<u>11,086</u>	<u>838</u>	<u>3,321</u>	<u>139,052</u>
<u>\$ 2,135</u>	<u>\$ 8,859</u>	<u>\$ 586</u>	<u>\$ 726</u>	<u>\$ 137,460</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, 2002

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers.....	\$ 37,773	\$ 1,080	\$ 30,042
Payments to suppliers.....	(14,338)	(777)	(18,217)
Payments to employees.....	(7,698)	(213)	(8,404)
Internal activity- payments to other funds.....	-	-	-
Other receipts.....	553	(54)	(1,031)
Other operating cash payments.....	(7)	-	4
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>16,283</u>	<u>36</u>	<u>2,394</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received through operating transfers from other funds.....	2,923	-	104
Cash payments through operating transfers to other funds.....	-	-	(920)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	<u>2,923</u>	<u>-</u>	<u>(816)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Additions to property, plant and equipment.....	(19,408)	-	(18,040)
Additions to contributed capital assets.....	-	-	-
Increase in capitalized lease obligations.....	-	-	2,713
Principal paid on long-term obligations.....	-	-	13,860
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(19,408)</u>	<u>-</u>	<u>(1,467)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of investments.....	1,464	1	378
Interest and Dividends.....	-	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>1,464</u>	<u>1</u>	<u>378</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	1,262	37	489
Cash and cash equivalents at October 1.....	<u>62,313</u>	<u>445</u>	<u>17,372</u>
Cash and cash equivalents at September 30.....	<u><u>\$ 63,575</u></u>	<u><u>\$ 482</u></u>	<u><u>\$ 17,861</u></u>

<u>LEGAL</u>	<u>SELF-INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>
\$ 7,977	\$ 21,121	\$ 43,615	\$ 3,422	\$ 145,030
(1,615)	(5,109)	(41,870)	(6,968)	(88,894)
(4,578)	(542)	(667)	(404)	(22,506)
-	-	-	2,444	2,444
(282)	(546)	(375)	486	(1,249)
5	(16,268)	-	(1,095)	(17,361)
<u>1,507</u>	<u>(1,344)</u>	<u>703</u>	<u>(2,115)</u>	<u>17,464</u>
-	1,072	45	28	4,172
(1,850)	(7,097)	(400)	(1,300)	(11,567)
<u>(1,850)</u>	<u>(6,025)</u>	<u>(355)</u>	<u>(1,272)</u>	<u>(7,395)</u>
(14)	(2)	(11)	(4)	(37,479)
-	3	-	4	7
-	-	-	-	2,713
-	-	-	-	13,860
<u>(14)</u>	<u>1</u>	<u>(11)</u>	<u>-</u>	<u>(20,899)</u>
59	1,494	92	22	3,510
<u>59</u>	<u>1,494</u>	<u>92</u>	<u>22</u>	<u>3,510</u>
(298)	(5,874)	429	(3,365)	(7,320)
<u>3,150</u>	<u>51,515</u>	<u>3,997</u>	<u>3,365</u>	<u>142,157</u>
<u>\$ 2,852</u>	<u>\$ 45,641</u>	<u>\$ 4,426</u>	<u>\$ -</u>	<u>\$ 134,837</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, 2002

	<u>FLEET MANAGEMENT</u>	<u>COPY CENTER</u>	<u>INFORMATION TECHNOLOGIES</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO			
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 813	\$ 93	(\$ 173)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	14,445	-	3,010
Other non-operating revenue/(expenses).....	553	(54)	(1,031)
Change in assets and liabilities:			
Decrease in receivables and other current assets, net.....	-	-	-
Decrease (increase) in due from other funds.....	(7)	-	4
Decrease (increase) in due from independent agencies and other governments.....	71	3	28
Decrease (increase) in inventories.....	(24)	-	6
(Increase) in prepaid expenses.....	-	-	-
Increase (decrease) in accounts payable and accrued expenses.....	513	9	564
Increase in due to other funds.....	-	-	-
Increase (decrease) in compensated absences.....	(81)	(15)	(14)
Increase in deferred revenue.....	-	-	-
(Decrease) in liability for self-insured losses.....	-	-	-
TOTAL ADJUSTMENTS.....	<u>15,470</u>	<u>(57)</u>	<u>2,567</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>\$ 16,283</u>	<u>\$ 36</u>	<u>\$ 2,394</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	\$ 74	\$ 1	\$ 22
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>\$ 74</u>	<u>\$ 1</u>	<u>\$ 22</u>

<u>LEGAL</u>	<u>SELF- INSURANCE</u>	<u>GROUP HEALTH</u>	<u>INSURED PROGRAMS</u>	<u>TOTALS</u>
<u>\$ 1,406</u>	<u>\$ 2,847</u>	<u>\$ 386</u>	<u>(\$ 1,835)</u>	<u>\$ 3,537</u>
14	2	13	60	17,544
(282)	(546)	(375)	486	(1,249)
1	18	23	1	43
5	(496)	-	(1,364)	(1,858)
(7)	(1,082)	(22)	-	(1,009)
-	-	-	-	(18)
-	-	-	(2,059)	(2,059)
295	1,109	678	(123)	3,045
-	-	-	2,444	2,444
75	7	-	6	(22)
-	-	-	269	269
-	(3,203)	-	-	(3,203)
<u>101</u>	<u>(4,191)</u>	<u>317</u>	<u>(280)</u>	<u>13,927</u>
<u>\$ 1,507</u>	<u>(\$ 1,344)</u>	<u>\$ 703</u>	<u>(\$ 2,115)</u>	<u>\$ 17,464</u>
<u>\$ 2</u>	<u>\$ 29</u>	<u>\$ 6</u>	<u>(\$ 9)</u>	<u>\$ 125</u>
<u>\$ 2</u>	<u>\$ 29</u>	<u>\$ 6</u>	<u>(\$ 9)</u>	<u>\$ 125</u>

See accompanying independent auditors' report.



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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.

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

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



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

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS (in thousands)
SEPTEMBER 30, 2002

	PENSION TRUST FUNDS		
	GENERAL EMPLOYEES PENSION PLAN	POLICE AND FIRE PENSION PLAN	TOTAL
ASSETS			
Equity in cash and investments.....	\$ 84,654	\$ 31,179	\$ 115,833
Receivables (net, where applicable, of allowances for uncollectible):			
Interest and dividends.....	5,672	4,846	10,518
Accounts.....	-	45	45
Total receivables.....	<u>5,672</u>	<u>4,891</u>	<u>10,563</u>
Investments, at fair value:			
U.S. Government obligations.....	286,110	185,331	471,441
Municipal Bonds.....	1,114	-	1,114
Domestic corporate bonds.....	231,634	125,908	357,542
Commercial paper.....	-	5,996	5,996
Domestic stocks.....	560,603	325,519	886,122
International stocks.....	127,658	31,560	159,218
Real Estate.....	-	7,250	7,250
Total investments.....	<u>1,207,119</u>	<u>681,564</u>	<u>1,888,683</u>
Capital assets:			
Other capital assets, net of depreciation.....	47	271	318
Net capital assets.....	<u>47</u>	<u>271</u>	<u>318</u>
TOTAL ASSETS.....	<u>1,297,492</u>	<u>717,905</u>	<u>2,015,397</u>
LIABILITIES			
Accounts payable and accrued liabilities.....	2,614	694	3,308
Current portion of long-term liabilities.....	3	28	31
Accrued Compensated Absences.....	23	19	42
Due to Drop Participants.....	-	77,538	77,538
TOTAL LIABILITIES.....	<u>2,640</u>	<u>78,279</u>	<u>80,919</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS....	<u>\$ 1,294,852</u>	<u>\$ 639,626</u>	<u>\$ 1,934,478</u>
(See schedule of funding progress on pages 138 - 139.)			

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	PENSION TRUST FUNDS		
	GENERAL EMPLOYEES PENSION PLAN	POLICE AND FIRE PENSION PLAN	TOTAL
<u>ADDITIONS</u>			
Contributions:			
Employer.....	(\$ 277)	\$ 9,896	\$ 9,619
Plan Member.....	16,407	8,117	24,524
Total contributions.....	<u>16,130</u>	<u>18,013</u>	<u>34,143</u>
Other additions:			
State insurance contributions.....	-	5,222	5,222
Court fines & penalties.....	-	3,117	3,117
Parking revenues.....	-	155	155
Miscellaneous.....	-	89	89
Gain/Loss on Sale of Fixed Assets.....	-	104	104
Total other additions.....	<u>-</u>	<u>8,687</u>	<u>8,687</u>
Investment income:			
Net depreciation in fair value of investments.....	(111,027)	(71,069)	(182,096)
Interest.....	37,011	18,769	55,780
Dividends.....	8,436	6,845	15,281
Rebate of Commissions.....	132	594	726
Rental Income.....	-	493	493
Earnings other Miscellaneous.....	492	545	1,037
Total investment income.....	<u>(64,956)</u>	<u>(43,823)</u>	<u>(108,779)</u>
Less investment expense.....	(3,901)	(3,458)	(7,359)
Less rental expense.....	-	(135)	(135)
Net investment income.....	<u>(68,857)</u>	<u>(47,416)</u>	<u>(116,273)</u>
TOTAL ADDITIONS.....	<u>(52,727)</u>	<u>(20,716)</u>	<u>(73,443)</u>
<u>DEDUCTIONS</u>			
Benefits payments.....	75,703	64,958	140,661
Refunds of contributions.....	1,932	424	2,356
Operating transfers out.....	-	123	123
Administrative expenses.....	1,667	1,815	3,482
TOTAL DEDUCTIONS.....	<u>79,302</u>	<u>67,320</u>	<u>146,622</u>
Net change in net assets.....	(132,029)	(88,036)	(220,065)
NET ASSETS, BEGINNING OF YEAR.....	<u>1,426,881</u>	<u>727,662</u>	<u>2,154,543</u>
NET ASSETS, END OF YEAR.....	<u>\$ 1,294,852</u>	<u>\$ 639,626</u>	<u>\$ 1,934,478</u>



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CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS (in thousands)
SEPTEMBER 30, 2002

	<u>TREASURER</u>	<u>TAX COLLECTOR</u>	<u>CLERK OF THE CIRCUIT COURT</u>	<u>PLAT DEPOSITS</u>	<u>DUVAL CO SCHOOL READINESS COALITION</u>	<u>FLORIDA RETIREMENT SYSTEM</u>	<u>TOTAL</u>
ASSETS:							
Equity in cash and investments.....	\$ 47	\$ 11,709	\$ 16,730	\$ 398	\$ 40	\$ 35	\$ 28,959
Receivables (net, where applicable, of allowances for uncollectibles):							
Accounts.....	<u>88</u>	<u>3,176</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,377</u>
TOTAL ASSETS.....	<u>\$ 135</u>	<u>\$ 14,885</u>	<u>\$ 16,843</u>	<u>\$ 398</u>	<u>\$ 40</u>	<u>\$ 35</u>	<u>\$ 32,336</u>
LIABILITIES:							
Accounts payable and accrued liabilities.....	\$ 135	\$ -	\$ -	\$ -	\$ 40	\$ -	\$ 175
Due to independent agencies and other governments.....	-	4,529	3,979	-	-	35	8,543
Due to individuals.....	-	323	1,788	-	-	-	2,111
Deposits held in escrow.....	<u>-</u>	<u>10,033</u>	<u>11,076</u>	<u>398</u>	<u>-</u>	<u>-</u>	<u>21,507</u>
TOTAL LIABILITIES.....	<u>\$ 135</u>	<u>\$ 14,885</u>	<u>\$ 16,843</u>	<u>\$ 398</u>	<u>\$ 40</u>	<u>\$ 35</u>	<u>\$ 32,336</u>

See accompanying independent auditors' report.



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COMPONENT UNITS

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

NON-MAJOR COMPONENT UNITS:

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.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENTS OF NET ASSETS
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2002

	DUVAL COUNTY HOUSING FINANCE AUTHORITY	JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION	DOWNTOWN VISION, INC.	TOTALS
ASSETS:				
Equity in pooled cash and investments.....	\$ 9,068	\$ 10,563	\$ -	\$ 19,631
Cash and equivalents.....	-	-	727	727
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts and interest.....	-	-	537	537
Mortgages.....	7,527	-	-	7,527
Due from other governments.....	-	1,211	-	1,211
Prepaid expenses and other assets.....	-	-	6	6
Capital assets, net.....	34	30	87	151
TOTAL ASSETS.....	16,629	11,804	1,357	29,790
LIABILITIES:				
Accounts payable and accrued liabilities.....	161	906	36	1,103
TOTAL LIABILITIES.....	161	906	36	1,103
NET ASSETS:				
Investment in capital assets.....	34	30	-	64
Unrestricted.....	16,434	10,868	1,321	28,623
TOTAL NET ASSETS.....	\$ 16,468	\$ 10,898	\$ 1,321	\$ 28,687

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENTS OF ACTIVITIES
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

	<u>PROGRAM REVENUES</u>			<u>NON-MAJOR COMPONENT UNITS NET REVENUE (EXPENSE) AND CHANGES IN NET ASSETS:</u>		
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>DUVAL COUNTY JACKSONVILLE</u>		
				<u>HOUSING FINANCE AUTHORITY</u>	<u>ECONOMIC DEVELOPMENT COMMISSION</u>	<u>DOWNTOWN VISION, INC.</u>
NON-MAJOR COMPONENT UNITS:						
Housing finance.....	\$ 1,332	\$ -	\$ -	(\$ 1,332)	\$ -	\$ -
Economic development.....	7,113	3	-	-	(7,110)	-
Downtown development.....	835	756	153	-	-	74
Total non-major component units.....	<u>\$ 9,280</u>	<u>\$ 759</u>	<u>\$ 153</u>	<u>(1,332)</u>	<u>(7,110)</u>	<u>74</u>
General revenues:						
Other non-tax general revenues.....				(38)	2,271	-
Unrestricted earnings on investments.....				525	106	16
Payments (to) from primary government.....				242	13,357	-
CHANGE IN NET ASSETS.....				(603)	8,624	90
BEGINNING NET ASSETS.....				17,071	2,274	1,231
ENDING NET ASSETS.....				<u>\$ 16,468</u>	<u>\$ 10,898</u>	<u>\$ 1,321</u>

See accompanying independent auditors' report.



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SUPPLEMENTAL INFORMATION

The Supplemental Information provided herein contains schedules of the Debt Service Funds bonded indebtedness and debt service requirements detail.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands)
SEPTEMBER 30, 2002

	<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 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
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
Excise Taxes Revenue Bonds, Series 2001B.....	4.00 - 5.125%	4/1; 10/1	04/01/02
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	4.25 - 5.50 %	4/1; 10/1	07/03/02
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002..	3.00 - 5.375%	4/1; 10/1	07/03/02
Capital Improvement and Refunding Revenue Bonds, Series 2002.....	2.00 - 5.00 %	4/1; 10/1	09/09/02
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>\$ 8,765</u>	<u>\$ 605</u>
	<u>9,370</u>	<u>9,370</u>	<u>8,765</u>	<u>605</u>
10/01/20	43,605	43,605	1,120	42,485
10/01/09	35,085	35,085	12,975	22,110
10/01/19	74,995	74,995	32,145	42,850
09/15/06	10,075	9,825	6,010	3,815
10/01/25	27,855	27,855	1,510	26,345
10/01/05	100,000	100,000	85,675	14,325
10/01/09	7,580	7,580	-	7,580
10/01/11	9,050	9,050	-	9,050
10/01/15	15,945	15,945	4,455	11,490
10/01/18	65,640	65,640	37,780	27,860
10/01/02	57,150	57,150	53,790	3,360
10/01/06	4,055	4,055	1,625	2,430
10/01/25	8,285	8,285	635	7,650
10/01/17	54,000	30,000	2,265	27,735
10/01/22	45,000	45,000	1,500	43,500
10/01/25	37,310	37,310	1,165	36,145
10/01/19	75,890	75,890	11,220	64,670
10/01/18	127,000	103,725	-	103,645
10/01/09	49,000	42,485	-	42,485
10/01/32	49,000	46,735	-	46,735
10/01/13	65,000	56,685	-	56,685
10/01/32	125,000	115,265	-	115,265
10/01/30	130,000	123,225	-	123,225
	<u>1,216,520</u>	<u>1,135,390</u>	<u>253,950</u>	<u>881,440</u>
10/01/31	750,000	179,280	-	179,280
10/01/30	1,500,000	218,430	2,315	216,115
	<u>2,250,000</u>	<u>397,710</u>	<u>2,315</u>	<u>395,395</u>
	<u>\$ 3,475,890</u>	<u>\$ 1,542,470</u>	<u>\$ 265,030</u>	<u>\$ 1,277,440</u>

(continued)

Unaudited - see accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)
SEPTEMBER 30, 2002

	<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	\$ 4,300	\$ 10,480
10/01/09	12,270	12,270	130	12,140
10/01/16	19,965	19,965	1,295	18,670
10/01/16	<u>40,835</u>	<u>40,835</u>	<u>2,455</u>	<u>38,380</u>
	<u>87,850</u>	<u>87,850</u>	<u>8,180</u>	<u>79,670</u>
08/01/03	10,000	10,000	8,550	1,450
08/01/14	3,845	3,845	230	3,615
08/01/12	1,065	1,065	330	735
08/01/15	2,850	2,850	270	2,580
08/01/16	1,700	1,700	620	1,080
08/01/10	700	700	215	485
08/01/16	775	775	55	720
08/01/15	<u>550</u>	<u>550</u>	<u>50</u>	<u>500</u>
	<u>21,485</u>	<u>21,485</u>	<u>10,320</u>	<u>11,165</u>
	<u>\$ 3,585,225</u>	<u>\$ 1,651,805</u>	<u>\$ 283,530</u>	<u>\$ 1,368,275</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, 2002**

	PRINCIPAL OUTSTANDING
General Obligation Bonds Payable from Ad Valorem Taxes:	
Duval County Certificates of Indebtedness of 1972.....	\$ 605,000
Total.....	<u>605,000</u>
Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Taxes:	
Excise Taxes Revenue Bonds, Series 1993.....	42,485,140
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	22,110,000
Capital Improvement Revenue Bonds, Series 1994.....	42,850,000
Sunshine State Governmental Finance Commission Bonds, Series 1994.....	3,815,000
Capital Improvement Revenue Bonds, Series 1995.....	26,345,000
Sales Tax Revenue Bonds, Series 1995.....	14,325,000
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	7,580,000
Sunshine State Governmental Finance Commission Bonds, Series 1995A.....	9,050,000
Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT).....	11,490,000
Sales Tax Revenue Bonds, Series 1996.....	27,860,000
Excise Taxes Revenue Bonds, Series 1996B.....	3,360,000
Excise Taxes Revenue Bonds, Series 1996C.....	2,430,000
Capital Improvement Revenue Bonds, Series 1997.....	7,650,000
Capital Project Revenue Bonds, Series 1997-1.....	27,735,000
Capital Project Revenue Bonds, Series 1997-2.....	43,500,000
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	36,145,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	64,670,000
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	103,645,000
Excise Taxes Refunding Bonds, Series 2001A.....	42,485,000
Excise Taxes Revenue Bonds, Series 2001B.....	46,735,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	56,685,000
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	115,265,000
Capital Improvement and Refunding Revenue Bonds, Series 2002.....	123,225,000
Total.....	<u>881,440,140</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.....	216,115,000
Total.....	<u>395,395,000</u>
Payable from Enterprise Funds:	
Excise Taxes Revenue Refunding Bonds, Series 1993A.....	10,480,000
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	12,140,000
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	18,670,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	38,380,000
Total.....	<u>79,670,000</u>
Other Long - Term Obligations:	
U.S. Government Guaranteed Note Payable, Series 1994A (Vistakon).....	1,450,000
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	3,615,000
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	735,000
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	2,580,000
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	1,080,000
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	485,000
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	720,000
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	500,000
Total.....	<u>11,165,000</u>
Grand Total.....	<u>\$ 1,368,275,140</u>

TOTAL INTEREST TO MATURITY	TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY	CASH IN SINKING FUND	NET DEBT
\$ 13,613	\$ 618,613	\$ -	\$ 618,613
<u>13,613</u>	<u>618,613</u>	<u>-</u>	<u>618,613</u>
50,570,643	93,055,783	1,351,973	91,703,811
4,922,826	27,032,826	3,979,020	23,053,806
26,982,587	69,832,587	1,969,426	67,863,161
889,640	4,704,640	209,959	4,494,681
23,346,615	49,691,615	1,130,403	48,561,212
1,645,050	15,970,050	3,685,250	12,284,800
2,412,491	9,992,491	906,608	9,085,883
2,902,081	11,952,081	239,979	11,712,102
6,166,900	17,656,900	1,338,200	16,318,700
14,989,412	42,849,412	2,936,507	39,912,905
82,320	3,442,320	3,442,320	-
294,937	2,724,937	511,575	2,213,362
5,699,644	13,349,644	369,726	12,979,918
20,589,231	48,324,231	1,231,116	47,093,115
57,848,032	101,348,032	848,803	100,499,229
34,035,721	70,180,721	1,000,871	69,179,850
17,845,270	82,515,270	8,570,420	73,944,850
56,388,923	160,033,923	2,763,744	157,270,179
10,578,625	53,063,625	1,062,125	52,001,500
47,199,358	93,934,358	5,682,087	88,252,271
17,981,594	74,666,594	708,669	73,957,925
109,572,562	224,837,562	1,332,531	223,505,031
109,499,348	232,724,348	7,766,706	224,957,642
<u>622,443,810</u>	<u>1,503,883,950</u>	<u>53,038,018</u>	<u>1,450,845,932</u>
211,660,911	390,940,911	4,557,137	386,383,774
203,100,867	419,215,867	8,745,633	410,470,235
<u>414,761,778</u>	<u>810,156,778</u>	<u>13,302,770</u>	<u>796,854,009</u>
2,973,551	13,453,551	-	13,453,551
3,380,083	15,520,083	-	15,520,083
7,831,844	26,501,844	1,149,881	25,351,963
<u>17,354,203</u>	<u>55,734,203</u>	<u>2,791,678</u>	<u>52,942,526</u>
<u>31,539,681</u>	<u>111,209,681</u>	<u>3,941,559</u>	<u>107,268,122</u>
94,685	1,544,685	-	1,544,685
2,610,977	6,225,977	-	6,225,977
282,167	1,017,167	-	1,017,167
1,495,463	4,075,463	-	4,075,463
693,755	1,773,755	-	1,773,755
161,481	646,481	-	646,481
454,312	1,174,312	-	1,174,312
296,849	796,849	-	796,849
<u>6,089,689</u>	<u>17,254,689</u>	<u>-</u>	<u>17,254,689</u>
<u>\$ 1,074,848,571</u>	<u>\$ 2,443,123,711</u>	<u>\$ 70,282,346</u>	<u>\$ 2,372,841,365</u>

**CITY OF JACKSONVILLE, FLORIDA
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
 GENERAL OBLIGATION BONDS
 PAYABLE FROM AD VALOREM TAXES
 SEPTEMBER 30, 2002**

Purpose:

**Construction
 of Police
 Administration
 Complex**

Fiscal Year	Duval County Certificates of Indebtedness of 1972		Total Principal and Interest
	Principal	Interest	
2003	\$ 605,000	\$ 13,613	\$ 618,613
	<u>\$ 605,000</u>	<u>\$ 13,613</u>	<u>\$ 618,613</u>

Interest Rates:

4.50 - 5.25%



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CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES (continued)
SEPTEMBER 30, 2002

Purpose:	Superstructure Renovation of the ALLTEL Stadium		Drainage and General Capital Programs		Drainage and General Capital Programs	
	Capital Improvement Revenue Bonds, Series 1997		Capital Project Revenue Bonds Series 1997 - 1		Capital Project Revenue Bonds Series 1997 - 2	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 175,000	\$ 385,690	\$ 1,200,000	\$ 2,166,103	\$ 800,000	\$ 3,867,150
2004	180,000	377,968	1,255,000	2,072,383	800,000	3,796,030
2005	190,000	369,827	1,305,000	1,976,186	900,000	3,728,340
2006	200,000	361,148	1,365,000	1,870,723	900,000	3,641,544
2007	210,000	351,817	1,430,000	1,765,841	1,000,000	3,564,890
2008	215,000	341,935	1,495,000	1,654,158	1,000,000	3,475,990
2009	230,000	331,363	1,565,000	1,538,814	1,100,000	3,390,209
2010	240,000	319,962	1,640,000	1,413,869	1,100,000	3,286,271
2011	250,000	307,833	1,720,000	1,287,088	1,200,000	3,191,510
2012	265,000	294,825	1,805,000	1,152,756	1,200,000	3,084,830
2013	275,000	280,986	1,895,000	1,012,717	1,300,000	2,980,892
2014	290,000	266,365	1,995,000	862,991	1,400,000	2,859,944
2015	305,000	250,819	2,095,000	707,977	1,400,000	2,738,120
2016	320,000	234,412	2,205,000	544,357	1,500,000	2,613,660
2017	340,000	217,087	2,320,000	372,489	1,600,000	2,482,594
2018	355,000	198,844	2,445,000	190,779	1,700,000	2,335,917
2019	375,000	179,681			4,400,000	2,186,940
2020	395,000	159,469			4,600,000	1,795,780
2021	415,000	138,206			4,900,000	1,388,117
2022	435,000	115,894			5,200,000	950,354
2023	460,000	92,400			5,500,000	488,950
2024	485,000	67,594				
2025	510,000	41,475				
2026	535,000	14,044				
2027						
2028						
2029						
2030						
2031						
2032						
2033						
	<u>\$ 7,650,000</u>	<u>\$ 5,699,644</u>	<u>\$ 27,735,000</u>	<u>\$ 20,589,231</u>	<u>\$ 43,500,000</u>	<u>\$ 57,848,032</u>

Interest Rates: 4.20 - 5.25%

Variable Rate
Assumed at 7.81%

Variable Rate
Assumed at 8.89%

**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**

**To Refund a Portion
of Sales Tax Revenue Bonds,
Series 1995 and 1996**

Capital Improvement and Refunding Revenue Bonds, Series 1998		Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A		Local Government Sales Tax Refunding Revenue Bonds, Series 2001	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 145,000	\$ 1,708,842	\$ 7,185,000	\$ 2,645,102	\$ 155,000	\$ 5,215,066
155,000	1,702,843	7,435,000	2,389,252	160,000	5,209,843
160,000	1,696,462	7,690,000	2,066,890	165,000	5,204,073
165,000	1,689,718	8,075,000	1,721,215	175,000	5,197,954
175,000	1,682,577	7,385,000	1,383,165	6,965,000	5,064,210
180,000	1,675,078	3,670,000	1,125,140	7,230,000	4,743,829
190,000	1,667,167	3,815,000	975,440	7,600,000	4,402,041
195,000	1,658,793	1,410,000	870,940	7,905,000	4,087,001
205,000	1,649,890	1,465,000	811,608	8,230,000	3,751,130
215,000	1,640,332	1,530,000	747,965	8,580,000	3,342,350
225,000	1,630,100	1,590,000	680,473	9,050,000	2,857,525
235,000	1,619,231	1,665,000	608,030	9,545,000	2,346,162
245,000	1,607,525	1,740,000	530,548	10,075,000	1,806,613
260,000	1,594,900	1,820,000	447,758	6,405,000	1,353,413
270,000	1,581,650	1,905,000	359,744	6,760,000	991,375
285,000	1,567,775	1,995,000	264,625	7,125,000	609,538
300,000	1,553,150	2,095,000	162,375	7,520,000	206,800
315,000	1,538,169	2,200,000	55,000		
5,035,000	1,411,106				
5,330,000	1,164,937				
5,640,000	904,400				
5,970,000	628,663				
5,640,000	352,925				
4,610,000	109,488				
<u>\$ 36,145,000</u>	<u>\$ 34,035,721</u>	<u>\$ 64,670,000</u>	<u>\$ 17,845,270</u>	<u>\$ 103,645,000</u>	<u>\$ 56,388,923</u>

3.90 - 5.00%

3.30 - 5.00%

3.00 - 5.00%

(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, 2002

Fiscal Year	To Refund a Portion Excise Taxes Revenue Bonds, Series 1996B		To Fund a Redevelopment Agreement with Trilegacy Group, LLC Riverfront Development Jacksonville Shipyards		To Refund Excise Taxes Revenue Refunding Bonds, Series 1992 and Animal Care and Control Facility	
	Excise Taxes Refunding Bonds, Series 2001A		Excise Taxes Revenue Bonds, Series 2001B		Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A	
	Principal	Interest	Principal	Interest	Principal	Interest
2003		\$ 2,124,250		\$ 2,300,773		\$ 2,158,219
2004	\$ 4,025,000	2,023,625		2,300,772	\$ 4,605,000	2,783,975
2005	4,615,000	1,807,625		2,300,773	4,845,000	2,547,725
2006	5,260,000	1,560,750	\$ 850,000	2,283,772	5,080,000	2,299,600
2007	5,950,000	1,280,500	880,000	2,249,173	5,335,000	2,039,225
2008	6,710,000	964,000	915,000	2,213,272	5,605,000	1,758,719
2009	7,530,000	608,000	955,000	2,175,395	5,895,000	1,486,319
2010	8,395,000	209,875	995,000	2,134,674	6,155,000	1,199,481
2011			1,035,000	2,091,277	6,465,000	868,206
2012			1,080,000	2,045,265	6,805,000	511,362
2013			1,130,000	1,996,080	2,865,000	245,438
2014			1,180,000	1,943,515	3,030,000	83,325
2015			1,235,000	1,887,353		
2016			1,290,000	1,827,370		
2017			1,355,000	1,763,212		
2018			1,420,000	1,694,515		
2019			1,490,000	1,621,765		
2020			1,565,000	1,544,608		
2021			1,645,000	1,462,547		
2022			1,730,000	1,376,062		
2023			1,815,000	1,285,222		
2024			1,910,000	1,189,769		
2025			2,010,000	1,089,319		
2026			2,110,000	983,744		
2027			2,220,000	872,787		
2028			2,335,000	756,066		
2029			2,450,000	633,450		
2030			2,580,000	504,556		
2031			2,710,000	369,000		
2032			2,850,000	226,525		
2033			2,995,000	76,747		
	<u>\$ 42,485,000</u>	<u>\$ 10,578,625</u>	<u>\$ 46,735,000</u>	<u>\$ 47,199,358</u>	<u>\$ 56,685,000</u>	<u>\$ 17,981,594</u>

Interest Rates: 5.00% 4.000% - 5.125% 4.250% - 5.500%

To Refund Guaranteed Capital Improvements at Alltel Stadium
Entitlement Revenue Refunding and to Crossover Refund Capital Improv
Bonds, Series 1992A and Revenue Bonds, Series 1994 and Series 1995
Various Other Projects

<u>Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002</u>		<u>Capital Improvement and Refunding Revenue Bonds, Series 2002A, Crossover Series 2002B and Crossover Series 2002C</u>		<u>Total Principal and Interest</u>
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
	\$ 4,058,162		\$ 3,234,437	\$ 65,608,001
\$ 2,000,000	5,421,263		5,764,342	76,941,757
2,060,000	5,360,362		5,764,343	77,225,930
2,120,000	5,297,663	\$ 1,340,000	5,750,942	79,701,349
2,185,000	5,233,087	3,290,000	5,698,474	80,460,748
2,250,000	5,165,156	3,380,000	5,613,775	79,048,231
2,320,000	5,089,400	3,460,000	5,516,245	79,592,751
2,400,000	5,006,800	3,570,000	5,406,332	76,101,192
2,485,000	4,918,206	3,685,000	5,266,508	64,961,031
2,580,000	4,821,625	3,845,000	5,098,230	64,945,130
2,680,000	4,718,038	4,025,000	4,920,208	61,908,595
2,785,000	4,608,737	4,205,000	4,726,987	62,065,717
2,895,000	4,493,328	4,410,000	4,518,344	59,027,990
3,015,000	4,352,591	4,620,000	4,290,556	59,186,715
3,180,000	4,186,100	5,110,000	4,042,000	57,577,906
3,350,000	4,010,606	5,360,000	3,780,250	57,628,481
3,530,000	3,825,706	5,625,000	3,505,625	57,726,902
3,720,000	3,630,863	5,915,000	3,217,125	44,993,539
3,920,000	3,425,537	1,505,000	3,031,625	38,277,745
4,130,000	3,216,938	1,520,000	2,956,000	30,072,657
4,335,000	3,005,312	1,540,000	2,879,500	29,836,893
4,555,000	2,783,063	1,555,000	2,802,125	23,774,345
4,780,000	2,549,687	2,245,000	2,707,125	24,344,387
5,020,000	2,304,688	3,415,000	2,565,625	24,189,558
5,270,000	2,047,438	8,975,000	2,255,875	21,641,100
5,535,000	1,777,313	9,425,000	1,795,875	21,624,254
5,810,000	1,491,375	9,900,000	1,312,750	21,597,575
6,105,000	1,188,506	10,395,000	805,375	21,578,437
6,415,000	869,756	10,910,000	272,750	21,546,506
6,745,000	534,206			10,355,731
7,090,000	181,050			10,342,797
<u>\$ 115,265,000</u>	<u>\$ 109,572,562</u>	<u>\$ 123,225,000</u>	<u>\$ 109,499,348</u>	<u>\$ 1,503,883,950</u>

3.000% - 5.375%

2.000% - 5.000%

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN
SEPTEMBER 30, 2002**

Fiscal Year	Better Jacksonville Transportation Projects		Better Jacksonville Infrastructure Projects		Total Principal and Interest
	Transportation Revenue Bonds Series 2001		Better Jacksonville Sales Tax Revenue Bonds Series 2001		
	Principal	Interest	Principal	Interest	
2003	\$ 110,000	\$ 8,892,625	\$ 3,310,000	\$ 10,821,615	\$ 23,134,240
2004	2,215,000	8,855,535	3,405,000	10,698,450	25,173,985
2005	2,365,000	8,778,708	3,555,000	10,536,060	25,234,768
2006	2,410,000	8,693,940	3,730,000	10,362,230	25,196,170
2007	2,555,000	8,602,015	3,900,000	10,179,775	25,236,790
2008	2,595,000	8,501,570	4,095,000	9,979,900	25,171,470
2009	2,730,000	8,393,705	4,300,000	9,779,025	25,202,730
2010		8,337,740	4,500,000	9,577,365	22,415,105
2011		8,337,740	4,705,000	9,373,047	22,415,787
2012	9,080,000	8,120,129	4,905,000	9,149,265	31,254,394
2013		7,902,519	5,150,000	8,885,015	21,937,534
2014		7,902,519	5,435,000	8,593,928	21,931,447
2015		7,902,519	5,735,000	8,286,752	21,924,271
2016		7,902,519	6,050,000	7,962,665	21,915,184
2017		7,902,519	6,380,000	7,622,090	21,904,609
2018		7,902,519	6,730,000	7,262,815	21,895,334
2019		7,902,519	7,100,000	6,882,490	21,885,009
2020		7,902,519	7,490,000	6,492,500	21,885,019
2021		7,902,518	7,880,000	6,092,880	21,875,398
2022	3,415,000	7,815,009	8,290,000	5,680,750	25,200,759
2023	3,625,000	7,636,875	8,705,000	5,255,875	25,222,750
2024	10,980,000	7,271,750	9,140,000	4,809,750	32,201,500
2025	11,520,000	6,709,250	9,600,000	4,341,250	32,170,500
2026	12,090,000	6,119,000	10,080,000	3,849,250	32,138,250
2027	12,685,000	5,499,625	10,580,000	3,332,750	32,097,375
2028	13,315,000	4,832,981	11,110,000	2,790,500	32,048,481
2029	20,260,000	3,951,638	11,665,000	2,221,125	38,097,763
2030	21,325,000	2,860,031	12,250,000	1,623,250	38,058,281
2031	22,440,000	1,739,250	26,340,000	658,500	51,177,750
2032	23,565,000	589,125			24,154,125
	<u>\$ 179,280,000</u>	<u>\$ 211,660,911</u>	<u>\$ 216,115,000</u>	<u>\$ 203,100,867</u>	<u>\$ 810,156,778</u>

Interest Rates: 3.00 - 5.25% 3.00 - 5.50%



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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
Principal	Interest	Principal	Interest	
\$ 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
\$ 18,670,000	\$ 7,831,844	\$ 38,380,000	\$ 17,354,203	\$ 111,209,681

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, 2002

Fiscal Year	HUD Section 108 Program Loan for Vistakon Project		HUD Section 108 Program Loan for Coach Distribution Project		HUD Section 108 Program Loan for Sally Beauty Project	
	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
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>\$ 1,450,000</u>	<u>\$ 94,685</u>	<u>\$ 3,615,000</u>	<u>\$ 2,610,977</u>	<u>\$ 735,000</u>	<u>\$ 282,167</u>

Interest Rates: 6.44 - 6.53%
(Taxable)

8.24 - 9.03%
(Taxable)

6.23 - 6.88%
(Taxable)

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
\$ 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>\$ 2,580,000</u>	<u>\$ 1,495,463</u>	<u>\$ 1,080,000</u>	<u>\$ 693,755</u>	<u>\$ 485,000</u>	<u>\$ 161,481</u>

6.23 - 7.03%
(Taxable)

6.23 - 7.08%
(Taxable)

6.23 - 6.78%
(Taxable)

(continued)

Unaudited - see accompanying independent auditors' report.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
PAYABLE FROM GENERAL REVENUE (continued)
SEPTEMBER 30, 2002

Purpose:	HUD Section 108 Program Loan for Armor Holdings		HUD Section 108 Program Loan for Hampton Inns		Total Principal And Interest
	U.S. Government Guaranteed Note Payable, Series 1997		U.S. Government Guaranteed Note Payable, Series 1997		
Fiscal Year	Principal	Interest	Principal	Interest	
2003	\$ 20,000	\$ 49,012	\$ 15,000	\$ 33,904	\$ 2,614,272
2004	25,000	47,750	15,000	32,957	1,101,562
2005	30,000	46,160	20,000	32,003	1,139,281
2006	30,000	44,237	20,000	30,721	1,171,823
2007	35,000	42,299	25,000	29,429	1,244,492
2008	40,000	40,027	40,000	27,806	1,293,390
2009	45,000	37,384	40,000	25,163	1,349,268
2010	55,000	34,368	45,000	22,482	1,391,053
2011	60,000	30,640	45,000	19,432	1,318,975
2012	65,000	26,541	50,000	16,358	1,325,695
2013	75,000	22,070	55,000	12,918	1,255,848
2014	80,000	16,872	65,000	9,106	1,193,871
2015	80,000	11,288	65,000	4,570	630,291
2016	80,000	5,664			224,868
	<u>\$ 720,000</u>	<u>\$ 454,312</u>	<u>\$ 500,000</u>	<u>\$ 296,849</u>	<u>\$ 17,254,689</u>

Interest Rates: 6.23 - 7.08%
(Taxable)

6.23 - 7.03%
(Taxable)



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CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION
SEPTEMBER 30, 2002

Pledged Revenue for the Fiscal Year Ended September 30

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 57,609,792	\$ 61,775,050	\$ 67,373,395
7th Cent Gasoline Tax:			
7th Cent Gasoline Tax	\$ 2,814,214	\$ 3,231,997	\$ 3,447,789
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	\$ 4,408,422	\$ 4,633,183	\$ 4,878,361
Peoples Gas	1,135,414	1,120,391	1,068,503
Telecommunications Tax (3)	19,370,288	23,013,866	23,894,566
Communications Services Taxes (3)	-	-	-
JEA (2)	39,972,094	40,051,957	40,965,363
Miscellaneous	3,217,673	2,764,122	2,534,348
Total Utilities Service Tax	<u>68,103,891</u>	<u>71,583,519</u>	<u>73,341,141</u>
Fuel Oil Tax	237,661	232,255	245,233
Occupational License Taxes	6,522,655	6,674,579	6,720,992
Total Excise Tax Pledged Revenues	<u>\$ 74,864,207</u>	<u>\$ 78,490,353</u>	<u>\$ 80,307,366</u>
Junior Lien Excise Taxes:			
Total Excise Taxes	<u>\$ 74,864,207</u>	<u>\$ 78,490,353</u>	<u>\$ 80,307,366</u>
Total Junior Lien Excise Tax Revenues	<u>\$ 74,864,207</u>	<u>\$ 78,490,353</u>	<u>\$ 80,307,366</u>
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	\$ 824,720	\$ 729,692	\$ 665,978
Southern Bell	2,731,112	2,835,185	3,405,328
Cable Television	2,902,976	2,904,064	3,127,769
Total Franchise Fees	<u>6,458,808</u>	<u>6,468,941</u>	<u>7,199,075</u>
Communications Services Taxes (4)	-	-	-
Sports Facility Sales Tax Rebate	1,999,944	1,999,944	1,999,944
Convention Development Tax (2%)	2,883,981	3,058,553	3,134,146
Sports Facility Tourist Development Tax (2%)	3,094,453	3,285,332	3,365,147
Total Sports Facility Capital Improvements Pledged Revenues	<u>\$ 14,437,186</u>	<u>\$ 14,812,770</u>	<u>\$ 15,698,312</u>
Infrastructure Improvements (Better Jacksonville Infrastructure):			
Infrastructure Sales Tax (5)	\$ -	\$ -	\$ -
Transportation Improvements (Better Jacksonville Transportation):			
Transportation Sales Tax (1)	\$ 48,240,640	\$ 51,976,595	\$ 56,745,904
Gas Tax (Constitutional Fuel Tax) (1)	7,434,738	7,554,095	8,557,846
Total Transportation Improvements Pledged Revenues	<u>\$ 55,675,378</u>	<u>\$ 59,530,690</u>	<u>\$ 65,303,750</u>

(1) Recognition of revenue per GASB 33.

(2) Variance between 2000 and 2001 financial statements due to incorrect recognition of revenue.

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

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

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

<u>2001</u>	<u>2002</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 67,487,001	\$ 71,688,673	\$ 13,098,160	5.48 x	1.35 x
\$ 3,469,260	\$ 3,585,283	\$ 1,265,980	2.84 x	1.50 x
\$ 4,890,098	\$ 5,393,416			
904,315	593,671			
26,267,409	2,165,646			
-	34,588,391			
43,336,805	42,857,680			
3,087,032	2,111,122			
<u>78,485,659</u>	<u>87,709,926</u>			
287,443	164,199			
6,910,069	7,089,446			
<u>\$ 85,683,171</u>	<u>\$ 94,963,571</u>	\$ 45,241,661	2.10 x	1.40 x
<u>\$ 85,683,171</u>	<u>\$ 94,963,571</u>	\$ 45,241,661	2.10 x	1.25 x
\$ 1,012,176	\$ 553,140			
3,524,759	1,180,053			
3,309,345	1,029,768			
<u>7,846,280</u>	<u>2,762,961</u>			
-	6,103,834			
1,833,292	2,000,004			
3,474,960	3,524,332			
3,737,587	3,780,078			
<u>\$ 16,892,119</u>	<u>\$ 18,171,209</u>	\$ 11,705,488	1.56 x	1.35 x
\$ 38,496,315	\$ 55,324,038	\$ 13,305,640	4.16 x	1.35 x
\$ 57,496,406	\$ 57,471,472			
8,475,125	8,174,201			
<u>\$ 65,971,531</u>	<u>\$ 65,645,673</u>	\$ 37,147,975	1.77 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, 2002

Pledged Revenue for the Fiscal Year Ended September 30

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Guaranteed Entitlement Revenues:			
County Revenue Sharing:			
Cigarette Tax	\$ 742,319	\$ 705,953	\$ 673,724
Intangible Tax (1)	21,322,225	22,025,365	19,509,391
Sales Tax (1)	-	-	-
County Total	<u>\$ 22,064,544</u>	<u>\$ 22,731,318</u>	<u>\$ 20,183,115</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>11.04 x</u>	<u>11.37 x</u>	<u>10.10 x</u>
City Revenue Sharing:			
Cigarette Tax (2)	\$ 10,169,136	\$ 9,366,612	\$ 9,803,251
Sales and Use Tax (2)	-	-	-
City Total	<u>\$ 10,169,136</u>	<u>\$ 9,366,612</u>	<u>\$ 9,803,251</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>1.75 x</u>	<u>1.61 x</u>	<u>1.68 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)	\$ 380,824,284	\$ 409,844,667	\$ 355,976,483
Cigarette Tax	11,875,417	10,494,872	12,117,511
Sales Tax (1)	-	-	-
Total Receipts	<u>\$ 392,699,701</u>	<u>\$ 420,339,539</u>	<u>\$ 368,093,994</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>4.13 x</u>	<u>4.42 x</u>	<u>3.88 x</u>
Statewide Revenue Sharing - Municipalities:			
Cigarette Tax (2)	\$ 132,677,078	\$ 127,545,634	\$ 123,878,513
8th Cent Motor Fuel Tax	74,511,080	76,852,577	80,870,856
Special Tax and Alternative Fuel User Decal Fee	438,636	736,176	1,028,891
Sales and Use Tax (2)	-	-	-
Total Receipts	<u>\$ 207,626,794</u>	<u>\$ 205,134,387</u>	<u>\$ 205,778,260</u>
Guaranteed Entitlement for all Florida Municipalities	<u>\$ 110,811,385</u>	<u>\$ 112,261,230</u>	<u>\$ 112,261,230</u>
Average Coverage - All Florida Municipalities	<u>1.87 x</u>	<u>1.83 x</u>	<u>1.84 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>2001</u>	<u>2002</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 596,894	\$ 579,774			
-	-			
16,718,361	16,698,273			
<u>\$ 17,315,255</u>	<u>\$ 17,278,047</u>			
\$ 1,999,042	\$ 1,999,042			
<u>8.66 x</u>	<u>8.65 x</u>			
\$ -	\$ -			
10,404,649	10,663,344			
<u>\$ 10,404,649</u>	<u>\$ 10,663,344</u>			
\$ 5,826,077	\$ 5,826,077			
<u>1.79 x</u>	<u>1.83 x</u>			
<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	\$ 7,452,100	1.05 x	1.05 x
\$ -	\$ -			
11,149,461	11,229,107			
306,361,416	309,765,152			
<u>\$ 317,510,877</u>	<u>\$ 320,994,259</u>			
\$ 95,086,330	\$ 95,086,330			
<u>3.34 x</u>	<u>3.38 x</u>			
\$ -	\$ -			
80,474,387	82,184,764			
1,060,517	953,804			
145,896,115	147,517,049			
<u>\$ 227,431,019</u>	<u>\$ 230,655,617</u>			
\$ 112,304,159	\$ 117,046,851			
<u>2.03 x</u>	<u>1.97 x</u>			



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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>2002</u>	<u>%</u>	<u>2001</u>	<u>%</u>	<u>2000</u>	<u>%</u>	<u>1999</u>	<u>%</u>
<u>SOURCE</u>								
Taxes.....	\$ 558,090	60.91	\$ 507,253	58.63	\$ 464,004	57.31	\$ 425,912	58.28
Licenses and Permits.....	10,238	1.12	14,806	1.71	13,970	1.73	13,194	1.81
Intergovernmental.....	216,304	23.61	210,053	24.28	202,150	24.97	182,543	24.98
Charges for Services.....	74,309	8.11	68,394	7.91	62,302	7.70	55,275	7.56
Fines and Forfeitures.....	10,946	1.19	10,415	1.20	9,938	1.22	8,948	1.21
Payment in Lieu of Taxes.....	2,984	0.33	3,344	0.39	3,583	0.44	3,799	0.52
Interest.....	23,118	2.52	29,496	3.41	29,864	3.69	22,373	3.06
Other.....	20,275	2.21	21,361	2.47	23,790	2.94	18,820	2.58
Total General Governmental Revenue.....	<u>\$ 916,264</u>	<u>100.00</u>	<u>\$ 865,122</u>	<u>100.00</u>	<u>\$ 809,601</u>	<u>100.00</u>	<u>\$ 730,864</u>	<u>100.00</u>

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

<u>1998</u>	<u>%</u>	<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>
\$ 406,372	57.60	\$ 378,665	56.87	\$ 370,590	59.11	\$ 349,208	58.34	\$ 329,993	59.83	\$ 319,032	56.04
13,028	1.85	12,499	1.88	12,129	1.93	11,592	1.94	11,442	2.07	11,377	2.00
166,477	23.60	149,095	22.39	148,789	23.74	143,141	23.91	132,535	24.03	162,282	28.51
57,652	8.17	55,209	8.29	51,192	8.17	50,644	8.46	45,725	8.29	44,387	7.80
9,914	1.40	7,485	1.12	6,521	1.04	6,380	1.07	7,232	1.31	5,917	1.04
3,904	0.55	4,027	0.60	4,275	0.68	3,612	0.60	3,808	0.69	4,134	0.73
22,055	3.13	18,900	2.84	19,217	3.07	22,153	3.70	12,717	2.31	13,188	2.32
26,068	3.70	39,992	6.01	14,161	2.26	11,825	1.98	8,089	1.47	8,893	1.56
<u>\$ 705,470</u>	<u>100.00</u>	<u>\$ 665,872</u>	<u>100.00</u>	<u>\$ 626,874</u>	<u>100.00</u>	<u>\$ 598,555</u>	<u>100.00</u>	<u>\$ 551,541</u>	<u>100.00</u>	<u>\$ 569,210</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>2002</u>	<u>%</u>	<u>2001</u>	<u>%</u>	<u>2000</u>	<u>%</u>	<u>1999</u>	<u>%</u>
<u>FUNCTIONAL AREA</u>								
General Government.....	\$ 102,169	9.28	\$ 100,232	10.59	\$ 92,281	11.03	\$ 85,213	11.07
Human Services.....	94,375	8.58	90,601	9.57	81,451	9.73	75,358	9.79
Public Safety.....	327,634	29.77	311,732	32.93	298,131	35.61	276,361	35.88
Culture and Recreation.....	49,592	4.51	44,018	4.65	40,725	4.87	38,350	4.98
Transportation.....	91,939	8.35	110,765	11.70	119,741	14.31	110,019	14.29
Economic Environment.....	64,567	5.87	57,411	6.06	43,296	5.17	44,555	5.79
Physical Environment.....	17,686	1.61	21,346	2.25	15,352	1.83	13,891	1.80
Debt Service.....	93,050	8.46	73,670	7.78	70,451	8.42	64,443	8.37
Capital Outlay.....	<u>259,486</u>	<u>23.58</u>	<u>136,910</u>	<u>14.46</u>	<u>75,548</u>	<u>9.03</u>	<u>61,826</u>	<u>8.03</u>
Total General Governmental Expenditures.....	<u>\$ 1,100,498</u>	<u>100.00</u>	<u>\$ 946,685</u>	<u>100.00</u>	<u>\$ 836,976</u>	<u>100.00</u>	<u>\$ 770,016</u>	<u>100.00</u>

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

<u>1998</u>	<u>%</u>	<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>
\$ 85,213	11.51	\$ 75,064	9.37	\$ 69,054	9.45	\$ 69,527	8.42	\$ 65,120	10.23	\$ 63,882	10.14
71,290	9.63	63,071	7.88	59,991	8.21	53,866	6.53	50,768	7.47	51,993	8.26
267,017	36.04	257,565	32.17	243,139	33.26	232,820	28.20	218,350	31.49	204,971	32.53
36,202	4.89	36,413	4.55	33,854	4.63	34,263	4.15	32,490	4.78	30,264	4.81
106,854	14.43	106,943	13.36	103,606	14.17	102,145	12.37	100,169	14.74	99,915	15.86
40,663	5.49	43,215	5.40	39,899	5.46	40,937	4.96	42,776	6.29	75,008	11.91
11,812	1.60	15,220	1.90	15,937	2.18	16,180	1.96	21,099	3.10	18,235	2.90
59,147	7.99	104,298	13.03	58,145	7.95	78,635	9.53	39,871	5.87	36,380	5.78
<u>62,330</u>	<u>8.42</u>	<u>98,830</u>	<u>12.34</u>	<u>107,370</u>	<u>14.69</u>	<u>197,118</u>	<u>23.88</u>	<u>108,921</u>	<u>16.03</u>	<u>49,167</u>	<u>7.81</u>
<u>\$ 740,528</u>	<u>100.00</u>	<u>\$ 800,619</u>	<u>100.00</u>	<u>\$ 730,995</u>	<u>100.00</u>	<u>\$ 825,491</u>	<u>100.00</u>	<u>\$ 679,564</u>	<u>100.00</u>	<u>\$ 629,815</u>	<u>100.00</u>

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Ad Valorem Taxes (1)				
General Services District.....	\$ 310,460,077	\$ 293,080,537	\$ 278,501,775	\$ 266,765,762
Urban Services District.....	-	-	-	24,024
Tax Increment District.....	<u>2,090,966</u>	<u>6,251,919</u>	<u>4,263,409</u>	<u>5,441,737</u>
Total Ad Valorem Taxes.....	<u>312,551,043</u>	<u>299,332,456</u>	<u>282,765,184</u>	<u>272,231,523</u>
Utility Service Taxes				
Fuel Oil Companies.....	164,199	287,443	245,233	232,255
City Water.....	5,393,416	4,890,098	4,878,361	4,633,183
People's Gas.....	593,671	904,315	1,068,503	1,120,391
Telecommunications.....	42,857,871	26,267,409	23,894,566	23,013,614
JEA.....	42,857,680	39,815,943	44,486,956	36,255,365
Others.....	<u>2,111,122</u>	<u>3,087,032</u>	<u>2,534,348</u>	<u>2,764,122</u>
Total Utility Service Taxes.....	93,977,959	75,252,240	77,107,967	68,018,930
Tourist Development Tax.....	7,559,593	7,477,106	6,729,490	6,570,683
Convention Development Tax.....	3,524,332	3,474,960	3,134,146	3,058,553
Local Option Gas Tax (2).....	27,681,053	25,723,304	27,408,778	24,055,882
Local Option Sales Tax - Transportation (3).....	57,471,472	57,496,406	66,858,197	51,976,595
Local Option Sales Tax - Infrastructure (4).....	<u>55,324,038</u>	<u>38,496,315</u>	-	-
Total Tax Revenue.....	<u>\$ 558,089,490</u>	<u>\$ 507,252,787</u>	<u>\$ 464,003,762</u>	<u>\$ 425,912,166</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>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$ 255,789,300	\$ 231,645,388	\$ 225,044,088	\$ 215,496,848	\$ 204,462,560	\$ 200,036,912
1,887,009	1,735,471	1,794,848	1,727,718	1,762,200	1,781,704
3,996,224	4,569,270	4,355,758	4,662,265	4,627,753	5,872,261
<u>261,672,533</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>
237,661	212,660	366,168	330,737	406,171	280,361
4,408,512	4,136,209	3,833,754	3,202,330	2,698,922	2,048,399
1,135,414	1,091,841	1,390,202	1,282,169	1,317,215	1,422,389
19,370,288	17,387,934	16,689,932	13,452,383	12,977,579	11,227,650
36,068,367	37,217,093	39,975,747	37,649,886	36,807,357	36,020,218
3,217,673	3,183,882	3,329,476	2,975,258	3,172,871	3,349,904
64,437,915	63,229,619	65,585,279	58,892,762	57,380,115	54,348,921
6,189,018	5,478,886	4,853,878	4,022,243	2,531,120	1,871,328
2,883,981	2,542,967	2,253,466	1,991,297	1,679,594	1,754,974
22,948,341	24,228,183	22,508,967	21,847,527	21,975,041	21,317,284
48,240,640	45,235,670	44,193,979	40,565,755	35,573,977	32,048,807
-	-	-	-	-	-
<u>\$ 406,372,428</u>	<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>

**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>
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	\$ 234,578,690	96.0%
	General Fund - Urban Services District	<u>2,022,502</u>	<u>1,893,107</u>	93.6%
	Totals	\$ 246,368,558	\$ 236,471,618	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	\$ 303,152,394 (3)	\$ 290,003,150	95.7%
	General Fund - Urban Services District (2)	<u>-</u>	<u>-</u>	0.0%
	Totals	\$ 303,152,394	\$ 290,003,150	95.7%
2002	General Fund - General Services District	\$ 317,428,233	\$ 302,003,381	95.1%
	General Fund - Urban Services District (2)	<u>-</u>	<u>-</u>	0.0%
	Totals	\$ 317,428,233	\$ 302,003,381	95.1%

(1) Tax levies are final certified amounts net of discounts allowed. The discount schedule is as follows:
 For taxes paid in: November - 4%
 December - 3%
 January - 2%
 February - 1%

(2) Beginning in 1999, the amounts for USD represent delinquent collections.

(3) Figures have been updated to reflect 2000 tax roll.

Source: Tax Collector's Office

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
\$ 9,656,052	\$ 205,846,167	99.6%	\$ 10,551,536	5.1 %
112,899	2,006,254	98.9%	135,653	6.7 %
<u>\$ 9,768,951</u>	<u>\$ 207,852,421</u>	99.6%	<u>\$ 10,687,189</u>	5.1 %
\$ 8,159,804	\$ 209,573,990	99.3%	\$ 9,598,406	4.5 %
99,170	1,934,882	98.9%	120,793	6.2 %
<u>\$ 8,258,974</u>	<u>\$ 211,508,872</u>	99.3%	<u>\$ 9,719,199</u>	4.6 %
\$ 7,885,069	\$ 220,464,353	98.4%	\$ 11,543,117	5.2 %
93,859	1,915,576	98.3%	127,171	6.5 %
<u>\$ 7,978,928</u>	<u>\$ 222,379,929</u>	98.4%	<u>\$ 11,670,288</u>	5.2 %
\$ 8,129,025	\$ 229,243,224	99.7%	\$ 8,741,482	3.8 %
94,724	1,964,827	99.8%	99,244	5 %
<u>\$ 8,223,749</u>	<u>\$ 231,208,051</u>	99.7%	<u>\$ 8,840,726</u>	3.8 %
\$ 7,839,598	\$ 242,418,109	99.2%	\$ 9,767,546	4 %
97,423	1,990,530	98.4%	129,395	6.4 %
<u>\$ 7,937,021</u>	<u>\$ 244,408,639</u>	99.2%	<u>\$ 9,896,941</u>	4.0 %
\$ 8,950,810	\$ 253,915,941	98.5%	\$ 12,691,627	4.9 %
97,861	2,017,282	97.2%	156,191	7.5 %
<u>\$ 9,048,671</u>	<u>\$ 255,933,223</u>	98.5%	<u>\$ 12,847,818</u>	4.9 %
\$ 10,916,310	\$ 272,396,641	98.9%	\$ 13,951,702	5.1 %
108,071	108,071	0.0%	-	0.0 %
<u>\$ 11,024,381</u>	<u>\$ 272,504,712</u>	98.9%	<u>\$ 13,951,702</u>	5.1 %
\$ 8,866,740	\$ 283,056,247	98.3%	\$ 13,659,914	4.7 %
12,057	12,057	0.0%	-	0.0 %
<u>\$ 8,878,797</u>	<u>\$ 283,068,304</u>	98.3%	<u>\$ 13,659,914</u>	4.7 %
\$ 10,588,622	\$ 300,591,772	99.2%	\$ 13,149,244 (3)	4.3 %
6,418 (3)	6,418	0.0%	-	0.0 %
<u>\$ 10,595,040</u>	<u>\$ 300,598,190</u>	99.2%	<u>\$ 13,149,244</u>	4.3 %
\$ 11,858,005	\$ 313,861,386	98.9%	\$ 15,424,852	4.9 %
6,409	6,409	0.0%	-	0.0 %
<u>\$ 11,864,414</u>	<u>\$ 313,867,795</u>	98.9%	<u>\$ 15,424,852</u>	4.9 %

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

Year	Assessed Taxable Values			Total Taxable Property	Estimated Actual Values (4)	Ratio of Assessed to Actual Values
	Real Property (1)	Personal Property (2)	Centrally Assessed Property (3)			
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%
2002	26,947,330	4,672,059	130,112	31,749,501	47,888,763	66.30%

- (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)
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
2002	GSD (4)	10.3465	0.0210	10.3675	8.8720	0.4620	0.0386	19.7401

(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
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
2002	807,012	31,749,501,000	605,000	-	605,000	0.00%	0.75

(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, 2002**

Name of Governmental Agency	Debt Outstanding (1)	Percentage Applicable to City of Jacksonville (2)	City of Jacksonville's Share of Gross Debt
City of Jacksonville, Florida	\$ 605,000	100%	\$ 605,000
Duval County School Board	84,105,000	100%	84,105,000
			<u>\$ 84,710,000</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, 2002**

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>		
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%
2002	590,000	42,713	632,713	1,100,498	0.06%

(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 - PARKING SYSTEM
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Revenue (1)</u>	<u>Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>
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
2002	4,085,000	2,951,000	1,134,000

- (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	
\$ 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
3,315,000	4,089,647	7,404,647	0.15

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
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
2002	711,968	232,161	853,260	11,646,987	12,179,411,401	27,207,404,144	4,483,005,286

Source (1) Building and Zoning Division

(2) Florida Bankers Association

(3) The Property Appraiser's Office

**CITY OF JACKSONVILLE, FLORIDA
 DEMOGRAPHIC STATISTICS
 SEPTEMBER 30, 2002**

POPULATION

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

(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
2020	978,510	21,792,600

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	22.06%	18.91%
15-24	14.13%	12.38%
25-44	31.72%	27.97%
45-64	21.63%	23.26%
65+	10.46%	17.48%

Source: University of Florida, Bureau of Economic and Business Research, Population Program
 Florida Population Studies, July 2002, Volumn 35, No 3, Bulletin No. 133.

*April 1, 2001 Estimates

**CITY OF JACKSONVILLE, FLORIDA
TEN LARGEST TAXPAYERS
SEPTEMBER 30, 2002**

Taxpayer	Type of Business	Valuation	Percentage
Bell South/Jacksonville MSA Limited.....	Communications	\$ 388,615,393	1.19%
AT&T/Media One.....	Communications	362,146,974	1.12%
Anheuser-Busch/Metal Container Corp.....	Manufacturing	294,388,539	0.91%
Bank of America.....	Banking	244,721,979	0.76%
Cedar Bay Generating Co.....	Utilities	195,602,797	0.61%
Liberty Property Limited Partnership.....	Real Estate Management/Development	193,147,696	0.60%
Blue Cross & Blue Shield.....	Insurance	192,771,325	0.60%
Flagler Development Company.....	Real Estate Management/Development	183,040,969	0.56%
Vistakon/Johnson & Johnson Vision.....	Manufacturing	174,679,397	0.54%
Gate Petroleum/Maritime /Lands.....	Pertroleum	<u>157,014,172</u>	<u>0.49%</u>
Total Taxable Assessed Value of 10 Largest Taxpayers		2,386,129,241	7.38%
Total Taxable Assessed Value of Other Taxpayers		<u>29,939,364,057</u>	<u>92.62%</u>
Total Taxable Assessed Value of All Taxpayers		<u><u>\$ 32,325,493,298</u></u>	<u><u>100.00%</u></u>

Source: Tax Collector's Office

**CITY OF JACKSONVILLE, FLORIDA
 MISCELLANEOUS STATISTICAL DATA
 SEPTEMBER 30, 2002**

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:	3,402.5
Streets - Paved	3,395.8
Streets - Unpaved	6.7
State Maintained Primary	372.7
Interstate	95.1
Wastewater System:	
Number of Treatment Plants	10
Total Miles of Sewer Lines	2,521
Fire Protection:	
Stations	49
Employees - Sworn	1109
Employees - Civilian	76
Police Protection:	
Employees - Sworn	1,579
Employees - Civilian	1,095
Vehicular Patrol Units - Patrol Cars	1,144
Motorcycles	17
Other Vehicles	178
Unmarked	352
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, 2002

CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Major Governmental Funds	General Fund	
	General Services District	011
	Mosquito Control State I	012
	Property Appraiser	015
	Special Revenue Fund	
	Transportation Fund	
	Streets & Highways 5-Year Road Program	141
	Local Option 1/2 Cent Transportation	142
	Local Option Gas Tax	143
	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
	2001A ETR Refunding Bonds	31N
	Excise Taxes Revenue Bonds, Series 2001B	31O
	2002 Guaranteed Entitlement Construction Fund	31P
	1999A ETR Bond Construction	31R
	ETR Refunding & Improvement Bonds, Series 2002A	31S
	Series 2002A Capital Improvement Revenue Bonds	31T
	Series 2002B & C Capital Improvement & Refunding Revenue Bonds	31U

CITY OF JACKSONVILLE, FLORIDA
 FUND CONVERSION TABLE
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CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Major Governmental Funds (continued)	Capital Projects Funds (continued)	
	General Projects Fund	
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	General Capital Projects	322
	First Municipal Loan Construction	323
	Jacksonville Environmental Land Acquisition	324
	St Andrews Church Renovation	325
	Recreation Lands and Park Acquisition	1D3
	Better Jacksonville Plan Construction Project Fund	
	City/JTA Transportation Projects Pay-As-You-Go	351
	City/JTA Transportation Projects Bonds	352
	Better Jax Projects Pay-As-You-Go	353
	Better Jax Projects Bonds	354
Major Enterprise Funds	Public Parking System Fund	
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	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
	SMG - Jacksonville	423
	Alltel Stadium	424
	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

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CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
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	Concurrence 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
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	Air Monitoring - Grants	126
	Air Pollution EPA	127
	Ambient Air Monitoring	128
	Sports, Convention and Tourism Development Fund	
	Alltel Stadium Revenue	131
	Tourist Development Council	132
	Convention Development	133
	Special Events	134
	Neighborhood Services Community Activities	135
	Tourist Development Special Revenue	136
	General Government Fund (Budgeted)	
	Tax Collector / JEA Modernization	151
	Local Government Criminal Justice	152
	Construction Trades Qualifying Board	153
	Hazardous Waste Program	154
	Gas Storage Tank Inspections and Cleanup	155
	Duval County Drug Abuse Program	156
	Alcoholic Rehabilitation Trust	157
	Court Facilities/Civil Trust	158
	Building Inspection	159
	Environmental Protection	15A
	Duval County Law Library	15B
	Family Mediation/County Mediation	15C
	Animal Care and Control	15D
	Victim Assistance Services	15E
	Tree Protection & Related Expense	15F
	Veterinary Services	15G
	Environmental Protection	15H
	Tax Collector / JEA Modernization	15I
	Court Capital Improvement	15J

CITY OF JACKSONVILLE, FLORIDA
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CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)		
	General Government Fund (Budgeted) (continued)	
	County Mediation	15K
	Duval County Teen Court Programs	15L
	Gas Storage Tank Inspections and Cleanup	15M
	Tree Mitigation and Related Expense	15N
	Mayor's Commission on Status of Women	15P
	Public Safety Fund	161
	Emergency 9-1-1	
	911 Emergency User Fee	171
	911 Capital Equipment Replacement	172
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	Tax Increment Districts Fund	
	USD1 C Northeast Tax Increment	181
	USD1 A Southside Tax Increment	182
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	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
	Springfield SE Quadrant NR Historic District	1B7
	Job Training Partnership Act Grant Fund	
	JTPA Title II ABC & III	1C1

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CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds (continued) Special Revenue Funds (continued)		
	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
	Supervisor of Election Grants	1FC
	DCHFPA State Housing Initiatives Partnership Fund	1G1
	Better Jacksonville Plan 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
	Fire/Rescue Production Revolving Fund	1H6
	Parks & Recreational Activities	1H7
	Handicap Parking Fines	1H8
	Choose Life Trust Fund	1J1
	Derelict Vessel Removal Fund	1K1
	Special Assessment Fund	1L1
	Mayor's Hispanic Advisory Board Trust Fund	1M1
	Pickettville Rd Dump Site	641

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CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
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	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
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	Sheriff's Trusts (Lapse/Council-appropriated)	64D
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	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
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	Lavilla Cultural and Heritage District Trust	64L
	Youth Travel Trust (Jacksonville Children's Comm.)	64M
	Art in Public Places Trust Fund	64N
	Balis Estate Trust Fund	64P
	Unclaimed Checks	662
	Tax Deed Sale - Surplus	663
	Outstanding Checks - Treasury	664
	Duplicate Checks- Treasury	666
	Unclaimed Refunds	66Y
	Execution Funds 5 Year	66Z
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

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CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds (continued) Debt Service Funds (continued)		
	Special Bonded Debt Obligations Fund (continued)	
	1992 Guaranteed Entitlement Revenue	22D
	1995A ETR Refunding S/F	22E
	1994 Municipal Stadium Capital Improvement Bonds S/F	22F
	1995 Sales Tax Bonds (RCR) S/F	22G
	1996 Sales Tax (RCR) S/F	22I
	1995 Municipal Stadium Capital Improvement Bonds S/F	22J
	1995A Guaranteed Entitlement Revenue Refunding S/F	22K
	1996B ETR Bonds S/F	22L
	1996C ETR Bonds S/F	22M
	1995 Sunshine State S/F	22N
	2002A, B & C Capital Improvement & Refunding Revenue Bonds S/F	22O
	1997 Municipal Stadium Capital Improvement Bonds S/F	22P
	1997 Capital Project Revenue Bonds S/F	22R
	1998 Alltel Stadium S/F	22S
	1999A ETR Refunding S/F	22T
	2001 Sales Tax Refunding	22U
	2001A ETR Refunding S/F	22V
	Excise Taxes Revenue Bonds, Series 2001B S/F	22W
	ETR Revenue Refunding & Improvement Bonds, Series 2002A S/F	22X
	Guaranteed Entitlement Revenue Refunding & Improvement Bonds, 2002 S/F	22Y
	ETR Bonds Series 2002B (Shands Jacksonville Loan)	22Z
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	Capital Improvement 2002A Reserve Account	271
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	BJP Transportation Series 2001	241
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	BJP Transportation Series 2001 Reserve	243
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	Other Non-Bonded Debt Obligations Fund	
	River City Renaissance Bond S/F	232
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	HUD 108 Loan S/F - Southside Harbor	235
	HUD 108 Loan S/F - Hilton Hotel	236
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CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
Nonmajor Governmental Funds (continued) Debt Service Funds (continued)		
	Other Non-Bonded Debt Obligations Fund (continued)	
	HUD 108 Loan S/F - HTV Associates	239
	HUD 108 Loan S/F - Jax Landing	23A
	HUD 108 Loan S/F - American Body Armor	23B
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	Capital Projects Funds	
	Grant Capital Improvements Projects Fund	331
	River City Renaissance Bond Construction Project Fund	
	River City Renaissance Bond Construction	341
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	Permanent Fund	
	Cemetary Maintenance Trust	652
Nonmajor Enterprise Funds	Motor Vehicle Inspection Fund	431
	Mayport Ferry	451
Internal Service Funds	Fleet Management Fund	
	Motor Pool	511
	Motor Pool - Vehicle Replacement	512
	Copy Center Fund	
	Copy Center	521
	Storeroom/Printing	522
	Information Technologies Fund	
	Information Technologies	531
	Information Technologies (Lapse/Self-appropriating)	532
	Communications	533
	Communications - Radio Replacement	534
	Office of General Counsel	551
	Self Insurance Fund	561
	Group Health Fund	571
	Insured Programs Fund	581

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CATEGORY	FINANCIAL STATEMENT FUND TITLE	SUBFUND NUMBERS
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	Police and Fire	621
	Private Purpose Trust Funds	
	James Brady Disabled Scholarship	1H5
	Michael Jackson Music Scholarship Trust	651
	J. B. Smith Memorial Scholarship Trust	653
	Agency Funds	
	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
	Discretely Presented Component Units	Duval County Housing Finance Authority
	Jacksonville Economic Development Commission	
	Jacksonville Economic Development Commission	751
	Sports Development Events	752
	Jacksonville Film & Television Office Trust	753
	International Marketing Trust	754
	SS Redevelopment Trust Parks and Recreation	755
	Greenleaf/Jacobs Clock Restoration	756
	JEDC Prepaid Grants	757
	JEDC Miscellaneous Federal/State/Local Grants	758
	JEDC Cecil Field Trust	759
	Downtown Historic Preservation & Revitalization	75A
	Jacksonville Game Trust Fund	760