

CITY OF JACKSONVILLE, FLORIDA  
SINGLE AUDIT REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022



PREPARED BY THE DEPARTMENT OF FINANCE  
ACCOUNTING DIVISION

# City of Jacksonville, Florida

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**Carr, Riggs & Ingram, LLC**  
7411 Fullerton Street  
Suite 300  
Jacksonville, FL 32256

904.356.6023  
904.353.5836 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Jacksonville, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of JEA, whose statements reflect approximately 82%, 77%, and 84%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of Jacksonville Transportation Authority, whose statements reflect approximately 8%, 8%, and 7%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of Jacksonville Port Authority, whose statements reflect approximately 10%, 15%, and 9%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for JEA, Jacksonville Transportation Authority and Jacksonville Port Authority, is based solely on the reports of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial

Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Emphasis of Certain Matters***

#### *Change in Accounting Principle*

As described in Notes 14 and 18 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

#### *Restatements*

As described in Note 18 to the financial statements, the City's financial statements have been restated for prior period errors. The other auditors' report on the financial statements of Jacksonville Transportation Authority also referred to the restatement of those financial statements as discussed in Note 18 to the financial statements. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of revenue, expenditures and changes in fund balance – budget and actual (budgetary basis) – general fund, and other postemployment benefits and pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules of expenditures of federal awards and expenditures of state financial assistance, which are required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the

Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of expenditures of federal awards and expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit and the reports of the other auditors, the schedules of expenditures of federal awards and expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Carr, Rigg & Ingram, L.L.C.*

Jacksonville, Florida  
September 28, 2023

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

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

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

### Financial Highlights

- The City's General Fund operations had total revenues of \$1.4 billion in fiscal year 2022.
- Due primarily to rising home values and new construction, property tax revenues in the General Fund experienced a \$55.6 million, 7.4% increase. Other increases in revenues related to utility and communications service taxes, licenses, permits and fees, and intergovernmental revenues.
- Decreases in revenues in the General Fund included \$0.9 million for charges for services revenues, around 0.3 million in fines and forfeitures revenues and \$5.8 million for other revenues.
- General Fund total increase in revenues was \$45.8 million in fiscal year 2022.
- General Fund total expenses increased by \$77.5 million, 6.5%, primarily due to increased spending in human services, public safety, culture and recreation, transportation and economic environment while general government and physical environment spending decreased.
- Total citywide governmental activities revenues increased by \$278.8 million in fiscal year 2022, a 14.6% increase from fiscal year 2021.
- Total citywide governmental activity expenses increased \$244.0 million in fiscal year 2022, a 12.5% increase from fiscal year 2021.

Additional information that explains these financial highlights may be found on the following pages of this report.

### City Highlights

Fiscal Year 2022 had a number of positive outcomes. Some of the impacts and improvements were as follows:

- Focus was maintained on fiscally responsible practices to ensure Jacksonville's financial stability and preparedness today and moving into the next administration. The Curry administration has reduced overall debt outstanding as a city by approximately \$585 million since 2015, enacted pension reform to reduce fixed cost burdens and economic uncertainty, and more than doubled unassigned reserves.
- In addition to the swiftly implemented and administered CARES Act programs from FY 2020 which positively impacted the financial well-being of our citizens, we used the combined \$343 million 2021 and 2022 tranches of ARPA funds to bolster the strength of the local government, address some of our community's pressing needs, and ameliorate financial impacts resulting from the pandemic.
- Among the many items we addressed with the ARPA funds were septic tank phaseout funding, premium payments plus a portion of the raises for public safety employees, economic assistance to our municipalities and port, aid to affordable housing providers and our special events venues, and materials and supplies for public health and safety.
- As with the last two year's recognition of the hard work of our employees to implement the very positively impactful CARES Act and ARPA tranche 1 programs, we again would like to recognize the efforts of our employees to administer the ARPA tranche 2 funding in an efficient and positive way for our citizens and their government.
- The Curry administration spearheaded the increase of the Jacksonville Fire and Rescue budget by \$34.7 million dollars and the increase to the Jacksonville Sheriff's Office budget by \$17.5 million dollars from FY21 to FY22 and laid the groundwork for the next administration to continue to increase investment into public safety.

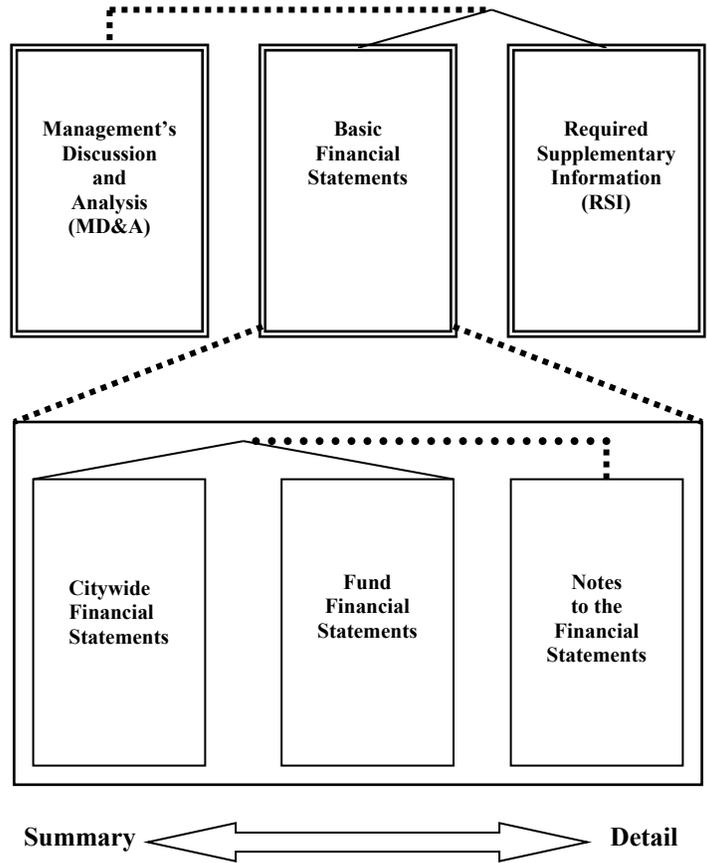
- Continuing to improve the safety of our citizens, we broke ground on more new fire stations, on-boarded new classes of police officers and firefighters and made further progress modernizing our fleet of first-responder vehicles. All vehicle purchases are funded in cash, with no borrowing used.
- In fiscal year 2022, approximately \$11.9 million has been budgeted for economic development incentives for projects that are on track to generate over \$17.4 million in ad valorem taxes in fiscal year 2022.
- Paysafe Payment Processing Solutions announced plans to establish its North American headquarters in Jacksonville, with an estimated \$51.5 million of private capital investment and 600 new full-time equivalent jobs.
- FlexCold, LLC and Blasius Road, LLC announced plans to expand their facility in Jacksonville to 346,000 square feet, with an estimated \$115 million of private capital investment and up to 40 new full-time equivalent jobs.
- The Downtown Preservation and Revitalization Program forgivable loan package for the rehabilitation of 128 W. Adams Street was approved and facilitated. This historic five-story building, when complete, will provide approximately 30,700 SF of leasable residential living space with 40 units and approximately 3,870 SF of rentable commercial/retail space on the ground floor. The \$7 million in incentives will garner total development cost/private investment of nearly \$18 million.
- Investment continued in the Kids Hope Alliance, allocating over \$35 million in fiscal year 2022, with commitment to juvenile justice programming, early learning initiatives, and better access to mental and physical health resources for KHA Students.
- Jacksonville University announced plans to open a new College of Law in Downtown Jacksonville. The first graduates are expected in 2024.
- Zoo improvements are on track after the investment of \$5 million in capital improvements as part of a multi-year \$25 million campaign.
- The City of Jacksonville is continuing with investments in UF Health as a critical community hospital, by providing \$20 million for hospital improvements, as part of a \$120 million 6-year upgrade.
- We are improving and expanding our Parks system with \$108 million dollars in the next fiscal year, and \$259.8 million dollars over five years. Hanna and Huguenot Parks peaked to host nearly 1 million visitors in last fiscal year and the trend continues into 2023.
- Construction has begun to add synthetic turf on six fields in local parks throughout the City.
- Investment continued in resilience and hydrology efforts through funding the Chief Resilience Office and \$50 million to the water/wastewater fund for septic tank phaseouts.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

**Figure A-1**

**COMPONENTS OF THE ANNUAL FINANCIAL REPORT**



**Citywide Basic Financial Statements**

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

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

Component Units are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidy. The City of Jacksonville's component units are as follows: Jacksonville Electric Authority (JEA), Jacksonville Transportation Authority (JTA), Jacksonville Port Authority (JPA), and Jacksonville Housing Finance Authority. Separate financial statements are published by JEA, JTA, and JPA. 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 Position and Statement of Activities) demonstrate how the City's net position has changed. Increases or decreases in net position are good indicators of whether the City's financial health is improving or deteriorating over time. Other non-financial factors such as changes in the City's property tax base are important considerations to assess the City's overall financial condition.

### **Fund Financial Statements**

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

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the citywide basic financial statements. However, unlike the citywide basic financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Since the focus of governmental funds is narrower than that of the citywide basic financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the citywide basic financial statements. This allows readers to better understand the long-term impact of the government's near-term financing decisions.

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

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

#### **Proprietary Funds**

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

The City of Jacksonville maintains two types of proprietary funds.

*Enterprise funds* are used to report the same functions presented as business-type activities in the citywide basic financial statements. The City uses enterprise funds to report separate information on operations such as Solid Waste Disposal, Stormwater Services and City Venues which are all major funds. The Sports Complex Capital, Motor Vehicle Inspection, Public Parking and Equestrian Center are non-major enterprise funds.

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

### **Fiduciary Funds**

The City of Jacksonville is the trustee, or fiduciary, for trusts such as the City employee's retirement plans. 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 the City of Jacksonville's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the citywide basic financial statements because the assets cannot be used to support or finance the City's programs or operations. The Fiduciary Funds Statement of Changes in Net Position can be found in the Fund Financial Statement section of this report.

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

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

### **Other Information**

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

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

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

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

## **CITYWIDE FINANCIAL ANALYSIS**

The net position may serve over time as a useful indicator of the government's financial position. The City's net position increased \$157.9 million in FY2022. The negative \$2.5 billion unrestricted net position is primarily due to the \$2.9 billion Net Pension Liability (See Table A-1).

**Table A-1**  
**Summary Statement of Net Position**  
**(In Thousands)**  
**for the fiscal year ended September 30, 2022 and September 30, 2021**

	Governmental Activities		Business Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Cash and Investments	\$ 1,770,789	\$ 1,558,466	\$ 162,839	\$ 144,646	\$ 1,933,628	\$ 1,703,112
Current and Other Assets	332,779	396,697	120,330	69,062	453,109	465,759
Capital Assets	2,885,800	2,714,253	592,671	584,683	3,478,471	3,298,936
Total assets	<u>4,989,368</u>	<u>4,669,416</u>	<u>875,840</u>	<u>798,391</u>	<u>5,865,208</u>	<u>\$ 5,467,807</u>
Deferred Outflow of Resources	659,682	609,539	49	55	659,731	609,594
Current Liabilities	472,787	351,796	76,370	55,785	549,157	407,581
Non-current Liabilities	2,742,719	2,830,783	342,663	371,496	3,085,382	3,202,279
Net Pension Liability	2,905,810	3,107,155	-	-	2,905,810	3,107,155
Total liabilities	<u>6,121,316</u>	<u>6,289,734</u>	<u>419,033</u>	<u>427,281</u>	<u>6,540,349</u>	<u>6,717,015</u>
Deferred Inflow of Resources	609,775	167,545	57,286	47,947	667,061	215,492
Net position						
Net investment in capital assets	1,341,375	1,262,489	275,926	250,794	1,617,301	1,510,052
Restricted for:						
Debt service	89,519	96,919	-	-	89,519	96,919
Housing & human serv grants	27,506	19,336	-	-	27,506	19,336
State and federal grants	15,270	6,464	-	-	15,270	6,464
Capital projects	7,274	9,428	-	-	7,274	9,428
Other participant's equity	2,594	2,578	-	-	2,594	2,578
Permanent Fund non-expendable	1,418	1,566	-	-	1,418	1,566
Other Purposes	85,598	69,732	-	-	85,598	69,732
Unrestricted (deficit)	(2,652,595)	(2,692,588)	123,644	121,407	(2,528,951)	(2,571,181)
Total net position	<u>\$ (1,082,041)</u>	<u>\$ (1,224,076)</u>	<u>\$ 399,570</u>	<u>\$ 372,201</u>	<u>\$ (682,471)</u>	<u>(\$ 855,106)</u>

The largest portion of the City's net position reflects its substantial capital assets, net of related debt. This displays the City's commitment to investing in assets that have useful lives in excess of the life of the debt issues used to finance the assets. The net pension liability is expected to increase until FY2030 when an additional dedicated ½ cent sales tax begins to fund the pension liability.

Along with the unfunded pension liability, the negative unrestricted net position in the governmental activities also includes non-asset related debt, which is a liability of the City, issued for various capital projects that belong to other entities.

The City issued non-asset related debt:

- To finance the purchase of Metropolitan Parking Solutions in downtown Jacksonville.
- To finance improvements at Ritz Theater & Museum, and Florida Theater for City's residents.
- To finance improvements at Children's Way (Nira Street) near hospital.
- To finance the tactical research and development center and firing range storage for law enforcement.
- To finance certain development of Riverfront Plaza and modification of Hyatt frontage.
- To finance certain development of Everbank Field building systems.
- To finance the replacement purchase of a generator for the Department of Health.
- To finance capital improvements at Univ. of Florida Health.

On the following page, Table A-2 provides a summary comparison of the City's operations for the 2022 and 2021 fiscal year ends.

**Table A-2**  
**Statement of Activities**  
**as of September 30, 2022 and September 30, 2021**  
**(In Thousands)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program Revenues:						
Fines & charges for services	\$ 225,312	\$ 168,138	\$ 152,614	\$ 130,752	\$ 377,926	\$ 298,890
Operating grants/contributions	215,584	100,593	-	-	215,584	100,593
Capital grants/contributions	54,905	54,297	-	-	54,905	54,297
General revenues:						
Property taxes	842,218	784,248	-	-	842,218	784,248
Utility and Communications service taxes	129,727	123,699	-	-	129,727	123,699
Sales and tourist taxes	302,667	251,007	21,245	16,433	323,912	267,440
Local business taxes	6,975	6,993	-	-	6,975	6,993
Intergovernmental	241,027	207,049	-	-	241,027	207,049
Franchise Fees	47,601	41,303	-	-	47,601	41,303
JEA Contribution	121,212	120,012	-	-	121,212	120,012
Earnings on Investments	(68,595)	12,493	(4,342)	684	(72,937)	13,177
Miscellaneous	50,509	45,677	32,109	13,974	82,618	59,651
<b>Total Revenues</b>	<b>2,169,142</b>	<b>1,915,509</b>	<b>201,626</b>	<b>161,843</b>	<b>2,370,768</b>	<b>2,077,352</b>
<b>Expenses</b>						
General government	273,019	224,393	-	-	273,019	224,393
Human services	168,868	115,797	-	-	168,868	115,797
Public safety	903,833	1,159,213	-	-	903,833	1,159,213
Cultural and recreational	98,423	81,906	-	-	98,423	81,906
Transportation	299,917	215,845	-	-	299,917	215,845
Economic & physical environment	205,840	93,824	-	-	205,840	93,824
Interest on long term debt	40,442	47,768	-	-	40,442	47,768
Parking system	-	-	3,765	3,698	3,765	3,698
Motor vehicle inspections	-	-	311	317	311	317
Solid Waste	-	-	96,056	85,561	96,056	85,561
Stormwater services	-	-	24,136	23,175	24,136	23,175
City Venues	-	-	82,215	70,055	82,215	70,055
Sports Complex Capital Maintenance	-	-	24	36	24	36
Equestrian Center	-	-	1,284	1,234	1,284	1,234
<b>Total Expenses</b>	<b>1,990,342</b>	<b>1,938,746</b>	<b>207,791</b>	<b>184,076</b>	<b>2,198,133</b>	<b>2,122,822</b>
Increases (decreases) in net position before transfers	178,800	(23,237)	(6,165)	(22,233)	172,635	(45,470)
Transfers	(33,534)	(26,855)	33,534	26,855	-	-
<b>Change in net position</b>	<b>145,266</b>	<b>(50,092)</b>	<b>27,369</b>	<b>4,622</b>	<b>172,635</b>	<b>(45,470)</b>
<b>Net position (deficit), beginning of year</b>	<b>(1,227,307)</b>	<b>(1,177,215)</b>	<b>372,201</b>	<b>367,579</b>	<b>(855,106)</b>	<b>(809,636)</b>
<b>Net position (deficit), end of year</b>	<b>\$ (1,082,041)</b>	<b>\$ (1,227,307)</b>	<b>\$ 399,570</b>	<b>\$ 372,201</b>	<b>\$ (682,471)</b>	<b>\$ (855,106)</b>

**Governmental activities:**

The City's governmental activities revenues increased \$253.6 million from 2021 to 2022 (see Table A-2) and consists of:

- Property tax revenues reflected a \$57.2 million increase which continues as a clear indication of a strong economy in Jacksonville.
- The \$6.0 million increase in utility and communications service tax indicates an increasing population in Jacksonville.
- The increase of \$51.7 million in sales and tourist taxes reflects the positive rebound from the pandemic.
- The \$34.0 million increase in intergovernmental revenues is primarily due to increases in contributions from component units.
- The decrease of \$81.1 million in earnings on investments is a result of systematic market performance of the pooled cash investments in fiscal year 2022.
- The increase of \$57.2 million in fines & charges for services is due to the lessening impact of COVID-19 and increased economic activity.
- Operating grant/contributions had an increase of \$115.0 million.
- Capital grants/contributions increased by \$0.6 million while another \$4.8 million increase was realized from miscellaneous revenue sources.

Governmental activities expenses increased by \$66.3 million in fiscal year from 2021 to 2022 primarily due to the following:

- General government expenses increased by \$63.3 million.
- Human services operating expenses increased by \$53.1 million.
- Cultural and recreational expenses increased by \$16.5 million.
- Transportation expenses increased by \$84.1 million.
- Economic & physical environment expenses increased by \$112.0 million.
- Public safety operating expenses decreased by \$255.0 million.
- Interest on long term debt decreased by \$7.3 million.

**Business Type activities:**

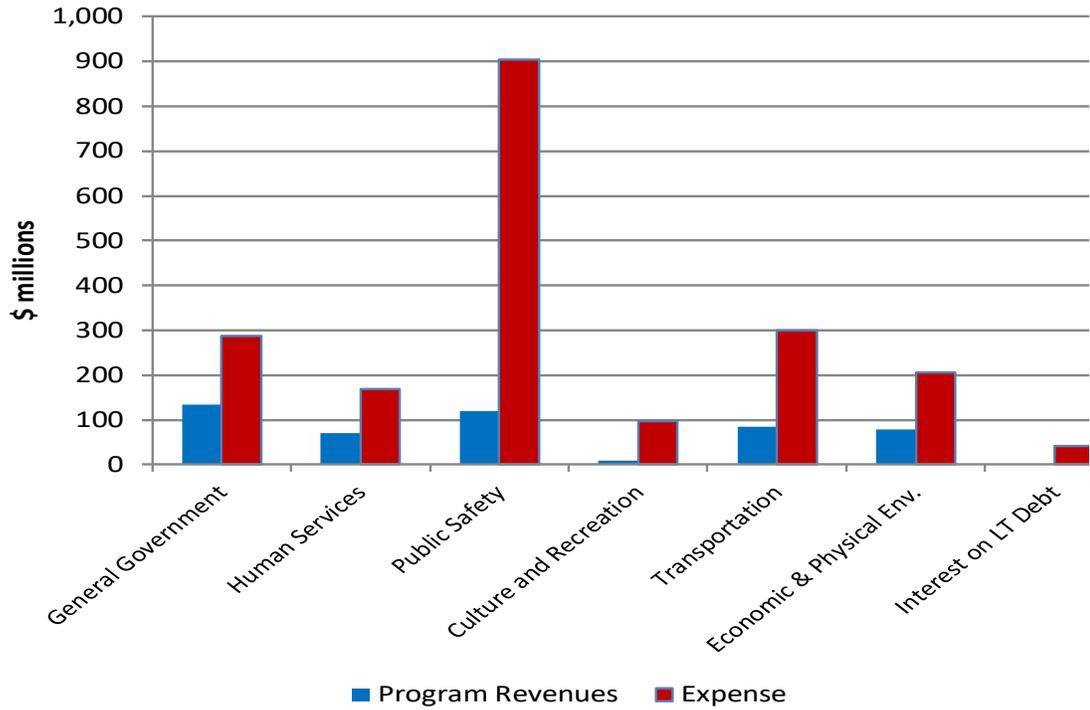
The City's business type revenues increased \$39.8 million in fiscal year 2022:

- Fines and charges for services increased by \$21.9 million.
- Sales and tourist taxes increased by \$4.8 million.
- Interest earnings decreased \$5.0 million due to systematic market performance of pooled cash investments.
- Miscellaneous revenues also decreased by \$18.1 million.

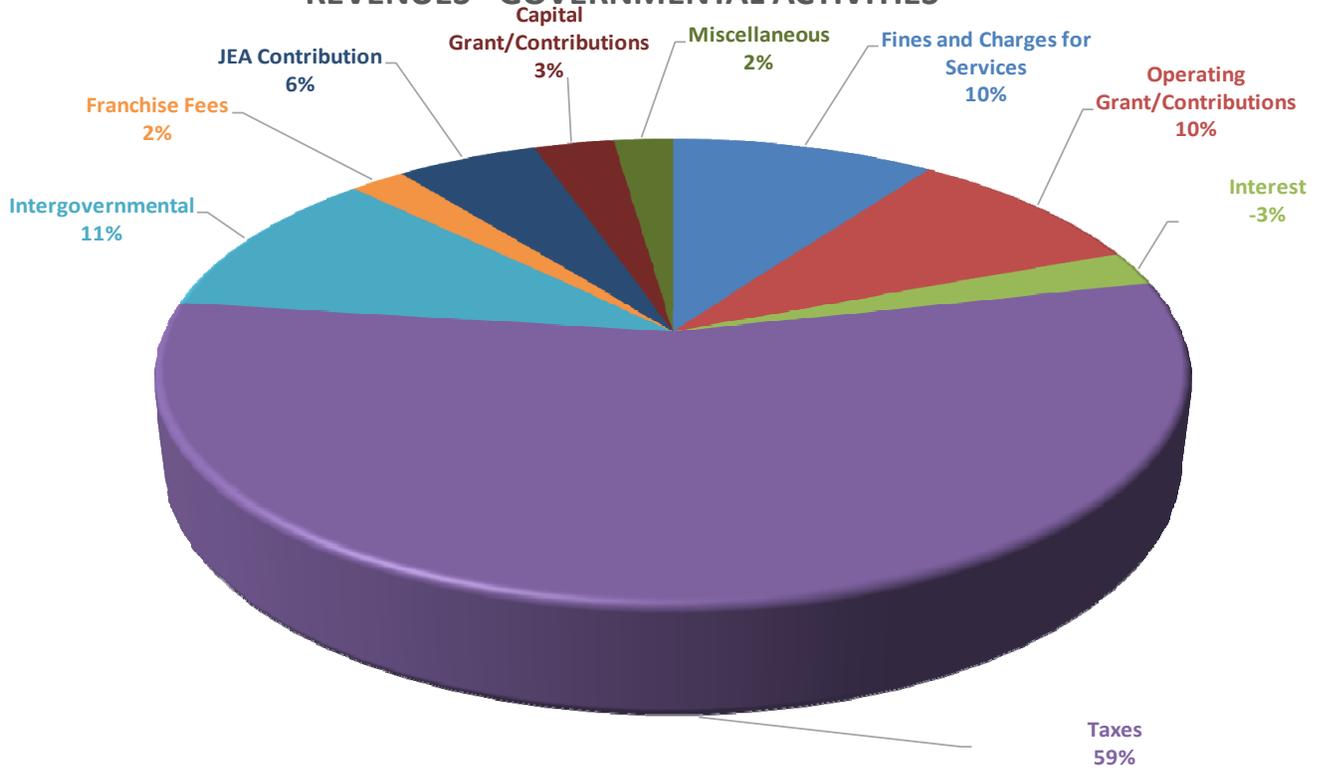
Business type activities total expenses increased \$23.7 million in fiscal year 2022:

- Solid Waste operating expenses increased by \$10.5 million.
- Stormwater Services activities operating expenses increased by 0.9 million.
- City Venues activities operating expenses increased by 12.2 million.

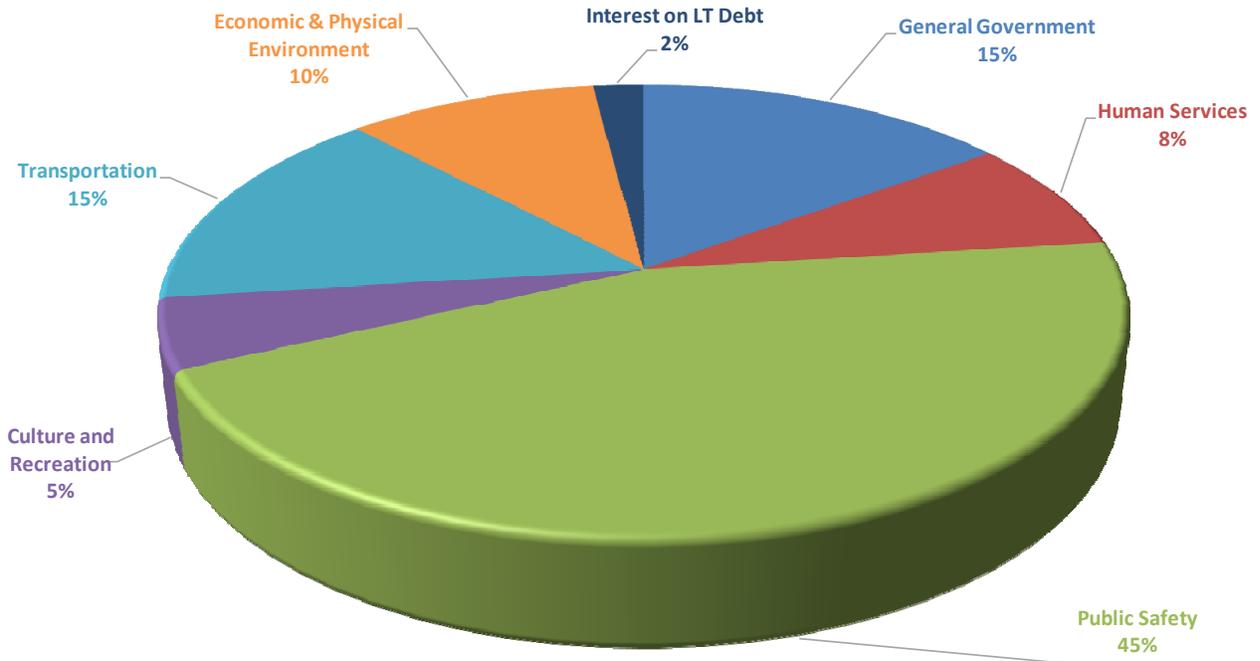
### Expenses and Program Revenues - Governmental Activities



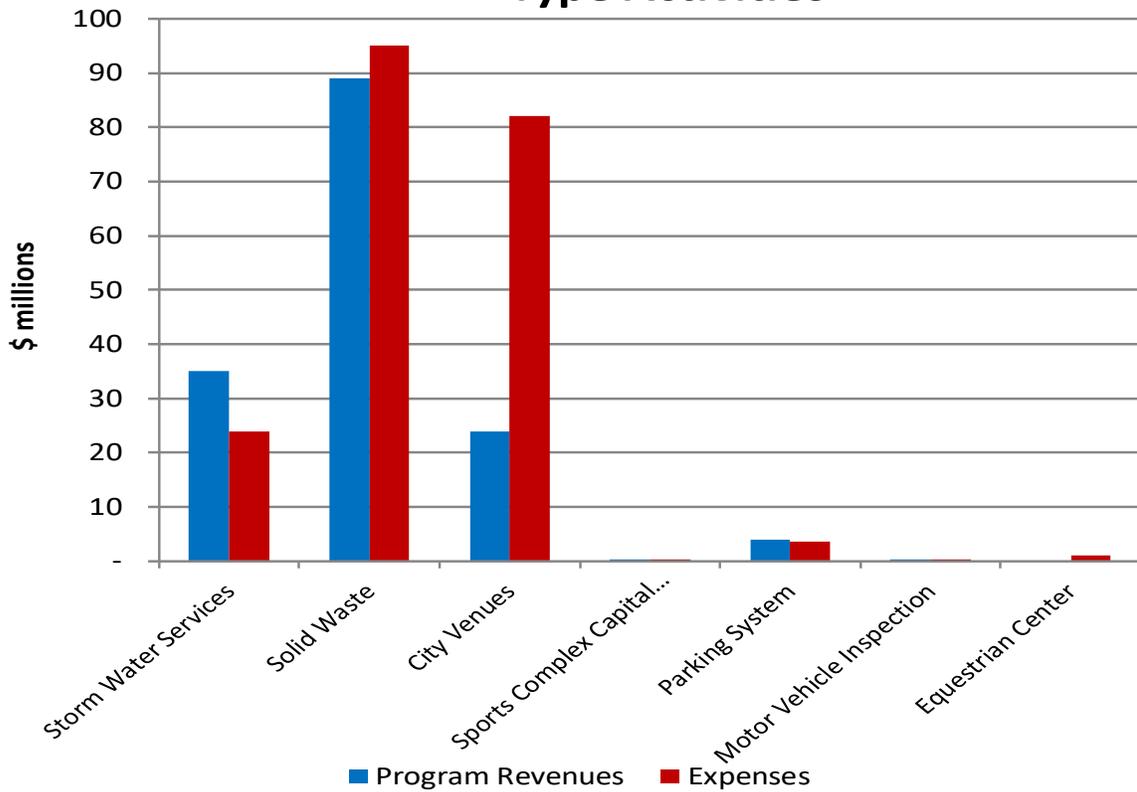
### REVENUES - GOVERNMENTAL ACTIVITIES



### EXPENSES - GOVERNMENTAL ACTIVITIES



### Expenses and Program Revenues - Business Type Activities



## FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

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

**Governmental Funds:** The focus of the City'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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2022. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$316.7 million. The General Fund's total fund balance was \$458.6 million, with \$66.3 million committed by the City Council as an emergency reserve. The City's Reserve Policy for the General Fund is covered by Section 106.107 of the City's municipal code. The policy requires that the emergency reserve shall not be used except as initiated by the Mayor through written communication to the City Council, explaining the emergency, with subsequent approval by two-thirds votes of all City Council members. The Emergency Reserve can be used to address unanticipated non-reimbursed expenditures arising out of a hurricane, tornado, other major weather-related events, and/or other massive infrastructure failures or disasters, whether man-made or caused by nature. Under normal circumstances, the City would first elect to utilize the Operating Reserve before considering the use of its Emergency Reserve.

Key factors affecting changes in major funds and fund balance in fiscal year 2022 operations are as follows:

### General Fund:

- Property taxes account for 57.3% of the General Fund revenue and increased by \$55.6 million, a 7.4% increase over the previous fiscal year. Interest revenue decreased \$49.6 million due to a GASB 87 Leases implementation and lower systematic market return in fiscal year 2022. General Fund revenues had an overall increase of \$45.8 million and an overall increase in expenditures of \$77.5 million as compared to fiscal year 2021. The millage rate for the City of Jacksonville remained the same from fiscal year 2021 to 2022 at 11.4419.

### Public Safety:

- This fund is used to track emergency incidents. FY2022 was most notable for ARP Act funding. While FEMA has not yet approved obligating funds for COVID-19 Disaster Account funding, we anticipate reimbursement for emergency protective measures. The City received \$167.1 million in direct funding from the US Treasury for the CARES Act and had expended \$164.7 million through 9/30/22. The City also received \$171.8 million in direct funding from the US Treasury for SLFRF funding under round one of the American Recovery Plan (ARP) Act in FY 2021 and another \$171.8 million under round two in FY 2022. For both rounds, we had expended \$78.1 million through 9/30/22. These funds were appropriated to a variety of impacted areas and programs as detailed in our submission to the U.S. Treasury through our required reports.

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

- Bonds payable on BJP Special Bonded Debt Obligations decreased by \$43.1 million in fiscal year 2022 due to refunding activities and annual debt service paid. During fiscal year 2022, the City redeemed a total of \$48.2 million in BJP bonds. Interest and other fiscal charges decreased by \$13.4 million due to refunding activities and lower overall outstanding BJP debt.

Special Bonded Debt – Obligations Fund:

- Bonds payable on Special Bonded Debt Obligations decreased by \$33.6 million in fiscal year 2022 due to refunding activities and annual debt service paid. Interest and other fiscal charges decreased by \$2.9 million due to refunding activities and lower overall outstanding debt.

The Other Federal, State and Local Grants Fund:

- This fund records all other miscellaneous grants administered by the City from federal, state, and local sources not specifically accounted for by other funds. These grant revenues increased in fiscal year 2022 by \$92.8 million or 349.9%. The City used these revenues accordingly, and expenditures increased by \$85.8 million or 224.6%. These grant funds enhanced programs for General Government, Human Services, Public Safety, Culture and Recreation, Transportation, Economic Development and Physical Environment, covering diverse programs such as: day care, adult homemakers, 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.

**Proprietary Funds:** The City’s proprietary funds provide the same type of information found in the government-wide business-type activities financial statements, but in more detail. Solid Waste, Storm Water Services and City Venues are reported as major proprietary funds in the fiscal year 2022.

**General Fund Budgetary Highlights:**

- Total General Fund revenues for fiscal year 2022 were \$1.4 billion and \$4.5 million under budget. Property tax revenues exceeded budget by \$11.6 million, utility service taxes exceeded budget by \$2.5 million, community service taxes exceeded budget by \$0.7 million, and licenses, permits and fees exceeded budget by \$5.6 million. Intergovernmental revenues and charges for services exceeded budget by \$23.8 million. Fines & forfeitures exceeded the budget by \$0.3 million. Interest was under budget by \$47.7 million due to implementation of GASB87 - Leases and poor systematic market performance. Other revenues were under the budget by \$6.0 million. Total general fund actual expenditures for fiscal year 2022 were \$135.7 million under budget with \$65.8 million related to the budgeted but unused emergency reserve. Additional savings were due to salary and benefit costs and departmental and non-departmental operating cost savings due to the administration’s strong efforts toward cost reductions.
- Fire & Rescue and the Office of the Sheriff accounted for \$825.5 million or 65.5% of the General Fund expenditures.

## 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, 2022, amounts to \$3.5 billion, net of accumulated depreciation. The investment in capital assets includes land, buildings and improvements, furniture and equipment, infrastructure, and construction in progress, other assets include public art and purchased/internally developed software (see Table A-3).

The primary focus in fiscal year 2022 was on fleet additions, sports complex improvements and drainage projects. The business-type infrastructure decrease was due to the sale of a parking garage.

Additional information on the City of Jacksonville’s capital assets can be found in the Notes to the Financial Statements, Footnote 6 of this report.

**Table A-3**  
**Capital Assets**  
**Net of Accumulated Depreciation**  
**(In Thousands)**  
**as of September 30, 2022 and September 30, 2021**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Land and easements	\$ 358,200	\$ 327,533	\$ 46,911	\$ 46,912	\$ 405,111	\$ 374,445
Buildings and improvements	1,255,365	1,246,418	741,484	741,484	1,996,849	1,987,902
Furniture & Equipment	575,305	529,354	18,033	18,051	593,338	547,405
Construction and work in progress	617,486	416,954	127,454	93,205	744,940	510,159
Infrastructure	2,392,104	2,389,727	93,608	92,887	2,485,712	2,482,614
Right-to-use assets	28,441	22,887	220	220	28,661	23,107
Other Assets	51,930	46,304	-	-	51,930	46,304
Less accumulated depreciation	(2,393,031)	(2,265,128)	(435,039)	(407,872)	(2,828,070)	(2,673,000)
Total	<u>\$ 2,885,800</u>	<u>\$ 2,714,049</u>	<u>\$ 592,671</u>	<u>\$ 584,887</u>	<u>\$ 3,478,471</u>	<u>\$ 3,298,936</u>

## Debt Administration

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

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

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

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

At the end of fiscal year 2022, the City of Jacksonville had \$2.2 billion in bonds and notes outstanding as shown in Table A-4. Additional information on the City's long-term debt can be found in Notes to the Financial Statements, Note 8, of this report.

**Table A-4**  
**Bonds and Notes Payable**  
**Outstanding Debt as of September 30, 2022 and September 30, 2021**  
**(in Thousands)**

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Special Obligation Bonds	\$ 383,275	\$ 416,841	\$ -	\$ -	\$ 383,275	\$ 416,841
Special Obligation Bonds - BJP	788,556	831,615	-	-	788,556	831,615
Revenue Bonds Payable	615,656	527,952	201,151	223,567	816,807	751,519
Notes Payable	26,600	32,300	-	-	26,600	32,300
Notes Payable - BJP	4,099	6,703	-	-	4,099	6,703
Deferred Amounts						
Loss on Adv Ref	(6,219)	(7,339)	(49)	(55)	(6,268)	(7,394)
Gain on Adv Ref	16,155	2,417	9,600	-	25,755	2,417
Issuance premiums	190,038	211,239	13,426	25,002	203,464	236,241
Issuance discounts	(1,250)	(1,411)	-	-	(1,250)	(1,411)
<b>Total</b>	<b>2,016,910</b>	<b>2,020,317</b>	<b>224,128</b>	<b>248,514</b>	<b>2,241,038</b>	<b>2,268,831</b>

New indebtedness of the City of Jacksonville consists of:

Closing Date	Par Amount	Source	Primary Use
Apr. 2022	28,682,400	Special Revenue Bonds	Refinancing
July 2022	262,750,000	BJP Infra. Sales Tax Bonds	Refinancing
July 2022	120,380,000	Special Revenue Bonds	Refinancing
Sep. 2022	99,175,000	Special Revenue Bonds	Project Funding
Sep. 2022	26,600,000	Commercial Paper Notes	Project Funding

On April 19, 2022, the City closed on a \$28.68 million bank loan referred to as the Taxable Special Revenue Bond, Series 2022B. The 2022B loan has a true interest cost of 2.77%, an average coupon rate of 2.77% with no mandatory sinking schedule and a maturity date of October 1, 2041. The proceeds of the 2022B loan were used to refinance outstanding debt for three parking garages owned and operated by Metropolitan Parking Solutions, LLC commonly known as the Courthouse Garage, the Arena Garage, and the Sports Complex Garage and finance the construction of certain capital equipment and improvements related to the garages. The agreement provided net proceeds of \$28.68 million, which is inclusive of underwriter's discount and cost of issuance totaling \$127k. The refunding of the MPS Bonds, Series 2005 and 2005A resulted in net PV savings of \$3.51 million and an increase in aggregate debt service in the amount of \$1.38 million.

On July 7, 2022, the City closed on a \$262.75 million bank loan referred to as the Better Jacksonville Sales Tax Refunding Revenue Bond, Series 2022. The 2022 loan has a true interest cost of 2.54%, an average coupon rate of 2.54% with no mandatory sinking schedule and a maturity date of October 1, 2026. The proceeds of the 2022 loan were used to refund a portion of the City's outstanding Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2012 and Series 2012A. The agreement provided net proceeds of \$262.75 million, which is inclusive of the cost of issuance totaling \$347k. The refunding of a portion of the Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2012 and 2012A resulted in net PV savings of \$29.67 million and a decrease in aggregate debt service in the amount of \$52.97 million.

On July 7, 2022, the City closed on the sale of \$120.38 million Special Revenue Refunding Bonds, Series 2022A. The 2022A bonds have a true interest cost of 1.99%, an average coupon rate of 5.00% with no mandatory sinking schedule and a maturity date of October 1, 2032. The proceeds of the 2022A bonds were used to refund a portion of the City's Capital Improvement Revenue Refunding Bonds, Series 2012 and Special Revenue Refunding Bonds, Series 2012C. The issuance provided net proceeds of \$138.97 million, which is inclusive of underwriter's discount and cost of issuance totaling \$887k. The refunding of the Capital Improvement Revenue Refunding Bonds, Series 2012 and Special Revenue Refunding Bonds, Series 2012C resulted in net PV savings of \$19.09 million and a decrease in aggregate debt service in the amount of \$25.09 million.

On September 22, 2022, the City closed on the sale of \$99.18 million Special Revenue Bonds, Series 2022C. The 2022C bonds have a true interest cost of 3.64%, an average coupon rate of 5.21% with no mandatory sinking schedule and a maturity date of October 1, 2037. The proceeds of the 2022C bonds were used to finance and refinance the acquisition and construction of certain capital equipment and improvements for the City (\$105.30 million) and to fix out a portion of the City's outstanding commercial paper debt (\$6.8 million). The issuance provided net proceeds of \$112.83 million, which is inclusive of underwriter's discount and cost of issuance totaling \$730k.

On September 22, 2022, the City closed on the sale of Commercial Paper Notes in the amount of \$26.60 million for the purposes of funding short-term projects, and interim funding for long-term projects, with an initial interest rate of 2.05%.

During fiscal year 2022, the City issued \$537.59 million of bonds and notes and refunded or retired a combined \$436.99 million in principal amount of bonds and notes, resulting in a net increase of Debt Outstanding of \$100.6 million. Since the end of fiscal year 2015, the City has reduced outstanding bonds and notes by a total of \$477.24 million.

### **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 was 2.6% at the end of fiscal year 2022.
- The population of the City of Jacksonville at the end of fiscal year 2022 was 999.9 thousand.
- Jacksonville has the largest Empowerment Zone in the nation.
- Jacksonville has a major port, is home to the National Football League's (NFL) Jacksonville Jaguars, is the insurance and financial center of Florida and is the site of key U.S. Navy bases.

Budget Highlights for fiscal year 2023

- The FY 2023 budget is a continuation of prudent budgeting that addresses the needs of the community while also increasing reserves, which have grown to approximately \$316 million unassigned and roughly \$66 million in emergency reserves through FYE 9/30/2022.
- The City is benefitting from a growing economy, expanding population base, and strong economic activity.
- The \$1.69 billion dollar balanced general fund budget addresses the critical needs of the city such as police, fire prevention, roads and bridges, parks, libraries and more.
- The adopted FY 2022/2023 Capital Improvement Plan (CIP) totals approximately \$476 million authorizations for 153 projects. The CIP focuses efforts on repair and maintenance of City infrastructure needs, facilities and parks. In total, more than \$48 million will fund projects with current available cash/grants.
- Debt is down \$477 million since July 1, 2015, which allows for the continued investment in public infrastructure while maintaining reasonable debt levels over time.
- FY 2023 will have pre-programmed raises for employees as new collective bargaining agreements were negotiated.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Department of Finance, Accounting Division, 117 West Duval Street, Suite 375, Jacksonville, Florida 32202, or call (904) 255-5261.

**CITYWIDE FINANCIAL  
STATEMENTS**

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF NET POSITION -**  
**SEPTEMBER 30, 2022**  
**WITH COMPARATIVE TOTALS FOR 2021 (in thousands)**

	PRIMARY GOVERNMENT				COMPONENT UNITS
	GOVERNMENTAL	BUSINESS-TYPE	TOTALS		
	ACTIVITIES	ACTIVITIES	2022	2021	
<b>ASSETS:</b>					
Cash and investments	\$1,482,653	\$141,999	\$1,624,652	\$1,388,125	\$1,117,264
Cash in escrow and with fiscal agents	288,136	20,840	308,976	314,987	1,600
Securities lending	32,727	-	32,727	30,919	-
Receivables, net	133,305	118,677	251,982	269,089	349,751
Due from independent agencies and other governments	156,384	445	156,829	155,724	21,633
Inventories	6,929	8	6,937	5,624	124,931
Prepaid expenses and other assets	3,434	1,200	4,634	4,403	129,568
Hedging derivative instrument	-	-	-	-	267,807
Costs to be recovered from future revenues	-	-	-	-	814,161
<b>CAPITAL ASSETS:</b>					
Land, easements, art in public places, and construction in progress	977,066	174,364	1,151,430	886,017	1,624,502
Other capital assets, net of depreciation	1,908,734	418,307	2,327,041	2,412,919	5,200,152
<b>TOTAL ASSETS</b>	<b>4,989,368</b>	<b>875,840</b>	<b>5,865,208</b>	<b>5,467,807</b>	<b>9,651,369</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>					
Pension related	503,904	-	503,904	432,704	149,172
Unamortized deferred loss on refunding and defeasance	6,719	49	6,768	7,394	85,892
Accumulated decrease in fair value of hedging instrument	-	-	-	-	39,582
Unrealized asset retirement obligation	-	-	-	-	42,931
Other post employment benefit related	149,059	-	149,059	169,496	11,040
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>659,682</b>	<b>49</b>	<b>659,731</b>	<b>609,594</b>	<b>328,617</b>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities	144,735	57,849	202,584	125,794	177,593
Contracts payable	465	1	466	513	93,766
Due to independent agencies and other governments	38	44	82	67	-
Deposits	7,092	13,268	20,360	20,280	117,226
Accrued interest payable	30,871	4,476	35,347	42,371	52,066
Unearned revenue	256,859	732	257,591	187,394	700
Securities lending	32,727	-	32,727	30,919	-
Other current liabilities	-	-	-	243	10,126
<b>NONCURRENT LIABILITIES:</b>					
Fair value of debt management instrument	-	-	-	-	38,231
Due within one year	220,688	5,001	225,689	202,979	92,557
Due in more than one year:	-	-	-	-	-
Net pension liability	2,905,810	-	2,905,810	3,107,155	684,036
Other	2,522,031	337,662	2,859,693	2,999,300	3,494,684
<b>TOTAL LIABILITIES</b>	<b>6,121,316</b>	<b>419,033</b>	<b>6,540,349</b>	<b>6,717,015</b>	<b>4,760,985</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>					
Pension related	437,160	-	437,160	105,513	129,042
Other post employment benefit related	125,210	-	125,210	36,997	18,653
Revenue to be used for future costs	-	-	-	-	141,722
Unamortized deferred gain on refunding	32,765	13,385	46,150	9,423	-
Leases	14,640	43,901	58,541	63,559	2,400
Accumulated increase in fair value of hedging derivatives	-	-	-	-	269,680
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>609,775</b>	<b>57,286</b>	<b>667,061</b>	<b>215,492</b>	<b>561,497</b>
<b>NET POSITION:</b>					
Net investment in capital assets	1,341,375	275,926	1,617,301	1,510,052	3,763,731
Restricted for:					
Debt service	89,519	-	89,519	96,919	92,026
Housing and human services grants	27,506	-	27,506	19,336	-
Other state and federal grants	15,270	-	15,270	6,464	-
Capital projects	7,274	-	7,274	9,428	347,929
Other participant's equity	2,594	-	2,594	2,578	-
Permanent funds, non-expendable	1,418	-	1,418	1,566	-
Other purposes	85,598	-	85,598	69,732	37,835
Unrestricted (deficit)	(2,652,595)	123,644	(2,528,951)	(2,571,181)	415,983
<b>TOTAL NET POSITION</b>	<b>(\$ 1,082,041)</b>	<b>\$ 399,570</b>	<b>(\$ 682,471)</b>	<b>(\$ 855,106)</b>	<b>\$ 4,657,504</b>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF ACTIVITIES -**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**  
**WITH COMPARATIVE TOTALS FOR 2021 (in thousands)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT		TOTAL		COMPONENT UNITS
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2022	2021	
<b>PRIMARY GOVERNMENT:</b>									
Governmental activities:									
General government	\$ 273,019	\$ 80,108	\$ 52,496	\$ -	(\$ 140,415)		(\$ 140,415)	(\$ 134,377)	
Human services	168,868	52,877	18,406	-	(97,585)		(97,585)	(105,631)	
Public safety	903,833	79,703	39,651	159	(784,320)		(784,320)	(1,074,465)	
Culture and recreation	98,423	4,925	1,853	810	(90,835)		(90,835)	(67,106)	
Transportation	299,917	72	32,405	53,238	(214,202)		(214,202)	(159,242)	
Economic environment	162,671	11	62,304	-	(100,356)		(100,356)	(41,195)	
Physical environment	43,169	7,616	8,469	698	(26,386)		(26,386)	14,143	
Interest on long term debt	40,443	-	-	-	(40,443)		(40,443)	(47,092)	
<b>Total governmental activities</b>	<b>1,990,343</b>	<b>225,312</b>	<b>215,584</b>	<b>54,905</b>	<b>(\$ 1,494,542)</b>		<b>(1,494,542)</b>	<b>(1,614,965)</b>	
Business-type activities:									
Parking system	3,765	3,800	-	-	-	35	35	(932)	
Motor vehicle inspections	311	339	-	-	-	28	28	79	
Solid Waste	96,056	89,274	-	-	-	(6,782)	(6,782)	(2,105)	
Storm Water Services	24,136	34,803	-	-	-	10,667	10,667	10,301	
City Venues	82,215	24,398	-	-	-	(57,817)	(57,817)	(60,150)	
Equestrian Center	1,284	-	-	-	-	(1,284)	(1,284)	(1,234)	
Sports Complex Capital	24	-	-	-	-	(24)	(24)	(36)	
<b>Total business-type activities</b>	<b>207,791</b>	<b>152,614</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(55,177)</b>	<b>(55,177)</b>	<b>(54,077)</b>	
<b>Total primary government</b>	<b>\$ 2,198,134</b>	<b>\$ 377,926</b>	<b>\$ 215,584</b>	<b>\$ 54,905</b>	<b>(1,494,542)</b>	<b>(55,177)</b>	<b>(1,549,719)</b>	<b>(1,669,042)</b>	
<b>COMPONENT UNITS:</b>									
Governmental activities	\$ 33,505	\$ -	\$ -	\$ 18,592					(\$ 14,913)
Business-type activities	2,410,463	2,107,013	24,708	173,804					(104,938)
<b>Total component units</b>	<b>\$ 2,443,968</b>	<b>\$ 2,107,013</b>	<b>\$ 24,708</b>	<b>\$ 192,396</b>					<b>\$ (119,851)</b>
General revenues and transfers:									
Property taxes					842,218	-	842,218	784,248	-
Utility and Communications service taxes					129,727	-	129,727	123,699	-
Sales and tourist taxes					302,667	21,245	323,912	267,440	2,283
Local business taxes					6,975	-	6,975	6,993	-
Intergovernmental - unrestricted					241,027	-	241,027	207,049	134,681
JEA Contribution					121,212	-	121,212	120,012	-
Unrestricted earnings on investments					(68,595)	(4,342)	(72,937)	13,177	29,343
Franchise Fees					47,601	-	47,601	41,303	-
Miscellaneous					50,510	32,109	82,619	59,651	265,216
Transfers					(33,534)	33,534	-	-	-
<b>Total general revenues and transfers</b>					<b>1,639,808</b>	<b>82,546</b>	<b>1,722,354</b>	<b>1,623,572</b>	<b>431,523</b>
Change in net position					145,266	27,369	172,635	(45,470)	311,672
Net position, beginning of year, as restated					(1,227,307)	372,201	(855,106)	(809,636)	4,345,832
Net position, end of year					<b>(\$ 1,082,041)</b>	<b>\$ 399,570</b>	<b>(\$ 682,471)</b>	<b>(\$ 855,106)</b>	<b>\$ 4,657,504</b>

See accompanying notes.



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**FUND FINANCIAL  
STATEMENTS**



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## **MAJOR GOVERNMENTAL FUNDS:**

### **GENERAL FUND**

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

### **DEBT SERVICE FUNDS**

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

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

### **SPECIAL REVENUE FUNDS**

**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.

**CITY OF JACKSONVILLE, FLORIDA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**  
**WITH COMPARATIVE TOTALS FOR 2021 (in thousands)**

	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	SPECIAL BONDED DEBT - OBLIGATIONS
<b>ASSETS:</b>			
Equity in pooled cash and investments	\$ 383,941	\$ -	\$ 1,070
Cash in escrow and with fiscal agents	-	163,352	36,963
Securities lending collateral	32,727	-	-
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts	5,782	-	-
Loans	-	-	-
Other	1,634	-	-
Due from other funds	35,946	-	-
Due from independent agencies and other governments	65,853	195	-
Inventories	5,785	-	-
Prepaid items and other assets	18	-	-
<b>TOTAL ASSETS</b>	<b>531,686</b>	<b>163,547</b>	<b>38,033</b>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	\$ 28,539	\$ 1,031	\$ -
Contracts payable	-	-	-
Due to other funds	-	462	-
Due to independent agencies and other governments	38	-	-
Bonds Payable	-	63,120	27,944
Interest Payable	88	11,780	7,724
Deposits	2,730	-	-
Unearned revenue	6,972	-	-
Securities lending obligations	32,727	-	-
<b>TOTAL LIABILITIES</b>	<b>71,094</b>	<b>76,393</b>	<b>35,668</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Leases	1,803	-	-
Unavailable Revenue	180	-	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>1,983</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>			
<b>Non Spendable</b>			
Non Spendable	5,803	-	-
<b>Spendable:</b>			
Restricted	5,446	87,154	2,365
Committed	103,916	-	-
Assigned	26,696	-	-
Unassigned	316,748	-	-
<b>TOTAL FUND BALANCES (Deficit)</b>	<b>458,609</b>	<b>87,154</b>	<b>2,365</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 531,686</b>	<b>\$ 163,547</b>	<b>\$ 38,033</b>

See accompanying notes.

OTHER FEDERAL, STATE AND LOCAL GRANTS	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
		2022	2021
\$ 248,443	\$ 577,395	\$ 1,210,849	\$ 1,005,829
-	16,403	216,718	202,899
-	-	32,727	30,919
1,859	9,791	17,432	15,601
-	4,906	4,906	4,866
-	12,347	13,981	15,719
-	-	35,946	-
7,061	68,377	141,486	153,393
-	-	5,785	4,651
-	593	611	611
<b>257,363</b>	<b>689,812</b>	<b>1,680,441</b>	<b>1,434,488</b>
\$ 6,491	\$ 60,842	\$ 96,903	\$ 77,298
-	466	466	512
-	34,316	34,778	-
-	-	38	67
-	-	91,064	72,744
-	38	19,630	26,288
-	4,346	7,076	7,143
245,229	1,288	253,489	184,326
-	-	32,727	30,919
<b>251,720</b>	<b>101,296</b>	<b>536,171</b>	<b>399,297</b>
-	11,761	13,564	15,256
-	-	180	180
-	<b>11,761</b>	<b>13,744</b>	<b>15,436</b>
-	2,011	7,814	6,828
5,643	124,559	225,167	205,007
-	480,180	584,096	539,327
-	-	26,696	26,033
-	(29,995)	286,753	242,560
<b>5,643</b>	<b>576,755</b>	<b>1,130,526</b>	<b>1,019,755</b>
<b>\$ 257,363</b>	<b>\$ 689,812</b>	<b>\$ 1,680,441</b>	<b>\$ 1,434,488</b>



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**City of Jacksonville, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**September 30, 2022**  
**(in thousands)**

Total fund balances- governmental funds \$ 1,130,526

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

Capital assets used in governmental activities 2,885,800  
are not financial resources and therefore are not reported in the funds

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

Bonds and notes payable	(1,818,186)
Unamortized bond discounts	1,250
Unamortized bond premium	(190,038)
Unamortized loss on advance refunding of debt	6,719
Unamortized gain on advance refunding of debt	(32,764)

Total bonds and notes payable (2,033,020)

Net pension liability	(2,905,810)
Pension related deferred inflow of resources	(437,160)
Pension related deferred outflow of resources	503,904
Pension Receivable	4,109

(2,834,958)

\* Certain assets, liabilities, deferred inflow of resources, and deferred outflow of resources reported in governmental activities are not financial resources and therefore are not reported in the funds:

Matured notes and bonds payable accrual at the fund level	91,064
Compensated absences	(116,290)
Estimated liability for self insured losses	(167,951)
Other post employment benefits (OPEB) liability	(338,399)
OPEB related deferred inflow of resources	(125,210)
OPEB related deferred outflow of resources	149,059
Leases payable	(24,764)
Leased assets deferred inflow of resources	(1,077)
Accrued liability for pollution remediation	(88,343)
Amounts earned but not available	180

Total (621,732)

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

391,343

Net position of governmental activities \$ (1,082,041)

\* Exception - The City deposits amounts in debt service funds to pay unmatured payables early in the following year.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**  
**WITH COMPARATIVE TOTALS FOR 2021 (in thousands)**

	GENERAL FUND	SPECIAL BONDED DEBT BETTER JACKSONVILLE PLAN OBLIGATIONS	SPECIAL BONDED DEBT- OBLIGATIONS
<b>REVENUES:</b>			
Property taxes	\$807,606	\$ -	\$ -
Utility and Communications service taxes	129,727	-	-
Sales and tourist taxes	1,260	-	-
Local business taxes	6,975	-	-
Licenses, permits, and fees	47,514	-	-
Intergovernmental	241,028	36,229	-
Charges for services	82,550	-	-
Fines and forfeitures	2,426	-	-
JEA Contribution	121,212	-	-
Investment earnings	(44,315)	367	(171)
Other	13,162	-	-
<b>Total Revenues</b>	<b>1,409,145</b>	<b>36,596</b>	<b>(171)</b>
<b>EXPENDITURES:</b>			
Current:			
General government	169,631	1,027	794
Human services	80,342	-	-
Public safety	831,503	-	-
Culture and recreation	71,292	-	-
Transportation	33,940	-	-
Economic environment	26,439	-	-
Physical environment	23,868	-	-
Capital outlay	12,309	-	-
Debt Service:			
Principal	1,666	63,120	27,944
Interest	11,969	26,186	15,109
Other	5	369	(95)
<b>Total Expenditures</b>	<b>1,262,964</b>	<b>90,702</b>	<b>43,752</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<b>146,181</b>	<b>(54,106)</b>	<b>(43,923)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Long term debt issued	4,722	-	11,111
Lease proceeds	2,127	-	-
Refunding bond issued	-	149,871	68,060
Payment to escrow agent - refunded debt	-	(151,667)	(78,972)
Transfers In	16,460	57,341	41,436
Transfers Out	(118,674)	-	(7,471)
<b>Total Other Financing Sources (Uses)</b>	<b>(95,365)</b>	<b>55,545</b>	<b>34,164</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>50,816</b>	<b>1,439</b>	<b>(9,759)</b>
<b>FUND BALANCE, BEGINNING OF YEAR AS RESTATED</b>	<b>407,793</b>	<b>85,715</b>	<b>12,124</b>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<b>\$458,609</b>	<b>\$87,154</b>	<b>\$2,365</b>

See accompanying notes.

OTHER FEDERAL, STATE AND LOCAL GRANTS	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
		2022	2021
\$ -	\$34,612	\$842,218	\$784,248
-	-	129,727	123,699
-	301,407	302,667	251,007
-	-	6,975	6,993
-	88,236	135,750	73,928
119,042	115,217	511,516	362,161
-	48,753	131,303	131,898
-	3,436	5,862	5,288
-	-	121,212	120,012
(37)	2,239	(41,917)	9,788
311	27,623	41,096	38,602
<b>119,316</b>	<b>621,523</b>	<b>2,186,409</b>	<b>1,907,624</b>
39,930	31,980	243,362	212,956
18,899	87,204	186,445	128,725
25,828	41,511	898,842	880,226
295	9,473	81,060	81,667
-	181,057	214,997	171,607
5,693	81,350	113,482	93,828
6,389	7,676	37,933	36,792
26,802	235,910	275,021	179,907
51	2	92,783	105,836
2	38	53,304	60,819
-	-	279	1,128
<b>123,889</b>	<b>676,201</b>	<b>2,197,508</b>	<b>1,953,491</b>
(4,573)	(54,678)	(11,099)	(45,867)
-	144,604	160,437	82,684
-	3,535	5,662	1,300
-	-	217,931	171,570
-	-	(230,639)	(180,323)
4,901	46,180	166,318	187,058
-	(71,694)	(197,839)	(209,757)
<b>4,901.00</b>	<b>122,625</b>	<b>121,870</b>	<b>52,532</b>
328	67,947	110,771	6,665
5,315	508,808	1,019,755	1,013,090
<b>\$5,643</b>	<b>\$576,755</b>	<b>\$1,130,526</b>	<b>\$1,019,755</b>

**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, 2022**  
**(in thousands)**

Net change in fund balances- total governmental funds: \$ 110,771

Amounts reported for governmental activities in the statement of activities are different because:  
Certain assets and liabilities reported in governmental activities are not current financial resources  
or do not require the use of current financial resources.

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 capital contributions not reported in the funds.

Capital assets acquired by use of financial resources	263,034	
Current year depreciation	(107,898)	
Loss on disposition of assets		155,137

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

Amortization of bond discounts	11,358	
Amortization of bond premium	(161)	
Amortization -gain on refunding	(620)	
Amortization - loss on refunding	1,613	
		12,190

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

Long-term debt issued	(229,342)	
Long-term debt retired	320,427	
Lease principal retired	1,728	
		92,814

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

Decrease in compensated absences payable	14,444	
Decrease in other post employment benefits	78,022	
Change in deferred outflow and inflow of resources related to OPEB	(108,650)	
Increase in accrual for pollution remediation	(50)	
Net effect of internal loans	(120,146)	
Decrease in pension receivable	(412)	
Decrease in net pension liability	201,345	
Change in deferred outflow and inflow of resources related to pension	(260,447)	
		(90,890)

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

Operating gain (loss)	(8,075)	
Investment revenue (loss)	(26,680)	
Interest expense	670	
Other non-operating revenue	6,345	
Net transfers	(2,012)	
		(29,752)

Change in Net Position - Governmental Activities	\$ 145,266	
--	------------	--

See accompanying notes.

## **MAJOR ENTERPRISE FUNDS:**

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

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

**The City Venues Fund** accounts for events held at TIAA Bank Field, Veterans Memorial Arena, the Baseball Field, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and Ritz Theater.

**The Storm Water Services Fund** accounts for the storm water utility financed by service charges, to be used to pay the expenses of constructing and maintaining the storm water management system.

CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
SEPTEMBER 30, 2022  
WITH COMPARATIVE TOTALS FOR 2021 (in thousands)

	ENTERPRISE FUNDS						INTERNAL SERVICE FUNDS
	SOLID WASTE DISPOSAL	CITY VENUES	STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		
					2022	2021	
<b>ASSETS:</b>							
Equity in pooled cash and investment	\$44,500	\$29,672	\$57,368	\$10,459	\$141,999	\$122,927	\$271,804
Cash in escrow and with fiscal agents	-	12,057	-	170	12,227	11,833	71,419
Receivables (net, where applicable, of allowances for uncollectibles):							
Accounts	38,049	11,028	23,198	306	72,581	67,786	4,946
Loans	-	-	-	-	-	-	42,729
Other	2	45,728	-	366	46,096	48,996	1,918
Due from independent agencies and other governments	75	319	-	51	445	300	14,899
Inventories	-	-	-	8	8	8	1,144
Prepaid expenses and other assets	-	1,200	-	-	1,200	965	3,370
<b>Total Current Assets</b>	<b>82,626</b>	<b>100,004</b>	<b>80,566</b>	<b>11,360</b>	<b>274,556</b>	<b>252,815</b>	<b>412,229</b>
<b>NONCURRENT ASSETS:</b>							
Sinking fund cash and investments	8,613	-	-	-	8,613	9,886	-
Loans receivable	-	-	-	-	-	-	651,431
Other receivables	-	-	-	-	-	-	7,916
<b>CAPITAL ASSETS:</b>							
Land, easements and work in progress	61,800	51,082	53,201	8,281	174,364	140,114	45,873
Other capital assets, net of depreciation	2,323	356,238	50,888	8,858	418,307	444,771	116,749
<b>Total Noncurrent Assets</b>	<b>72,736</b>	<b>407,320</b>	<b>104,089</b>	<b>17,139</b>	<b>601,284</b>	<b>594,771</b>	<b>821,969</b>
<b>TOTAL ASSETS</b>	<b>155,362</b>	<b>507,324</b>	<b>184,655</b>	<b>28,499</b>	<b>875,840</b>	<b>847,586</b>	<b>1,234,198</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>							
Unamortized deferred loss on refunding	-	-	-	49	49	55	-

CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
SEPTEMBER 30, 2022  
WITH COMPARATIVE TOTALS FOR 2021 (in thousands)

	ENTERPRISE FUNDS						INTERNAL SERVICE FUNDS
	SOLID WASTE DISPOSAL	CITY VENUES	STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		
					2022	2021	
<b>LIABILITIES:</b>							
Accounts payable and accrued liabilities	\$22,119	\$33,442	\$5,030	\$286	\$60,877	\$37,949	47,830
Contracts payable	-	-	1	-	1	1	-
Deposits	239	12,844	84	101	13,268	13,131	14
Accrued interest payable	-	1,444	-	48	1,492	4,463	11,241
Estimated liability for self insured losses, current portion	-	-	-	-	-	-	33,781
Unearned revenues	-	732	-	-	732	241	3,370
Accrued compensated absences current portion	413	-	74	60	547	601	1,362
Current portion of loans payable	1,449	800	427	-	2,676	2,210	11,706
Current portion of bonds payable	-	1,655	-	123	1,778	7,346	34,358
<b>Total Current Liabilities</b>	<b>24,220</b>	<b>50,917</b>	<b>5,616</b>	<b>618</b>	<b>81,371</b>	<b>65,942</b>	<b>143,662</b>
<b>NONCURRENT LIABILITIES:</b>							
Estimated liability for self-insured losses	-	-	-	-	-	-	134,171
Liability for landfill closure and post-closure care	41,339	-	-	-	41,339	38,382	-
Accrued compensated absences	963	-	172	140	1,275	1,405	3,180
Leases payable	-	-	-	194	194	212	1,739
Notes payable	-	-	-	-	-	-	-
Loans Payable	35,351	42,011	4,804	-	82,166	80,328	46,991
Bond payable	-	210,719	-	1,969	212,688	241,224	688,499
<b>Total Noncurrent Liabilities</b>	<b>77,653</b>	<b>252,730</b>	<b>4,976</b>	<b>2,303</b>	<b>337,662</b>	<b>361,551</b>	<b>874,580</b>
<b>TOTAL LIABILITIES</b>	<b>101,873</b>	<b>303,647</b>	<b>10,592</b>	<b>2,921</b>	<b>419,033</b>	<b>427,493</b>	<b>1,018,242</b>
<b>DEFERRED INFLOW OF RESOURCES</b>							
Leases	-	43,541	-	360	43,901	47,947	1,077
Unamortized deferred gain on refunding	-	13,385	-	-	13,385	-	6,653
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>56,926</b>	<b>-</b>	<b>360</b>	<b>57,286</b>	<b>47,947</b>	<b>7,730</b>
<b>NET POSITION:</b>							
Net investment in capital assets	27,645	137,709	95,819	14,753	275,926	250,794	125,044
Restricted for:							
Restricted - other participants equity	-	-	-	-	-	-	2,594
Unrestricted (deficit)	25,844	9,042	78,244	10,514	123,644	121,407	80,588
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$53,489</b>	<b>\$146,751</b>	<b>\$174,063</b>	<b>\$25,267</b>	<b>\$399,570</b>	<b>\$372,201</b>	<b>\$208,226</b>

See accompanying notes.



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CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022  
WITH COMPARATIVE TOTALS FOR 2021 (in thousands)

	ENTERPRISE FUNDS						INTERNAL SERVICE FUNDS
	SOLID WASTE DISPOSAL	CITY VENUES	STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		
					2022	2021	
<b>OPERATING REVENUE:</b>							
Sales and tourist taxes	\$ -	\$ 12,091	\$ -	\$9,154	\$21,245	\$16,433	\$ -
Charges for services	89,274	24,398	34,803	4,139	152,614	130,752	339,113
Charges for services for independent authorities	-	-	-	-	-	-	8,899
Other	5	14,340	12,500	66	26,911	8,370	1,232
<b>Total Operating Revenue</b>	<b>89,279</b>	<b>50,829</b>	<b>47,303</b>	<b>13,359</b>	<b>200,770</b>	<b>155,555</b>	<b>349,244</b>
<b>OPERATING EXPENSES:</b>							
Personal services	9,436	8,449	6,860	2,002	26,747	24,240	36,528
Supplies and materials	246	442	465	28	1,181	924	25,484
Central service	4,846	338	3,530	599	9,313	9,254	26,520
Interdepartmental charges	185	3,133	93	193	3,604	3,028	-
Other services and charges	75,775	42,591	7,936	1,406	127,708	107,106	81,659
Depreciation and amortization	2,690	18,435	5,252	1,061	27,438	27,839	29,394
Court reporter services	-	-	-	-	-	-	29
Claims and losses	-	-	-	-	-	-	33,690
Insurance premiums and participant dividends	-	-	-	-	-	-	124,015
<b>Total Operating Expenses</b>	<b>93,178</b>	<b>73,388</b>	<b>24,136</b>	<b>5,289</b>	<b>195,991</b>	<b>172,391</b>	<b>357,319</b>
<b>OPERATING (LOSS)INCOME</b>	<b>(3,899)</b>	<b>(22,559)</b>	<b>23,167</b>	<b>8,070</b>	<b>4,779</b>	<b>(16,836)</b>	<b>(8,075)</b>
<b>NON-OPERATING REVENUE (EXPENSES):</b>							
Investment earnings (loss)	(3,543)	3,506	(4,166)	(139)	(4,342)	1,437	(26,680)
Interest expense	(1,636)	(8,827)	-	(95)	(10,558)	(12,438)	670
Other	1,467	2,406	71	12	3,956	5,604	6,345
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(3,712)</b>	<b>(2,915)</b>	<b>(4,095)</b>	<b>(222)</b>	<b>(10,944)</b>	<b>(5,397)</b>	<b>(19,665)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(7,611)</b>	<b>(25,474)</b>	<b>19,072</b>	<b>7,848</b>	<b>(6,165)</b>	<b>(22,233)</b>	<b>(27,740)</b>
<b>TRANSFERS:</b>							
Transfers In	18,056	34,692	61	1,107	53,916	40,138	1,936
Transfers Out	(15,172)	(57)	-	(5,153)	(20,382)	(13,283)	(3,948)
<b>Net Transfers</b>	<b>2,884</b>	<b>34,635</b>	<b>61</b>	<b>(4,046)</b>	<b>33,534</b>	<b>26,855</b>	<b>(2,012)</b>
<b>CHANGES IN NET POSITION</b>	<b>(4,727)</b>	<b>9,161</b>	<b>19,133</b>	<b>3,802</b>	<b>27,369</b>	<b>4,622</b>	<b>(29,752)</b>
<b>NET POSITION (DEFICIT), BEGINNING OF THE YEAR, AS RESTATED</b>	<b>58,216</b>	<b>137,590</b>	<b>154,930</b>	<b>21,465</b>	<b>372,201</b>	<b>367,579</b>	<b>237,978</b>
<b>NET POSITION (DEFICIT), END OF YEAR</b>	<b>\$53,489</b>	<b>\$146,751</b>	<b>\$174,063</b>	<b>\$25,267</b>	<b>\$399,570</b>	<b>\$372,201</b>	<b>\$208,226</b>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**  
**WITH COMPARATIVE TOTALS FOR 2021 (in thousands)**

	<b>SOLID WASTE DISPOSAL</b>	<b>CITY VENUES</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$110,367	\$49,393
Receipts from interfund services provided	-	-
Payments to suppliers	(83,761)	(98,440)
Payments to employees	(9,658)	(8,449)
Internal activity-receipts from other funds	-	-
Internal activity-payments to other funds	(16)	(153)
Other cash receipts	27	62,352
Other operating cash payments	(2,681)	(4,961)
	<b>14,278</b>	<b>(258)</b>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES::</b>		
Transfers from other funds	18,056	34,692
Transfers to other funds	(15,172)	(57)
Cash received from other funds	-	-
Cash paid to other funds	-	-
	<b>2,884</b>	<b>34,635</b>
<b>NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES</b>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(17,806)	(22,527)
Proceeds from sale of capital assets	4,187	18,492
Cash with fiscal agent	1,272	(396)
Decrease on other financing costs and charges	-	13,385
Proceeds from bonds payable	-	172,496
Payments on bonds payable	(3,764)	(204,699)
Proceeds from loans payable	7,195	800
Payments on loans payable	-	(1,500)
Payments on notes payable	-	-
Interest paid on debts	(1,636)	(11,789)
	<b>(10,552)</b>	<b>(35,738)</b>
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest and dividends on investments	(3,543)	3,506
	<b>(3,543)</b>	<b>3,506</b>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
<b>NET INCREASE(DECREASE) IN CASH AND INVESTMENTS</b>	<b>3,067</b>	<b>2,145</b>
Equity in pooled cash and investments at October 1, 2021, as restated	41,433	27,527
	<b>\$44,500</b>	<b>\$29,672</b>
Equity in pooled cash and investments at September 30, 2022		

See accompanying notes.

STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
		2022	2021	
\$36,073	\$13,555	\$209,388	\$199,901	\$26,484
-	(42)	(42)	-	404,415
(11,673)	(2,449)	(196,323)	(157,242)	(321,756)
(7,027)	(2,179)	(27,313)	(24,199)	(37,928)
-	22	22	-	623
-	-	(169)	(71)	(2,469)
12,500	647	75,526	15,746	29,907
(751)	(680)	(9,073)	(4,803)	(106,359)
<b>29,122</b>	<b>8,874</b>	<b>52,016</b>	<b>29,332</b>	<b>(7,083)</b>
61	1,107	53,916	40,138	1,936
-	(5,153)	(20,382)	(13,283)	(3,948)
-	-	-	-	11,023
-	-	-	-	(10,204)
<b>61</b>	<b>(4,046)</b>	<b>33,534</b>	<b>26,855</b>	<b>(1,193)</b>
(19,836)	(2,822)	(62,991)	(50,241)	(64,628)
5,259	1,090	29,028	31,372	30,374
-	2	878	774	18,952
-	-	13,385	0	(353)
-	13	172,509	35,373	116,157
-	(128)	(208,591)	(41,818)	(175,260)
71	-	8,066	7,254	168,141
(427)	-	(1,927)	(4,244)	(15,059)
-	-	-	(14,400)	(5,700)
-	(105)	(13,530)	(1,027)	(21,974)
<b>(14,933)</b>	<b>(1,950)</b>	<b>(63,173)</b>	<b>(36,957)</b>	<b>50,650</b>
(4,166)	(139)	(4,342)	550	(26,683)
(4,166)	(139)	(4,342)	550	(26,683)
10,084	2,739	18,035	19,780	15,691
47,284	7,720	123,964	103,147	256,113
<b>\$57,368</b>	<b>\$10,459</b>	<b>\$141,999</b>	<b>\$122,927</b>	<b>\$271,804</b>

**COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022  
 WITH COMPARATIVE TOTALS FOR 2021 (in thousands; continued)**

	<b>SOLID WASTE DISPOSAL</b>	<b>CITY VENUES</b>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
OPERATING INCOME(LOSS)	\$ ( 3,899)	\$ ( 22,559)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,690	18,435
Other non-operating revenue/(expenses)	-	643
(Increase) decrease in assets:		
Receivables and other current assets net	(4,333)	(45,825)
Due from independent agencies and other governments	(16)	(153)
Interest and dividend receivables	-	(47)
Inventories	-	-
Other receivables	-	-
Loan receivables	-	-
Prepaid expenses and other assets	-	(235)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	17,080	5,341
Contracts payable	-	-
Deposits	21	1,214
Accrued interest payable	-	-
Unearned revenue	-	42,928
Liability for landfill closure and postclosure care	2,957	-
Liability for self-insured losses	-	-
Accrued compensated absences	(222)	-
<b>TOTAL ADJUSTMENTS</b>	<b>18,177</b>	<b>22,301</b>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>14,278</b>	<b>(258)</b>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Change in the fair value of investments.	2,524	(2,592)
Capital assets transferred from governmental activities to proprietary funds of the city	-	18

See accompanying notes.

STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
		2022	2021	
\$ 23,167	\$ 8,070	\$ 4,779	\$ (16,986)	\$ (8,075)
5,252	1,061	27,438	27,821	29,394
-	-	643	599	23,592
(156)	(523)	(50,837)	(7,906)	(5,997)
-	22	(147)	(71)	(1,846)
-	-	(47)	-	(1)
-	-	-	1	(179)
-	-	-	-	530
-	-	-	-	(91,548)
-	-	(235)	2,337	(542)
1,026	56	23,503	19,404	27,946
-	-	-	(256)	-
-	5	1,240	5,519	8
-	-	-	(373)	-
-	360	43,288	(2,466)	1,619
-	-	2,957	1,766	-
-	-	-	-	19,419
(167)	(177)	(566)	(57)	(1,403)
5,955	804	47,237	46,318	992
29,122	8,874	52,016	29,332	(7,083)
4,392	(181)	4,143	(517)	(24,139)
-	-	3	(81)	432



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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, defined contribution and disability programs. The participant's retirement annuity is based on a statutory formula using such factors as age, average salary, length of service and others.

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

**CUSTODIAL FUNDS** account for fiduciary activities that are not required to be presented as pension trust funds or private purpose trust funds.

**CITY OF JACKSONVILLE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2022**  
**WITH COMPARATIVE TOTALS FOR 2021 (in thousands)**

	<b>PENSION TRUST FUNDS</b>		<b>PRIVATE PURPOSE TRUST FUNDS</b>		<b>CUSTODIAL FUNDS</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b><u>ASSETS</u></b>						
Equity in pooled cash and investments	\$31,731	\$46,961	\$12	\$18	\$2,011	\$322
Cash in escrow and with fiscal agents	-	-	281	277	70,505	82,069
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends	3,789	3,440	-	-	-	-
Accounts	82	81	-	-	3,010	2,863
Other	581	726	-	-	4	-
Due from independent agencies and other governments	3,675	3,803	-	-	-	-
Prepaid assets	82	82	-	-	-	-
Investments, at fair value:						
Bonds	609,771	783,533	-	-	-	-
Short-term investments	28,447	24,398	-	-	-	-
Domestic stocks	1,865,533	2,326,592	-	-	-	-
International stocks	524,455	1,160,649	-	-	-	-
Real estate	810,770	688,395	-	-	-	-
Alternative investments	205,289	59,814	-	-	-	-
Equity in pooled investments	168,562	174,153	-	-	-	-
Total investments	<u>4,212,827</u>	<u>5,217,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:						
Other capital assets, net of depreciation	1	-	-	-	-	-
Total capital assets, net	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Securities lending collateral	94,319	115,960	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>4,347,087</u></b>	<b><u>5,388,587</u></b>	<b><u>293</u></b>	<b><u>295</u></b>	<b><u>75,530</u></b>	<b><u>85,254</u></b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>						
Net differences between expected and actual investments earnings	70	70	-	-	-	-
<b><u>LIABILITIES</u></b>						
Obligations under securities lending agreement	94,319	115,960	-	3	-	-
Accounts payable and accrued liabilities	2,726	18,662	-	-	362	-
Due to other funds	322	-	28	-	-	-
Due to independent agencies and other governments	-	-	-	-	7,965	28,250
Due to individuals	-	-	-	-	3,902	6,041
Deposits held in escrow	-	-	-	-	19,592	10,230
Accrued compensated absences	141	207	-	-	-	-
Terminal leave - group care	7	7	-	-	-	-
Net pension liability - SSVRP	142	142	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>97,657</u></b>	<b><u>134,978</u></b>	<b><u>28</u></b>	<b><u>3</u></b>	<b><u>31,821</u></b>	<b><u>44,521</u></b>
<b>DEFERRED INFLOW OF RESOURCES:</b>						
Leases	522	712	-	-	-	-
Net differences between expected and actual investments earnings	545	545	-	-	-	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b><u>1,067</u></b>	<b><u>1,257</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>NET POSITION</b>						
Restricted for Pensions and other purposes	<u>\$4,248,433</u>	<u>\$5,252,422</u>	<u>\$265</u>	<u>\$292</u>	<u>\$43,709</u>	<u>\$40,733</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022  
WITH COMPARATIVE TOTALS FOR 2021 (in thousands)

	<u>PENSION TRUST FUNDS</u>		<u>PRIVATE PURPOSE TRUST FUNDS</u>		<u>CUSTODIAL FUNDS</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>ADDITIONS</u></b>						
Contributions:						
Employer	\$295,043	\$253,910	\$ -	\$ -	\$ -	\$ -
Plan member	67,345	66,399	-	-	-	-
Total Contributions	<u>362,388</u>	<u>320,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other additions:						
State insurance contributions	15,798	14,307	-	-	-	-
Court fines & penalties	667	724	-	-	-	-
Miscellaneous	(1,298)	189	-	-	-	-
Collections due to individuals					76,817	120,519
Collections deposits held in escrow					44,686	34,987
Collections due to other governments					2,984,650	2,745,360
Plan transfers in/(out)	13,415	11,524	-	-	-	-
Total other additions	<u>28,582</u>	<u>26,744</u>	<u>-</u>	<u>-</u>	<u>3,106,153</u>	<u>2,900,866</u>
Investment income:						
Net change in fair value of investments	(926,393)	960,546	(30)	(6)	-	-
Interest and other miscellaneous	17,632	11,779	4	5	-	-
Dividends	70,116	36,030	-	-	-	-
Rebate of commissions	48	37	-	-	-	-
Rental Income	645	706	-	-	-	-
Total investment income (loss)	<u>(837,952)</u>	<u>1,009,098</u>	<u>(26)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Less investment expense	(29,594)	(19,730)	-	-	-	-
Less rental expense	(258)	(258)	-	-	-	-
Net investment income (loss)	<u>(867,804)</u>	<u>989,110</u>	<u>(26)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
From Securities Lending Activities:						
Securities lending	325	142	-	-	-	-
Securities lending expenses						
Agent Fees	(8)	(30)	-	-	-	-
Total securities lending activities	<u>317</u>	<u>112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ADDITIONS</b>	<u>(476,517)</u>	<u>1,336,275</u>	<u>(26)</u>	<u>(1)</u>	<u>3,106,153</u>	<u>2,900,866</u>
<b><u>DEDUCTIONS</u></b>						
Benefit payments	409,674	390,508	-	-	-	-
DROP benefits	38,879	37,765	-	-	-	-
Refund of contributions	51,045	46,588	-	-	-	-
Administrative expenses	3,692	3,908	-	-	-	-
Miscellaneous Expenses	24,182	12,109	1	11	-	-
Payments due to individuals					76,335	118,977
Payments deposits held in escrow					41,545	24,689
Payments due to other governments					2,985,297	2,744,792
Payments miscellaneous					-	428
<b>TOTAL DEDUCTIONS</b>	<u>527,472</u>	<u>490,878</u>	<u>1</u>	<u>11</u>	<u>3,103,177</u>	<u>2,888,886</u>
<b>CHANGES IN NET POSITION</b>	<u>(1,003,989)</u>	<u>845,397</u>	<u>(27)</u>	<u>(12)</u>	<u>2,976</u>	<u>11,980</u>
<b>NET POSITION, BEGINNING OF THE YEAR, AS RESTATED</b>	<u>5,252,422</u>	<u>4,407,025</u>	<u>292</u>	<u>304</u>	<u>40,733</u>	<u>28,753</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 4,248,433</u>	<u>\$ 5,252,422</u>	<u>\$ 265</u>	<u>\$ 292</u>	<u>\$ 43,709</u>	<u>\$ 40,733</u>

See accompanying notes.



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## COMPONENT UNITS

**Component Units** are legally separate organizations for which the primary government is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's governing body with certain exceptions, and either (a) the ability to impose will by the primary government; or (b) the potential for the organization to provide financial benefits to, or impose financial burdens on the primary government. Financial accountability may also be determined if the component unit is fiscally dependent on the City and a potential financial benefit / burden relationship exists.

### MAJOR COMPONENT UNITS:

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

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

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

### NON MAJOR COMPONENT UNIT:

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

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION -**  
**COMPONENT UNITS (in thousands)**  
**SEPTEMBER 30, 2022**

	<b>MAJOR COMPONENT UNITS</b>		
	<b>JEA</b>	<b>JACKSONVILLE TRANSPORTATION AUTHORITY</b>	<b>JACKSONVILLE PORT AUTHORITY</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 520,690	\$ 124,984	\$ 69,752
Cash in escrow with fiscal agent	-	-	-
Investments	306,928	79,262	-
Accounts and interest receivable	314,577	3,151	7,251
Loans receivable	-	-	-
Other receivables	-	2,461	14,085
Due from other governmental agencies	-	21,633	-
Inventories	119,547	3,307	2,077
Other assets	114,898	14,670	-
Hedging derivative instruments	267,807	-	-
Costs to be recovered from future revenues	814,161	-	-
Capital assets:			
Land, easements, and construction in progress	789,626	367,338	467,538
Buildings and improvements	-	180,735	747,659
Vehicles	-	159,095	-
Equipment	-	108,575	140,600
Utility plant in service	12,670,691	-	-
Less: accumulated depreciation	(7,995,820)	(311,915)	(499,468)
Total capital assets, net of depreciation	5,464,497	503,828	856,329
<b>TOTAL ASSETS</b>	<b>7,923,105</b>	<b>753,296</b>	<b>949,494</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Pension related	131,651	12,964	4,557
Unamortized deferred loss on refunding and defeasance	80,372	-	5,520
Accumulated decrease in fair value of hedging instrument	39,582	-	-
Unrealized asset retirement obligation	42,931	-	-
Other post employment benefit related	11,029	11	-
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>305,565</b>	<b>12,975</b>	<b>10,077</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	148,005	26,634	2,940
Contracts payable	90,627	-	3,139
Deposits	117,105	-	-
Interest payable	48,950	936	2,180
Unearned revenue	-	-	700
Other current liabilities	6,506	-	3,620
Noncurrent liabilities:			
Fair market value of debt management instrument	38,231	-	-
Due within one year:			
Estimated liability for injury and damage claims	-	2,457	-
Bonds, notes payable, capital leases	74,070	7,220	8,036
Other liabilities	-	774	-
Due in more than one year:			
Net pension liability	646,112	21,379	16,545
Estimated liability for injury and damage claims	-	3,765	-
Bonds, notes payable, capital leases and commercial paper	2,831,638	131,741	206,067
Compensated absences	34,726	1,620	1,603
Custodial projects - due to other governments	-	187,820	-
Other post employment benefit	1,642	119	-
Unearned revenue noncurrent	-	-	14,592
Asset retirement obligation	40,677	-	-
Other noncurrent liabilities	18,701	-	19,973
<b>TOTAL LIABILITIES</b>	<b>4,096,990</b>	<b>384,465</b>	<b>279,395</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Pension related	118,660	9,025	1,357
Other post employment benefit related	18,599	54	-
Revenue to be used for future costs	141,722	-	-
Accumulated increase in fair value of hedging derivatives	267,807	1,873	-
Leases	-	2,400	-
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>546,788</b>	<b>13,352</b>	<b>1,357</b>
<b>NET POSITION</b>			
Net investment in capital assets	2,830,411	311,376	621,944
Restricted for:			
Debt service	73,635	-	18,391
Capital projects	347,929	-	-
Other purposes	2,473	22,556	3,071
Unrestricted	330,444	34,522	35,413
<b>TOTAL NET POSITION</b>	<b>\$ 3,584,892</b>	<b>\$ 368,454</b>	<b>\$ 678,819</b>

See accompanying notes.

NON MAJOR COMPONENT UNIT	
JACKSONVILLE HOUSING FINANCE AUTHORITY	
AUTHORITY	TOTAL
\$ 15,648	\$ 731,074
1,600	1,600
-	386,190
91	325,070
8,135	8,135
-	16,546
-	21,633
-	124,931
-	129,568
-	267,807
-	814,161
-	1,624,502
-	928,394
-	159,095
-	249,175
-	12,670,691
-	(8,807,203)
-	6,824,654
<b>25,474</b>	<b>9,651,369</b>
-	149,172
-	85,892
-	39,582
-	42,931
-	11,040
-	<b>328,617</b>
14	177,593
-	93,766
121	117,226
-	52,066
-	700
-	10,126
-	38,231
-	2,457
-	89,326
-	774
-	684,036
-	3,765
-	3,169,446
-	37,949
-	187,820
-	1,761
-	14,592
-	40,677
-	38,674
<b>135</b>	<b>4,760,985</b>
-	129,042
-	18,653
-	141,722
-	269,680
-	2,400
-	<b>561,497</b>
-	3,763,731
-	92,026
-	347,929
9,735	37,835
15,604	415,983
<b>\$ 25,339</b>	<b>\$ 4,657,504</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**COMBINING STATEMENT OF ACTIVITIES -**  
**COMPONENT UNITS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
Jacksonville Transportation Authority	\$ 32,759	\$ -	\$ -	\$ 18,592
Jacksonville Housing Finance Authority	746	-	-	-
Total governmental activities	33,505	-	-	18,592
Business-type activities:				
JEA	2,184,101	2,029,862	-	121,227
Jacksonville Transportation Authority	150,132	15,918	24,708	26,581
Jacksonville Port Authority	76,230	61,233	-	25,996
Total business-type activities	2,410,463	2,107,013	24,708	173,804
Total component units	\$ 2,443,968	\$ 2,107,013	\$ 24,708	\$ 192,396

General Revenues:  
Sales and tourist taxes  
Intergovernmental - unrestricted  
Unrestricted earnings on investments  
Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes.

GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES			TOTAL
MAJOR COMPONENT UNIT	NON MAJOR COMPONENT UNIT	MAJOR COMPONENT UNITS			GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE HOUSING FINANCE AUTHORITY	JEA	JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE PORT AUTHORITY	
\$ (14,167)	\$ -	\$ -	\$ -	\$ -	\$ (14,167)
-	(746)	-	-	-	(746)
(14,167)	(746)			-	(14,913)
-	-	(33,012)	-	-	(33,012)
-	-	-	(82,925)	-	(82,925)
-	-	-	-	10,999	10,999
-	-	(33,012)	(82,925)	10,999	(104,938)
(14,167)	(746)	(33,012)	(82,925)	10,999	(119,851)
2,283	-	-	-	-	2,283
-	-	-	106,154	28,527	134,681
(1,157)	466	29,731	119	184	29,343
10,786	2,476	120,719	28	131,207	265,216
(8,728)	-	-	8,728	-	-
3,184	2,942	150,450	115,029	159,918	431,523
(10,983)	2,196	117,438	32,104	170,917	311,672
44,460	23,143	3,467,454	302,873	507,902	4,345,832
\$ 33,477	\$ 25,339	\$ 3,584,892	\$ 334,977	\$ 678,819	\$ 4,657,504



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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Jacksonville, Florida (the City) conform to accounting principles generally accepted in the United States (GAAP) as applicable to governments. The following is a summary of the more significant policies. Notes 1C through 19 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 16.

**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). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for units of local government.

**B. Financial Reporting Entity:**

The City is a consolidated city/county political entity created by Chapter 67-1320 of the Laws of Florida. When consolidation occurred on October 1, 1968, all existing municipalities, authorities and public agencies within Duval County, except for the Duval County School Board, were merged into a single new corporate and political entity also known as the City of Jacksonville. At the same time, however, the cities of Jacksonville Beach, Atlantic Beach, Neptune Beach and the Town of Baldwin elected to retain local autonomy for certain municipal purposes and were reconstituted as separate and distinct urban service districts. The consolidated city government, which is comprised of an elected City Council (19 members) and mayor, provides, under the administration of the appointed chief administrative officer, services to 1,033,533 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, and therefore are considered as part of the primary government. The three beach cities and the Town of Baldwin continue to function as separate municipal governments.

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the mayor and/or controlled by or dependent upon the City Council as set forth in the City Charter. The City, a primary government, has also considered for inclusion all potential component units for which it may be financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. In GASB codification section 2100 Defining the Financial Reporting Entity, the GASB has set forth criteria to be considered in determining financial accountability.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

---

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

These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization; or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, an entity may also meet the criteria for inclusion if the organization is fiscally dependent on the City and the potential financial benefit/burden relationship mentioned above exists.

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 statements to be misleading or incomplete.

The Jacksonville Public Library Board and the Downtown Investment Authority (DIA) are classified as dependent special districts. Per GASB codification section 2100, the Library Board and DIA are not considered component units as they are not legally separate organizations. Therefore, these activities are included as part of the primary government.

**Blended Component Unit.** Blended 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. The Community Redevelopment Agencies (CRAs) are reported as part of the City and blended into the governmental funds.

**Community Redevelopment Agencies (CRAs) JIA, KingSoutel Crossing, Renew Arlington, Southside and Northbank Downtown** are blended component units that are reported within the Tax Increment Districts special revenue fund. The City serves as the Board for JIA, KingSoutel Crossing, and Renew Arlington CRAs. The Downtown Investment Authority serves as the Board for Southside and Northbank Downtown. The CRAs are blended because City Council has an operational responsibility and because of the existence of a financial benefit/burden relationship. The CRAs issue a separate report that may be obtained from the City. Requests for information may be addressed to the City Comptroller, City of Jacksonville, 117 West Duval Street, Suite 375, Jacksonville, Florida 32202.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

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

**Component Unit Reported as a Fiduciary Fund.**

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

**Discrete Component Units.** These component units are entities that are legally separate from the City, but are financially accountable to the City, or whose relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The component units are reported separately to emphasize that they are legally separate from the primary government and are governed by separate boards. The footnotes include financial data for 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 Jacksonville 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 JEA, manifested principally through formal budgetary approval. The JEA engages only in business-type activities and issues separate financial statements, which may be obtained from its administrative office located at 325 West Adams Street, Jacksonville, Florida 32202.

The **Jacksonville Port Authority (JPA)** was created by Chapter 2001-319 of the Laws of Florida to operate, manage, and control the publicly owned seaport and ancillary facilities located within Duval County and outside such boundary lines. The governing body of the JPA consists of seven members, four of whom are appointed by the mayor and confirmed by the City Council, and three of whom are appointed by the governor. The City can impose its will on the JPA through modification and approval of its budgets, which ensures strong accountability to the local constituent citizenry. The JPA engages only in business-type activities and issues separate financial statements. Requests for information may be addressed to the chief financial officer, Jacksonville Port Authority, P.O. Box 3005, Jacksonville, FL 32206-0005.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

The **Jacksonville Transportation Authority (JTA)** is a public body politic and corporate agency of the State of Florida under Chapter 349 of the Florida Statutes. The governing body of the JTA consists of seven members, three of whom are appointed by the governor of Florida, three of whom are appointed by the mayor and confirmed by the City Council, and the seventh member is the district two secretary 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. Additionally, a financial burden relationship exists through the provisions of an interlocal agreement.

The JTA engages in both governmental and business-type activities and issues separate financial statements, which may be obtained from its administrative office at 121 West Forsyth Street, Suite 200, Jacksonville, Florida 32202.

**Non-major Component Units**

The **Jacksonville Housing Finance Authority (JHFA)** was established pursuant to Chapter 52, Jacksonville Municipal Code, to alleviate a shortage of housing and capital investment for the people of Duval County, pursuant to Florida Statutes, Section 159.604. The City appoints all seven of the board members. The City has the ability to impose its will on the JHFA. The JHFA operates in conjunction with the Jacksonville Housing Commission, also created by Ordinance 2003-1058, and has the rights and duties necessary under Florida Statutes, Chapter 159, Part IV, to preserve outstanding debt, issue new debt and to shield the City from financial liability. The bonds issued and outstanding are included in Note 8J Conduit Debt. The JHFA engages only in governmental activities. There are no separately issued financial statements for the JHFA, whose financial activity is accounted for by the City. The JHFA financial statements are presented in the financial section of the City report.

The **Jacksonville Health Facilities Authority**, 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 Health Facilities Authority provides a method for the financing and refinancing, on a tax-exempt basis, 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 has the ability to impose its will on the Health Facilities Authority.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

The bonds issued by the Health Facilities Authority are special limited obligations of the Health Facilities Authority 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 8J Conduit Debt. During the fiscal year presented, the Health Facilities Authority had no financial transactions or assets and liabilities to report. Therefore, there are no separately issued financial statements.

**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 from the JHA Board at will. JHA managers are appointed by the JHA Board of Directors. The Board approves the operating budget and amendments to the budget. The City does not exercise influence in JHA management or operations. It does not approve JHA budgets and does not provide or collect major revenues of the JHA. Accordingly, the financial activities of the JHA are not included in the City's financial statements.

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

**Jointly Governed Organization**

The **North Florida Transportation Planning Organization (TPO)** is an independent regional transportation planning agency for Duval, Clay, Nassau, and St. Johns counties. The mayor, three Jacksonville City council members, and various other leaders of the other affiliated communities and transportation agencies make up the board. There are currently 15 voting board members and five non-voting members.

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**C. Basic Financial Statements:**

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

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

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

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

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

As a general rule, the interfund activity has been eliminated from the citywide financial statements to avoid the doubling effect of internal service activity. However, functional expenses remain for services provided, and any remaining net resource is reported as program revenue.

**D. Fund Structure:**

The City's accounts are maintained in accordance with the principles of fund accounting to ensure compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions, or limitations. Each individual fund is a self-balancing set of accounts recording assets, liabilities and residual equities or balances and revenues, expenditures / expenses, and changes therein.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

For financial statement presentation, funds with similar characteristics, including those component units referenced above, are grouped into generic classifications as required by GAAP. A brief description of these classifications follows:

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

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

Debt Service Funds:

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

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

Special Revenue Fund:

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

Other Non-major Governmental Funds:

This is the aggregate of all of the non-major governmental funds.

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

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

The City Venues Fund accounts for events held at TIAA Bank Field, Daily’s Place, Veterans Memorial Arena, the Baseball Stadium, Times Union Center for the Performing Arts, Prime Osborn Convention Center, and Ritz Theater.

The Storm Water Services Fund accounts for the storm water utility financed by service charges, to be used for paying for costs of constructing and maintaining the storm water management system.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

Other Non-major Enterprise - This is the aggregate of all of the non-major enterprise funds.

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 proprietary funds are charges to customers for sales and services. Operating expenses include direct expenses of providing the goods or services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In addition, the City reports the following fund types:

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

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

**Pension Trust Funds** - These funds account for the activities of the Jacksonville Retirement System, the Defined Contribution Plans, and the Police and Fire Pension funds, which accumulate resources for pension benefit payments for qualified employees.

**Custodial Funds** - These funds account for fiduciary activities that are not required to be presented as pension trust funds or private purpose trust funds. The Tax Collector Fund accounts for the collection of all taxes, revenues and other cash, the Clerk of the Circuit Court Fund accounts for revenues collected by the court system, and the Sheriffs Fund accounts for deposits held in accordance with statutes for civil action, safeguarding of monetary evidence, and inmate funds.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**E. Basis of Accounting:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The citywide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary pension trust fund financial statements. Custodial funds are accounted for using the full accrual basis of accounting. 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 for. 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, current liabilities, deferred outflow of resources, and deferred inflow of resources 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. Generally, the City considers a 60-day availability period for revenue recognition. Federal and state grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made, and the City considers amounts received within one year as available. Ambulance billings also have a one-year availability period.

Expenditures are recorded when the related fund liability is incurred, except for items that are not planned to be liquidated with expendable available resources. The City records an accrual for debt service liabilities and expenditures by providing financial resources to a debt service fund for payment of liabilities that will mature early in the following year. Exceptions to the general modified accrual expenditure recognition criteria include capital lease obligations that are recognized when paid, and payments for compensated absences, pension, OPEB (other post-employment benefits), pollution remediation obligations, and claims and judgments that are recognized when due.

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**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. Cash in escrow with fiscal agents is not included in the Statement of Cash Flows ending balances as the funds have been sent to trustee entities to be held for payment of bond principal and interest. 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 investment 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 cash equivalents for purposes of the Statement of Cash Flows. Operating and Pension Trust investments are stated at fair value, generally based on quoted market prices except as disclosed herein. Securities, traded on national or international exchanges are valued at the last reported sales price at current exchange rates. The fair value of real estate investments are based on independent appraisals or estimates of fair value as provided by third party fund managers. Investments that do not have an established market are reported at estimated fair value as provided by third party fund managers. Increases and decreases in the fair value of investments are reported as investment income. The City of Jacksonville’s swap policy allows for the use of interest rate swaps and other financial instruments to manage the City’s financial exposure. This policy went into effect on October 1, 2003 and was revised on August 9, 2011. While the City is authorized to utilize interest rate swaps to manage the interest rate risk associated with various assets, no investment interest rate swaps were used during the reporting period.

**G. Receivables:**

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based on past collection experience and current economic conditions, to the net realizable values. Types of receivables include amounts that are principally due from the State of Florida for state-shared revenues, mortgage, loan, and other receivables that have arisen in the ordinary course of business.

Certain receivables and some mortgage receivables are related to loans made for economic development purposes. Repayment of these loans is contingent upon several economic factors that are outside of the control of the City. Due to the uncertainty over the ultimate collectability of these amounts, an allowance has been recorded in the amount equal to the balance of the receivable.

**H. Inventories:**

Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems stated at cost, which approximates market, using the average weighted costing method. Reported inventories in governmental funds are included within nonspendable fund balance because it is not in spendable form. In proprietary fund types, inventories are expended when consumed.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**I. Capital Assets:**

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

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

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

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

**J. Contributions:**

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

**K. Interfund Activity:**

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

Reciprocal interfund resources flow between funds with an expectation of repayment and are reported as interfund receivable and payables.

Nonreciprocal interfund activities are flows of assets between funds without an equivalent flow of assets in return or without a requirement for repayment and are reported as transfers in governmental funds in the other financing sources section as well as after the non-operating revenues and expenses section in proprietary funds.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**L. Restricted Assets:**

Assets are reported as restricted in the Citywide Statement of Net Position and the enterprise fund level statements when constraints are placed on net position 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. This liability reflects amounts attributable to employee services already rendered, cumulative, probable for payment, and reasonably estimated in conformity with GASB Statement No. 16, Accounting for Compensated Absences.

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

**N. Risk Financing:**

Pursuant to Florida Statute 768.28 “Sovereign Immunity” the City is self-insured for general and automobile liability for state tort claims in excess of \$200,000 per person, and \$300,000 per occurrence. The City has a package excess liability policy, which provides coverage for general liability at limits of \$5 million per occurrence with a policy aggregate limit of \$5 million and \$1 million per occurrence for Automobile Liability. These limits are subject to a \$1.5 million self-insured retention for the City and all other participating entities. The City continues to purchase a miscellaneous policy for Out-of State Automobile Liability for JSO, JFRD, JAA and the Department of Neighborhood’s Animal Care and Protective Services Division with \$1 million in coverage, without a self-insured retention, for those instances where vehicles from these insureds must cross state lines.

The City has an excess worker’s compensation policy with a self-insured retention of \$1.5 million per occurrence and includes unlimited statutory coverage for worker’s compensation benefits, with exception of a \$50 million aggregate limit for communicable disease and a \$1 million limit for employer’s liability. The liability for self-insured losses is based on individual case estimates for reported claims, historical loss data and valuations performed by independent actuaries as of September 30, 2022, for incurred but not yet reported claims, claims development, and unallocated loss adjustment expenses. The liability for self-insured losses is accounted for in the Self-Insurance Fund (internal service fund) that pays for claims made against the City.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**N. Risk Financing: (continued)**

Effective January 1, 2015 the City elected to move from a fully insured plan to a self-funded arrangement for its group health coverage. The City obtained stop-loss insurance with a \$550,000 specific deductible. The deductible was increased to \$600,000 in 2017, \$650,000 in 2018, \$700,000 in 2019 and 2020, and \$800,000 in 2021 and 2022. In 2018 the City introduced a new health plan option with a separate administrator and stop loss coverage. The stop loss deductible under that option was \$250,000 in 2018 and \$325,000 in 2019, 2020, 2021, and 2022. Once a claim exceeds this threshold, the City is reimbursed for any excess expenses. The plan is funded by contributions from the City and employees. These funds reside in an internal service fund which is used exclusively for Employee Benefits. Florida statutes require a safe harbor threshold be maintained in plan reserves. See Note 12 for additional risk financing disclosure.

**O. Pension Costs:**

Substantially all permanent, full-time employees of the City are covered under two city sponsored defined benefit pension plans and a city sponsored defined contribution plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense and fiduciary net position; the City and the Pension plans use the same basis for reporting as outlined in the notes to the Financial Statements. Employer contributions made subsequent to the measurement date and before the fiscal year end are recorded as a deferred outflow of resources. Investments are reported at fair value.

**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, regulations of the Federal Environmental Protection Agency (EPA), and GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements. For those landfills that stopped accepting solid waste prior to final implementation of the 1988 Act and EPA regulations, the total cost of municipal solid waste landfill (MSWLF) closure is recognized as a prepaid expense in the Solid Waste Disposal Enterprise Fund. The City issued bonds to pay for closure costs on closed landfills. Post-closure care costs on closed landfills are recorded as a liability based on engineer's estimates. The City Council establishes rates that are designed to recover costs and believes it is reasonable to assume that such rates, which will recover the costs, can be charged to and collected from customers. 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 expenses 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 13C.)

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**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 position.

Special obligation bonds, which are supported by certain pledged revenues (other than ad valorem taxes), do not constitute a debt of the City and the City is not obligated to pay the bonds except from revenues pledged for such debt payments.

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

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

**R. Categories and Classification of Fund Balance:**

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balance categories include Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of constraint placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note 19.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**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 issuance is 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 discounts and/or premiums 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 expensed in the period in which they are incurred.

**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, using a straight-line method, which approximates the effective interest method, 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 Deferred Outflows in the accompanying financial statements and is expensed and reported as a component of interest expense.

**U. Use of Estimates:**

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

**V. Reclassifications:**

Certain 2021 amounts have been reclassified to conform to the 2022 presentation. Additionally, amounts in the separately issued financial statements of component units have been reclassified to conform to the presentation of the primary government.

**W. Summarized Comparative Information:**

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended September 30, 2021, from which the summarized information was derived. Limited 2021 comparative information was adjusted for comparability on some of the financial statements.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**X. Prepaids:**

Prepaid items consist of certain costs that have been paid prior to the end of the fiscal year but represent items that are applicable to future accounting periods. These amounts do not constitute available spendable resources even though they are a component of current assets. Prepaids are processed using the consumption method.

**Y. Leases**

Leases are defined as a contract that conveys control of the right to use another entity's non-financial asset (the underlying asset).

The City of Jacksonville is a lessee for noncancelable leases of Building, Equipment, Infrastructure, Land, and Land Improvement.

The City recognizes a lease liability and a right-to-use lease asset in the government-wide and proprietary fund financial statements.

Leased assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

At the commencement of the lease term, the City recognizes a lease liability and a lease asset "intangible right-to-use lease asset", unless the lease is a short-term lease or transfers ownership of the underlying asset. The City initially measures the lease liability at the present value of lease payments expected to be made during the lease term. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs. Subsequently, the lease liability is reduced by the principal portion of lease payments made and the lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

The City of Jacksonville is a lessor for noncancelable leases of Building, Land, and Infrastructure. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund and governmental fund financial statements.

At the commencement of the lease, the City recognizes a lease receivable and a deferred inflow of resources, which does not apply to leases of assets held as investments, certain regulated leases, short term leases, and leases that transfer ownership of the underlying asset. The City initially measures the lease receivable at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is initially measured at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the lease receivable is reduced by the principal portion of lease payments received and the deferred inflow of resources is recognized as revenue over the life of the lease term.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**Z. Accounting Pronouncements:**

In fiscal year 2022, the City adopted new statement of financial accounting standards issued by the GASB:

- GASB Statement No. 87, *Leases*
- GASB Statement No. 92, *Omnibus 2020*
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*
- GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

GASB Statement No. 87, *Leases*. This statement establishes a single model for lease accounting standards to accurately portray lease obligations and increase the usefulness of government financial statements. The new rules require recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Additionally, implementing this standard resulted in the restatement of beginning net position statements (see Note 18B).

GASB Statement 92, *Omnibus 2020*. This statement was issued January 2020 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* addresses accounting and financial reporting issues resulting from the replacement of the interbank offer rate (IBOR). This statement was issued March 2020 to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) in agreements in which variable payments made or received depend on an IBOR.

GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement was issued June 2020 to provide for more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**Z. Accounting Pronouncements: (continued)**

The Governmental Accounting Standards Board has issued the following statements that will become effective in the future.

- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements
- GASB Statement No. 99, *Omnibus 2022*
- GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62
- GASB Statement No. 101, *Compensated Absences*

The City is currently evaluating the effects that these statements will have on its future financial statements.

**2. BUDGETARY DATA**

The City presents a Budgetary Comparison Schedule for the General Fund as Required Supplementary Information. For this reporting period, the Other Federal, State and Local Grants Fund special revenue fund met the criteria of a major fund but is not annually budgeted. No other special revenue funds met the major fund criteria. The City's budgetary comparison reporting and Notes to Required Supplementary Information containing descriptions of the City's budgetary policies and processes are included in the Required Supplementary Information section of this report.

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**A. Cash on Deposit**

The City maintains a cash and investment pool that is available for use by all funds except for monies legally restricted to separate administration (i.e., pension plan custodians and deferred compensation plan administrators). The “Equity in Cash and Investments” on the City-Wide Financial Statements, consists of cash and investments owned by each fund and defined as resources that can be liquidated without delay or penalty. Cash and investments held separately where contractual arrangements and bond covenants require such arrangements, are classified as “restricted assets.” Investment earnings are allocated to the individual funds monthly based on the funds’ weighted average daily cash and investment balance.

At September 30, 2022, primary government deposits in financial institutions totaled \$619.3 million. Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the City’s public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, “Florida Security for Public Deposits Act”, and covered by federal depository insurance. For amounts in excess of such federal depository insurance the Act provides that all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository’s collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository’s financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor is liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sales of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

**B. Investments and Investment Practices**

**1. a. General Operating Investments**

The City’s operating fund investment guidelines are defined by City Ordinance Code Section 110, Part 2 and a written Investment Policy (the “Policy”) as approved by City Council. The Policy establishes a diversified investment strategy, both by type of investment and by manager, a minimum credit quality, and duration limitations. An internal Investment Committee has oversight, within Policy limits, of the implementation and direction of investment strategies. The Policy is reviewed annually for any adjustments due to changes or developments within the investment markets that may provide enhanced investment and/or risk management opportunities. The City’s Pension Funds and Component units maintain their own investment policies.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**1. a. General Operating Investments (continued)**

Other than operating cash invested overnight through the City’s zero balance sweep accounts, all invested cash is managed by third-party money managers. Performance benchmarks for the Portfolio are established in the Investment Policy and performance benchmarks for each of the specific third-party managers are established by the Investment Committee. The Policy defines the Average Duration and Compliance Categories for investments. Compliance Category limits are stated as a percentage of the Fiscal Year 2021 Normal Portfolio Balance of \$1.55 billion, which is defined by Ordinance as the average total portfolio balance for the proceeding twelve months.

Performance and compliance reports are prepared for the Investment Committee monthly. The City employs an independent investment custodian who takes direction from the money managers and independently settles all trades. The custodian provides performance and compliance reporting at both the portfolio level and by individual manager.

The following schedule reports portfolio compliance at year end, as well as the maximum exposure for each compliance category during the year. Certain compliance categories include assets also measured in another compliance category, i.e. “US Government” issued treasury bonds are also appropriately included in the “US Government plus agencies” category. As a result, the amounts reported as year-end compliance exposures exceed the portfolio balance at year end in aggregate.

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**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**1. a. General Operating Investments (continued)**

**Operating Fund**  
**Compliance Guideline Characteristics**  
**as of September 30, 2022**

Compliance Guideline	Sector Guideline Exposures			
	Exposure to Specific Guideline	Year end Exposure %	% of Normal Portfolio Balance	
			During Year	Maximum By Policy
<b>Duration<sup>1</sup></b>	2.72	NA	3.31	5.00
<b>Liquidity</b>	\$ 424,400,853	27.4%	54.1%	100.0%
<b>Requirements</b>				
USG + Agencies	\$ 545,698,986	35.2%	52.1%	100.0%
US Govt (USG)	367,244,896	23.7%	35.9%	100.0%
<b>Constraints</b>				
Agencies	\$ 178,454,090	11.5%	16.2%	45.0%
MBS	134,580,779	8.7%	12.5%	35.0%
Agency MBS	99,013,184	6.4%	9.2%	35.0%
Non-Agency MBS	35,567,596	2.3%	3.3%	15.0%
Asset Backed Securities	29,016,003	1.9%	2.6%	7.5%
Corporates	262,307,473	16.9%	25.4%	60.0%
Corporates > 1 Year	199,193,940	12.9%	20.3%	40.0%
Municipal Bonds	6,551,418	0.4%	0.8%	10.0%
Bond Funds	474,242,633	30.6%	41.8%	85.0%
Money Market Funds	459,255,229	29.6%	38.7%	40.0%
Certificates of Deposit	-	0.0%	0.0%	20.0%
Repurchase agreements	-	0.0%	0.0%	20.0%
Rule 144a Securities	42,164,517	2.7%	4.3%	10.0%
<b>Specialty Risk</b>				
High Yield	\$ 28,795,290	1.9%	3.8%	9.0%
International	34,243,208	2.2%	3.7%	7.5%
International (non-hedged)	-	0.0%	0.0%	5.0%
Emerging Market	1,873,561	0.1%	0.4%	5.0%
Duration > 8.5	25,871,988	1.7%	2.7%	7.5%
Normal Portfolio Balance	\$ 1,550,000,000			

<sup>1</sup>Commingled Funds and Cash are excluded

**b. General Operating Investments - Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and valued with the market approach valuation technique; Level 3 inputs are significant unobservable inputs.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**1. b. General Operating Investments - Fair Value Measurements (continued)**

**Operating Fund  
Fair Value of Assets by Measurement Type  
as of September 30, 2022**

<b>Investment Type</b>	<b>Total Fair Value</b>	<b>Quoted Prices in Active Markets For Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2) *</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Corporate Stock - Common	-	-	-	-
Corporate Stock - Preferred	721,845	-	721,845	-
Registered Investment Companies	901,449,679	901,449,679	-	-
U. S. Government Securities	414,270,448	310,082,945	104,187,503	-
Corporate Debt Instruments	279,583,243	-	279,583,243	-
Common/Collective Trust	119,957,368	-	-	119,957,368
**Other Investments	14,504,218	6,932,349	7,571,869	-
<b>Total Investments</b>	<b>\$ 1,730,486,801</b>	<b>\$ 1,218,464,973</b>	<b>\$ 392,064,460</b>	<b>\$ 119,957,368</b>

\* Market approach valuation technique used

\*\*Composed of Taxable Municipals, Non-US Bonds, Other Short Term Bonds, and Cash/Interest/Pending trades as of 9/30/22.

The City has the following recurring fair value measurements as of September 30, 2022:

- Corporate Stock (Common) – Valued using the primary exchange closing price.
- Corporate Stock (Preferred) – Valued using prevailing market bids and based upon calculations that reflect the expected price to an investor in an orderly transaction.
- Registered Investment Co. – Valued at the daily closing net asset value (NAV) as reported by the fund. Short term fixed income investment funds (security maturities that do not exceed one year) may be valued using book value.
- U.S. Government Securities – Short term US government fixed income securities (with maturities that do not exceed one year) are valued using book value. Securities with maturities greater than one year are valued using prevailing market bids and based upon calculations that reflect the expected price to an investor in an orderly transaction.
- Corporate Debt Instruments – Short term corporate debt securities (with maturities that do not exceed one year) are valued using book value. Securities with maturities greater than one year are valued using prevailing market bids or a measurable market close and are based upon calculations that reflect the expected price to an investor in an orderly transaction.
- Common/Collective Trusts – Valued based on an appraisal or calculated and assigned by a general or managing partner of the vehicle in which the investment is held.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**2. a. Pension Plan Investments**

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

**Jacksonville Retirement System**  
**Distribution by Asset Type**  
**as of September 30, 2022**

	Equities	Bonds	Other	Cash	Total	Percentage
Equity (Domestic)	\$ 670,550,570	\$ -	\$ -	\$ 8,793,897	\$ 679,344,467	34%
Large Cap Value	\$ 163,410,485	\$ -	\$ -	\$ 2,489,148	\$ 165,899,633	9%
Large Cap Growth	\$ 140,442,080	\$ -	\$ -	\$ 419	\$ 140,442,499	7%
Large Cap Core	\$ 192,702,399	\$ -	\$ -	\$ 0	\$ 192,702,399	9%
Small- Mid Cap Value	\$ 116,313,579	\$ -	\$ -	\$ 4,285,338	\$ 120,598,917	6%
Small- Mid Cap Growth	\$ 57,682,027	\$ -	\$ -	\$ 2,018,992	\$ 59,701,019	3%
Transition Account	\$ -	\$ -	\$ -	\$ 0	\$ 0	0%
Equity (International)	\$ 436,131,732	\$ -	\$ -	\$ 8	\$ 436,131,740	21%
Value	\$ 209,401,768	\$ -	\$ -	\$ 8	\$ 209,401,776	10%
Growth	\$ 125,152,279	\$ -	\$ -	\$ -	\$ 125,152,279	6%
Emerging	\$ 101,577,685	\$ -	\$ -	\$ -	\$ 101,577,685	5%
Bonds	\$ -	\$ 398,817,307	\$ -	\$ 2,532,012	\$ 401,349,319	19%
Intermediate	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Aggregate	\$ -	\$ 295,817,307	\$ -	\$ 2,524,287	\$ 298,341,594	14%
Securitized Fixed Income	\$ -	\$ 103,000,000	\$ -	\$ 7,725	\$ 103,007,725	5%
Cash Account	\$ -	\$ -	\$ -	\$ 1,429,506	\$ 1,429,506	0%
Other Real & Diversifying Assets	\$ 12,559,036	\$ -	\$ 545,797,635	\$ (2,851,188)	\$ 555,505,483	23%
Real Estate Assets	\$ -	\$ -	\$ 476,160,088	\$ (2,898,538)	\$ 473,261,550	23%
Diversifying Assets	\$ 12,559,036	\$ -	\$ 67,617,108	\$ -	\$ 80,176,144	4%
Other Assets	\$ -	\$ -	\$ 2,020,439	\$ 47,350	\$ 2,067,789	0%
<b>Total investments</b>	<b>\$ 1,119,241,338</b>	<b>\$ 398,817,307</b>	<b>\$ 545,797,635</b>	<b>\$ 9,904,235</b>	<b>\$ 2,073,760,515</b>	<b>100%</b>

Less: Amount reported as receivables (1,802,184)

Total Investments less receivables \$ 2,071,958,331

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**2. a. Pension Plan Investments (continued)**

**Police and Fire Pension Fund**  
**Distribution by Asset Type**  
**as of September 30, 2022**

	Equities	Bonds	Other	Cash	Total	Percentage
Equity (Domestic)	\$ 706,639,971	\$ -	\$ -	\$ 26,656,446	\$ 733,296,417	37%
Large Cap Value	\$ 197,354,650			\$ 3,009,495	\$ 200,364,144	10%
Large Cap Growth	\$ 197,255,250			\$ 17,942,671	\$ 215,197,921	11%
Large Cap Core	\$ 193,187,966			\$ 14,966	\$ 193,202,931	10%
Small Cap Value	\$ 52,138,531			\$ 1,689,314	\$ 53,827,845	3%
SMID Cap Growth	\$ 66,703,574			\$ 4,000,001	\$ 70,703,575	5%
Equity (International)	\$ 389,845,589	\$ -	\$ -	\$ 10,596	\$ 389,856,185	20%
Value	\$ 178,613,393			\$ 8,825	\$ 178,622,218	9%
Growth	\$ 88,864,013			\$ 1,648	\$ 88,865,661	5%
Emerging Markets	\$ 122,368,183			\$ 123	\$ 122,368,306	6%
Bonds	\$ -	\$ 401,580,442	\$ -	\$ 2,132,984	\$ 403,713,426	20%
Intermediate		\$ 64,278,678		\$ 1,289,561	\$ 65,568,239	3%
Aggregate		\$ 337,301,764		\$ 843,423	\$ 338,145,187	17%
Cash Account				\$ (10,278,006)	\$ (10,278,006)	0%
Other	\$ -	\$ -	\$ 457,702,417	\$ -	\$ 457,702,417	23%
Core Real Estate			\$ 327,234,919		\$ 327,234,919	17%
Non-Core Real Estate			\$ 12,769,850		\$ 12,769,850	1%
Private Credit			\$ 117,697,648		\$ 117,697,648	6%
Total investments	\$ 1,096,485,560	\$ 401,580,442	\$ 457,702,417	\$ 18,522,020	\$ 1,974,290,438	100%

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**2. b. Pension Plan Investments – Fair Value Measurements**

The Pension Plans categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 input are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and valued with the market approach valuation technique; Level 3 inputs are significant unobservable inputs.

**Jacksonville Retirement System**  
**Fair Value of Assets by Measurement Type**  
**as of September 30, 2022**

<b>Investment Type</b>	<b>Total Fair Value</b>	<b>Quoted Prices in Active Markets For Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)*</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Corporate Stock - Common	337,406,090	337,406,090	-	-
Corporate Stock - Preferred	-	-	-	-
Registered Investment Companies	17,763,945	17,763,945	-	-
U. S. Government Securities	91,958,092	45,349,578	46,608,514	-
Corporate Debt Instruments	103,025,233	-	103,025,233	-
Common/Collective Trust	776,558,347	-	-	776,558,347
Partnership/Joint Venture Interest	459,344,160	-	-	459,344,160
Pooled Separate Accounts	84,555,164	-	-	84,555,164
**Other Investments	203,149,484	(6,772,042)	519,759	209,401,768
<b>Total Investments</b>	<b>\$ 2,073,760,515</b>	<b>\$ 393,747,571</b>	<b>\$ 150,153,506</b>	<b>\$ 1,529,859,439</b>

\* Market approach valuation technique used

\*\*Composed of 103-12 Investments, Other Short Term Bonds, Derivatives, and Cash/Dividends/Interest/Misc. Payables/Pending Trades as of 9/30/22.

The City has the following recurring fair value measurements as of September 30, 2022:

- Corporate Stock (Common) – Valued using the primary exchange close price.
- Corporate Stock (Preferred) – Valued using prevailing market bids and based upon calculations that reflect the expected price to an investor in an orderly transaction.
- Registered Investment Co. – Valued at the daily closing net asset value (NAV) as reported by the fund and as supplied by third party vendors to the city’s custodian. Short term fixed income investment funds (security maturities that do not exceed one year) may be valued using book value.
- U.S. Government Securities – Short term US government fixed income securities (with maturities that do not exceed one year) are valued using book value. Securities with maturities greater than one year are valued using prevailing market bids and based upon calculations that reflect the expected price to an investor in an orderly transaction.
- Corporate Debt Instruments – Short term corporate debt securities (with maturities that do not exceed one year) are valued using book value. Securities with maturities greater than one year are valued using prevailing market bids or a measurable market close and are based upon calculations that reflect the expected price to an investor in an orderly transaction.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**2. b. Pension Plan Investments – Fair Value Measurements (continued)**

- Common/Collective Trusts – Valued based on an appraisal or calculated and assigned by a general or managing partner of the vehicle in which the security is held.
- Partnership/Joint Venture Interests – Underlying equity investments valued using the primary exchange close price. Underlying non-equity investments valued based on an appraisal or calculated and assigned by a general or managing partner of the vehicle in which the investment is held.
- Pooled Separate Accounts - Valued based on an appraisal or calculated and assigned by a general or managing partner of the vehicle in which the investment is held.

**Police and Fire Pension Fund  
Fair Value of Assets by Measurement Type  
as of September 30, 2022**

<b>Investment Type</b>	<b>Total Fair Value</b>	<b>Quoted Prices in Active Markets For Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)*</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Cash and Short Term Investments	18,522,019	18,522,019	-	-
Commercial Mortgage Backed Securities	1,830,004	-	1,830,004	-
Asset Backed Securities	18,773,868	-	18,773,868	-
Corporate Bonds	121,183,055	-	121,183,055	-
Funds - Other Fixed Income	24,513,849	-	24,513,849	-
Government Bonds	40,352,017	-	40,352,017	-
Government Mortgage Backed Securities	6,646,787	-	6,646,787	-
Common Stock	1,194,759,870	1,194,759,870	-	-
Preferred Equities	1,142,539	1,142,539	-	-
International Equities	88,864,013	88,864,013	-	-
Private Venture Capital	117,697,648	117,697,648	-	-
Real Estate	340,004,769	-	333,004,769	7,000,000
<b>Total Investments</b>	<b>1,974,290,438</b>	<b>1,420,986,089</b>	<b>546,304,349</b>	<b>7,000,000</b>

\* Market approach valuation technique used

Separately issued financial statements for the Police and Fire Pension Plan are available from:  
Police and Fire Pension Fund  
One West Adams Street, Suite 100  
Jacksonville, FL 32202

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**3. Interest Rate Risk**

Interest rate risk is controlled primarily through duration, which is a measure that approximates the change in value of a bond, or bond portfolio, for a given change in interest rates. In general, shorter duration measures are less sensitive to interest rate shifts, while longer durations are more sensitive. To limit the portfolio volatility associated with changes in interest rates, the City’s Investment Policy Statement restricts the average duration of the overall portfolio to a range of 0.75 – 5.00 years, of which, no more than 7.5% of the individual securities in the portfolio can have a duration greater than 8.5 years. This guideline applies to all investment types underlying the portfolio including, but not limited to, government, agency, corporate, international, and mortgage backed securities, as referenced in Section 3. B. 1.

**4. Credit Quality**

The Operating and Pension portfolios measure credit quality of the fixed income holdings contained therein using Moody’s rating schedule. Within the Operating Portfolio, the City’s Investment Policy Statement is designed to control credit risk by requiring both, minimum amounts that must be invested in the highest quality U.S. Government securities, as well as a maximum limit of 9.0% of the normal portfolio balance in non-investment grade securities. This is reported and monitored monthly by the Investment Committee and staff. Credit Quality for the Pension Plan is reported on a quarterly basis and is monitored by the Pension Board of Trustees, staff to the board, and by the plan’s consultant. Credit Quality reports are provided on the overall portfolios to illustrate the credit risk at fiscal-year end.

		Credit Quality September 30, 2022		
Operating Portfolio		General Employee Pension Plan	Police and Fire Pension Fund	
Quality Breakdown	Portfolio (%)	Portfolio (%)	Portfolio (%)	
Aaa	50.2%	36.5%	19.3%	
Aa1-Aa3	6.3%	0.3%	1.1%	
A1-A3	9.2%	6.6%	10.2%	
Baa1-Baa3	10.9%	19.9%	30.1%	
Ba1-Ba3	1.6%	0.3%	8.0%	
Other	9.8%	3.6%	31.3%	
Commingled	12.0%	32.8%	0.0%	
	100%	100%	100%	

Ratings definitions:

Treasury – United States Treasury Securities (Included in Aaa)

Agency – Government Agency Securities (Included in Aaa)

Aaa (AAA) – Highest Investment Grade Quality Rating

Aa1–Aa3 (AA+ to AA-) – Medium Investment Grade Quality Rating

A1-A3 (A+ to A-) – Medium Low Investment Grade Quality Rating

Baa1-Baa3 (BBB+ to BBB-) – Lowest Investment Grade Quality Rating

Ba1-Ba3 (BB+ to BB-) – Highest Non-investment Grade Quality Rating

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

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Investments and Investment Practices (continued)**

**5. Custodial Credit Risk**

The custodial relationship for General Investments and Pension plans are governed by written agreements that are executed by all parties and specifies that, all securities owned and cash held by the City or its Pension plans shall be held in the City's, or its nominee's, name in an account separate from all other accounts maintained by the custodian and shall at all times, while in the custody of the Custodian, be designated as an asset of the City or its Pension Trust.

**6. Foreign Currency**

The City has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through our money managers' portfolios. Foreign currencies will fluctuate relative to the U.S. dollar, but it is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor.

	Foreign Currency Exposure September 30, 2022					
	Operating Portfolio		Jacksonville Retirement System		Police and Fire Pension Fund	
	Exposure	Percentage	Exposure	Percentage	Exposure	Percentage
U.S. DOLLAR	\$ 1,730,732,781	100.01%	1,666,409,096	80.36%	\$1,974,090,539	99.99%
ARGENTINE PESO					\$165,306	0.01%
CHINESE YUAN RENMINBI			6,339,589	0.31%		
CZECH KORUNA			53,387	0.00%		
MEXICAN NEW PESO			536,610	0.03%		
SINGAPORE DOLLAR						
BRAZIL REAL			7,553,334	0.36%		
CANADIAN DOLLAR	93,976	0.01%	2,281,864	0.11%	\$32,852	0.00%
INDIAN RUPEE			11,691,533	0.56%		
SWISS FRANC			22,560,516	1.09%		
AUSTRIALIAN DOLLAR	19,091	0.00%	3,106,865	0.15%		
JAPANESE YEN			88,756,995	4.28%		
EURO CURRENCY UNIT	(194,924)	-0.01%	81,161,715	3.91%		
SWEDISH KRONA			4,494,940	0.22%		
NORWEGIAN KRONE			773,793	0.04%		
POLISH ZLOTY	783	0.00%	1,172,337	0.06%	\$1,740	0.00%
PHILIPPINES PESO			28,697	0.00%		
BRITISH POUND	(164,941)	-0.01%	34,099,739	1.64%		
KUWAITI DINAR			201,373	0.01%		
NEW TAIWAN DOLLAR			25,095,513	1.21%		
MALAYSIAN RINGGIT			76,331	0.00%		
INDONESIA RUPIAH			2,566,676	0.12%		
ISRAEL SHEKEL			20,138,256	0.97%		
SINGAPORE DOLLAR			3,076,292	0.15%		
HONG KONG DOLLAR			61,222,533	2.95%		
HUNGARIAN FORINT			744,409	0.04%		
SOUTH AFRICAN RAND			5,603,524	0.27%		
SOUTH KOREAN WON						
EGYPTIAN POUND	34	0.00%	8,800	0.00%		
SAUDI RIYAL			7,495,716	0.36%		
BERMUDA DOLLAR						
COLUMBIAN PESO	0	0.00%				
THAI BAHT			4,165,022	0.20%		
TURKISH LIRA			1,766,734	0.09%		
QATARI RIYAL			554,724	0.03%		
UNITED ARAB EMIRATES DIRHAM			231,711	0.01%		
DANISH KRONE			9,787,355	0.47%		
CHILEAN PESO			4,534	0.00%		
Total	\$ 1,730,486,800	100.00%	\$ 2,073,760,513	100.00%	\$1,974,290,437	100.00%

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**C. Securities Lending**

The City participates in securities lending with both its Operating and Pension portfolios. The City has a contract with its custodian, The Bank of New York Mellon (the City's Operating Portfolio and the Jacksonville Retirement System) that allows the custodian, acting as agent, to lend securities held in the portfolios with the intent of generating additional interest income. Securities are loaned against collateral valued at a minimum of 102% of the fair value of the securities plus any accrued interest. If the broker/dealer fails to return the security upon request, the custodian, acting as agent, will utilize the collateral to replace the security borrowed.

The securities loaned are on a rolling daily basis and the cash collateral can be deposited and/or withdrawn from the investment on a daily basis. The weighted average duration of the collateralized loans at September 30, 2022 was 43 days for the City's Operating Portfolio and 110 days for the Jacksonville Retirement System.

The net asset value of the collateral may fluctuate and potentially subject the City to credit risk if the above-mentioned 102% daily adjusted collateral were to fall below 100%. As of September 30, 2022, the City of Jacksonville maintained a sufficient 102% collateral on loaned securities. During the fiscal year ended September 30, 2022; Securities Lending net income was \$111.5 thousand (\$90.3 thousand Operating, \$21.2 thousand Jacksonville Retirement System).

The City reviews the custodian's securities lending operations on a monthly basis to ensure the appropriate risk/return trade-off. For accounting purposes, the Statements of Net Position and Changes in Net Position reflect the increase in assets, liabilities, interest income and expense associated with securities lending activity.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**4. ACCOUNTS, OTHER RECEIVABLES AND LOANS**

The accounts, mortgages, and other 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, 2022.

<b>Funds</b>	<b>Accounts and Other Receivables</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Amount Shown on Balance Sheet</b>
Major Governmental Funds			
General Fund	34,070	(26,654)	7,416
Other Federal, State & Local Grants	1,907	(48)	1,859
Non-Major Governmental Funds	22,220	(82)	22,138
Major Enterprise Funds			
Solid Waste	42,775	(4,724)	38,051
City Venues	56,783	(27)	56,756
Stormwater	28,261	(5,063)	23,198
Non-Major Enterprise Funds	685	(13)	672
Internal Service Funds	14,797	(17)	14,780
Fiduciary Funds			
Pension Trust Funds	685	(22)	663
Custodial Funds	3,014	-	3,014
<b>Funds</b>	<b>Loans Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net Amount Shown on Balance Sheet</b>
Non-Major Governmental Funds	8,393	(3,488)	4,906
Internal Service Funds	694,160	-	694,160

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**5. PROPERTY TAXES**

**A. Ad Valorem Property Taxes:**

Property tax collections are governed by Chapter 197, Florida Statutes. The Duval County Tax Collector bills and collects all property taxes levied within the consolidated city/county. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The total millage rate levied by the City was 11.3169 for the fiscal year ended September 30, 2022.

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 applied was January 1, 1995. Calendar year 1995 is the base year upon which assessed just value of the homestead property is determined. For non-homesteaded property, increases are capped at 10% of the previous year's assessed value, regardless of market value changes. This process is referred to as "recapture" and was enacted into law in 2009. It does not apply to any millage levied by the School Board. (Section 193.1555 FS)

**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 within the fiscal year levied. 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 by this date. This is the first lien date on the properties.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**6. CAPITAL ASSETS ACTIVITY**

Capital assets activity for the year ended September 30 2022, was as follows (in thousands):

**Primary Government**

	Beginning Balance September 30, 2021	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2022
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 321,040	\$ 30,667	\$ -	\$ 351,707
Easements	6,493	-	-	6,493
Art In Public Places	1,416	-	(36)	1,380
Construction in progress	372,905	211,272	(10,740)	573,437
Furniture and equipment in work in process	17,840	-	-	17,840
Purchased Software work in process	26,209	-	-	26,209
Total capital assets not being depreciated	745,903	241,939	(10,776)	977,066
Capital assets being depreciated:				
Buildings	873,556	8,948	-	882,504
Improvements	372,861	-	-	372,861
Infrastructure	2,389,727	2,377	-	2,392,104
Furniture, equipment and library books	529,355	45,950	-	575,305
Internal Software	17,468	5,662	10,546	33,676
Purchased Software	27,420	-	(10,546)	16,874
Right-to-use assets	22,887	5,663	(108)	28,441
Total assets being depreciated	4,233,274	68,600	(108)	4,301,766
Less accumulated depreciation for:				
Buildings	338,502	16,765	-	355,267
Improvements	178,816	-	-	178,816
Infrastructure	1,324,243	73,722	-	1,397,965
Furniture, equipment and library books	378,643	34,001	-	412,644
Internal Software	28,045	177	-	28,222
Purchased Software	14,742	943	-	15,685
Right-to-use assets	2,135	2,406	(108)	4,432
Total accumulated depreciation	2,265,126	128,014	(108)	2,393,031
Total capital assets being depreciated, net	1,968,148	(59,414)	-	1,908,734
Governmental activities capital assets, net	\$ 2,714,051	\$ 182,525	\$ (10,776)	\$ 2,885,800

	Beginning Balance September 30, 2021	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2022
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 46,364	\$ -	\$ -	46,364
Easements	546	-	-	546
Construction in progress	93,205	34,249	-	127,454
Total capital assets not being depreciated	140,115	34,249	-	174,364
Capital assets being depreciated:				
Buildings and Improvements	741,484	-	-	741,484
Infrastructure	92,887	722	-	93,608
Furniture and Equipment	18,051	-	(18)	18,033
Right-to-use assets	220	-	-	220
Total assets being depreciated	852,642	722	(18)	853,346
Less accumulated depreciation for:				
Buildings and Improvements	350,085	13,708	(65,876)	297,917
Infrastructure	44,559	12,536	65,878	122,973
Furniture and Equipment	13,210	904	(1)	14,113
Right-to-use assets	18	19	(1)	36
Total accumulated depreciation	407,872	27,167	-	435,039
Total capital assets being depreciated, net	444,770	(26,445)	(18)	418,307
Business-type activities capital assets, net	\$ 584,885	\$ 7,804	\$ (18)	\$ 592,672

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**6. CAPITAL ASSET ACTIVITY (continued)**

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

<b>Governmental activities:</b>	
General government	\$ 103,059
Human services	311
Public Safety	2,183
Culture and recreation	80
Transportation	1,827
Economic environment	20,422
Physical environment	132
Total depreciation expense - governmental activities	<u>\$ 128,014</u>

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

<b>Business-type activities:</b>	
Parking system	\$ 326
Solid Waste	2,503
Stormwater Services	5,259
Equestrian Center	711
Capital Projects - City Venues	18,368
Total depreciation expense - business-type activities	<u>\$ 27,167</u>



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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

	<b>TRANSFERS OUT</b>		
	<b>MAJOR GOVERNMENT FUNDS</b>		
(in thousands)	General Fund	Special Bonded Debt Obligations	Non-Major Government Funds
<b>TRANSFERS IN</b>			
<b>MAJOR FUNDS</b>			
General Fund	\$ -	\$ -	\$ 1,389
Solid Waste	14,000	-	-
Storm Water Services	61	-	-
Other Federal State and Local Grants	4,622	-	279
City Venues	16,359	7,471	5,710
Special Bonded Debt	34,996	-	6,440
Special Bonded Debt-BJP	-	-	57,341
<b>NON-MAJOR FUNDS</b>			
Non-Major Government Funds	45,804	-	535
Non-Major Enterprise	896	-	-
Internal Service	1,936	-	-
	<u>\$ 118,674</u>	<u>\$ 7,471</u>	<u>\$ 71,694</u>

Transfers between funds are made in the normal course of operations and are for the operational support of the fund receiving the transfer. In fiscal year 2022, transfers in support of Debt Service Funds were approximately 29% of total transfers from the General Fund. A large portion of the transfers out of the General Fund was in support of Non-Major Governmental funds, the largest being Special Revenue funds. Transfers from the General Fund include support of Major Enterprise funds, including the City Venues, Solid Waste, and Special Bonded Debt. Internal Service funds which include Fleet, Information Technologies, and Self Insurance received support from the General Fund.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

<b>TRANSFERS OUT</b>					
ENTERPRISE FUNDS			INTERNAL SERVICE		
Solid Waste Disposal	City Venues	Non Major Enterprise	Internal Service	Total	
\$ 12,751	\$ -	\$ -	\$ 2,320	\$ 16,460	
2,211	-	-	1,845	18,056	
-	-	-	-	61	
-	-	-	-	4,901	
-	-	5,153	-	34,692	
-	-	-	-	41,436	
-	-	-	-	57,341	
-	57	-	(217)	46,180	
210	-	-	-	1,107	
-	-	-	-	1,936	
<b>\$ 15,172</b>	<b>\$ 57</b>	<b>\$ 5,153</b>	<b>\$ 3,948</b>	<b>\$ 222,170</b>	

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

As of September 30, 2022, there were negative cash balances within multiple funds. To properly supplement those balances, a cash transfer between the General Fund and the funds with negative cash balances were made, utilizing Due From / Due To (receivable and payable, respectively) account combinations. The General Fund due from other funds asset balance is \$35.9 million. The due to other funds liability balances are detailed below by fund. (in thousands)

<b><u>Due to (liability)</u></b>	<b><u>AMOUNT</u></b>
Major Governmental Funds	
Public Safety	\$26,537
Special Bonded Debt Obligations-BJP	462
Non-major governmental funds	
Community Block Grant	7,446
Art in Public Places	333
Internal service fund - Office of the General Counsel	819
Fiduciary Fund - General Employees' Pension Trust	322
Fiduciary – Private Purpose Trust funds	
James Brady Disabled Scholarship Trust	3
Michael Jackson Music Scholarship Trust	21
JB Smith Memorial Scholarship Trust	3

In fiscal year 2003, the City passed an ordinance to enter into a redevelopment agreement with Vestcor Companies and its subsidiaries for the redevelopment of the Lynch Building as a City historic landmark. In fiscal year 2003, the City used internal self-insurance funds, in an amount of \$17,816,000, to provide permanent financing for the Lynch Building project. The self-insurance fund will be repaid on an annual basis with funds from the Northbank Downtown Tax Increment District. The terms of the repayment are a 30-year amortization, with a 20-year term at a fixed interest rate of 6% per year. Annual payments are \$800,000 which includes both principal and interest. The balance of the loan at September 30, 2022 \$7,916,290 which is recorded in the Self Insurance Fund as other receivables noncurrent.

Vestcor will repay the City an amount of \$17,816,000 to the Downtown Economic Development fund as created by ordinance 2000-1079-E. The terms of the repayment is a 40-year amortization, with a 20-year term at a fixed interest rate of 1.525% per year. Annual principal and interest payments were initially scheduled for \$595,248 but were reduced to interest-only payments for the three-year period beginning March 1, 2010. The deferred principal payments were added to the balloon payment. A second modification agreement (Ordinance 2014-280) allowing suspension of half of the principal payments for a period of three years from October 2013 to September 2016 was approved by Council. Deferred principal payments have been added to the balloon payment which is now \$12,305,292 due on August 1, 2023. The balance of the loan at September 30, 2022 was \$12,469,247 which is recorded in the Downtown Economic Development Fund.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**8. LONG-TERM OBLIGATIONS**

**A. Bonds and loans outstanding:**

The bonds and loans outstanding as of September 30, 2022 are as follows (in thousands):

<b>GOVERNMENTAL ACTIVITIES:</b>	Amount <u>Issued</u>	Amount <u>Outstanding</u>	Remaining <u>Coupon Rates</u>	True Interest <u>Cost <sup>(1)</sup></u>
<b>Revenue Bonds Supported by General Fund:</b>				
Special Revenue Bonds				
* Series 2012C	183,058.0	19,245.0	4.000 - 5.000%	2.537%
Series 2012D	11,840.0	2,430.0	5.000%	1.573%
Series 2013A	27,175.0	27,175.0	4.000 - 5.250%	4.885%
* Series 2014	61,401.0	56,505.0	5.000%	3.284%
Series 2016A	48,133.7	42,330.7	4.000 - 5.000%	2.386%
* Series 2017A	10,600.0	10,600.0	5.000%	3.402%
* Series 2019A	100,334.2	90,868.3	5.000%	<sup>(3)</sup> 2.005%
Series 2020C	66,765.2	66,061.2	.393-2.766%	2.171%
* Series 2022A	68,060.0	68,060.0	5.000%	2.071%
Total Revenue Bonds Supported by General Fund	<u>\$ 577,367.1</u>	<u>\$ 383,275.2</u>		

	Amount <u>Issued</u>	Amount <u>Outstanding</u>	Remaining <u>Coupon Rates</u>	True Interest <u>Cost <sup>(1)</sup></u>
<b>Special Revenue (Covenant) Bonds Payable from Internal Service Operations:</b>				
Special Revenue Bonds:				
Series 2013A	26,860.0	20,135.0	4.000-5.250%	4.885%
Series 2013B	35,145.0	6,570.0	3.793-4.643% (taxable)	3.469%
* Series 2014	36,975.0	32,190.0	5.000%	3.284%
Series 2016A	44,081.3	28,994.3	3.000 - 5.000%	2.386%
* Series 2017A	80,330.0	68,185.0	4.000 - 5.250%	3.402%
Series 2018	72,540.0	46,805.0	5.000%	3.212%
* Series 2019A	50,960.0	46,175.0	5.000%	2.534%
Series 2020A	122,990.7	113,900.0	4.000 - 5.000%	2.309%
Series 2020C	38,719.8	37,173.8	.393-2.766% (taxable)	2.203%
* Series 2021A	87,670.0	87,670.0	3.000 - 5.000%	1.963%
Series 2022B	28,682.4	28,682.4	2.770%	2.816%
Series 2022C	99,175.0	99,175.0	5.000 - 5.250%	3.692%
Total Special Revenue Bonds Payable from Internal Service Operations	<u>\$ 724,129.2</u>	<u>\$ 615,655.5</u>		

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**8. LONG-TERM OBLIGATIONS (continued)  
A. Bonds and loans outstanding (continued) (in thousands)**

<b>Notes Payable from Internal Service Operations:</b>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Remaining Coupon Rates</u>	<u>True Interest Cost <sup>(1)</sup></u>
Amortizing Short Term Debt	\$ 58,900.0	\$ 26,600.0	Variable <sup>(2)</sup>	N/A
Total Notes Payable from Internal Service Operations	<u>\$ 58,900.0</u>	<u>\$ 26,600.0</u>		
Total bonds and notes payable from Internal Service Funds	<u>\$ 783,029.2</u>	<u>\$ 642,255.5</u>		
<b>Revenue Bonds Supported by BJP Revenues:</b>				
Transportation Sales Tax Revenue Bonds:				
Series 2012A	151,660.0	2,155.0	4.000%	4.324%
Series 2012B	57,730.0	8,470.0	5.000%	3.076%
Series 2015	197,295.0	180,965.0	2.000-5.000%	3.211%
Series 2018	53,180.0	27,720.0	5.000%	2.460%
Series 2020	155,040.0	149,710.0	0.550-2.050%	1.669%
Infrastructure Sales Tax Revenue Bonds:				
* Series 2012	238,570.0	16,390.0	4.000-5.000%	3.910%
* Series 2012A	41,095.0	4,335.0	5.000%	3.773%
Series 2016	67,070.0	53,960.0	3.000 - 5.000%	2.433%
Series 2021	16,530.0	16,530.0	0.425%	0.611%
* Series 2022	<u>\$ 149,871.1</u>	<u>\$ 149,871.1</u>	2.540%	2.590%
Total Revenue Bonds Supported by BJP Revenues	<u>\$ 1,128,041.1</u>	<u>\$ 610,106.1</u>		
<b>Special Revenue (Covenant) Bonds Supported by BJP Revenues:</b>				
Special Obligation Bonds:				
Series 2013C	31,565.0	31,565.0	5.250%	2.953%
Series 2016B	58,645.0	54,225.0	2.250 - 5.000%	2.043%
Series 2017B	31,455.0	31,455.0	5.000%	2.038%
Series 2019B	45,535.0	45,535.0	5.000%	2.162%
Series 2020B	<u>\$ 15,670.0</u>	<u>\$ 15,670.0</u>	5.000%	0.578%
Total Special Revenue Bonds Supported by BJP Revenues	<u>\$ 182,870.0</u>	<u>\$ 178,450.0</u>		

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**8. LONG-TERM OBLIGATIONS (continued)  
A. Bonds and loans outstanding (continued) (in thousands)**

	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost <sup>(1)</sup>
<b>Notes Payable Supported by BJP Revenues:</b>				
State of Florida Infrastructure Bank: Series 2005	40,000.0	4,099.2	2.000%	1.901%
Total Notes Payable Supported by BJP Revenues	<u>\$ 40,000.0</u>	<u>\$ 4,099.2</u>		
Total Bonds and Notes Supported by BJP Revenues	<u>\$ 1,350,911.1</u>	<u>\$ 792,655.3</u>		
Total Governmental Activities	<u><u>\$ 2,711,307.4</u></u>	<u><u>\$ 1,818,186.0</u></u>		
<b>BUSINESS-TYPE ACTIVITIES:</b>				
	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost <sup>(1)</sup>
<b>Revenue Bonds Supported by Business-Type Activities:</b>				
Infrastructure Sales Tax Revenue Bonds:				
* Series 2012A	73,795.0	4,310.0	5.000%	3.773%
Special Obligation Bonds:				
* Series 2014	1,784.0	1,615.0	5.000%	3.284%
* Series 2017A	21,935.0	19,500.0	5.000%	3.402%
* Series 2019A	330.8	296.7	5.000%	2.004%
* Series 2021A	10,230.0	10,230.0	3.000-5.000%	1.963%
* Series 2022	112,878.9	112,878.9	2.540%	2.590%
* Series 2022A	52,320.0	52,320.0	5.000%	2.071%
Total Revenue Bonds Supported by Business-Type Activities	<u>\$ 273,273.7</u>	<u>\$ 201,150.6</u>		
<b>Notes Payable Supported by Business-Type Activities:</b>				
Total Notes Payable from Internal Service Operations	<u>\$ -</u>	<u>\$ -</u>		
Total bonds and notes payable from Business-Type Activities	<u><u>\$ 273,273.7</u></u>	<u><u>\$ 201,150.6</u></u>		

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**8. LONG-TERM OBLIGATIONS (continued)  
A. Bonds and loans outstanding (continued) (in thousands)**

**COMPONENT UNITS:**

Bond and notes payable:

JEA	2,733,955.0
JPA	219,828.0
JTA	112,541.1

Total Component Unit bonds and notes payable \$ 3,066,324

\* Indicates individual bond series that were issued in support of both Governmental Activities and Business-Type Activities.

(1) True Interest Cost (TIC) is the actual cost of financing debt and refers to the overall rate of interest to be paid over the life of the bonds, factoring in coupon interest, any premium or discounts, and the time value of money.

(2) Variable Rate Debt - interest rate varied from .05% to .07% on September 30, 2022

(3) Total debt for this line item contains refunding for the ETR09A and Cap Proj 08A and 08B bond issues. TIC was 2.004% for Cap Proj portion and 2.005% for ETR portion. Higher figure of 2.005% used as it was the more conservative option.

**B. Debt Service Requirements to Maturity:**

The Debt service requirements to maturity on long-term obligations at September 30, 2022 are as follows (in thousands). The amounts reported in the table below include designated maturities established by management (see discussion below) but does not reflect any accelerated amortizations that may result under term out provisions.

Fiscal Year Ending September 30	Bonds and Notes Payable from Governmental Activities				Bonds Payable from Business-type Activities		Principal and Interest- Primary Government	Component Units	
	Supported by General Revenues and Internal Service Funds		Supported by BJP Revenues		Enterprise Funds			Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest			
2023	59,937	41,273	65,484	25,183	1,778	5,748	199,403	79,735	116,375
2024	62,920	42,427	91,424	23,677	36,309	6,627	263,384	98,320	112,832
2025	62,161	39,653	94,031	20,919	41,477	5,454	263,696	112,810	108,125
2026	58,922	36,929	96,009	17,790	37,737	4,195	251,582	125,540	103,063
2027	54,634	34,358	95,447	14,547	33,971	3,028	235,985	154,790	97,039
2028-2032	284,189	133,936	295,305	33,463	40,481	6,859	794,233	797,515	379,413
2033-2037	263,103	67,647	47,535	4,438	7,682	1,401	391,805	881,375	205,622
2038-2042	147,164	20,320	7,420	130	1,715	43	176,792	557,320	57,739
2043-2047	22,515	4,879	-	-	-	-	27,394	37,540	6,967
2048-2052	9,985	649	-	-	-	-	10,634	-	387
2053-2057	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>1,025,531</b>	<b>422,071</b>	<b>792,655</b>	<b>140,146</b>	<b>201,151</b>	<b>33,354</b>	<b>2,614,908</b>	<b>2,844,945</b>	<b>1,187,562</b>

The City’s Covenant Bond program allows for the issuance of debt which has both a stated maturity date and a designated maturity date. The stated maturity date is the initial maturity as the bond was sold, whereas the designated maturity date reflects the City’s intended maturity after a series of rolls/refundings. At each stated maturity the City can retire the maturing amount in whole or in part, or refund the maturing bonds as a part of its annual capital borrowing into another stated maturity, variable rate debt, or fixed rate debt amortized to maturity as determined by then market conditions. There can be no assurance that the stated debt maturities can be revised in accordance with management’s intended plan.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**8. LONG-TERM OBLIGATIONS (continued)  
B. Debt Service Requirements to Maturity: (continued)**

The debt service requirements to maturity for the City’s direct borrowings and direct placements are presented within the Supplementary Information section; these direct borrowings are comprised of (i) Better Jacksonville Sales Tax Revenue Refunding Bonds, Series 2021, (ii) Better Jacksonville Sales Tax Revenue Refunding Bonds, Series 2022, and (iii) Taxable Special Revenue Bond, Series 2022B.

A comparison of the stated maturity debt and designated maturity debt outstanding at fiscal year-end are shown in the tables below (in thousands).

Fiscal Year Ending September 30	by Stated Maturity Series 2022C	Fiscal Year Ending September 30	by Designated Maturity Series 2022C
2023	1,490	2023	1,490
2024	3,420	2024	3,420
2025	3,590	2025	3,590
2026	3,775	2026	3,775
2027	3,855	2027	3,855
2028	2,635	2028	2,635
2029	2,765	2029	2,765
2030	2,905	2030	2,905
2031	3,045	2031	3,045
2032	3,190	2032	3,190
2033	13,335	2033	3,365
2034	13,505	2034	3,535
2035	13,695	2035	3,725
2036	13,885	2036	3,915
2037	14,085	2037	4,115
Total by Series	\$ 99,175	2038	2,515
		2039	2,610
		2040	2,710
		2041	2,815
		2042	2,925
		2043	3,040
		2044	3,155
		2045	3,280
		2046	3,405
		2047	3,540
		2048	3,675
		2049	3,815
		2050	3,965
		2051	4,120
		2052	4,280
		Total by Series	\$ 99,175

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

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

Changes in long-term liabilities for the fiscal year ended September 30, 2022 are as follows (in thousands):

	Balance September 30, 2021	Additions	Reductions	Balance September 30, 2022	Due within one year
<b>Governmental Activities:</b>					
Debt activity supported by general revenues:					
Revenue bonds	\$ 416,841	\$ 68,060	\$ 101,625	\$ 383,276	\$ 25,579
Debt activity - general revenues	416,841	68,060	101,625	383,276	25,579
Bonds/notes payable - Debt Management Fund					
Special revenue (covenant) bonds	527,952	127,857	40,154	615,655	34,358
Notes payable	32,300	26,600	32,300	26,600	26,600
Debt activity - internal service funds	560,252	154,457	72,454	642,255	60,958
Debt activity - general revenues and internal service	977,093	222,517	174,080	1,025,531	86,537
Debt activity supported by BJP revenue:					
Revenue bonds - BJP	634,375	149,871	190,670	593,576	46,230
Revenue bonds - BJP from direct borrowing	16,530	-	-	16,530	8,245
Special revenue (covenant) bonds - BJP	180,710	-	2,260	178,450	8,645
Notes payable - BJP	6,702	-	2,603	4,099	2,364
Debt activity - BJP	838,317	149,871	195,533	792,655	65,484
Total governmental activities	1,815,410	372,389	369,613	1,818,186	152,021
Other related debt amounts:					
Issuance premiums	211,239	25,065	46,266	190,038	-
Issuance discounts	(1,411)	-	(161)	(1,250)	-
Total other related debt amounts	209,828	25,065	46,105	188,788	-
Accrued Compensated Absences	131,134	4,541	19,385	116,290	34,887
Estimated Liability for Self-Insured Losses	148,532	154,928	135,509	167,951	33,780
Pollution Remediation	88,293	50	-	88,343	-
Other Post - Employment Benefits	416,420	-	78,021	338,399	-
Leases payable	20,954	5,663	1,853	24,764	-
Net Pension liability	3,107,155	(583,085)	(381,740)	2,905,810	-
Governmental activity long-term obligations	<u>\$ 5,937,726</u>	<u>\$ (20,449)</u>	<u>\$ 268,746</u>	<u>\$ 5,648,531</u>	<u>\$ 220,688</u>

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**8. LONG-TERM OBLIGATIONS (continued)  
C. Changes in Long-Term Liabilities: (continued)**

	Balance September 30, 2021	Additions	Reductions	Balance September 30, 2022	Due within one year
<b>Business-Type Activities:</b>					
Revenue Bonds	\$ 223,568	165,199	187,616	201,151	\$ 1,778
Less: Unamortized Discount/Premium	25,002	7,532	19,111	13,423	-
Total Revenue Bonds, less Unamortized Discount/Premium	248,570	172,731	206,727	214,574	1,778
Accrued Compensated Absences	2,006	1,822	2,006	1,822	547
Liability for Landfill Closure and Post Closure Care	38,382	2,957	-	41,339	-
Loans payable - Debt Management	82,538	111,981	109,677	84,842	2,676
Leases payable	212	-	18	194	-
Business-type activity long-term obligations	<u>\$ 371,708</u>	<u>\$ 289,491</u>	<u>\$ 318,428</u>	<u>\$ 342,771</u>	<u>\$ 5,001</u>
<b>Component Unit Activities:</b>					
Bonds and notes payable:					
JEA	\$ 2,999,710	3,000	268,755	2,733,955	\$ 74,070
JPA	257,230	98,870	136,272	219,828	8,036
JTA	118,304	-	5,763	112,541	6,040
Component unit activity long-term obligations	<u>\$ 3,375,244</u>	<u>\$ 101,870</u>	<u>\$ 410,790</u>	<u>\$ 3,066,324</u>	<u>\$ 88,146</u>

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**D. Reconciliation of Debt Issued with Financial Reporting Classifications:**

Certain of the City’s bonds issued in a single transaction are for assets acquired or constructed for both governmental and business-type activities. As a result, the financial statements report debt outstanding and the related debt service for that combined transaction in both governmental and business-type activities in the relative proportion of the cost of the underlying assets acquired or constructed. When individual business-type revenues are not sufficient to pay for operations inclusive of allocated debt service, inter-fund transfers are made in amounts to address the shortfall. The following table shows the original combined issue amount and where the debt is reported (in thousands).

Bond Series	Original Amount Issued	Outstanding debt reported in		Total Amount Outstanding
		Governmental Activities	Business-type Activities	
BJP Infrastructure Sales Tax Revenue Bonds:				
Series 2012	280,050	142,580	41,480	184,060
Series 2012A	114,890	41,095	73,795	114,890
Series 2022	262,750	149,871	112,879	262,750
Special Revenue Bonds:				
Series 2014	100,160	93,517	1,713	95,230
Series 2017A	112,865	79,785	20,285	100,070
Series 2019A	151,625	144,411	314	144,725
Series 2021A	97,900	87,670	10,230	97,900
Series 2022A	120,380	68,060	52,320	120,380

**E. Pledged Revenues:**

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

	Range of remaining term	Approximate future principal and interest	Current year revenue received	Current year principal and interest	Principal and interest as % of revenue
<b>Better Jacksonville Transportation Sales Tax:</b>	2023 - 2038	441,127,049	132,574,231	34,904,719	26.3%
<b>Better Jacksonville Infrastructure Sales Tax:</b>	2023 - 2031	267,322,731	120,114,064	37,035,156	30.8%
<b>with SIB Loans:</b>	2023 - 2031	271,538,657	120,114,064	39,773,830	33.1%
<b>Sports Facilities Capital Improvement Revenues:</b>	2031	-	51,809,714	10,071,375	19.4%

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**8. LONG-TERM OBLIGATIONS (continued)**  
**E. Pledged Revenues: (continued)**

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

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

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

**F. New Indebtedness Issued:**

On April 19, 2022, the City closed on the sale of \$28.68 million Taxable Special Revenue Bonds, Series 2022B. The 2022B bonds have a true interest cost of 2.82%, an average coupon rate of 2.77% with no mandatory sinking schedule and a maturity date of October 1, 2041. The proceeds of the 2022B bonds were used to refinance outstanding debt and finance the construction of certain capital equipment and improvements for parking garages owned and operated by Metropolitan Parking Solutions, LLC. The issuance provided net proceeds of \$155.04 million, which is inclusive of underwriter's discount and cost of issuance totaling \$1.00 million. The refunding of the Taxable Transportation Refunding Revenue Bonds, Series 2020 resulted in net PV savings of \$20.99 million and a decrease in aggregate debt service in the amount of \$35.14 million.

On July 7, 2022, the City closed on a \$262.75 million bank loan referred to as the Better Jacksonville Sales Tax Refunding Revenue Bond, Series 2022. The 2022 loan has a true interest cost of 2.59%, an average coupon rate of 2.54% with no mandatory sinking schedule and a maturity date of October 1, 2026. The proceeds of the 2022 loan were used to refund the City's outstanding Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2012 and Series 2012A. The agreement provided net proceeds of \$262.75 million, which is inclusive of the cost of issuance totaling approximately \$347k. The refunding of the Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2012 and Series 2012A resulted in net PV savings of \$29.67 million and a decrease in aggregate debt service in the amount of \$51.69 million.

On July 7, 2022, the City closed on the sale of \$120.38 million Special Revenue Refunding Bonds, Series 2022A. The 2022A bonds have a true interest cost of 2.07%, an average coupon rate of 5.00% with no mandatory sinking schedule and a maturity date of October 1, 2032. The proceeds of the 2022A bonds were used to refund portions of City's outstanding Capital Improvement Refunding Revenue Bonds, Series 2012, and City's outstanding Special Revenue Refunding Bonds, Series 2012C. The issuance provided net proceeds of \$138.44 million, which is inclusive of underwriter's discount and cost of issuance totaling \$887k. The refunding of the Capital Improvement Revenue Refunding Bonds, Series 2012, and Special Revenue Refunding Bonds, Series 2012C, resulted in net PV savings of \$18.55 million and a decrease in aggregate debt service in the amount of \$23.40 million.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**F. New Indebtedness Issued: (continued)**

On September 22, 2022, the City closed on the sale of \$99.18 million Special Revenue Bonds, Series 2022C. The 2022C bonds have a true interest cost of 3.69%, an average coupon rate of 5.21% with no mandatory sinking schedule and a maturity date of October 1, 2037. The proceeds of the 2022C bonds were used to finance and refinance the acquisition and construction of certain capital equipment and improvements for the City (\$105.30 million) and to fix out a portion of the City's outstanding commercial paper debt (\$6.80 million). The issuance provided net proceeds of \$112.10 million, which is inclusive of underwriter's discount and cost of issuance totaling \$730k.

On September 22, 2022, the City closed on the sale of Commercial Paper Notes in the amount of \$26.60 million for the purposes of funding short-term projects, and interim funding for long-term projects, with an initial interest rate of 2.05%.

**G. Additional Debt Disclosures, including Direct Borrowing and Direct Placements:**

The City has authorized the issuance of its commercial paper notes in the aggregate principal amount of up to \$150,000,000 outstanding at any one time; however, such amount is limited to the capacity of an applicable credit facility. On September 8, 2022, the City amended and extended its existing letter of credit with Bank of America, N.A. (the "Credit Facility Provider"), the sole credit facility supporting its commercial paper program. The letter of credit supports the issuance of \$100,000,000 in principal amount of commercial paper notes. The letter of credit has a stated expiration date of September 8, 2023, subject to reduction and earlier termination in accordance with its terms. The commercial paper notes are payable from certain excise taxes and the local government half cent sales taxes received by the City and are issued on a junior and subordinate basis to certain outstanding and future senior lien debt issued by the City and payable from excise taxes or local government half cent sales taxes.

As of September 30, 2022, \$26,600,000 in commercial paper notes were outstanding. In the event of a default under the reimbursement agreement governing the letter of credit, the Credit Facility Provider may reduce the stated amount of the letter of credit to the amount then outstanding under the letter of credit, issue a final drawing notice which would terminate the letter of credit 15 days after receipt thereof, or seek enforcement under the authorizing ordinance by law or equity, by suit, action or mandamus, or other proceeding, including the right to appoint a receiver to enforce and compel performance under the ordinance.

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**H. Non-Asset Debt:**

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

<u>Debt Type</u>	<u>Entity or Purpose</u>	<u>Amount</u>
<u>Special Revenue Bonds</u>		
Special Revenue Refunding Bonds, Series 2012C	Shands Jacksonville Medical Center	8,195
Special Revenue Series 2019A	Zoo Funding	4,694
Special Revenue Series 2020A	Non-asset portion	46,779
Special Revenue Series 2021A		21,170
Special Revenue Series 2022B		28,682
Special Revenue Series 2022C		348
Total Special Revenue Bonds		<u>\$ 109,869</u>
<u>Better Jacksonville Plan (BJP) Transportation Bonds</u>		
Various Special Revenue and Refunding Bonds	Jacksonville Transportation Authority (JTA) road projects	\$ 29,162
<u>BJP State Infrastructure Bank Loan</u>		
Loan #1	JTA road projects - BJP	4,099
Total BJP State Infrastructure Bank Loan		<u>\$ 4,099</u>
<u>Other Bond Issues</u>		
Various	Misc. projects – other	20,536
Total Other Bond Issues		<u>\$ 20,536</u>
<u>Debt Management Fund Financed Projects</u>		
Various	Misc. projects – other	\$ 309,107
Commercial Paper (2022)	Misc. projects – other	\$ 5,213
GRAND TOTAL		<u><u>\$ 477,986</u></u>

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**I. 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):

Issue	Refunded by	Principal Balance at September 30, 2022	Investment Balance with Escrow Agent at September 30, 2022 (a)
Special Revenue Bonds, Series 2012C	Taxable Special Revenue and Refunding Bonds, Series 2022A	77,085	79,286
Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2012	Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2022	152,050	155,794
Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2012A	Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2022	106,245	108,901
Capital Improvement Refunding Revenue Bonds, Series 2012	Taxable Special Revenue and Refunding Bonds, Series 2022A	62,195	64,003
Capital Improvement Refunding Revenue Bonds, Series 2012	Cash Defeasance	7,110	7,471

(a) Source: Escrow Agent’s Records (unaudited)

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**J. Conduit Debt:**

The City issued certain conduit debt in the form of industrial development revenue bonds (IDBs) and private activity bonds (PABs) 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 IDBs and PABs, ownership of the acquired facilities transfers to the private-sector entity on whose behalf the bonds were issued. 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.

As of September 30, 2022, the City had \$47,277,827 of IDBs and PABs total principal outstanding. From time to time, certain issues of such conduit debt may be in default or under investigation as to tax-exempt status of interest on such debt, however, this has no effect on the City's financial position.

As of September 30, 2022, the City had a total of \$425,630,844 in conduit debt consisting of Jacksonville Housing Finance Authority, formerly Duval County Housing Finance Authority Single Family and Multi-Family bonds outstanding. The amount of Single-Family Housing bonds outstanding was \$42,581,373. The amount of Multi-Family Housing bonds outstanding was \$383,049,471. Multi-Family and Single-Family Refunding of previous issues makes up \$25,660,000 of the total amount outstanding.

As of September 30, 2022, outstanding conduit debt includes \$288,351,825 of Jacksonville Health Facilities Authority Bonds.

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**K. Interest Expense:**

Total interest expense for the fiscal year ended September 30, 2022 was \$40.4 million for governmental activities and \$10.6 million for business-type activities.

**L. Component Unit Long-Term Debt:**

The long-term debt presentations for the major component units in Notes 8A through 8C contain highly summarized data. Detailed debt presentations are available in each major component unit's separately issued financial report, which may be obtained from the finance offices below.

JEA  
325 West Adams Street  
Jacksonville, Florida 32202

JPA  
P.O. Box 3005  
Jacksonville, Florida 32206-0005

JTA  
100 LaVilla Center Drive  
Jacksonville, Florida 32202

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**9. A. PENSION PLANS**

The City's pension plans adopted GASB Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68, No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 and No. 82 Pension Issues - and amendment of GASB Statements No. 67, No. 68 and No. 73. These Statements modify financial reporting by state and local government pension plans that present pension trust funds. Accordingly, disclosures required for the City's pension plans are presented in accordance with GASB Statement No. 67, and disclosures required for employers regarding pension plans are presented in accordance with GASB Statement No. 68 as modified by GASB Statement No. 71, GASB No. 73 and GASB Statement No. 82, Pension Issues – an amendment of GASB Statements 67, 68 and 73 required for fiscal periods beginning after June 15, 2016.

**1. Summary of Significant Accounting Policies**

- a) **Basis of Accounting** – The City's pension trust financial statements are prepared using the accrual basis of accounting. Contributions, benefit payments and refunds are recognized when due and payable in accordance with the terms of each plan. The Florida Constitution and the Division of Retirement requires plan contributions be made annually in amounts determined by an actuarial valuation stated as a percent of covered payroll or in dollars. The Florida Division of Retirement reviews and approves the City's actuarial report to ensure compliance with actuarial standards.
- b) **Method Used to Value Investments** – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals or estimates of fair value as provided by third party fund managers. Investments that do not have an established market are reported at estimated fair value as provided by third party fund managers. Investments are managed by third party money managers while cash and securities are generally held by the City's independent custodian. The City receives a monthly reconciliation of any material differences in pricing by the custodian and manager.

**2. Plan Description**

- a) **Plan Administration** - The City sponsors two public employee retirement systems (PERS) administered by separate pension boards of trustees that provide retirement, death and disability benefits: the City of Jacksonville Retirement System (JRS) and the Police and Fire Pension Plan. The JRS arises out of Chapter 16 of the City Charter, Chapter 120 of Ordinance Code of the City of Jacksonville, and Chapter 112, Part VII, Florida Statutes. The City Council is responsible for establishing or amending the pension plan provisions. The Police and Fire Pension Plan (PFPF) is administered independently by a five-member board. Substantially all employees of the City participate in one of these two plans with less than 1% of City employees participating in the State of Florida Retirement System.

The JRS is a multiple employer cost sharing, contributory defined benefit pension plan with a defined contribution alternative. JRS includes both the General Employees' Retirement Plan (GERP) and the Corrections Officers' Retirement Plan (CORP). Effective October 1, 2009, the City added an employee choice defined contribution alternative to the defined benefit plan for all members of the GERP. The City hired a third-party administrator to assist employees with the management of their individual accounts within a number of investment options including model portfolios.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**9. A. PENSION PLANS (continued)**

**2. Plan Description (continued)**

**a) Plan Administration (continued)**

All full-time employees of the City, JEA (Jacksonville Electric Authority), JHA (Jacksonville Housing Authority) and NFTPO (North Florida Transportation Planning Authority) were eligible to participate in GERP.

All certified Corrections Officers employed by the City were eligible to participate in the CORP upon employment. There are no separately issued financial statements for the City of Jacksonville Retirement System.

As of September 30, 2017, the City's pension plans in JRS and the PFPF were closed to new employees in favor of the defined contribution plan. This was the result of pension reform efforts that included the creation of a Pension Liability Surtax to fund underfunded defined benefit pensions, passage of a local referendum in Fiscal Year 2016 to approve the Surtax, and adoption of legislation by the City Council in April 2017 to approve the reform plans and dedicate the Surtax as a funding source for the City's three defined benefit pension plans. The Pension Liability Surtax will go into effect after the termination of the Local Infrastructure Sales Surtax, which will occur no later than December 31, 2030, and will remain in effect until the earlier of December 31, 2060, or when it is determined by actuarial report to the Florida Department of Management Services that the funding level of each of the City's three defined benefit pension plans are expected to reach or exceed a 100% funding level in that year.

- b) The Jacksonville Retirement System's defined benefit pension plans are administered by a nine (9) member Board of Trustees. The Board is comprised of the following officers:
- i. The Chief Administrative Officer of the City or designee;
  - ii. The Chief Financial Officer or designee;
  - iii. The Chief Human Resources Officer;
  - iv. The Chairperson of the General Employees' Pension Advisory Committee;
  - v. The Chairperson of the Corrections Officers' Pension Advisory Committee;
  - vi. A GERP retiree chosen by the Retired Employees' Association;
  - vii. A retired corrections officer chosen by the Corrections Officers' Advisory Committee.
  - viii. Two citizens appointed by the City Council with professional experience in finance, investments, economics, pension management, pension administration and/or accounting.

The General Employees' Pension Advisory Committee consists of seven (7) members. Six (6) members are elected from among the active contributing participants of the GERP and one (1) member is a retiree elected by the Retired Employees Association. Committee members are elected in even years for a two (2) year term. The Pension Advisory Committee performs all fact-finding duties for retirement benefit applications, recommends approval or denial of benefits and reviews all applications to participate in the GERP to the Board of Trustees.

The Corrections Officers' Pension Advisory Committee consists of five (5) members who must be active contributing members of the CORP. Committee members are elected in even years for a two (2) year term. The Corrections Officers' Pension Advisory Committee performs all fact-finding duties for retirement benefit applications, recommends approval or denial of benefits and all applications to participate in the CORP to the Board of Trustees.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**9. A. PENSION PLANS (continued)**

**3. The Police and Fire Pension Fund** is a single-employer contributory defined benefit pension plan covering all full-time certified police officers and firefighters employed by the City of Jacksonville Sheriff’s Office and Fire and Rescue Department, respectively. The separately issued financial statements for the PFPF are available from the Police and Fire Pension Fund, located at One West Adams Street, Suite 100, Jacksonville, FL 32202.

**4. Plan Membership**

Pension plan membership consisted of the following:

**Pension Membership**

	Jacksonville Retirement System		
	General	Corrections	Police
	Employee's	Officers'	and Fire
	Pension Plan	Pension Plan	Pension Plan
<b>Membership:</b>	As of 10/1/2021	As of 10/1/2021	As of 10/1/2021
Retirees and beneficiaries currently receiving benefits	5,342	381	2,822
Deferred retirement option (DROP) participants	-	65	363
Terminated employees vested, not yet receiving benefits	160	6	91
Active employment plan members	3,289	423	2,057
Total plan membership	8,791	875	5,333

**5. Plan Benefits Provided:**

a) **General Employee Retirement Plan** was closed for new employees of the City of Jacksonville, JEA (Jacksonville Electric Authority), JHA (Jacksonville Housing Authority) and NFTAPO (North Florida Transportation Planning Authority) - other than police officers and firefighters hired after October 1, 2017. Appointed officials and permanent employees not in the civil service system may opt to become members of the Retirement System. Elected officials are members of the Florida Retirement System - Elected Officer Class. Participation in the Retirement System was mandatory for all full-time employees of the City who otherwise meet the requirements for participation. Members of the GERP are eligible to retire with a normal pension benefit upon achieving one of the following:

- i. Completing thirty (30) years of credited service, regardless of age;
- ii. Attaining age fifty-five (55) with twenty (20) years of credited service; or
- iii. Attaining age sixty-five (65) with five (5) years of credited service.
- iv. There is no mandatory retirement age.

Upon reaching one of the three conditions for retirement described above, a member is entitled to a retirement benefit of two and one-half (2.5) percent of final average compensation, multiplied by the number of years of credited service, up to a maximum benefit of eighty (80) percent of final monthly compensation. A time service retirement benefit is payable bi-weekly to commence upon the first payday coincident with or next payday following the member’s actual retirement and will continue until death.

Each member and survivor is entitled to a cost-of-living adjustment (“COLA”). The COLA consists of a three (3) percent increase of the retiree’s or survivor’s pension benefits, which compounds annually. The COLA commences in the first full pay period of April occurring at least 4.5 years (and no more than 5.5 years) after retirement. In addition, there is a supplemental benefit. The supplemental benefit is equal to five dollars

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**9. A. PENSION PLANS (continued)**

**5. Plan Benefits Provided (continued)**

**a) General Employee Retirement Plan (continued)**

(\$5) multiplied by the number of years of credited service. This benefit may not exceed one-hundred and fifty dollars (\$150) per month.

b) **The Corrections Officers' Retirement Plan** was closed to all new hires after October 1, 2107. It consists solely of Corrections Officer employees of the City. Participation in the Retirement System was mandatory for all full time Corrections Officers of the City who otherwise meet the requirements for participation. Members of the Corrections Officers' Retirement Plan are eligible to retire with a full pension benefit upon achieving one of the following:

- i. completing twenty (20) years of service, regardless of age; or
- ii. attaining age sixty-five (65) with five (5) years of service.
- iii. There is no mandatory retirement age.

Upon reaching one of the above-described conditions required for a time service retirement.

A member's time service retirement benefit is calculated as follows:

- i. The first twenty (20) years of credited service are multiplied by three (3) percent of final monthly compensation, up to a maximum of sixty (60) percent of final monthly compensation.
- ii. For service time beyond twenty (20) years of credited service, the number of years and months in excess of twenty (20) years is multiplied by two (2) percent of final monthly compensation, up to a maximum of twenty (20) percent of final monthly compensation.

A member's time service retirement benefit may not exceed eighty (80) percent of final monthly compensation. A time service retirement is payable on a bi-weekly basis and will continue until death.

Each member and survivor is entitled to a cost-of-living adjustment ("COLA"). The COLA consists of a three (3) percent annual increase of the retiree's or survivor's pension benefits, which compounds annually. In addition, there is a supplemental benefit equal to five dollars (\$5) multiplied by the number of years of credited service. This benefit may not exceed one-hundred and fifty dollars (\$150) per month.

The Deferred Retirement Option Program ("DROP") is a program in which a member defers receipt of normal retirement benefits while continuing employment with the City. If a member elects to participate in the DROP, they must terminate their employment with the City of Jacksonville and retire from service no later than the end of the DROP participation period previously designated. Upon the effective date of participating in the DROP, a member's years of service and final monthly compensation become frozen for purposes of determining pension benefits. Additional service beyond the date of DROP participation no longer accrues any additional benefits under the Retirement System. The deferred monthly retirement benefits accrue in the Corrections Officers' Pension Plan on behalf of the member, plus interest compounded monthly, for the time of DROP participation. The interest paid on the DROP balance accrues at the same rate as the investment portfolio held by the Retirement System. In addition, the Corrections Officers' Pension Plan will deduct two (2) percent from base pay and any service raise of DROP

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**9. A. PENSION PLANS (continued)**

**5. Plan Benefits Provided (continued)**

**b) The Corrections Officers' Retirement Plan (continued)**

participants as their member contributions instead of the normal ten (10) percent deduction. Upon termination of employment, the member will receive the total DROP benefits and begin to receive the previously determined normal retirement benefits. The money that accumulates during DROP participation may be distributed in accordance with the criteria set forth in Municipal Code Section 120. The balance of the DROP benefits held in trust for DROP Participants totaled \$6.8 million as of September 30, 2022.

- c) **The Police and Fire Pension** fund which provides retirement, disability and death benefits for Police Officers and Firefighters was closed to new hires after October 1, 2017. Retirement benefits are calculated as 3 percent of the employee's final 2-year average salary times the employee's years of service up to 20 years and 2 percent thereafter (80 percent maximum benefit). Employees with 5 or more years of continuous service are eligible to retire at 20 years from the date of employment. Benefits are increased 3 percent annually after retirement.

Employees are eligible for non-duty related death and disability benefits after 10 years of service and for duty-related death and disability benefits upon hire. Terminated vested employees have the option to withdraw their contributions, while non-vested terminated employees must withdraw their contributions.

In April 2017, the City Council passed legislation dedicating a Pension Liability Surtax as a funding source for the General Employees' Retirement Plan, Corrections Officers' Plan and the Police and Fire Pension Plan. The benefits that were modified in 2015, impacting both existing employees and new hires were repealed by the new legislation. The bill deleted the definition of Group I and Group II members (hired before and after the effective date of Ordinance 2015-304-E) and provides that no employee hired on or after October 1, 2017 is eligible for membership in the Police and Fire defined benefit pension plan. All new hires must be a member of the defined contribution plan. The employee contribution rate to the defined benefit pension is increased from 8% to 10% of salary and the employer contribution is set as the actuarially determined Employer Contribution as provided in relevant statutes and ordinances. For a full breakdown of the new benefit package please see City Ordinance Code Section 121, Part 2.

For a full description of benefits provided by PFPF, refer to the separately issued financial statements for the Police and Fire Pension Plan that are available from the Police and Fire Pension Fund, located at One West Adams Street, Suite 100, Jacksonville, FL 32202.

**d) Florida Retirement System**

**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 System provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after they have met one of the following: (1) after 30 years of service regardless of age; (2) six years of

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

**5. Plan Benefits Provided (continued)**

**d) Florida Retirement System (continued) -**

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

The funding methods and the determination of benefits payable are provided in various Acts of the State Legislature. These Acts require that employers make actuarially determined contributions at the rates in effect as of July 1, 2022, of 4.23% for regular members, 9.67% for special risk members, 43.98% for elected county officials, 22.15% for senior management, and 9.15% for DROP Plan members.

For a full description of benefits and historical trend information showing the progress in accumulating sufficient assets to pay benefits when due, is presented in the Florida State Retirement System's June 30, 2022, annual financial report. The report may be obtained from the State of Florida, Department of Management Services, Division of Retirement P.O. Box 9000, Tallahassee, Florida 32315-9000.

**e) Jacksonville Beach Firefighters' Retirement Plan –**

Effective November 19, 2019, the City of Jacksonville entered into an agreement with the City of Jacksonville Beach to provide advanced life support and fire services to residents and businesses of Jacksonville Beach. The Jacksonville Beach firefighters became employees of the City of Jacksonville. At that time, the Jacksonville Beach Firefighters' Retirement Plan was closed to new members. Each firefighter in active service on the effective date was given the opportunity to individually elect to continue participating in the Jacksonville Beach Firefighters' Retirement Plan or join the City of Jacksonville's defined contribution retirement plan. Those who elected to continue participating in the Jacksonville Beach Firefighters' Retirement Plan must continue to make legally required contributions and accrue service benefits under the Plan for as long as they are employed as certified firefighters by the City of Jacksonville.

The City of Jacksonville Beach will continue to be the plan administrator and is responsible for the unfunded actuarial accrued liability as determined by the plan actuary as of November 22, 2019. The City of Jacksonville Beach agreed to pay the unfunded liability (representing a fixed contractual obligation) at that time totaling \$5,318,174 into the Plan over a 10-year period. Annual contributions towards the unfunded liability are \$707,653 including interest. The City of Jacksonville is responsible for paying the total required contribution to the Jacksonville Beach Firefighters' Pension Plan and estimated annual employee contributions attributable to services rendered after November 23, 2019.

Jacksonville Beach Firefighter Plan is supported by member contributions, property insurance premium tax monies received from the State pursuant to Chapters 175 Florida Statutes, Local Employers' contributions (from the cities of Jacksonville and Jacksonville Beach), and investment income from Retirement System assets.

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

**5. Plan Benefits Provided (continued)**

**e) Jacksonville Beach Firefighters’ Retirement Plan (continued)**

**Plan Description –**

Members are eligible for normal retirement after they have met one of the following: (1) Thirty years of service and any age; (2) Twenty-five years of service and age 52; or (3) Ten years of service and age 55. Pension benefit is 3% for each year of service. Additional provisions include cost of living increase and death benefits.

For a full description of benefits and historical trend information showing the progress in accumulating sufficient assets to pay benefits when due, is presented in the City of Jacksonville Beach’s September 30, 2022, annual report. The report may be obtained from the City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, FL 32250.

**6. Contributions** - The Florida Constitution requires plan contributions be made annually in amounts determined by an actuarial valuation in either dollars or as a percentage of payroll. The Florida Division of Retirement reviews and approves the City’s actuarial reports to ensure compliance with actuarial standards and appropriateness for funding purposes.

**Pension Contributions  
(in thousands)**

	Jacksonville Retirement System		
	General Employees' Pension Plan	Corrections Officers' Pension Plan	Police and Fire Pension Plan
Required Employee Contribution Rate	10%	10%	10%
Employee Contributions for Fiscal Year Ended 2022	\$27,273	\$3,153	\$18,268
Required Employer Contribution Rate	30.93%	55.85%	86.23%
Employer Contributions for Fiscal Year Ended 2022	\$84,354	\$17,610	\$157,520

**7. Pension Investments**

a) **Investment Policy** - The purpose of the City of Jacksonville Retirement System Board and the Police and Fire Pension Board is to administer long-term benefits to the Plans’ participants and their beneficiaries. It is the Board’s intention that the investment policies be sufficiently specific to be meaningful but adequately flexible to be practical. The investment objective is to preserve the purchasing power of assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing, to the extent reasonable, the short-term volatility of returns. After a thorough review of the expected

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NOTES TO FINANCIAL STATEMENTS  
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**9. A. PENSION PLANS (continued)**

**7. Pension Investments (continued)**

**a) Investment Policy (continued)**

risk and return of various asset mixes, the Boards of Trustees have established the following target asset allocations for all assets of the City of Jacksonville Retirement System and Police and Fire Pension Fund as indicated in the table below:

Asset Class	Jacksonville Retirement System Target	Police & Fire Pension Fund Target
Domestic equity	30.0%	37.0%
International equity	23.0%	20.0%
Fixed Income	20.0%	20.0%
Real estate	15.0%	15.0%
Diversifying Assets/Private Investments*	12.0%	8.0%
Total	100%	100%

\*Inclusive of MLPs, Private Equity, and Private Credit

The investment policy statement for the Jacksonville Retirement System was ratified on July 1, 2021. The investment policy statement for the Jacksonville Police & Fire Pension Fund was ratified on May 21, 2021. There are no individual investments in JRS or PFPF Systems that exceed 5% of plan assets on September 30, 2022.

b) **Rate of Return** – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 21.08% for the Jacksonville Retirement System and 23.15% for the Police and Fire Pension Fund.

The long-term expected rate of return on pension plan investments is determined annually by the Board of Trustees of each plan. In determining the long-term expected rate of return, each Board considers the most up-to-date long-term capital markets assumptions of its investment consultant. The long-term capital market assumptions for each major asset class considered by both pension boards as of September 30, 2022, are summarized below:

Asset Class	Long-Term Expected Arithmetic Rate of Return
Large/Mid Cap Domestic Equity	5.75%
Small Cap Domestic Equity	6.25%
Developed Large/Mid Cap International Equity	7.50%
Emerging Markets Equity	10.25%
Core Fixed Income	2.50%
Global Fixed Income	2.00%
High Yield Fixed Income	5.50%
Emerging Market Debt (Hard Currency)	6.00%
Core Real Estate	6.00%
Non Core Real Estate	8.50%
Private Equity	9.00%
Private Credit	7.25%

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

**8. Pension Plans: Net Pension Liability**

a) The components of the net pension liability as of September 30, 2022, were as follows:

	<b>Net Pension Liability</b>		
	<i>(in millions)</i>		
	Jacksonville Retirement System		
	General Employee's Pension Plan	Corrections Officers' Pension Plan	Police and Fire Pension Plan
<b>Net Pension Liability (in millions): 10/01/2022</b>			
Total pension liability	\$ 3,529	\$ 516	\$ 4,597
Plan fiduciary net position	<u>2,300</u>	<u>297</u>	<u>2,483</u>
Net pension liability	\$ 1,230	\$ 218	\$ 2,114
Net position as a % of total pension liability	65.16%	57.65%	54.02%

**Actuarial Methods and Assumptions:**

Date of last actuarial valuation	October 1, 2021	October 1, 2021	October 1, 2021
Experience period	5 years	5 years	
Inflation	2.50%	2.50%	2.25%
Salary increases (Long-Term Payroll Inflation)	varied	varied	varied
Investment Rate of Return	6.625%	6.625%	6.625%
Discount Rate	6.625%	6.625%	6.625%
Mortality Tables in use	FRS Non-Special Risk Scale MP2018	FRS Special Risk Scale MP2018	FRS Special Risk Scale MP2018

b) **Discount Rate:** The projection of cash flows used to determine the discount rate assumes plan member contributions are made at their applicable contribution rates and that the employer's contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions the Plans' fiduciary net positions are projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plans' investments was applied to all periods of projected benefit payments to determine the total pension liability. Cash flow projections were run for a 120-year period.

c) **Sensitivity of the net pension liability to changes in the discount rate:** The following presents the net pension liabilities of the Plans, calculated using the discount rate and what the Plans' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<b>Net Pension Liability</b>					
	<i>(in millions)</i>					
	General Employees' pension plan		Corrections Officers' pension plan		Police and Fire pension plan	
	Discount Rate	Net Pension Liability*	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	5.625%	759	5.625%	293	5.625%	2,791
Current Rate	6.625%	567	6.625%	218	6.625%	2,114
1% Increase	7.625%	406	7.625%	158	7.625%	1,569

\*Net Pension Liability represents the City of Jacksonville portion only.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**9. A. PENSION PLANS (continued)**

**9. City of Jacksonville Retirement System: Financial Information**

a) The Statement of Net Position – Jacksonville Retirement System - General Employees’ and Corrections Officers’ Plan for the year ended September 30, 2022, is as follows (in thousands):

<b><u>ASSETS</u></b>	
Equity in cash and investments.....	\$ 961
Receivables.....	4,209
Investments, at fair value.....	2,071,959
Capital assets, net of depreciation.....	-
Securities Lending Collateral.....	11,515
<b>TOTAL ASSETS.....</b>	<b><u>2,088,644</u></b>
<b><u>LIABILITIES</u></b>	
Obligations under Securities Lending Agreement....	11,515
Accounts payable and accrued liabilities.....	440
Accrued Compensated Absences.....	73
<b>TOTAL LIABILITIES.....</b>	<b><u>12,028</u></b>
 <b>NET POSITION RESTRICTED FOR PENSIONS.....</b>	 <b><u>\$ 2,076,616</u></b>

b) The Statement of Changes in Fiduciary Net Position – Jacksonville Retirement System for the year ended September 30, 2022, is as follows (in thousands):

<b><u>ADDITIONS</u></b>	
Contributions:	
Employer.....	\$ 101,964
Plan member.....	30,426
Total contributions.....	<u>132,390</u>
Other Additions.....	455
Net investment income.....	(397,081)
Securities lending.....	23
<b>TOTAL ADDITIONS.....</b>	<b><u>(264,213)</u></b>
<b><u>DEDUCTIONS</u></b>	
Benefit payments.....	225,934
Refund of contributions.....	28,177
Administrative expenses.....	1,989
<b>TOTAL DEDUCTIONS.....</b>	<b><u>256,100</u></b>
 <b>CHANGE IN NET POSITION.....</b>	 <b>(520,313)</b>
 <b>NET NET POSITION, BEGINNING OF YEAR.....</b>	 <b><u>2,596,929</u></b>
 <b>NET POSITION, END OF YEAR.....</b>	 <b><u>\$ 2,076,616</u></b>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**9. B. PENSION LIABILITY, EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

**1. Pension Liability**

At the year ending September 30, 2022, the City of Jacksonville recorded a total Pension Liability of \$2,905.81 million. The pension plans providing the information and liability balances are reported below:

	<b>Changes in Net pension Liability</b> <i>(in thousands)</i>		
	General Employees' Pension Plan	Corrections Officers' Pension Plan	Police & Firefighters' Pension Plan
<b>Changes in Net Pension Liability</b>			
Beginning Pension Liability Balance FY 2022	\$ 1,561,952	\$ 480,506	\$ 4,284,183
Service Cost	18,712	8,106	71,448
Interest	104,014	32,479	292,914
Change of benefit term	1,835	-	-
Differences in actuarial experience	11,676	5,071	10,351
Change of assumption	30,230	11,440	162,093
Change in Proportionate Share	-	-	-
Benefit payments and refund of contributions	(102,081)	(21,953)	(224,196)
Net Change in total pension liability	64,386	35,143	312,610
Ending Total Pension Liability FY 2022	<u>\$ 1,626,338</u>	<u>\$ 515,649</u>	<u>\$ 4,596,793</u>
<b>Changes in Plan Fiduciary Net Position</b>			
Beginning Plan fiduciary net position FY 2022	\$ 924,101	\$ 239,847	\$ 2,050,722
Contributions - employer	35,605	15,061	134,725
Contributions - employee	13,416	3,341	19,118
Net investment income	189,176	61,123	490,417
Chapter funds and other income	-	-	14,307
Benefit payments and refund of contributions	(102,081)	(21,953)	(209,515)
Administrative expense	(550)	(160)	(2,205)
Distribution from Reserve Accounts	-	-	(15,238)
Other	-	-	691
Net Change in Plan fiduciary net position	135,566	57,412	432,300
Less Reserve Accounts and Sr. Staff Assets	-	-	-
Ending Plan fiduciary net position FY 2022	<u>\$ 1,059,668</u>	<u>\$ 297,259</u>	<u>\$ 2,483,022</u>
Net Pension Liability	<u>\$ 566,670</u>	<u>\$ 218,390</u>	<u>\$ 2,113,771</u>

**Notes to Schedule:**

**Change of Assumptions:**

Jacksonville Retirement System: As of September 30, 2021, the assumed investment return was lowered from 6.80% to 6.625%. An early retirement window was offered during the period of April 1, 2021 through September 30, 2021. During this window, normal retirement eligibility was changed from age 65 with five years of credited service, age 55 with 20 years of credited service or any age with 30 years of credited service, to age 60 with five years of credited service or age 55 with 10 years of credited service.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**9. B. PENSION LIABILITY, EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)**

**a. Pension Liability (continued)**

The pension plans providing the information and liability balances are continued below:

**Changes in Net pension Liability**

*(in thousands)*

	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters' Pension Plan
<b>Changes in Net Pension Liability</b>			
Beginning Pension Liability Balance FY 2022	\$ 29,463	\$ 668	\$ 19,716
Service Cost	370	15	361
Interest	1,969	14	1,363
Change of benefit term	14	0	-
Differences in actuarial experience	175	(3)	(748)
Change of assumption	343	(83)	(462)
Change in Proportionate Share	-	-	-
Benefit payments and refund of contributions	(1,775)	(28)	(840)
Net Change in total pension liability	1,096	(85)	(326)
Ending Total Pension Liability FY 2021	\$ 30,559	\$ 583	\$ 19,390
<b>Changes in Plan Fiduciary Net Position</b>			
Beginning Plan fiduciary net position FY 2022	\$ 28,402	\$ 24	\$ 15,276
Contributions - employer	600	32	842
Contributions - employee	108	0	159
Net investment income	(2,001)	0	2,835
Chapter funds and other income	-	-	-
Benefit payments and refund of contributions	(1,775)	(28)	(840)
Administrative expense	(3)	(0)	(76)
Distribution from Reserve Accounts	-	-	-
Other	-	-	-
Net Change in Plan fiduciary net position	(3,071)	4	2,920
Less Reserve Accounts and Sr. Staff Assets	-	-	-
Ending Plan fiduciary net position FY 2022	\$ 25,331	\$ 28	\$ 18,196
Net Pension Liability	\$ 5,228	\$ 555	\$ 1,194

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**9. B. PENSION LIABILITY, EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

**2. Pension Expense**

For the year ended September 30, 2022, the City recognized pension expense of \$59.5 million. The City reported pension expense, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Pension Expense**

*(in thousands)*

	Actuarial Pension Expense	Deferred Outflow Contribution Amortization	Reclass of Current Year Contributions to Deferred Outflow	Pension Expense as reported for Fiscal Year 2022
General Employees' Pension Plan	\$ 57,418	\$ -	\$ (39,199)	\$ 18,219
Corrections Officers' Pension Plan	24,967	-	(17,610)	7,357
Police & Firefighters' Pension Plan	191,030	-	(157,520)	33,510
Florida State Retirement Pension	93	-	(171)	(78)
Florida State Retiree Health Subsidy	(56)	-	(7)	(63)
Jacksonville Beach Firefighters' Pension Plan	570	-	(412)	158
Total Pension Expense	\$ 274,022	\$ -	\$ (214,919)	\$ 59,103

**3. Contributions -**

Contributions of \$214.9 million were reported as deferred outflows of resources related to pensions resulting from City of Jacksonville contributions subsequent to the September 30, 2021, measurement date (FRS measurement date, June 30, 2022) and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022.

**Current Year Employer Contributions**

*(in thousands)*

General Employees' Pension Plan	39,199
Corrections Officers' Pension Plan	17,610
Police & Firefighters' Pension Plan	157,520
Florida State Retirement Pension	171
Florida State Retiree Health Subsidy	7
Jacksonville Beach Firefighters' Pension Plan	412
Total Contributions	214,919

**CITY OF JACKSONVILLE, FLORIDA  
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**9. B. PENSION LIABILITY, EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)**

**4. Deferred Outflow/Inflow Amortization**

Other amounts reported as deferred outflows of resources and deferred inflows of resources are illustrated below.

**Deferred Outflows of resources**

*(in thousands)*

	Differences in expected and actual		Difference in projected and actual	
	experience	Changes in assumptions	investment earnings	Changes in proportion
General Employees' Pension Plan	\$ 15,417	\$ 31,567	\$ -	\$ 12,347
Corrections Officers' Pension Plan	17,914	18,232	-	-
Police & Firefighters' Pension Plan	12,671	146,128	32,989	-
Florida State Retirement Pension	248	644	345	-
Florida State Retiree Health Subsidy	16	32	-	1
Jacksonville Beach Firefighters' Pension Plan	93	699	100	-
<b>Total</b>	<b>\$ 46,359</b>	<b>\$ 197,302</b>	<b>\$ 33,434</b>	<b>\$ 12,348</b>

**Deferred Inflows of resources**

*(in thousands)*

	Differences in expected and actual		Difference in projected and actual	
	experience	Changes in assumptions	investment earnings	Changes in proportion
General Employees' Pension Plan	\$ -	\$ -	\$ (77,252)	\$ (22,453)
Corrections Officers' Pension Plan	(790)	(2,921)	(28,085)	-
Police & Firefighters' Pension Plan	-	-	(300,729)	-
Florida State Retirement Pension	-	-	-	(2,016)
Florida State Retiree Health Subsidy	(2)	(86)	-	(191)
Jacksonville Beach Firefighters' Pension Plan	(604)	(352)	(1,679)	-
<b>Total</b>	<b>\$ (1,396)</b>	<b>\$ (3,359)</b>	<b>\$ (407,745)</b>	<b>\$ (24,660)</b>

**Deferred Outflows and (Inflows) Amortization for future years**

*(in thousands)*

	September 30, 2023	September 30, 2024	September 30, 2025	September 30, 2026	September 30, 2027	Thereafter
General Employees' Pension Plan	\$ 3,079	\$ (5,874)	\$ (11,948)	\$ (25,632)	\$ -	\$ -
Corrections Officers' Pension Plan	6,304	4,982	(1,251)	(5,686)	-	-
Police & Firefighters' Pension Plan	686	3,701	(43,143)	(70,184)	-	-
Florida State Retirement Pension	299	112	(101)	879	47	-
Florida State Retiree Health Subsidy	(9)	(5)	(2)	(5)	(11)	(5)
Jacksonville Beach Firefighters' Pension Plan	(199)	(407)	(728)	(408)	-	-
<b>Total</b>	<b>\$ 10,160</b>	<b>\$ 2,509</b>	<b>\$ (57,173)</b>	<b>\$ (101,036)</b>	<b>\$ 36</b>	<b>\$ (5)</b>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**9. C. DEFINED CONTRIBUTION PLANS**

The City has, by ordinance established a Defined Contribution plan within the Jacksonville Retirement System for the general employee participants of the City of Jacksonville, Jacksonville Electric Authority, and the Jacksonville Housing Authority, as an alternative to the Defined Benefit plan. In April 2017, the City Council passed legislation that provides that no employee hired on or after October 1, 2017, is eligible for membership in the defined benefit pension plans. This legislation established a defined contribution retirement system which shall include a General Employees' Defined Contribution Plan (GEDC) and a Public Safety Defined Contribution Plan (PSDC) to include Police, Fire and Corrections employees. All provisions of these Defined Contribution Plans are administered and managed by the City.

Contributions to the GEDC plan, stated as a percentage of pay, were 8 percent for plan members and 12 percent for the employer. Contributions to the PSDC plan, stated as a percentage of pay, were 10 percent for plan members and 25 percent for the employer. A portion of the Member contributions of both Defined Contribution plans, equal to 0.3 percent, is used to fund disability and survivor benefits in the GEDC and PSDC. The City shall contribute such additional sums, as necessary, to fund the disability and survivor benefits on a sound actuarial basis. Employees vest in the employer contributions to the plan at 25% after two years, and 25% per year thereafter until fully vested after five years of service. Members may make additional contributions on an after-tax basis, to the extent permitted by law. Members may also rollover to the GEDC/PSDC plan benefits accrued in other qualified plans consistent with the then prevailing provisions of the Internal Revenue Code.

Total contributions were \$54.2 million for the 2021-22 fiscal year. Contributions totaling \$13 million were transferred into the DC plan for participants that converted from DB to DC in addition to employer and employee contributions. Employer Pension Expense totaled \$36 million comprised of employer contributions and investment management fees net of participant forfeitures in the amount of \$1.4 million.

**9. D. UNFUNDED PENSION LIABILITY**

The City recorded its unfunded pension liability in the City-wide Governmental Activities financial statements. There was not an allocation of this liability to the proprietary funds/Business-type Activities or fiduciary funds as there is not an expectation that those type funds/activities will be paying or raising rates to pay for the unfunded liability.

Police and Fire Pension and Corrections Pension are governmental fund activities, so their entries are recorded in the City-wide Governmental Activities financial statements as well.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)**

***Implementation of GASB #75:***

The Government Accounting Standards Board (GASB) issued GASB #75 in June 2015 to replace GASB #45, with an effective date for fiscal years beginning after June 15, 2017, thus the City's FY2018 reporting year.

***Summary of GASB #75 versus GASB #45 key changes:***

- 1) The City must now recognize the total OPEB liability, as opposed to an amortized portion of the liability (the Net OPEB Obligation).
- 2) The annual OPEB expense replaces the Annual Required Contribution (ARC), with faster recognition than what was previously required.
- 3) The entry age normal cost method is required to determine the liability.
- 4) The discount rate is based on employer's assets and calculation of Actuarial Determined Contribution (ADC) if prefunding. If the plan is unfunded, the 20-year tax exempt municipal bond yield is used.
- 5) Enhanced disclosures of historical contributions, funding status, and basis for actuarial assumptions are required.
- 6) Description of any benefit and assumption changes is required as well as expanded Notes and Required Supplementary Information (RSI).

***Plan Description:*** The City provides retirees with two options to purchase health insurance, both of which are single employer, experience-rated health insurance contract plans that provide medical benefits to active and eligible retirees at the City's group rate as mandated by Florida Statute 112.0801. During a recent plan change, effective 1/1/2020, members of the Jacksonville Sheriff's Office and the Jacksonville Fire and Rescue Department, including their retirees, left the City's health plan (COJ Plan) to participate in the newly formed health plan, the Jacksonville Police Officers & Fire Fighters Health Insurance Trust (JPOFFHIT Plan). As a result, the OPEB liability pertaining to the JPOFFHIT members were spun-off into a new JPOFFHIT plan members-only actuarial valuation for FYE 2020 and onward.

The State of Florida law prohibits the City from separately rating retirees and active employees. The City therefore assigns to both groups equal, blended-rate premiums. Although both groups are assigned the same blended rate premiums, GAAP requires the actuarial liabilities to be calculated using age-adjusted premiums approximating claim costs for retirees separate from active members. This requirement delineates the City's implicit cost (rate) subsidy benefit and obligation for the retirees' participation.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
(continued)**

**Funding Policy:** The City follows a pay-as-you-go policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses plus any addition to the reserve for accrued costs incurred but not yet reported, as determined as part of the insurance contracts. Because the City is on pay-as-you-go, the OPEB entries are recorded in the Governmental Activities Statement of Net Position and Statement of Activities. Since the implicit cost subsidy is the only OPEB benefit and the pay-as-you-go system provides no funding to a trust, any administration costs are paid by the general fund and are considered immaterial. The contribution requirements for members are established by the City. Retired members pay the full premium at the Group rate for the coverage elected. No direct City subsidy is currently applicable; however, as discussed in the Plan Description paragraph above, an implicit cost (rate) subsidy is applicable.

Retired members of the COJ Plan contributed \$2,487 thousand in premiums for FY2022, representing 21.8% of the total FY2022 COJ Plan OPEB cost. The following table displays the estimated retiree premiums for 20- year cash flow purposes: (in thousands)

FY2022	\$	2,487	FY2032	\$	5,979
FY2023	\$	3,256	FY2033	\$	6,131
FY2024	\$	3,550	FY2034	\$	6,187
FY2025	\$	3,984	FY2035	\$	6,286
FY2026	\$	4,359	FY2036	\$	6,407
FY2027	\$	4,670	FY2037	\$	6,465
FY2028	\$	4,953	FY2038	\$	6,687
FY2029	\$	5,203	FY2039	\$	6,937
FY2030	\$	5,496	FY2040	\$	7,150
FY2031	\$	5,732	FY2041	\$	7,679

Retired members of the JPOFFHIT Plan contributed \$7,043 thousand in premiums for FY2022, representing 24.5% of the total FY2021 JPOFFHIT Plan OPEB cost. The following table displays the estimated retiree premiums for 20- year cash flow purposes: (in thousands)

FY2022	\$	7,043	FY2032	\$	16,933
FY2023	\$	9,220	FY2033	\$	17,364
FY2024	\$	10,053	FY2034	\$	17,522
FY2025	\$	11,282	FY2035	\$	17,801
FY2026	\$	12,345	FY2036	\$	18,145
FY2027	\$	13,225	FY2037	\$	18,308
FY2028	\$	14,026	FY2038	\$	18,937
FY2029	\$	14,734	FY2039	\$	19,645
FY2030	\$	15,566	FY2040	\$	20,249
FY2031	\$	16,233	FY2041	\$	21,746

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
(continued)**

The following displays the COJ Plan OPEB ending balances at fiscal year-end: (in thousands)

	<u>OPEB Liability</u>		<u>Deferred Outflows</u>		<u>Deferred Inflows</u>
FY2021	\$ 88,963	\$	60,932	\$	17,244
FY2022	\$ 73,873	\$	53,741	\$	34,048

The following displays the JPOFFHIT Plan OPEB ending balances at fiscal year-end: (in thousands)

	<u>OPEB Liability</u>		<u>Deferred Outflows</u>		<u>Deferred Inflows</u>
FY2021	\$ 327,457	\$	108,564	\$	19,753
FY2022	\$ 264,526	\$	95,318	\$	91,162

*Changes in Net OPEB Liability for COJ Plan: (in thousands)*

	<u>FY2022</u>	<u>FY2021</u>
Total OPEB Liability - Beginning of Year	\$ 88,963	\$ 92,204
Service Cost	\$ 6,597	\$ 5,284
Interest Cost	\$ 2,132	\$ 2,130
Differences between expected and actual	\$ -	\$ (9,948)
Changes in assumptions and other inputs	\$ (21,332)	\$ 1,500
Benefit Payments	\$ (2,487)	\$ (2,207)
Net change in total OPEB liability	<u>\$ (15,090)</u>	<u>\$ (3,241)</u>
Total OPEB Liability - End of Year	<u>\$ 73,873</u>	<u>\$ 88,963</u>

*Changes in Net OPEB Liability for JPOFFHIT Plan: (in thousands)*

	<u>FY2022</u>	<u>FY2021</u>
Total OPEB Liability - Beginning of Year	\$ 327,457	\$ 231,465
Service Cost	\$ 20,668	\$ 15,845
Interest Cost	\$ 7,788	\$ 5,396
Differences between expected and actual	\$ -	\$ 69,665
Changes in assumptions and other inputs	\$ (84,344)	\$ 11,337
Benefit Payments	\$ (7,043)	\$ (6,251)
Net change in total OPEB liability	<u>\$ (62,931)</u>	<u>\$ 95,992</u>
Total OPEB Liability - End of Year	<u>\$ 264,526</u>	<u>\$ 327,457</u>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
(continued)**

*Deferred Inflows/Outflows for COJ Plan:*

The following displays the Schedule of Deferred Inflows/Outflows of Resources at fiscal year-end: (in thousands)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	\$ (10,024)
Changes of assumptions/inputs	\$ 53,741	\$ (24,024)
Net difference between projected and actual investments	\$ -	\$ -

The following displays the amounts reported as Deferred Inflows and Deferred Outflow of Resources at fiscal year-end: (in thousands)

FY2023	\$ 2,664
FY2024	\$ 2,664
FY2025	\$ 2,664
FY2026	\$ 2,908
FY2027	\$ 3,916
Thereafter	\$ 4,879

*Deferred Inflows/Outflows for JPOFFHIT Plan:*

The following displays the Schedule of Deferred Inflows/Outflows of Resources at fiscal year-end: (in thousands)

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 54,184	\$ (4,800)
Changes of assumptions/inputs	\$ 41,134	\$ (86,362)
Net difference between projected and actual investments	\$ -	\$ -

The following displays the amounts reported as Deferred Inflows and Deferred Outflow of Resources at fiscal year-end: (in thousands)

FY2023	\$ 311
FY2024	\$ 311
FY2025	\$ 311
FY2026	\$ 894
FY2027	\$ 3,304
Thereafter	\$ (977)





**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
(continued)**

*Actuarial Assumptions and Methods: (continued)*

15) Plan Election Percentage

Future eligible retirees are assumed to elect coverage based on the following percentages:

<u>Rate Tier</u>	<u>Age 60</u>
HMO 48	70%
HDHP 65	10%
PPO	20%

16) Age-Based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study.

17) Termination and Retirement Age

For the COJ Plan, the rate of withdrawal for reasons other than death and retirement has been developed from the Florida Retirement System Actuarial Valuation as of July 1, 2020, City of Jacksonville Correctional Officer Retirement System Valuation as of October 1, 2020, and the City of Jacksonville General Employees Retirement Plan Valuation as of October 1, 2020. The annual termination probability is dependent on an employee’s age, gender, and years of service.

For the JPOFFHIT Plan, the rate of withdrawal for reasons other than death and retirement has been developed from are based on the City of Jacksonville Police & Fire Pension Fund Actuarial Valuation as of October 1, 2020. The annual termination probability is dependent on an employee’s age, gender, and years of service.

*Sensitivity to the City’s net OPEB liability to changes in the healthcare cost trend rates: (In thousands)*

COJ Plan

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$63,573	\$73,873	\$86,542

JPOFFHIT Plan

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$231,838	\$264,526	\$304,766

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
 (continued)**

*Sensitivity to the City’s net OPEB liability to changes in the discount rate: (in thousands)*

<u>COJ Plan</u>	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$64,641	\$73,873	\$85,249
 <u>JPOFFHIT Plan</u>	 <u>1% Decrease</u>	 <u>Current</u>	 <u>1% Increase</u>
Net OPEB liability	\$232,718	\$264,526	\$304,494

***Notes to the OPEB RSI:***

No assets are held in trust to pay OPEB benefits.

Trend rates were reset to 6.75% (5.75 % for Medicare) and graded down by 0.25% until reaching an ultimate of 4.0% based on current Healthcare Analytics (HCA) consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**11. 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 do not display deferred compensation balances in a fiduciary fund.

**12. RISK FINANCING**

**A. Public Liability and Workers Compensation:**

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

Jacksonville’s City Ordinance, Chapter 128, establishes the Program’s self-insurance fund. The Program is a combination of self-insurance, coupled with certain layers of excess coverage to mitigate aberrant and substantial unexpected losses.

The City does transfer some of its risk through the purchase of insurance for its other exposures. The City purchases Watercraft, Wharfingers Liability, Out of State Automobile Liability, Aviation, Terrorism, Crime, Property, and other certain General Liability policies (Rails to Trails, Power Lines Easement, Riverwalk, and Voting Precincts) to transfer risk. These policies are subject to sub limits, policy aggregates (where applicable) terms, conditions and exclusions as noted in the policies. Coverages are applicable to specific entities listed as named insureds. The attached schedule indicates the major categories of coverage transferred to insurers.

Annually, as of September 30, the Program has a third-party actuary review the claim history for all open claim years. The actuary projects the ultimate claim payment obligation (including the incurred but not reported claims and claim development) for each year’s claim experience and the probable loss fund cost for the new fiscal year. The City uses in-house defense counsel for General and Automobile Liability and outside defense counsel for Workers’ Compensation. The City’s Self-Insurance Program liability is established at the expected confidence level on a four percent (4%) discounted basis in the amount of \$165,073,000 for General Liability, Automobile Liability and Workers’ Compensation.

The probable loss fund estimate is used to budget the self-insurance fund for general liability, automobile liability, and workers’ compensation. As an internal service fund, charges are billed to the various funds and component units of the City. If an adjustment is necessary to increase the reported fund liability to reflect the actuary’s estimated ultimate claim payment, then the self-insurance fund will either draw upon its accumulated net assets and/or initiate a year-end billing to the City itself and component units of the City.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**12. RISK FINANCING (continued)**

**A. Public Liability and Workers Compensation: (continued)**

The City's practice of cash funding the projected ultimate claims payment is intended to temporarily accumulate net assets, which can be used to meet changes in estimates over time. Projected ultimate claims payment experience is as of the end of each fiscal year, even though some payments may not be made until a later date.

The City maintains separate fiscal year accounting, which allows any excess revenues available for return via a dividend formula in Ord. Code. Sec. 128.311, to the City itself and component units, and the accumulation of a Self-Insurance Operating Reserve authorized by the City of Jacksonville Ordinance Code Section 128.312. As of September 30, 2022, the City has a Surplus in the Self-Insurance fund of \$2,593,953.05 and a Self-Insurance Operating Reserve for \$546,263.13 for a combined unrestricted net asset surplus of \$3,140,216.18. In the Supplemental Section of the City's Annual Comprehensive Financial Report, is a trend information schedule for general/auto liability and workers' compensation, entitled "Schedule of Self-Insurance Ten Year Claims Development Information," which reflects the claims paid and liability projection development of each of the most recent ten years as of September 30, 2022

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**12. RISK FINANCING (continued)**

**A. Public Liability and Workers Compensation: (continued)**

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

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

	<u>General/Auto Liability</u>		<u>Worker's Compensation</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Unpaid claims and claims adjustment expenses at beginning of fiscal year	18,772	17,761	126,022	109,231	144,794	126,992
Incurred claims and claim adjustment expenses:						
Provisions for insured events of the current fiscal year	3,996	5,342	14,427	17,646	18,423	22,988
Increases (decreases) in provision for insured events of prior fiscal years	4,315	4,236	31,229	22,753	35,544	26,989
Total incurred claims and claim adjustment expenses	8,311	9,578	45,656	40,399	53,967	49,977
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,218	1,123	6,100	6,742	7,318	7,865
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	7,987	7,444	18,385	16,866	26,372	24,310
Total Payments	9,205	8,567	24,485	23,608	33,690	32,175
Total unpaid claims and claim adjustment expenses at end of fiscal year	17,878	18,772	147,193	126,022	165,071	144,794

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

**SELF-INSURANCE FUND  
CURRENT AND NONCURRENT CLAIMS LIABILITIES  
FOR THE YEARS ENDING SEPTEMBER 30  
(in thousands)**

	<u>General/Auto Liability</u>		<u>Worker's Compensation</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current Liability:						
Estimated Liability for self-insured losses	9,755	9,899	21,145	26,949	30,900	36,848
Noncurrent Liability:						
Estimated Liability for self-insured losses	8,123	8,873	126,048	99,073	134,171	107,946
Total Liability	17,878	18,772	147,193	126,022	165,071	144,794

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**12. RISK FINANCING (continued)**

**B. Self-Insured Health Plan:**

Effective January 1, 2015 the City elected to move from a fully insured plan to a self-funded arrangement for its group health coverage. The primary driver of this decision was the prohibitive cost of commercial health insurance. The City historically utilized Florida Blue as the third-party administrator which provides claims adjudication services, provider network contracting and maintenance, and other valuable services. Florida Blue pays claims as they are incurred and bills the City monthly. To better manage the risk, the City has contracted for stop-loss insurance with a \$800 thousand specific deductible in 2022. Once a claim exceeds this threshold, the City is reimbursed for any excess expenses. In 2018, the City added a new health plan option, UF Health, administered by Integra Administrative Group. The UF Health plan has its own stop loss with a deductible of \$325 thousand for 2022.

The plan is funded by contributions from the City and employees. These funds reside in an internal service fund which is used exclusively for Employee Benefits. The beginning balance of this fund as of January 1, 2015 was \$6,480 thousand. The City received a pro-share settlement from Florida Blue of \$1,548 thousand. This was the result of superior claims performance that the City experienced in CY2013 and CY2014 as a fully insured health plan. The City received a pharmacy rebate, from Florida Blue, of (in thousands) \$1,962 for CY2017, \$2,444 for CY2018, \$3,793 for CY2019, \$2,078 for CY 2020, and \$3,498 for CY 2021.

Incurred but not reported (IBNR) claims were estimated at \$2,880 thousand as of September 30, 2022 and are recorded as a liability on the Statement of Net Position. Changes in the reported liability since January 1, 2015 resulted from the following: (in thousands)

Fiscal Year Ended	Beginning Balance	Claims and Changes in Estimates	Claim and Expense Payments	Ending Balance
2015	\$0	\$57,049	\$52,851	\$4,199
2016	\$4,199	\$74,958	\$74,913	\$4,244
2017	\$4,244	\$73,669	\$73,153	\$4,760
2018	\$4,760	\$80,380	\$80,210	\$4,930
2019	\$4,930	\$81,169	\$80,710	\$5,390
2020	\$5,390	\$74,996	\$77,078	\$3,308
2021	\$3,308	\$76,077	\$75,646	\$3,738
2022	\$3,738	\$71,195	\$72,053	\$2,880

As of September 30, 2022 the operating gain was \$21,435 thousand. The Florida state statutes require a safe harbor threshold to be maintained in plan reserves. This threshold for FY 2022 is \$7,677 thousand and the City has plan reserves of \$27,915 thousand.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

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

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

**B. Fund Deficits:**

The following individual funds had a fund deficit at September 30, 2022, (in thousands):

	<b><u>Fund Deficit</u></b>
Governmental Funds	
Community Development Block Grant	(2,204)
Public Safety	(27,791)
Internal Service Funds	
Copy Center	(108)
Legal	(1,427)
Self-Insurance	(15,205)

The Public Safety fund had a deficit balance due to the excess expenditures resulting from previous Hurricanes and Tropical Storms. The State and Federal share of these expenditures are anticipated to be reimbursed through the Public Assistance program once all work is completed and the Federal Emergency Management Agency (FEMA) and Florida Department of Emergency Management (FDEM) have completed their review and approval of the projects.

The Community Development Block Grant Fund is anticipated to be reimbursed for spending in accordance with the terms of the grant program.

The City monitors internal service billings, including rates, to ensure appropriate funding for operations. It is anticipated that future billings will cover expenses and eliminate the fund deficit in the Copy Center, Self-Insurance, and Legal Internal Service Funds.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES  
C. Landfill Closure and Long-term Care Costs:**

The State of Florida's Solid Waste Management Act of 1988 and regulations of the U.S. Environmental Protection Agency (EPA) and the State of Florida Department of Environmental Protection (FDEP) require the City to be responsible for constructing and maintaining the final landfill cover, monitoring ground water and methane gas, and continuing leachate management 30 years after its municipally owned landfills stop accepting solid waste and are closed. The estimated total costs of municipal solid waste landfill (MSWLF) closure and post closure (long-term) 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 long-term regulations may change which might require the City to revise its MSWLF cost estimates used in the future.

MSWLF costs, for open landfills, are recognized in accordance with GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs. A liability of the Solid Waste Disposal Enterprise 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. Expenses for closure and long-term care costs are funded from future operating revenues of the Solid Waste Disposal fund and bond proceeds. As noted in Note 1. P, the application of SFAS No. 71 resulted in certain costs being capitalized and amortized to later periods. The City obtained bond proceeds to support closure and long-term care cost for North and East landfills and Picketville Waste Site. At September 30, 2022 the prepaid balance of the capitalized cost is \$0.

**Active Landfill – Trail Ridge**

The closure and long-term liability for Trail Ridge as of September 30, 2022 is \$41.3 million which represents an increase of \$2,957,133.45 compared to the preceding year. This increase resulted from adjustments for inflation and current annual closure and long-term care cost estimates. The percentage of landfill capacity used is estimated to be 96.77%, based on the estimated life of 31 years for the constructed landfill disposal units 1-6.

**Inactive Landfills – North and East**

North and East landfills closed October 1999 and April 1992, respectively. Post closure care requirements have been met for both closed landfills.

**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**13. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES  
 C. Landfill Closure and Long-term Care Costs: (continued)**

Annually, the City is required by Chapter 62-701.630 of the Florida Administrative Code, to accumulate resources for payment of closure and long-term care cost. The City is in compliance with these requirements. Due to inflationary increases over the years for costs expended on closing the landfill, costs exceeded the revenue derived from tonnage filling the landfill. The revenue rate structure had not changed in many years and did not keep up with inflation. The City decided to implement a three phase strategy to address the problem. In FY2017, the City’s General Fund initiated a \$9 million loan to the landfill closure/post closure sub fund as Phase 1. In FY2018, the City implemented Phase 2 and made permanent transfers of \$9 million to firm up the previous amount loaned.

Phase 3 will address a rate review for the landfill closure/post closure revenue projections vs. cost projections, in order to keep the sub fund compliant with the Florida Administrative Code. Ordinance 2021-592-E increased fees to the host fee for the closure fund portion which increased the rate of \$1.98 per ton to \$2.11 per ton in the closure escrow account. As of September 30, 2022, \$24.5 million, which includes \$5.3 million for accelerated payments, have been accumulated for payment of closure and long-term care cost (see summary below). Accelerated payments are payments in excess of the required financial assurance balances that are held in reserves for contingencies and are used to offset future operational cost.

	<b><u>Trial Ridge</u></b>
Current Cost of Closure	19,176,842.00
Annual Cost of Long-term care	-
Accelerated fund above state minimum	<u>5,299,762.00</u>
Total balance in escrow account	<u><u>24,476,604.00</u></u>

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**14. LEASES**

The City financial statements reflect the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

**Lessor Leases**

The City is a Lessor for various noncancellable long-term leases of buildings, land, and infrastructures. Lease terms for the leases vary from 22 months to 330 months. The discount rate used for the calculation of the lease receivable varies depending on the length of the respective leases and ranged from 0.2430% to 2.4520%.

As of September 30, 2022, The City of Jacksonville lease receivable is valued at \$15 million for governmental activities and \$46 million for business-type activities and the deferred inflow of resources associated with the leases that will be recognized as revenue over the term of the leases are \$15 million for governmental activities and \$44 million business-type activities.

Future principal and interest related to the City’s lease receivables are estimated as follows:  
(in thousands)

Fiscal Year Ending September 30	Governmental Activities			Business - Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,943	\$ 192	\$ 2,135	\$ 3,620	\$ 794	\$ 4,414
2024	1,508	178	1,687	3,695	733	4,428
2025	1,247	165	1,412	4,250	670	4,920
2026	1,017	153	1,170	6,606	598	7,204
2027	1,009	141	1,150	6,527	485	7,012
2028-2032	3,653	536	4,190	17,369	907	18,276
2033-2037	2,782	304	3,085	1,658	279	1,938
2038-2042	1,903	85	1,988	2,084	118	2,202
2043-2047	205	11	216	236	1	237
2048	27	0	27	-	-	-
<b>Totals</b>	<b>\$ 15,294</b>	<b>\$ 1,767</b>	<b>\$ 17,061</b>	<b>\$ 46,045</b>	<b>\$ 4,585</b>	<b>\$ 50,630</b>

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**14. LEASES (continued)**

**Lessee Leases**

The City is a Lessee for various leases for buildings, equipment, land, land improvements, and infrastructures. Lease terms for the leases vary from 15 months to 356 months. The discount rate used for the calculation of the lease liability varies depending on the length of the respective leases and ranged from 0.2160% to 2.7510%.

As of September 30, 2022, the City right-to-use capital assets are \$28.7 million, including governmental activities of \$28.4 million and business-type activities of \$220 thousand and associated accumulated amortization is \$4.5 million, including governmental activities of \$4.4 million and business-type activities of \$37 thousand. Lease asset information is also included in Note 6 Capital Asset Activity.

Future Principal and Interest Payment requirements related to the City’s lease liability recorded in Governmental and Business-Type activities at September 30, 2022 are as follows: (in thousands)

Fiscal Year Ending September 30	Governmental Activities			Business - Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 2,222	\$ 358	\$ 2,579	\$ 18	\$ 2	\$ 20
2024	1,977	334	2,312	18	2	20
2025	1,847	314	2,161	18	2	20
2026	1,599	294	1,893	18	2	20
2027	1,404	274	1,678	18	1	20
2028-2032	6,585	1,079	7,664	96	3	99
2033-2037	4,882	615	5,497	-	-	-
2038-2042	3,112	235	3,346	-	-	-
2043-2047	729	88	817	-	-	-
2048-2051	575	25	600	-	-	-
<b>Totals</b>	<b>\$ 24,931</b>	<b>\$ 3,617</b>	<b>\$ 28,548</b>	<b>\$ 186</b>	<b>\$ 12</b>	<b>\$ 197</b>

Additional lease liability disclosure is also included in Note 8C Changes in Long-Term Liabilities.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS**

**A. Litigation:**

The City is named as party in legal proceedings which occur in the normal course of government operations. Such litigation includes, but is not limited to, claims asserted against the City arising from alleged torts, including claims under the public liability in the Self Insurance Fund, alleged breaches of contract, condemnation proceedings and other alleged violations of state or federal laws.

The City self-insures itself through general liability and workers compensation programs for most claims asserted against the City. For all amounts that are probable of loss the City records an estimated liability in the Self Insurance internal service fund. For amounts where it is not possible at the present time to estimate the ultimate outcome or liability, if any, to the City for the proceedings no accrual is recorded. It is the City's opinion that the ultimate liability in these litigation matters, if any, that have not been accrued, 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 a federal grant, contract or their sponsored agreement. Certain agencies and departments may not be in total compliance with these regulations. Failure to comply may result in questions concerning eligibility 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.

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**C. Self-Insurance:**

Through the City's Risk Management Division, the City maintains an insurance and self-insurance program (See Note 12). Under the laws of the State of Florida, the City has sovereign immunity for state tort claims in excess of \$200,000 per person and \$300,000 per occurrence. The City retains coverage on all other types of major exposures including real and tangible property. The self-insured programs of the City, which are included in the Self-Insurance Internal Service Fund, are funded on a dollar-for-dollar basis determined actuarially for the estimated losses for claim development and incurred but not reported claims, and unallocated loss adjustment expenses. Claims are reserved on ultimate probable cost basis.

**D. Pollution Remediation:**

Governmental Accounting Standards Board Statement No. 49 Accounting and Financial Reporting for Pollution Remediation Obligations (GASB 49) provides accounting and financial reporting for pollution remediation obligations. While GASB 49 does not require the City to search for pollution, it does require the City to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

- The City is compelled to take remediation action because pollution creates an imminent endangerment to public health,
- The City is in violation of pollution prevention,
- The City is named, or has evidence that it will be named as responsible party by a regulator,
- The City is named, or has evidence that it will be named in a lawsuit to enforce cleanup, or
- The City commences or legally obligates itself to conduct pollution remediation activities.

The City recorded a pollution remediation liability as of September 30, 2022 of approximately \$88.2 million (See Note 8. C for schedule) using the expected cash flow technique. Under this technique, the City estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. However, this liability could change over time due to changes in cost of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts. The following paragraphs provide further details on the more significant sites.

*Whitehouse Waste Oil Pits Superfund Site*

The US Environmental Protection Agency (USEPA) identified the City as a potential responsible party (PRP) at the *Whitehouse Waste Oil Pits Superfund Site* in western Duval County. The City and other (PRPs) participated in the USEPA's Pilot Allocation Project which resulted in the USEPA assuming as much as 65% of the liability at the site, with the City being allocated less than 10% of the liability.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)**  
**D. Pollution Remediation: (continued)**

The USEPA estimates \$20 million site costs, with the City paying approximately \$2 million over the life of the project (which includes a 30 year operations and maintenance period). Site work was substantially complete in October 2006 when operations and maintenance work began. The PRPs have more than \$1.23 million on deposit to fund operations and maintenance; however, until USEPA officially declares the remedial action complete, the prospect for additional work remains. In January 2008, the City met with adjacent property owners to negotiate the purchase of additional private property to account for the location of the remedial berm. The City and other PRPs settled with the USEPA which had sought reimbursement of its cost of a removal action in 1995, regarding the Bill Johns Waste Oil Site.

The City's liability is based on contracting with the waste oil service to empty used oil collection points operated under a recycling grant from the State. The remedial action was completed in late 2006 and early 2007 and following approval of the Remedial Action Report (May 2007), the site was approved for the 30 year long term Operations and Maintenance of the facility. The PRP are responsible for the long-term O&M costs for the total 30-year period. We are currently in year 16 of the 30-year period.

*Ash Sites*

The City has identified four sites that were used for incinerator ash waste. The common practice during the 1950s and 1960s was to incinerate garbage and then mix the residual ash waste with other soil and use it as fill dirt. The City and the USEPA signed an agreement in 1999 to develop a plan to remediate the four sites. In order to make the sites and surrounding areas safe from a variety of residual pollutants, the City has proposed to the EPA a plan to clean up the areas by removing the top two feet of soil, placing a barrier, and then replacing the topsoil with untainted dirt. The project is estimated to take several years to complete once started and a cost estimate of \$27.2 million has been accrued based on the City's estimate used in its five-year capital project plan. As of September 30, 2022, the Ash Sites accumulated approximately \$186.3 million of expenditures.

*Other Sites*

FDEP identified other sites of potential liability the City is responsible for. These sites include: *Doe Boy Dump Site, Gold Merit/Pope Place, and Confederate Park.*

These projects, which are estimated to take several years to complete once started, have an estimated cost of \$19 million, which has been accrued by the City and included in the City's five year capital projects plan. Various other remediation sites exist within the City and \$42.2 million has been accrued for their estimated liability based on their inclusion in the City's five year capital projects plan.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**D. Pollution Remediation: (continued)**

The *Picketville Waste Dump Site* future costs are dependent upon information received from the USEPA and FDEP for the final groundwater monitoring report. The City has completed its long-term O&M responsibilities. However, groundwater impacts above regulatory levels were still present in the last samples for the final report. The City recommended continued groundwater monitoring in lieu of additional assessment and/or remediation. The City awaits a response from the USEPA and FDEP on this matter. In lieu of the formal response by the USEPA and FDEP to the City's requests, the original parameter list and frequency of sample events have not been altered.

**E. Garage Development Agreement:**

The City entered into agreements for a private developer to construct and operate three parking garages. Two of the garages are to support the sports complex and the other is to support a new courthouse site. The current agreement provides an operating subsidy to support debt service, operating deficits, required reserves, and percentage return of equity, totaling approximately \$4 million per year. Associated therewith, the City has options to buyout the current business arrangement, refinance the related non-city debt and assume operational control thereof.

Following City Council approval of a mediated settlement agreement to litigation filed in 2020, the DIA took over full operation control of the three Metropolitan Parking Solutions (MPS) garages on April 22, 2022. Relate outcomes include:

- The City borrowed \$28,476,710.46.
- The City paid off all outstanding MPS bonds.
- MPS executed Amended and Restated Loan Agreements totaling \$94,848,653.90 (the 2005 Master Note balance in the amount of \$12,895,000, plus the 2005A Master Note balance in the amount of \$14,860,000, plus all Subordinate Master Notes - the "Development Note" - totaling \$67,093,653.90) with an interest rate of 1.9% per annum.
- MPS and the DIA executed a lease agreement which requires the DIA to pay annual rent for all three garages in the total amount of \$150,000.00, contribute \$25,000.00 annually to the Capital Reserve Fund, and provide MPS with a \$2.5 million annual note offset to the Amended and Restated Loan Agreements (less any amount paid for annual rent and contributed to the Capital Reserve Fund). The note offset is applied in the following order: first, equally to the accrued but unpaid interest on the Master Notes; second, equally to the unpaid principal of the Master Notes; thirdly, equally to accrued but unpaid interest on the Development Note, and lastly, equally, to the unpaid principal of the Development Note.

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**F. Construction and other significant Commitments:**

At September 30, 2022, the City had significant commitments for the following projects (in thousands):

**General Government**

Academy Firing Range storage lease building	615
ADA Compliance-Curb Ramps Sidewalks	1,994
Advancing Health Literacy to Enhance Equitable Responses to COVID-19	1,882
Building Systems-Prime Osborn Conv Ctr	1,432
City Hall Roof Replacement	1,289
Courthouse Complex Antenna System Replacement	567
Enterprise Financial and Resource Management Solution - ICloud	8,371
Florida Theatre - Facility Improvements	1,500
Jacksonville EOC Critical Electrical Infrastructure Upgrade	854
Jax Ash Site Pollution Remediation	2,212
JFRD Fire Station Apron & Driveway Repairs	582
La Salle Street Outfall	2,771
Lot R - Stadium Performance Center	12,392
Main Library Parking Garage Retail Space Buildout	2,130
McCoy's Creek Greenway - Jax Ash - McCoy's Creek Standard Remediat	3,428
McCoy's Creek Greenway - Jax Ash-McCoy's Creek Buffer to Creekbank	2,380
McCoy's Creek Improvements - McCoy's Creek Improvements	12,085
Medical Examiner Facility - 04	1,062
Memorial Cemetery Assessment Restoration	2,484
New Berlin Rd (Cedar Pt To Starratt Rd/Pulaski Rd)	749
Northbank Riverwalk - Northbank Bulkhead	1,069
Old City Cemetery Assessment & Restoration	602
Pretrial Detention Facility Generator Replacement	907
Pretrial Detention Facility - Pretrial Det Facility -Cell Door System	1,288
Pretrial Detention Facility - Pretrial Facility Maintenance-Upgrades	509
UF Health Capital Improvements	27,858
Water-Wastewater System Fund - Water-Wastewater System Fund	1,800
Woolery Drive Drainage Study and Improvements	698

**Public Safety**

Academy Firing Range storage lease building	1,800
Coronavirus Emergency Supplemental Funding Program	820
Fire Station # 65	2,783
Fire Station #75 (new)	6,453
Met Park Marina Fire Station, Museum & Dock/Design (Replacement)	887

**Physical Environment**

Drainage System Rehabilitation - Drainage System Rehabilitation	3,086
Gold Merit-Pope Place	5,271
La Salle Street Outfall	4,060
Leachate Evaporator - Landfill Gas Fueled Leachate Evaporator	6,786
Myrtle Ave Stormwater Pump Replacement	811
Trail Ridge Landfill Const & Expansion - Trail Ridge Landfill Expansion	13,849

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**F. Construction and other significant Commitments: (continued)**

(in thousands):

**Transportation**

Biscayne Blvd Sidewalk - New	779
Brooklyn Area Drainage & Safety Improvement	1,201
Cahoon Rd & Normandy Blvd to Beaver St	8,155
Cecil Field Connection & Brannan-Chaffee to Community Ctr	2,111
Chaffee Road	713
Children's Way Nira St Pedestrian Improvement	546
Collins Rd & Shindler to Old Middleburg	1,994
Collins Rd-Westport to Rampart	8,737
Crystal Springs-Chaffee to Cahoon - Phase2	1,572
Emerald Trail - S-Line to Stonewall Street Improvements	6,479
Hardscape - County Wide	934
Hartley Rd & St Augustine To SR 13	5,432
Hodges Blvd Intersection Traffic Signals	1,386
Intersection Improvement, Bridge, Miscellaneous Construction-Hart	3,042
Jork Road - Jork Road Bridge	545
Jork Road - Jork Road Canal Restoration	1,250
Kernan Blvd Widen-4 Lanes divide -JTB & McCormick	25,165
Lower Eastside Drainage - 01	561
Major Outfall Ditch Restoration/Cleaning	646
Mayport Dock Redevelopment	2,318
McCoy's Creek Greenway - McCoy's Creek Boulevard Closure	642
McCoy's Creek Greenway - McCoy's Creek Channel Improve & Restore	4,300
McCoy's Creek Greenway -Outfall Improvements with Riverwalk	10,789
Moncrief Rd Beautification (34Th-45Th St)	651
Myrtle Ave Stormwater Pump Replacement	535
Northbank Riverwalk - Northbank Artist Walk Extension	639
Northbank Riverwalk - Northbank Bulkhead	1,144
Old Middleburg 103rd-Branan Field - 01	16,484
Palm Avenue Improvements	3,236
Pavement Markings	921
Racetrack Road Widening	10,384
Resiliency Infrastructure Improvements	1,448
Ricker Rd & Old Middleburg to Morse	9,633
Riverfront Plaza	697
Roadway Resurfacing - Roadway Resurfacing	5,205
Roadway Sign Stripe And Signal	794
Shindler 103Rd to Argyle Forest - Shindler 103rd to Argyle Forest	17,177
Sidewalk-Curb Construction and Repair	1,815
St Johns Bluff Rd-New Sidewalk ES	659
Urban Core Riverfront Revitalization Hart Expressway Improvement	2,296

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**F. Construction and other significant Commitments:**

<b>Economic Environment</b>	
Armsdale Rd-Duval Rd Improvements	1,676
<b>Culture &amp; Recreation</b>	
9A Baymeadows-Regional Park Amenities	1,010
9A/Baymeadows - Park	2,048
9A-Baymeadows Park	519
Castaway Island Preserve - Dredge Design	572
CDBG 20-21 Lift Ev'ry Voice and Sing Park	1,631
Clanzel T Brown Park	715
Countywide Parks & Recreation Projects	1,286
Everbank Field - Everbank Field Exterior Finishes	684
Friendship Fountain Repairs & Nodes	1,494
Jacksonville Zoo Improvements	13,138
Mayport Dock Redevelopment	1,154
Oceanway Center - Oceanway Library Replacement	793
Performing Arts Center - Musical Garden	677
Special Committee on Parks and Quality of Life	3,283
Water-Wastewater System Fund - Water-Wastewater System Fund	16,149
<b>TOTAL</b>	<b><u>351,958</u></b>

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**G. Encumbrances:**

At September 30, 2022, the City had encumbrances outstanding in the Governmental Funds as follows: (in thousands)

<u>MAJOR FUNDS</u>	
General Fund	27,826
Other Federal, State and Local Grants	17,080
<b>Total Major Funds</b>	<u>\$ 44,906</u>
<u>NON-MAJOR FUNDS</u>	
Concurrency Management	3,232
Air Pollution Control and Monitoring	4
Tourism Development	1,330
Clerk of the Court	16
Transportation Fund	4,099
Budgeted General Government	4,089
Emergency 9-1-1	491
Tax Increment Districts	9,902
Kids Hope Alliance	9,769
Community Development Block Grant	5,927
Maintenance, Parks and Recreation	896
Public Safety	5,881
Housing and Neighborhoods	2,768
State Housing Initiative Partnership	5
General Bonded Debt Obligations	3,954
General Projects	200,011
Better Jacksonville Plan Construction Project	3,983
Bond Projects	938
Grant Projects	10,975
<b>Total Non-Major Funds</b>	<u>268,270</u>
<b>TOTAL ENCUMBRANCES</b>	<u>\$ 313,176</u>

\*The Better Jacksonville Plan Construction Project Fund accounts for funds associated with the \$2.25 billion improvement plan. Council appropriated funds for the plan in its entirety at the inception, while funding sources including dedicated sales tax and debt issues are secured as needed. Multi-year contracts are encumbered, and funding sources are obtained as construction occurs.

The encumbrances are recorded within fund balance based on the source of funds as restricted, committed, or assigned as appropriate.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**H. Tax Abatements:**

The City administers the following tax abatement programs.

Programs Administered by City of Jacksonville		
Name of Program	Recaptured Enhanced Value (REV) Grant	Qualified Target Industry
Purpose of program	Designed to bring new capital investment and development or redevelopment to a project site to support a new business or to expand an existing business, thus resulting in the creation of new full time jobs.	To attract greater private sector investment, to expand the opportunity for individuals to gain high wage employment, and to lower the overall unemployment rate in Duval County by providing jobs at above average wage levels in the county.
Tax being abated	Real and/or Tangible Personal Property Tax	Corporate Income Tax, Sales Tax, Ad valorem Tax, Insurance Premium Tax, Intangible Personal Property Tax, Excise Tax, State Communication Service Tax
Authority under which abatement agreements are entered into	Part 2, Chapter 26, City of Jacksonville Ordinance Code and Ordinance 2016-382-E (Public Investment Policy), Florida Statutes 125.045 County Economic Development Powers	Florida Statute 288.106 Tax refund program for qualified target industry businesses
Eligibility criteria	The company is required to be on a Targeted Industry Category. The company must create at least 10 new full time jobs with wages greater than or equal to 100% of the State of Florida average wage, or greater than or equal to 60% of Duval County's average annual wage. The company must commit a minimum of \$3 million private capital investment.	The company is required to be in a Targeted Industry Category. The company must create at least 10 new full time jobs with an average annual wage that is at least 115% of the State, Metropolitan Statistical Area, or local average wages.
How recipient taxes are reduced	As refunds on real and personal property taxes paid by the project above the base year.	As refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes.
How amount of abatements is determined	Utilizing a "base year" assessed property value for the project, a certain percentage of the City's portion of the incremental increase in ad valorem taxes on real and /or tangible personal property paid by the project above the base year amount is available. In general, the standard grants will be up to 50% of the increment up to 10 years. They are capped at a maximum amount. The percentage and length of time is negotiated between parties. Higher percentages or timeframes may be awarded for projects with high volumes of job creation and capital investment.	Pre-approved applicants receive tax refunds of \$3,000 per net new Florida full time equivalent job created. For businesses paying 150% of average annual wage, add \$1,000 per job; for businesses paying 200% of the average wage, add \$2,000 per job. The agreement is between the State of Florida's Department of Economic Opportunity (DEO) and the company. The State agency reviews and audits information provided by the Company and sends an invoice to the City of Jacksonville. The City then sends 20% Local Financial Support to the State, who subsequently pays the Company.
Provision for recapturing abated taxes	N/A	N/A
Amount being abated for the year ended September 30, 2022	<b>Office of Economic Development</b>	<b>Office of Economic Development</b>
	\$8,723,704	\$514,319
	<b>Downtown Investment Authority</b>	<b>Downtown Investment Authority</b>
	\$1,637,397	N/A

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

During fiscal year 2022, the City had financial transactions with its discretely presented component units classified as follows for financial reporting purposes:

**A. JEA:**

Contribution - On October 1, 1968, the City turned its electrical department over to the newly created JEA. Additionally, on June 1, 1997, the JEA assumed the operation and all related assets and liabilities of the water and sewer system from the City. The JEA is required by the City Charter to contribute annually to the General Fund of the City an amount not to exceed 5.513 mills per kilowatt per hour sold and at a rate of 2.149 mills per cubic feet of water sold. For the fiscal year ended September 30, 2022, these contributions total \$121,212,373. Such contributions to the City's General Fund are for the use of the public right-of-way in connection with its electric distribution system and its water sewer distribution and collection system and are based on calculations contained within section 21.07 of the City Charter.

Franchise Fees - Effective April 1, 2008, the City enacted a 3% franchise fee from designated revenues of the Electric and Water and Sewer Utility systems. The ordinance authorizes JEA to pass through these fees to its electric and water and sewer funds. For the year ended September 30, 2022, the City received from JEA \$29,111,249 and \$10,738,709 of its electric and water and sewer funds.

**B. Jacksonville Transportation Authority (JTA):**

Local Option One-Half Cent Sales Tax - On August 11, 1989, Jacksonville citizens voted for the removal of all tolls from county/city bridges and certain roads and replaced the revenue with a local option one-half cent sales tax that provides a permanent funding source for the construction and maintenance of the City's roads and bridges; the operation and maintenance of the bus system and the refinancing of existing bonds issued for the construction of such bridges and roads. All collections from the one-half cent sales tax are statutorily required to be remitted to the JTA. Accordingly, the City remitted all collections from the one-half cent sales tax to the JTA in the amount of \$124 million in fiscal year 2022. Such collection and payment by the City of this local option one-half cent sales tax is recorded in the Transportation Special Revenue fund as revenue and a transportation expenditure in the equal amount. The JTA reports the transfer from the City as sales tax revenue.

In fiscal year 2000, the City and the JTA entered into an interlocal agreement for the purpose of jointly exercising the separate powers of each to the maximum extent allowable by the law in the development, scheduling, financing, planning, permitting, design, construction, and implementation of a \$750 million Road, Bridge and Drainage Capital Improvement Work Program. The term of the agreement commenced on October 1, 2000, and was to continue in effect until all of the bonds were paid in full or defeased in accordance with their terms. The City and JTA agreed to pledge the Sales Tax and the Constitutional Gas Tax for the payment of bonds issued to implement the program.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**B. Jacksonville Transportation Authority (JTA): (continued)**

Any funds available above debt service would be collected in a pay-as-you-go fund to assist with the payment of program expenditures. In addition, the City made available revenues from the Local Option Gas Tax for the operation of the JTA's Mass Transit Division.

Beginning September 1, 2016, a new interlocal agreement between the City and JTA went into effect. The Sales Tax and Constitutional Gas Tax continue to be pledged for the program's debt service. Any Sales Tax revenues available above debt service are returned to JTA and may be used for certain transportation-related purposes as defined by the agreement. Revenues from the Constitutional Gas Tax are to be used for debt service only if the Sales Tax revenues are insufficient. Any Constitutional Gas Tax revenues available above debt service are split equally between the City and JTA. In addition, the new interlocal agreement provides that five-sixths of the Local Option Gas Tax be made available to JTA for the development, construction, operation and/or maintenance of certain roadway projects managed by JTA as identified in the agreement's exhibits.

On May 26, 2021, legislation was passed to increase the Local Option Gas Tax from \$.06 per gallon to \$.11 cents while also levying an additional \$.01 per gallon Ninth-Cent Local Option Gas Tax with both collections commencing on January 1, 2022. A new interlocal agreement between the City and JTA was entered into to accompany and complement the BJPI Interlocal Agreement, as supplemented and amended by the 2014 interlocal agreement, for the purpose of defining the allocation of the additional tax revenues. As defined by the agreement, one-half of the revenues generated from the additional Local Option Gas Tax revenues are sent to JTA for use in funding the planning, design, permitting, development, acquisition and construction of road, bridge, and other transportation facilities as defined by the legislation. The remaining revenues are retained for city use.

**C. Jacksonville Port Authority (JPA):**

Interlocal Agreement - In connection with a major port and marine facilities capital improvement project (the "Project"), the City and the JPA entered into an Interlocal Agreement upon the issuance of \$43,605,140 Excise Taxes Revenue Bonds, Series 1993 (the "1993 Bonds"). Subsequent to this transaction, the parties entered into an Amended and Restated Interlocal Agreement in conjunction with the issuance of \$57,150,000 Excise Taxes Revenue Bonds, Series 1996B (the "1996B Bonds"). The 1996B Bonds were refunded by the Excise Taxes Revenue Refunding Bonds, Series 2001A (the "2001A Bonds"). The 1993 Bonds were partially refunded by the Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003C (the "2003C Bonds"). The 2003C Bonds were partially refunded by the Special Revenue Refunding Bonds, Series 2012E (the "2012E" Bonds, and together with the 1993 Bonds, 2001A Bonds and 2003C Bonds, the "Bonds").

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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

**C. Jacksonville Port Authority (JPA): (continued)**

Under the Amended and Restated Interlocal Agreement, the City agreed to issue the Bonds to finance the Project, and the JPA, in consideration therefore, agreed to reimburse the City for debt service payments on the Bonds from certain revenues allocated to the JPA. Any insufficiency in the extent of such revenues allocated to the JPA under the Amended and Restated Interlocal Agreement or any amendments to the Amended and Restated Interlocal Agreement does not affect in any manner any obligation of the City pursuant to the terms of the Bonds.

The amended and restated Interlocal Agreement is not for the benefit of the holders of the Bonds and the JPA has no obligation under that Amended and Restated Interlocal Agreement to any third party bondholder. The revenues allocated to the JPA are not pledged as security for the Bonds.

The Amended and Restated Interlocal Agreement provides for the allocation of three sources of revenue (collectively referred to as the “Pledged Revenues”) by the City to the JPA. The first source of revenue relates to the allocation of half of the increased revenues in the Telecommunications Tax, which is 85% of the Communication Services Tax (the “Authority Allocation No. 1”). The second source of revenue relates to the amount calculated by multiplying one quarter (.25) mills by the gross kilowatt hours (as defined in Article 21 of the City Charter) sold by JEA during the twelve month period ending May 31 of the prior fiscal year (the “Authority Allocation No. 2”).

The third source of revenues relates to the \$800,000 annual contribution remitted by the City to the JPA as described in Section 5(a) of the JPA act. Such Pledged Revenues are to be applied by the City to the payment of debt service on the Bonds for such fiscal year prior to being paid to the JPA. The final payments on the last remaining bonds were made on October 1, 2020 so debt service has not been, and will no longer be, deducted from the payment as of that date.

In previous years, the City expended \$43.1 million on the Project from proceeds of the 1993 Bonds for the benefit of the JPA under the Amended and Restated Interlocal Agreement, which completed the 1993 Bond Program. In previous years, the City expended \$64 million on the Project from proceeds (inclusive of investment earnings) of the 1996B Bonds for the benefit of the JPA under the Interlocal Agreement.

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**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**17. SUBSEQUENT EVENTS**

On January 25, 2023, Moody's Investors Service upgraded to Aa2 from Aa3 the city's non-ad valorem rating.

On April 10, 2023, Fitch Ratings upgraded to AA from AA- the city's transportation bonds. Fitch also affirmed the AA rating on the city's commercial paper and the A+ rating on the city's Better Jacksonville sales tax bonds.

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**CITY OF JACKSONVILLE, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**18. NET POSITION:**

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

**Net Investment in Capital Assets** - is intended to reflect the portion of net position that is associated with capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

**Restricted Net Position** – are assets that have third-party (statutory, bond covenant or granting agency) limitations on their use externally imposed by creditors or imposed by law through constitutional provision or enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

**Unrestricted Net Position** – have no third party limitation on their use, and consists of all net position that do not meet the definition of the other two components, and any net deficits that exist.

While the Unrestricted Net Position balance is a single number in accordance with GASB Statement 34, the impact of non-asset debt will reduce the year-end discretionary balance available to the government.

**A. Additional Disclosure:**

However, in the City’s case, given that a portion of these non-asset bonds/loans reported in the Governmental Activities column have a dedicated revenue source (to amortize the debt over time) the year-end available portion of the Net Position to the City is greater than is apparent. The following schedule illustrates these differences (000s):

Governmental Unrestricted Net Position (page 26)	\$ (2,652,595)
Impact of Better Jacksonville Plan's (BJP) bond financed capital expenditures incurred by component units and other entities.	33,261
Economic Incentives to be repaid by TIF revenue and/or Developer	12,207
Governmental - Unrestricted Net Position (adjusted for dedicated revenue funded portions)	\$ (2,607,127)

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**18. NET POSITION: (continued)**  
**A. Additional Disclosure: (continued)**

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

**B. Restatement:**

The fiscal year 2022 implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, resulted in a restatement of beginning net position due to a change in accounting principle for governmental and business type activities, and fiduciary pension fund statements. The new rules require recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources. Implementation of GASB 87 resulted in a positive restatement of net position of \$55 thousand for governmental activities, \$1,037 thousand for business-type activities, and \$14 thousand in fiduciary pension funds.

Recognizing an omitted transaction related to fiscal year 2021 activity in the Special Bonded Debt Obligations Debt Service Fund resulted in a governmental activities positive \$920 thousand restatement of net position. Recognizing revenue for fiscal periods 2020 and 2021 in the Other Federal, State and Local Grants Special Revenue Fund resulted in a governmental activities positive \$2,258 thousand restatement of net position. A General Fund receivables correction resulted in a positive \$1,673 thousand prior period adjustment. Other correcting entries in the Community Development Block Grant Special Revenue Fund, Tax Increment District Special Revenue Fund, and Information Technology Internal Service Fund resulted in a negative \$3,500 thousand, a positive \$666 thousand restatement, and a negative \$3,231 thousand restatement of net position in governmental activities.

Net Position (in thousands)	<b>Total Governmental Activities</b>	<b>Total Business- Type Activities</b>
Beginning as previously reported	(1,226,148)	371,164
Restatement	(1,159)	1,037
Beginning as restated	\$ (1,227,307)	\$ 372,201

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**18. NET POSITION: (continued)  
B. Restatement: (continued)**

Net Position (in thousands)	<u>Fiduciary Pension Funds</u>
Beginning as previously reported	5,252,408
Restatement	<u>14</u>
Beginning as restated	\$ 5,252,422

Jacksonville Transportation Authority correcting entries related to grant expenditures and deferred inflows resulted in a positive \$10,178 thousand restatement in net position for component unit governmental activities.

Net Position (in thousands)	<u>Component units</u>
Beginning as previously reported	4,335,654
Restatement -Governmental Activities	<u>10,178</u>
Beginning as restated	\$ 4,345,832

The following schedule includes restatements by individual fund. (in thousands)

<b>Fund</b>	<u>Previously reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<b>Fund Balance Restatement by Fund (in thousands)</b>			
<b>Major Funds - Governmental Funds</b>			
General Fund	406,069	1,724	407,793
Special Bonded Debt Obligations	11,204	920	12,124
Other Federal, State, and Local Grants	3,057	2,258	5,315
<b>Non-major Funds - Governmental Funds</b>			
Tax Increment Districts	63,621	716	64,337
Community Development Block Grant	(1,964)	(3,500)	(5,464)
Maintenance Parks, and Recreation	11,427	198	11,625
Non Budgeted General Government	29,723	(50)	29,673
<b>Net Position Restatement by Fund (in thousands)</b>			
<b>Major Proprietary Funds</b>			
City Venues	136,549	1,041	137,590
<b>Non-major Proprietary Funds</b>			
Public Parking System - Enterprise Fund	6,167	(4)	6,163
Copy Center - Internal Service Fund	(17)	(3)	(20)
Information Technologies - Internal Service Fund	60,559	(3,259)	57,300
Public Works - Internal Service Fund	6,016	6	6,022
<b>Fiduciary Funds</b>			
Police and Fire Pension Plan	2,486,918	14	2,486,932

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**19. FUND BALANCE DISCLOSURE:**

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

**Spendable Fund Balance**

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, City Council, through the issuance of an ordinance. Commitments may only be changed through the same type of formal action that created the commitment.
- Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned through the following: 1) The Director of Finance is authorized by City Council to assign amounts for a specific purpose. (2) The City Council has authorized the Director of Finance, in coordination with the Council Auditor, to recapture excess fund balance that isn't restricted or committed and transfer the excess to the General Fund – General Service District. Excess fund balance that is not recaptured is classified as assigned by the Director of Finance to be used for the purpose of the subfund.
- Unassigned - includes residual positive fund balance within the General Fund that has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted or committed for those specific purposes.

The City uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made, with the exception of the emergency reserve established by the City Council. Under normal circumstances, the City would first elect to utilize the Operating Reserve (Unassigned fund balance in the General Fund) before considering use of its Emergency Reserve.

**CITY OF JACKSONVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**19. FUND BALANCE DISCLOSURE: (continued)**

The City Council established an emergency reserve policy and fund beginning with the fiscal year 2006 budget and amended with Ordinance 2010-852-E, which added “The Emergency Reserve can be used to address unanticipated non-reimbursed expenditures arising out of a hurricane, tornado, other major weather related events, and/or other massive infrastructure failures or other disasters, whether man made or caused by nature.” The emergency reserve is contained as a separate subfund within the General Fund and is included in each annual budget. The emergency reserve shall not be used except as initiated by the mayor through written communication to the City Council, explaining the emergency, and requires approval by two-thirds vote of all City Council members. The emergency reserve will be classified as committed fund balance.

The City does not have a formal minimum fund balance policy. However, the City’s Ordinance Code addresses various targeted reserve positions and the Administration calculates targets and actuals to report the results annually to City Council.

A schedule of City fund balances is provided in the following pages.

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CITY OF JACKSONVILLE, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

19. FUND BALANCE DISCLOSURE

A. FUND BALANCE CLASSIFICATION (in thousands)

	MAJOR FUNDS		
	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	SPECIAL BONDED DEBT- OBLIGATIONS
<b>FUND BALANCES:</b>			
<b>Non Spendable:</b>			
Imprest cash and cash in escrow	\$ -		
Inventories	5,785		
Other	18		
<b>Spendable:</b>			
<b>Restricted for:</b>			
Debt Service Reserved by Debt Covenants		87,154	2,365
Parks and Recreation Projects			
Physical Environment			
Conservation and Resource Management			
Transportation Projects			
Human Services			
Housing and Urban Development			
Building			
Public Safety			
Industry Development			
Other	5,446		
<b>Committed to:</b>			
City Council Emergency Use	66,312		
Drainage Projects			
Parks and Recreation Projects	1,746		
Planning Projects	5,464		
Physical Environment			
Conservation and Resource Management			
Transportation Projects			
Emergency and Disaster Relief			
Court Projects and Operations			
Public Safety	17,627		
Industry Development	5,004		
Other	7,764		
<b>Assigned to:</b>			
Parks Projects	1,239	-	-
Planning Projects	3,879	-	-
Public Safety	12,514	-	-
Industry Development	3,552	-	-
Other	5,512	-	-
<b>Unassigned</b>			
	316,748	-	-
Total Fund Balances	\$ 458,609	\$ 87,154	\$ 2,365

(Continued)

OTHER FEDERAL, STATE AND LOCAL GRANTS	NON MAJOR GOVERNMENTAL FUNDS	TOTAL ALL FUNDS	
		2022	2021
\$ -	191	191	\$ 191
-	-	5,785	4,651
-	1,820	1,838	1,986
-	-	89,519	97,213
-	4,900	4,900	3,906
-	222	222	177
-	1,434	1,434	1,143
-	11,026	11,026	8,789
-	28,774	28,774	22,937
-	15,986	15,986	12,743
-	322	322	257
-	2,601	2,601	2,073
-	59,236	59,236	47,220
5,643	59	11,148	8,549
-	-	66,312	66,028
-	716	716	649
-	32,987	34,733	31,925
-	506	5,970	4,665
-	6,278	6,278	5,693
-	42,448	42,448	38,494
-	211,553	211,553	191,846
-	8,623	8,623	7,820
-	4,524	4,524	4,102
-	38,851	56,478	48,953
-	11,669	16,672	21,246
-	122,025	129,789	117,906
-	-	-	-
-	-	1,239	1,392
-	-	3,879	2,912
-	-	12,514	9,499
-	-	3,552	7,382
-	-	5,512	4,848
-	-	-	-
-	(29,995)	286,753	242,560
<u>\$ 5,643</u>	<u>\$ 576,755</u>	<u>\$ 1,130,526</u>	<u>\$ 1,019,755</u>



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**REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF JACKSONVILLE, FLORIDA**  
**GENERAL FUND REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL BUDGETARY BASIS (in thousands)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<b>GENERAL FUND</b>					<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>ENCUMBRANCES</b>	<b>BUDGETARY ACTUAL</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>				
<b>REVENUE:</b>						
Property taxes.....	\$ 795,998	\$ 795,998	\$ 807,606	\$ -	\$ 807,606	\$ 11,608
Utility service taxes.....	97,768	97,768	100,223	-	100,223	2,455
Community service taxes.....	28,787	28,787	29,504	-	29,504	717
Sales and tourist taxes.....	1,195	1,195	1,260	-	1,260	65
Local business tax.....	6,658	6,658	6,975	-	6,975	317
Licenses, permits and fees.....	41,843	41,843	47,514	-	47,514	5,671
Intergovernmental.....	217,242	217,242	241,028	-	241,028	23,786
Charges for services.....	78,401	78,401	82,550	-	82,550	4,149
Fines and forfeitures.....	2,081	2,081	2,426	-	2,426	345
JEA contribution.....	121,212	121,212	121,212	-	121,212	-
Investment Earning.....	2,666	3,351	(44,315)	-	(44,315)	(47,666)
Other.....	17,240	19,119	13,162	-	13,162	(5,957)
<b>Total Revenue.....</b>	<b>1,411,091</b>	<b>1,413,655</b>	<b>1,409,145</b>	<b>-</b>	<b>1,409,145</b>	<b>(4,510)</b>
<b>EXPENDITURES AND ENCUMBRANCES:</b>						
City Council.....	13,071	12,869	11,294	110	11,404	1,465
Clerk of the Courts.....	6,100	6,326	5,609	89	5,698	628
Courts.....	5,054	5,165	4,922	128	5,050	115
Downtown Investment Authority.....	1,046	11,444	4,299	889	5,188	6,256
Employee Services.....	7,329	7,932	7,094	335	7,429	503
Finance.....	23,711	25,504	22,513	827	23,340	2,164
Fire/Rescue.....	314,217	319,920	310,315	1,357	311,672	8,248
General Counsel.....	165	166	93	-	93	73
Health Administrator.....	1,190	1,290	1,286	-	1,286	4
Inspector General.....	1,383	1,418	1,368	2	1,370	48
Jacksonville Human Rights Commission.....	845	865	804	34	838	27
Mayor.....	4,619	5,135	4,290	395	4,685	450
Advisory Boards and Commissions.....	542	553	535	4	539	14
Medical Examiner.....	5,747	5,928	5,791	66	5,857	71
Military Affairs, Vet & Disabled Svcs....	1,340	1,368	1,327	3	1,330	38
Office of Economic Development.....	1,813	10,458	2,232	2,258	4,490	5,968
Office of Ethics.....	589	598	505	-	505	93
Parks & Recreation.....	48,593	46,965	43,434	1,540	44,974	1,991
Property Appraiser.....	11,995	12,199	11,523	18	11,541	658
Public Defender.....	2,378	2,423	2,323	-	2,323	100
Planning and Development.....	4,760	4,974	4,343	255	4,598	376
Public Libraries.....	36,156	37,373	35,564	386	35,950	1,423
Public Works.....	50,330	56,454	51,822	1,905	53,727	2,727
Neighborhoods.....	22,131	22,677	21,886	121	22,007	670
Sports & Entertainment.....	8,356	11,230	11,021	-	11,021	209
State Attorney.....	2,285	2,335	2,291	2	2,293	42
Supervisor of Elections.....	9,353	11,191	11,101	401	11,502	(311)
Office of the Sheriff.....	502,134	535,836	515,231	10,891	526,122	9,714
Tax Collector.....	21,471	23,856	23,974	343	24,317	(461)
Federal Program Reserve.....	6,553	846	-	-	-	846
Contribution to Shands-Jacksonville.....	30,276	30,276	30,276	-	30,276	-
Cash Carryover Reserves.....	65,823	65,823	-	-	-	65,823
Jacksonville Misc. Citywide Activities.....	163,144	145,068	113,898	5,450	119,348	25,720
<b>Total Expenditures.....</b>	<b>1,374,499</b>	<b>1,426,465</b>	<b>1,262,964</b>	<b>27,809</b>	<b>1,290,773</b>	<b>135,692</b>
<b>EXCESS OF REVENUE OVER (UNDER)</b>						
<b>EXPENDITURES.....</b>	<b>36,592</b>	<b>(12,810)</b>	<b>146,181</b>	<b>(27,809)</b>	<b>118,372</b>	<b>131,182</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Long Term Debt Issued.....	996	996	4,722	-	4,722	3,726
Lease proceeds.....	-	-	2,127	-	2,127	2,127
Transfers in.....	18,045	21,748	16,460	-	16,460	(5,288)
Transfers out.....	(126,520)	(141,969)	(118,674)	-	(118,674)	23,295
<b>Total Other Financing Sources (Uses).....</b>	<b>(107,479)</b>	<b>(119,225)</b>	<b>(95,365)</b>	<b>-</b>	<b>(95,365)</b>	<b>23,860</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(70,887)</b>	<b>(132,035)</b>	<b>50,816</b>	<b>(27,809)</b>	<b>23,007</b>	<b>155,042</b>
<b>FUND BALANCES - BEGINNING AS RESTATED.....</b>	<b>(34,639)</b>	<b>(135,560)</b>	<b>407,793</b>	<b>(26,836)</b>	<b>379,233</b>	<b>-</b>
<b>FUND BALANCES - ENDING.....</b>	<b>(105,526)</b>	<b>(267,595)</b>	<b>458,609</b>	<b>(27,809)</b>	<b>402,240</b>	<b>-</b>

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**1. BUDGETARY DATA**

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

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

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

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

The City presents a Budgetary Comparison Schedule as Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget. For the Fiscal Year 2022, the Other Federal, State, and Local Grants Fund met the criteria to be reported as a major fund, but is not annually budgeted. 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.** The City adopts annual budgets for the General Fund, certain Special Revenue Funds, and Proprietary Funds. The City reports Budgetary Comparisons for its General Fund and Major Special Revenue Funds in the Required Supplementary Information section of the report. None of these funds had an excess of expenditures over appropriations for the year ended September 30, 2022. 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 annually budgeted include the following: Public Safety, Community Development Block Grant, Job Training Partnership Act Grant, Maintenance Parks and Recreation, Other Federal, State and Local Grants, Better Jacksonville Trust Fund, Housing and Neighborhoods, State Housing Initiative Partnership, Non-Budgeted General Government, and Clerk of Court.

**CITY OF JACKSONVILLE, FLORIDA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**1. BUDGETARY DATA (continued)**

**C.** 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 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, adopted a Municipal Ordinance Code Policy that provides transfer authority to the mayor, without City Council approval, within an individual fund to include unique chart of account combinations if the total transferred funds for a specific purpose, project or issue is under \$500,000 during the fiscal year. These transfers are reported to the Finance Committee on a quarterly basis.

**D.** 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 2022 Annual Budget Ordinance were made throughout the year, the effects of which were not material.

- E.** 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.
- F.** Formal budgetary integration is used as a management control device for all funds of the City, except certain Debt Service Funds as explained in Note to RSI 1.C.
- G.** The City's Annual Financial Plan, or published budget document, may be obtained from the City's Budget Office located at 117 West Duval Street, Suite 325, Jacksonville, Florida 32202.
- H.** The Clerk of Court special revenue fund budget is not approved by the City. The Court fund is submitted and approved by the State and is based on the State's July 1st to June 30th fiscal year.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Actuarially Determined Contributions</u>	<u>City Cash Contributions</u>	<u>Contribution Deficiency/ (Excess)**</u>	<u>Covered Payroll*</u>	<u>Actual Contribution as a % of Covered Payroll</u>
<b>General Employees Retirement Plan</b>					
2022	83,697	84,354	(657)	233,266	36.16%
2021	76,833	77,269	(436)	246,864	31.30%
2020	71,250	72,193	(943)	249,983	28.88%
2019	69,248	70,338	(1,090)	253,982	27.69%
2018	70,166	71,024	(858)	257,850	27.54%
2017	94,527	94,700	(173)	250,894	37.75%
2016	89,059	84,898	4,161	254,034	33.42%
2015	86,069	81,751	4,318	262,369	31.16%
2014	81,531	71,000	10,531	265,405	26.75%
2013	66,660	55,386	11,274	283,021	19.57%
<b>Corrections Officers Retirement Plan</b>					
2022	17,592	17,610	(18)	25,903	67.98%
2021	15,045	15,061	(16)	28,268	53.28%
2020	15,043	15,045	(2)	28,726	52.37%
2019	14,498	14,498	0	28,164	51.48%
2018	13,973	13,973	0	27,548	50.72%
2017	19,156	19,162	(6)	26,585	72.08%
2016	18,864	18,864	0	28,091	67.15%
2015	17,618	17,832	(214)	27,374	65.14%
2014	14,885	13,522	1,363	27,871	48.52%
2013	12,885	10,742	2,143	28,944	37.11%

\*Pensionable payroll as of the valuation measurement date 10/1.

\*\*The City contributed the percentage of payroll represented by the actuarially determined contributions in the corresponding actuarial valuation. Actual dollar contributions may be more or less than the actuarially determined contributions due to actual payroll being different than projected payroll.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS  
FLORIDA STATE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

Plan Year Ending September 30	PENSION PLAN			Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
	Actuarially Determined Contributions	City Cash Contributions				
2022	600	630		(30)	2,031	31.02%
2021	630	641		(11)	1,483	43.22%
2020	698	755		(57)	2,065	36.56%
2019	706	732		(26)	1,897	38.59%
2018	759	758		1	2,043	37.10%
2017	712	710		2	2,048	34.65%
2016	695	724		(29)	2,072	34.93%
2015	769	774		(5)	2,175	35.60%

*Prior years information is unavailable*

**HEALTH INSURANCE SUBSIDY**

Plan Year Ending September 30	Actuarially Determined Contributions	City Cash Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2021	35	33	2	1,473	2.24%
2020	36	39	(3)	2,065	1.89%
2019	39	38	1	1,897	1.98%
2018	43	39	4	2,043	1.91%
2017	43	36	7	2,048	1.78%
2016	42	37	5	2,072	1.79%
2015	35	40	(5)	2,175	1.83%

*Prior years information is unavailable*

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Actuarially Determined Contributions</u>	<u>City Cash Contributions</u>	<u>Contribution Deficiency/ (Excess)**</u>	<u>Covered Payroll*</u>	<u>Actual Contribution as a % of Covered Payroll</u>
<b>Jacksonville Beach Firefighters</b>					
2022	801	801	0	1,871	42.81%
2021	842	842	0	1,874	44.92%
2020	1,067	1,102	(35)	1,832	60.15%
2019	658	658	0	2,444	26.91%
2018	608	608	0	2,030	29.97%
2017	501	501	0	2,123	23.61%
2016	422	422	0	2,020	20.90%
2015	368	390	(22)	1,848	21.10%
2014	408	458	(50)	1,868	24.51%

**Notes to Schedule of Contributions**

Valuation Date October 1, 2021 for period ended September 30, 2022

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar, Closed

Remaining Amortization Period: 8 Years

Asset Valuation Method: 4-Year Smoothed Market

Actuarial Assumptions:

Inflation 2.5% wage inflation, 2.5% price inflation

Investment Rate of Return 6.625%

Projected Salary Increases 2.7% to 6.3%

Retirement Age Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.

Mortality The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

Other Information: The employer contribution for September 30, 2020 was recalculated in the October 1, 2019 actuarial valuation report dated February 14, 2020 in accordance with the Interlocal Agreement with the City of Jacksonville.

Additional years will be added to this schedule annually until 10 years of data are presented.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2021		2020		2019	
	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan
<b>Total pension liability</b>						
Service cost*	\$ 40,608	\$ 8,106	\$ 39,960	\$ 7,675	\$ 39,905	\$ 7,359
Interest*	225,729	32,479	222,362	30,633	219,284	29,931
Changes of benefit terms	3,982	-	-	-	-	-
Differences between expected and actual experience	25,338	5,071	12,192	9,965	33,435	5,491
Changes of assumptions	65,605	11,440	36,145	6,109	4,913	(7,304)
Benefit payments, including refunds of contributions	(221,533)	(21,953)	(207,269)	(20,323)	(207,904)	(18,506)
<b>Net change in total pension liability</b>	<b>\$ 139,729</b>	<b>\$ 35,143</b>	<b>\$ 103,390</b>	<b>\$ 34,059</b>	<b>\$ 89,633</b>	<b>\$ 16,971</b>
<b>Total pension liability - beginning balance</b>	<b>3,389,704</b>	<b>480,506</b>	<b>3,286,314</b>	<b>446,447</b>	<b>3,196,681</b>	<b>429,474</b>
<b>Total pension liability - ending balance (a)</b>	<b>\$ 3,529,433</b>	<b>\$ 515,649</b>	<b>\$ 3,389,704</b>	<b>\$ 480,506</b>	<b>\$ 3,286,314</b>	<b>\$ 446,447</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 77,269	\$ 15,061	\$ 72,194	\$ 15,058	\$ 70,338	\$ 14,498
Contributions - employee	29,116	3,341	26,014	3,401	28,334	3,225
Net investment income	410,544	61,123	125,958	9,840	14,789	3,496
Benefit payments including refunds of contributions	(221,533)	(21,953)	(207,269)	(20,323)	(207,904)	(18,506)
Administrative expense	(1,194)	(160)	(1,084)	(153)	(967)	(158)
Other	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 294,202</b>	<b>\$ 57,412</b>	<b>\$ 15,813</b>	<b>\$ 7,823</b>	<b>\$ (95,410)</b>	<b>\$ 2,555</b>
<b>Plan fiduciary net position - beginning balance</b>	<b>2,005,459</b>	<b>239,847</b>	<b>1,989,646</b>	<b>232,024</b>	<b>2,085,056</b>	<b>229,469</b>
<b>Plan fiduciary net position - ending balance (b)</b>	<b>\$ 2,299,661</b>	<b>\$ 297,259</b>	<b>\$ 2,005,459</b>	<b>\$ 239,847</b>	<b>\$ 1,989,646</b>	<b>\$ 232,024</b>
<b>Net pension liability - ending balance (a) - (b)</b>	<b>\$ 1,229,772</b>	<b>\$ 218,390</b>	<b>\$ 1,384,245</b>	<b>\$ 240,659</b>	<b>\$ 1,296,668</b>	<b>\$ 214,423</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	<b>65.16%</b>	<b>57.65%</b>	<b>59.16%</b>	<b>49.92%</b>	<b>60.54%</b>	<b>51.97%</b>
<b>Covered payroll (in thousands)</b>	<b>\$ 233,266</b>	<b>\$ 25,903</b>	<b>\$ 246,387</b>	<b>\$ 28,268</b>	<b>\$ 249,983</b>	<b>\$ 28,726</b>
<b>Net pension liability as % of covered payroll</b>	<b>527.20%</b>	<b>843.11%</b>	<b>561.82%</b>	<b>851.35%</b>	<b>518.70%</b>	<b>746.44%</b>

**Notes to Schedule:**

**Change of Assumptions:**

As of September 30, 2019 the assumed investment return was lowered from 7.00% to 6.90%.

As of September 30, 2019 the mortality assumptions were changed from being based on the FRS mortality tables used in the July 1, 2018 FRS actuarial valuation for the special risk personnel to the FRS mortality tables used in the July 1, 2019 FRS actuarial valuation for special risk personnel. The set forward used to adjust for the plan's experience was changed for healthy pre- and post-retirement lives was changed from 2.5 years to 2.0 years with the adoption of the new base table. The mortality improvement scale was changed from scale BB to scale MP2018 in conjunction with this change.

As of September 30, 2020 the assumed investment return was lowered from 6.90% to 6.80%.

As of September 30, 2021 the assumed investment return was lowered from 6.80% to 6.625%

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2018		2017		2016	
	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan
<b>Total pension liability</b>						
Service cost*	\$ 41,477	\$ 7,975	\$ 37,697	\$ 7,330	\$ 36,759	\$ 7,091
Interest*	215,034	28,318	210,509	27,284	199,659	25,391
Changes of benefit terms	17,317	-	1,149	74	-	-
Differences between expected and actual experience	(7,275)	719	16,294	(2,054)	60,437	(1,418)
Changes of assumptions	80,635	17,045	64,390	9,950	72,969	16,320
Benefit payments, including refunds of contributions	(191,229)	(19,819)	(192,662)	(17,438)	(183,692)	(17,487)
<b>Net change in total pension liability</b>	<b>\$ 155,959</b>	<b>\$ 34,238</b>	<b>\$ 137,377</b>	<b>\$ 25,146</b>	<b>\$ 186,132</b>	<b>\$ 29,897</b>
<b>Total pension liability - beginning balance</b>	<b>3,040,721</b>	<b>395,236</b>	<b>2,903,344</b>	<b>370,090</b>	<b>2,717,212</b>	<b>340,194</b>
<b>Total pension liability - ending balance (a)</b>	<b>\$ 3,196,680</b>	<b>\$ 429,474</b>	<b>\$ 3,040,721</b>	<b>\$ 395,236</b>	<b>\$ 2,903,344</b>	<b>\$ 370,091</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 71,024	\$ 13,973	\$ 94,700	\$ 19,162	\$ 84,898	\$ 18,864
Contributions - employee	29,919	3,151	23,037	2,500	21,840	2,410
Net investment income	145,470	19,269	266,138	26,747	167,067	11,548
Benefit payments including refunds of contributions	(191,229)	(19,819)	(192,662)	(17,438)	(183,692)	(17,486)
Administrative expense	(1,193)	(128)	(787)	(75)	(762)	(75)
Other	11,397	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 65,388</b>	<b>\$ 16,446</b>	<b>\$ 190,426</b>	<b>\$ 30,896</b>	<b>\$ 89,351</b>	<b>\$ 15,261</b>
<b>Plan fiduciary net position - beginning balance</b>	<b>2,019,668</b>	<b>213,023</b>	<b>1,829,242</b>	<b>182,127</b>	<b>1,739,891</b>	<b>166,866</b>
<b>Plan fiduciary net position - ending balance (b)</b>	<b>\$ 2,085,056</b>	<b>\$ 229,469</b>	<b>\$ 2,019,668</b>	<b>\$ 213,023</b>	<b>\$ 1,829,242</b>	<b>\$ 182,127</b>
<b>Net pension liability - ending balance (a) - (b)</b>	<b>\$ 1,111,624</b>	<b>\$ 200,005</b>	<b>\$ 1,021,053</b>	<b>\$ 182,213</b>	<b>\$ 1,074,102</b>	<b>\$ 187,964</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	65.23%	53.43%	66.42%	53.90%	63.00%	49.21%
<b>Covered payroll (in thousands)</b>	\$ 253,982	\$ 28,164	\$ 257,850	\$ 26,585	\$ 255,717	\$ 28,091
<b>Net pension liability as % of covered payroll</b>	437.68%	710.14%	395.99%	685.40%	420.04%	669.13%

**Notes to Schedule:**

**Assumption changes**

The employee contribution rate increased from 7.7% to 9.7% of pay effective October 1, 2017. For accounting purposes, this change is reflected on September 30, 2017.

The plan was closed to new entrants as of October 1, 2017. There was no immediate impact on the total pension liability.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2015		2014		2013	
	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan
<b>Total pension liability</b>						
Service cost*	\$ 40,238	\$ 7,261	\$ 36,950	\$ 6,680	\$ 39,627	\$ 6,904
Interest*	194,312	23,652	189,064	21,997	183,151	20,476
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(4,785)	1,699	(5,356)	5,963	22,318	5,777
Changes of assumptions	(18,044)	(1,243)	101,525	10,765	-	-
Benefit payments, including refunds of contributions	(170,674)	(13,081)	(171,127)	(14,676)	(166,460)	(12,369)
<b>Net change in total pension liability</b>	<b>\$ 41,047</b>	<b>\$ 18,288</b>	<b>\$ 151,056</b>	<b>\$ 30,729</b>	<b>\$ 78,636</b>	<b>\$ 20,788</b>
<b>Total pension liability - beginning balance</b>	<b>2,676,164</b>	<b>321,906</b>	<b>2,525,107</b>	<b>291,177</b>	<b>2,446,471</b>	<b>270,389</b>
<b>Total pension liability - ending balance (a)</b>	<b>\$ 2,717,211</b>	<b>\$ 340,194</b>	<b>\$ 2,676,163</b>	<b>\$ 321,906</b>	<b>\$ 2,525,107</b>	<b>\$ 291,177</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 81,751	\$ 17,832	\$ 71,000	\$ 13,522	\$ 55,386	\$ 10,742
Contributions - employee	20,893	2,466	20,961	2,253	21,878	2,525
Net investment income	(39,506)	(3,849)	194,864	15,468	264,541	18,466
Benefit payments including refunds of contributions	(170,674)	(13,081)	(171,127)	(14,677)	(166,460)	(12,369)
Administrative expense	(762)	(73)	(828)	(65)	(671)	(50)
Other	-	-	-	-	-	392
<b>Net change in plan fiduciary net position</b>	<b>\$ (108,298)</b>	<b>\$ 3,295</b>	<b>\$ 114,870</b>	<b>\$ 16,501</b>	<b>\$ 174,674</b>	<b>\$ 19,706</b>
<b>Plan fiduciary net position - beginning balance</b>	<b>1,848,189</b>	<b>163,571</b>	<b>1,733,319</b>	<b>147,070</b>	<b>1,558,645</b>	<b>127,364</b>
<b>Plan fiduciary net position - ending balance (b)</b>	<b>\$ 1,739,891</b>	<b>\$ 166,866</b>	<b>\$ 1,848,189</b>	<b>\$ 163,571</b>	<b>\$ 1,733,319</b>	<b>\$ 147,070</b>
<b>Net pension liability - ending balance (a) - (b)</b>	<b>\$ 977,320</b>	<b>\$ 173,328</b>	<b>\$ 827,974</b>	<b>\$ 158,335</b>	<b>\$ 791,788</b>	<b>\$ 144,107</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	<b>64.03%</b>	<b>49.05%</b>	<b>69.06%</b>	<b>50.81%</b>	<b>68.64%</b>	<b>50.51%</b>
<b>Covered payroll (in thousands)</b>	<b>\$ 254,035</b>	<b>\$ 27,374</b>	<b>\$ 262,369</b>	<b>\$ 27,871</b>	<b>\$ 265,405</b>	<b>\$ 28,944</b>
<b>Net pension liability as % of covered payroll</b>	<b>384.72%</b>	<b>633.18%</b>	<b>315.58%</b>	<b>578.42%</b>	<b>298.33%</b>	<b>497.88%</b>



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**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - LAST 10 FISCAL YEARS  
FLORIDA RETIREMENT SYSTEM & JACKSONVILLE BEACH FIREFIGHTERS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2022			2021		
	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters
<b>Total pension liability</b>						
Service cost*	\$ 370	\$ 15	\$ 361	\$ 438	\$ 17	\$ 346
Interest*	1,969	14	1,363	2,267	16	1,320
Changes of benefit terms	14	-	-	-	-	-
Differences between expected and actual experience	175	(3)	(748)	58	-	(63)
Changes of assumptions	343	(83)	(462)	-	5	-
Change in Porportionate Share	-	-	-	-	-	-
Benefit payments, including refunds of contributions	(1,775)	(28)	(840)	(1,981)	(30)	(1,149)
<b>Net change in total pension liability</b>	<b>\$ 1,096</b>	<b>\$ (85)</b>	<b>\$ (326)</b>	<b>\$ 782</b>	<b>\$ 8</b>	<b>\$ 454</b>
<b>Total pension liability - beginning balance</b>	<b>29,463</b>	<b>668</b>	<b>19,716</b>	<b>33,867</b>	<b>742</b>	<b>19,262</b>
<b>Total pension liability - ending balance (a)</b>	<b>\$ 30,559</b>	<b>\$ 583</b>	<b>\$ 19,390</b>	<b>\$ 34,649</b>	<b>\$ 750</b>	<b>\$ 19,716</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 600	\$ 32	\$ 842	\$ 630	\$ 35	\$ 1,101
Contributions - employee	108	-	159	125	-	146
Net investment income	(2,001)	-	2,835	7,926	-	1,372
Benefit payments including refunds of contributions	(1,775)	(28)	(840)	(1,981)	(30)	(1,149)
Administrative expense	(3)	-	(76)	(4)	-	(80)
Other	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ (3,071)</b>	<b>\$ 4</b>	<b>\$ 2,920</b>	<b>\$ 6,696</b>	<b>\$ 5</b>	<b>\$ 1,390</b>
<b>Plan fiduciary net position - beginning balance</b>	<b>28,402</b>	<b>24</b>	<b>15,276</b>	<b>26,704</b>	<b>22</b>	<b>13,886</b>
<b>Plan fiduciary net position - ending balance (b)</b>	<b>\$ 25,331</b>	<b>\$ 28</b>	<b>\$ 18,196</b>	<b>\$ 33,400</b>	<b>\$ 27</b>	<b>\$ 15,276</b>
<b>Net pension liability - ending balance (a) - (b)</b>	<b>\$ 5,228</b>	<b>\$ 555</b>	<b>\$ 1,194</b>	<b>\$ 1,249</b>	<b>\$ 723</b>	<b>\$ 4,440</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	82.89%	4.80%	93.84%	96.40%	3.60%	77.48%
<b>Covered payroll (in thousands)</b>	\$ 5,436	\$ 1,914	\$ 1,871	\$ 1,473	\$ 1,473	\$ 1,832
<b>Net pension liability as % of covered payroll</b>	96.16%	29.00%	63.83%	84.78%	49.07%	242.33%

**Notes to Schedules:**

Additional years will be added to this schedule annually until 10 years of data are presented.

**FLORIDA RETIREMENT SYSTEM**

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80% for the 2021 valuation and 6.70% for the 2022 valuation.

**JACKSONVILLE BEACH FIREFIGHTERS**

Assumption changes for the 9/30/21 report include lowering the investment rate of return from 7.50% to 7.00%

Assumption changes for the 9/30/22 report include lowering the interest rate to 6.9%. The mortality tables were updated to RP-2000 with projection scale BB.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - LAST 10 FISCAL YEARS  
FLORIDA RETIREMENT SYSTEM & JACKSONVILLE BEACH FIREFIGHTERS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2020			2019		
	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters
<b>Total pension liability</b>						
Service cost*	\$ 556	\$ 17	\$ 378	\$ 575	\$ 16	\$ 306
Interest*	2,826	25	1,277	3,005	30	1,207
Changes of benefit terms	-	-	-	3	-	-
Differences between expected and actual experience	94	28	92	56	-	189
Changes of assumptions	365	30	1,161	361	36	879
Change in Proportionate Share	-	-	-	-	-	-
Benefit payments, including refunds of contributions	(2,393)	(32)	(968)	(2,475)	(35)	(774)
<b>Net change in total pension liability</b>	<b>\$ 1,448</b>	<b>\$ 68</b>	<b>\$ 1,940</b>	<b>\$ 1,525</b>	<b>\$ 47</b>	<b>\$ 1,807</b>
<b>Total pension liability - beginning balance</b>	<b>41,580</b>	<b>722</b>	<b>17,322</b>	<b>43,576</b>	<b>764</b>	<b>15,515</b>
<b>Total pension liability - ending balance (a)</b>	<b>\$ 43,028</b>	<b>\$ 790</b>	<b>\$ 19,262</b>	<b>\$ 45,101</b>	<b>\$ 811</b>	<b>\$ 17,322</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 698	\$ 36	\$ 658	\$ 706	\$ 39	\$ 608
Contributions - employee	157	-	178	171	-	161
Net investment income	1,121	-	743	2,143	-	1,112
Benefit payments including refunds of contributions	(2,393)	(32)	(967)	(2,475)	(35)	(774)
Administrative expense	(5)	-	(70)	(4)	-	(75)
Other	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ (422)</b>	<b>\$ 4</b>	<b>\$ 542</b>	<b>\$ 541</b>	<b>\$ 4</b>	<b>\$ 1,032</b>
<b>Plan fiduciary net position - beginning balance</b>	<b>34,348</b>	<b>19</b>	<b>13,344</b>	<b>36,715</b>	<b>16</b>	<b>12,312</b>
<b>Plan fiduciary net position - ending balance (b)</b>	<b>\$ 33,926</b>	<b>\$ 23</b>	<b>\$ 13,886</b>	<b>\$ 37,256</b>	<b>\$ 20</b>	<b>\$ 13,344</b>
<b>Net pension liability - ending balance (a) - (b)</b>	<b>\$ 9,102</b>	<b>\$ 767</b>	<b>\$ 5,376</b>	<b>\$ 7,845</b>	<b>\$ 791</b>	<b>\$ 3,978</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	78.85%	2.91%	72.09%	82.61%	2.47%	77.03%
<b>Covered payroll (in thousands)</b>	\$ 2,065	\$ 2,065	\$ 2,244	\$ 1,897	\$ 1,897	\$ 2,230
<b>Net pension liability as % of covered payroll</b>	440.77%	37.13%	239.52%	413.55%	41.69%	195.97%

**Notes to Schedules:**

Additional years will be added to this schedule annually until 10 years of data are presented.

**FLORIDA RETIREMENT SYSTEM**

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and

the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. Assumption changes for the 9/30/19 measurement date include lowering the investment rate of return from 7.5% to 7.0%.

**JACKSONVILLE BEACH FIREFIGHTERS**

Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.

Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables. Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - LAST 10 FISCAL YEARS  
FLORIDA RETIREMENT SYSTEM & JACKSONVILLE BEACH FIREFIGHTERS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2018		2017		2016	
	Florida Retirement System	Jacksonville Beach Firefighters	Florida Retirement System	Jacksonville Beach Firefighters	Florida Retirement System	Jacksonville Beach Firefighters
<b>Total pension liability</b>						
Service cost*	\$ 666	\$ 302	\$ 592	\$ 282	\$ 592	\$ 302
Interest*	3,453	1,097	3,444	994	3,444	1,097
Changes of benefit terms	-	-	25	-	25	-
Differences between expected and actual experience	162	216	386	33	386	216
Changes of assumptions	564	717	2,758	812	2,758	717
Change in Porportionate Share	(240)	-	(6,329)	-	(6,329)	-
Benefit payments, including refunds of contributions	(2,803)	(750)	(2,736)	(933)	(2,736)	(750)
<b>Net change in total pension liability</b>	<b>\$ 1,802</b>	<b>\$ 1,582</b>	<b>\$ (1,860)</b>	<b>\$ 1,188</b>	<b>\$ (1,860)</b>	<b>\$ 1,582</b>
<b>Total pension liability - beginning balance</b>	<b>51,141</b>	<b>13,932</b>	<b>53,001</b>	<b>12,745</b>	<b>53,001</b>	<b>13,933</b>
<b>Total pension liability - ending balance (a)</b>	<b>\$ 52,943</b>	<b>\$ 15,514</b>	<b>\$ 51,141</b>	<b>\$ 13,933</b>	<b>\$ 51,141</b>	<b>\$ 15,515</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 802	\$ 501	\$ 756	\$ 422	\$ 756	\$ 501
Contributions - employee	199	169	204	161	204	169
Net investment income	3,718	1,322	5,145	855	5,145	1,322
Benefit payments including refunds of contributions	(2,803)	(750)	(2,736)	(933)	(2,736)	(750)
Administrative expense	(5)	(71)	(5)	(63)	(5)	(71)
Other	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,911</b>	<b>\$ 1,171</b>	<b>\$ 3,364</b>	<b>\$ 442</b>	<b>\$ 3,364</b>	<b>\$ 1,171</b>
<b>Plan fiduciary net position - beginning balance</b>	<b>42,170</b>	<b>11,141</b>	<b>38,807</b>	<b>10,700</b>	<b>38,807</b>	<b>11,141</b>
<b>Plan fiduciary net position - ending balance (b)</b>	<b>\$ 44,081</b>	<b>\$ 12,312</b>	<b>\$ 42,171</b>	<b>\$ 11,142</b>	<b>\$ 42,171</b>	<b>\$ 12,312</b>
<b>Net pension liability - ending balance (a) - (b)</b>	<b>\$ 8,862</b>	<b>\$ 3,202</b>	<b>\$ 8,970</b>	<b>\$ 2,791</b>	<b>\$ 8,970</b>	<b>\$ 3,203</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	<b>83.26%</b>	<b>79.36%</b>	<b>82.46%</b>	<b>79.97%</b>	<b>82.46%</b>	<b>79.36%</b>
<b>Covered payroll (in thousands)</b>	<b>\$ 2,043</b>	<b>\$ 2,030</b>	<b>\$ 2,048</b>	<b>\$ 2,123</b>	<b>\$ 2,072</b>	<b>\$ 2,123</b>
<b>Net pension liability as % of covered payroll</b>	<b>433.77%</b>	<b>157.73%</b>	<b>437.99%</b>	<b>150.85%</b>	<b>432.92%</b>	<b>150.85%</b>

**Notes to Schedules:**

An additional year will be added to this schedule annually until 10 years of data are presented.

**FLORIDA RETIREMENT SYSTEM**

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increase for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%.

**JACKSONVILLE BEACH FIREFIGHTERS**

Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.

Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables. Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - LAST 10 FISCAL YEARS  
FLORIDA RETIREMENT SYSTEM & JACKSONVILLE BEACH FIREFIGHTERS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2015	
	Florida Retirement System	Jacksonville Beach Firefighters
<b>Total pension liability</b>		
Service cost*	\$ 629	\$ 246
Interest*	3,483	913
Changes of benefit terms	9	(1,652)
Differences between expected and actual experience	245	-
Changes of assumptions	369	-
Change in Proportionate Share	(533)	-
Benefit payments, including refunds of contributions	(3,070)	(664)
<b>Net change in total pension liability</b>	<b>\$ 1,132</b>	<b>\$ (1,157)</b>
<b>Total pension liability - beginning balance</b>	<b>51,869</b>	<b>13,271</b>
<b>Total pension liability - ending balance (a)</b>	<b>\$ 53,001</b>	<b>\$ 12,114</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 737	\$ 458
Contributions - employee	203	122
Net investment income	140	1,010
Benefit payments including refunds of contributions	(3,070)	(664)
Administrative expense	(5)	(78)
Other	-	-
<b>Net change in plan fiduciary net position</b>	<b>\$ (1,995)</b>	<b>\$ 848</b>
<b>Plan fiduciary net position - beginning balance</b>	<b>46,853</b>	<b>10,098</b>
<b>Plan fiduciary net position - ending balance (b)</b>	<b>\$ 44,858</b>	<b>\$ 10,946</b>
<b>Net pension liability - ending balance (a) - (b)</b>	<b>\$ 8,143</b>	<b>\$ 1,168</b>
<b>Plan fiduciary net position as a % of total pension liability</b>	<b>84.64%</b>	<b>90.36%</b>
<b>Covered payroll (in thousands)</b>	<b>\$ 2,175</b>	<b>\$ 1,868</b>
<b>Net pension liability as % of covered payroll</b>	<b>374.39%</b>	<b>62.52%</b>

**Notes to Schedules:**

An additional year will be added to this schedule annually until 10 years of data are presented.

**CITY OF JACKSONVILLE, FLORIDA**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN – LAST 10 FISCAL YEARS**  
**CITY OF JACKSONVILLE RETIREMENT SYSTEM**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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(net of investment expense)

Fiscal Year Ended September 30	City of Jacksonville Retirement System
2022	-15.17%
2021	21.32%
2020	6.02%
2019	0.88%
2018	7.44%
2017	14.71%
2016	9.45%
2015	-2.15%
2014	11.52%
2013	17.06%

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL EMPLOYEES RETIREMENT PLAN**

<b>Valuation date</b>	October 1, 2021
<b>Methods and used assumptions to determine contribution rates:</b>	
<b>Actuarial cost method</b>	Entry Age Normal Cost Method
<b>Amortization method</b>	Level percent of payroll, using 1.50% annual increases
<b>Remaining amortization period</b>	All new bases amortized over 25 years, will be further reduced by one year each successive year.
<b>Asset valuation method</b>	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.
<b>Actuarial assumptions:</b>	
Investment rate of return	6.90%, including inflation, net of pension plan investment expense
Inflation rate	2.50%
Projected salary increases	1.50% used for unfunded liability amounts based on a Florida Statutes requirement that the assumption may not exceed average annual growth for the preceding ten years; 2.50% is the Plan's long-term payroll inflation assumption.
Cost-of-living adjustments	The Plan provisions contain a 3.00% COLA.
<b>Mortality:</b>	
<i>Pre-retirement</i>	FRS pre-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018
<i>Healthy annuitants</i>	FRS healthy post-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
<i>Disabled annuitants</i>	FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018.  The FRS tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for personnel other than special risk reasonably reflect the disabled annuitant mortality experience as of the measurement date.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
CORRECTIONS OFFICERS RETIREMENT PLAN**

<b>Valuation date</b>	October 1, 2021
<b>Methods and used assumptions to determine contribution rates:</b>	
<b>Actuarial cost method</b>	Entry Age Normal Cost Method
<b>Amortization method</b>	Level percent of payroll, using 1.25% annual increases
<b>Remaining amortization period</b>	All new bases amortized over 25 years, will be further reduced by one year each successive year
 <b>Asset valuation method</b>	 Fair value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the fair value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the fair value.
<b>Actuarial assumptions:</b>	
Investment rate of return	6.90%, including inflation, net of pension plan investment expense
Inflation rate	2.50%
Projected salary increases	1.25% used for unfunded liability amounts based on a Florida Statutes requirement that the assumption may not exceed average annual growth for the preceding ten years; 2.50% is the Plan's long-term payroll inflation assumption.
Cost-of-living adjustments	The Plan provisions contain a 3.00% COLA.
Mortality:	
Pre-Retirement	FRS pre-retirement mortality tables for special risk personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018
Healthy annuitants	FRS healthy post-retirement mortality tables for special risk personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
Disabled annuitants	FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018.
	The FRS tables for special risk personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for special risk personnel reasonably reflect the disabled annuitant mortality experience as of the measurement date.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
NET PENSION LIABILITY – LAST 10 FISCAL YEARS**

**CITY OF JACKSONVILLE RETIREMENT SYSTEM**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

<u>Fiscal Year</u>	<u>City's Proportional Share Percentage</u>	<u>City's Proportion of Net Pension Liability</u>	<u>City's Covered Payroll</u>	<u>City's Net Pension Liability as Percentage of Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a % of Total Pension Liability</u>
2022	46.08%	566,670	98,891	573.02%	65.16%
2021	45.27%	626,624	108,965	575.07%	59.16%
2020	49.23%	638,350	110,781	576.23%	60.54%
2019	47.35%	526,354	113,773	462.64%	65.23%
2018	46.37%	473,462	118,506	399.53%	63.71%
2017	47.61%	511,380	118,973	429.83%	63.00%
2016	48.78%	476,737	121,601	392.05%	64.03%
2015	49.72%	411,669	128,869	319.45%	69.06%
2014	49.72%	393,677	129,951	302.94%	68.64%

Prior year information is unavailable

**FLORIDA STATE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

**PENSION PLAN**

<u>Fiscal Year</u>	<u>City's Proportional Share Percentage</u>	<u>City's Proportion of Net Pension Liability</u>	<u>City's Covered Payroll</u>	<u>City's Net Pension Liability as Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of Total Pension Liability</u>
2022	0.014%	5,229	5,436	96.19%	82.89%
2021	0.017%	1,248	1,473	84.73%	83.44%
2020	0.021%	9,101	2,065	440.73%	78.85%
2019	0.023%	7,844	1,897	413.49%	82.61%
2018	0.027%	8,023	2,043	392.71%	84.26%
2017	0.027%	8,097	2,048	395.36%	83.89%
2016	0.029%	7,197	2,072	347.35%	84.88%
2015	0.032%	4,076	2,175	187.40%	92.00%

Prior year information is unavailable

**HEALTH INSURANCE SUBSIDY**

<u>Fiscal Year</u>	<u>City's Proportional Share Percentage</u>	<u>City's Proportion of Net Pension Liability</u>	<u>City's Covered Payroll</u>	<u>City's Net Pension Liability as Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of Total Pension Liability</u>
2022	0.005%	556	2,031	27.38%	4.85%
2021	0.006%	723	1,473	49.08%	3.56%
2020	0.006%	767	2,065	37.14%	3.00%
2019	0.007%	790	1,897	41.64%	2.63%
2018	0.008%	842	2,043	41.21%	2.15%
2017	0.008%	876	2,048	42.77%	1.64%
2016	0.008%	947	2,072	45.70%	0.97%
2015	0.009%	939	2,175	43.17%	0.50%

Prior year information is unavailable

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS – FOR LAST 10 FISCAL YEARS  
POLICE AND FIRE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

FYE	Actuarially required City contribution	Contribution in relation to the actuarially determined contribution	Contribution deficiency (excess) *	Covered payroll	Contribution as a percentage of covered payroll
2022	157,352	157,352	-	161,836	97.23%
2021	148,476	148,477	-	174,125	85.27%
2020	140,293	140,293	-	174,186	84.54%
2019	135,264	135,264	-	174,125	77.68%
2018	135,648	135,691	(43)	162,004	83.76%
2017	165,772	177,788	(12,016)	149,490	118.93%
2016	154,540	154,540	-	135,600	113.97%
2015	153,604	153,936	(332)	132,735	115.97%
2014	142,433	149,159	(6,726)	134,521	110.88%
2013	99,997	122,580	(22,583)	130,972	93.59%

\* Contribution deficiency (excess) is assigned to the City Budget Stabilization Account

Valuation date: October 1, 2021

**Methods used to determine contribution rates:**

Actuarial Cost Method:	Entry Age Normal Cost
Amortization method:	Level Percent of Payroll, Closed
Remaining amortization period:	26 Years
Asset valuation method:	5-year smoothed market
Inflation:	2.5%
Salary increases:	A range of 2.75% to 11.50% depending on complete years of service, including inflation.
Investment rate of return:	6.625%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality :	MortalityPUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as mandated by Chapter 112.63, Florida Statutes.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER – FOR LAST 10 FISCAL YEARS  
POLICE AND FIRE PENSION FUND – SENIOR STAFF VOLUNTARY RETIREMENT PLAN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

<b>Plan Year Ending September 30</b>	<b>Annual Required City Contribution</b>	<b>Employer Contributions</b>	<b>Contribution Deficiency/ (excess)*</b>	<b>Covered employee payroll</b>	<b>Contribution as a % of covered payroll</b>
2022	49	-	49	-	N/A
2021*	-	-	-	-	N/A
2020*	-	-	-	-	N/A
2019*	-	-	-	-	N/A
2018*	-	-	-	-	N/A
2017*	-	-	-	-	N/A
2016*	-	-	-	-	N/A
2015	-	-	-	307	0.00%
2014	28	7	21	298	2.41%
2013	28	248	(220)	290	85.59%

\* No contribution amount was required because the Plan has no active employees since FY 2016

**NOTES:**

Valuation date: Actuarially determined contribution rates are calculated as of October 1, each year prior to the end of the fiscal year in which contributions are reported.

Methods used to determine contribution rates:

Actuarial cost method:	Individual entry age
Amortization method:	Aggregate method
Asset valuation method:	Market Value
Inflation:	2.5%
Investment rate of return:	6.625%, including inflation
Cost of living adjustments:	3.00%
Mortality Table in use:	PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table



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**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS  
POLICE AND FIRE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2021	2020	2019	2018
<b>Total pension liability</b>				
Service Cost (BOY)	\$71,448	\$70,110	\$65,148	\$60,154
Interest on total pension liability	292,914	280,848	269,658	259,434
Changes in Benefit Terms	-	2,706	-	-
Experience deviations including buybacks	10,351	2,733	8,465	8,132
Changes of assumptions	162,093	56,025	-	-
Benefit payments, including refunds of member contributions	(224,196)	(193,115)	(189,126)	(184,257)
Net change in total pension liability	312,610	219,307	154,145	143,464
Total pension liability -- beginning	4,284,183	4,034,218	3,880,073	3,736,609
<b>Total pension liability -- ending(a)</b>	<b>4,596,793</b>	<b>4,253,525</b>	<b>4,034,218</b>	<b>3,880,073</b>
<b>Fiduciary net position Contributions--employer</b>				
Contributions--employer	134,725	123,328	110,528	115,691
Contributions--member	19,118	19,035	17,746	16,637
Net investment income	490,417	159,760	54,259	156,443
Benefit payments, including refunds of member contributions	(209,515)	(193,114)	(189,126)	(184,257)
Administrative expense	(2,205)	(2,185)	(2,117)	(2,138)
Distribution from Reserve Accounts	(15,238)	(25,171)	(55,731)	-
Chapter 175/185	14,307	13,887	12,756	11,791
Court Fines	724	519	702	776
Other	(34)	673	1,228	82
Net change in fiduciary net position	432,299	96,732	(49,755)	115,025
Fiduciary net position -- beginning	2,050,722	1,958,067	2,007,822	1,892,797
Fiduciary net position -- ending	2,483,021	2,054,799	1,958,067	2,007,822
less Reserve Accounts and Sr. Staff Assets	-	(34,734,725)	(59,262)	(126,819)
<b>Total fiduciary net position -- ending(b)</b>	<b>2,483,022</b>	<b>2,020,065</b>	<b>1,898,805</b>	<b>1,881,003</b>
<b>City's fiduciary net pension liability--ending(a)-(b)</b>	<b>2,113,771</b>	<b>2,233,460</b>	<b>2,135,413</b>	<b>1,999,070</b>
Fiduciary net position as a percentage of the total pension liability	54.02%	47.49%	47.07%	48.48%
Covered payroll	\$161,836	\$174,186	\$174,125	\$162,004
City's fiduciary net pension liability as a percentage of covered- employee payroll	1306.12%	1282.23%	1226.37%	1233.97%

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS  
POLICE AND FIRE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2017	2016	2015	2014
<b>Total pension liability</b>				
Service Cost (BOY)	\$45,257	\$44,087	\$46,663	\$47,915
Interest on total pension liability	233,338	217,546	210,943	203,577
Changes in Benefit Terms	26,818	-	(28,685)	-
Experience deviations including buybacks	24,031	3,566	24,831	22,671
Changes of assumptions	232,927	97,813	24,514	-
Benefit payments, including refunds of member contributions	(171,277)	(159,726)	(148,628)	(138,179)
Net change in total pension liability	391,094	203,286	129,638	135,984
Total pension liability -- beginning	3,345,515	3,142,229	3,012,590	2,876,606
<b>Total pension liability -- ending(a)</b>	<b>3,736,609</b>	<b>3,345,515</b>	<b>3,142,228</b>	<b>\$3,012,590</b>
<b>Fiduciary net position Contributions--employer</b>				
Contributions--employer	184,526	157,494	154,665	150,520
Contributions--member	13,571	12,831	12,062	11,584
Net investment income	243,422	154,313	(62,884)	147,333
Benefit payments, including refunds of member contributions	(171,277)	(159,726)	(148,628)	(138,179)
Administrative expense	(2,174)	(3,519)	(2,228)	(2,224)
Distribution from Reserve Accounts	-	-	-	-
Chapter 175/185	10,875	10,681	10,578	10,110
Court Fines	759	833	921	881
Other	51	122	327	142
Net change in fiduciary net position	279,753	173,029	(35,187)	180,167
Fiduciary net position -- beginning	1,613,044	1,437,777	-	1,292,930
Fiduciary net position -- ending	1,892,797	1,613,044	(35,187)	1,473,097
less Reserve Accounts and Sr. Staff Assets	(127,638)	(99,646)	(83,502)	(83,349)
<b>Total fiduciary net position -- ending(b)</b>	<b>1,765,159</b>	<b>1,513,398</b>	<b>(118,689)</b>	<b>1,389,748</b>
<b>City's fiduciary net pension liability--ending(a)-(b)</b>	<b>1,971,450</b>	<b>1,832,117</b>	<b>3,260,917</b>	<b>1,622,842</b>
Fiduciary net position as a percentage of the total pension liability	47.24%	45.24%	-3.78%	46.13%
Covered payroll	\$149,490	\$135,600	\$132,735	\$134,521
City's fiduciary net pension liability as a percentage of covered- employee payroll	1318.78%	1351.12%	2456.71%	1206.38%

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS  
POLICE AND FIRE RETIREMENT SYSTEM  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2013	2012
<b>Total pension liability</b>		
Service Cost (BOY)	\$46,109	\$47,570
Interest on total pension liability	195,520	190,344
Changes in Benefit Terms	-	-
Experience deviations including buybacks	(4,676)	(12,513)
Changes of assumptions	5,333	227,333
Benefit payments, including refunds of member contributions	(128,656)	(116,955)
Net change in total pension liability	113,630	335,779
Total pension liability -- beginning	2,762,977	2,427,198
<b>Total pension liability -- ending(a)</b>	<b>\$2,876,606</b>	<b>\$2,762,977</b>
<b>Fiduciary net position Contributions--employer</b>		
Contributions--employer	121,822	72,643
Contributions--member	10,754	11,611
Net investment income	169,202	181,653
Benefit payments, including refunds of member contributions	(128,656)	(116,955)
Administrative expense	(2,506)	(2,352)
Distribution from Reserve Accounts	-	-
Chapter 175/185	9,667	9,276
Court Fines	758	770
Other	1,187	55
Net change in fiduciary net position	182,229	156,702
Fiduciary net position -- beginning	1,110,737	954,036
Fiduciary net position -- ending	1,292,966	1,110,737
less Reserve Accounts and Sr. Staff Assets	(64,835)	(31,831)
<b>Total fiduciary net position -- ending(b)</b>	<b>1,228,131</b>	<b>1,078,907</b>
<b>City's fiduciary net pension liability--ending(a)-(b)</b>	<b>1,648,475</b>	<b>1,684,070</b>
Fiduciary net position as a percentage of the total pension liability	42.69%	39.05%
Covered payroll	\$130,972	\$133,611
City's fiduciary net pension liability as a percentage of covered- employee payroll	1258.65%	1260.42%



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**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS  
POLICE AND FIRE PENSION FUND - SENIOR STAFF VOLUNTARY RETIREMENT PLAN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2021	2020	2019	2018
<b>Total pension liability</b>				
Service Cost (BOY)	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	304	205	208	209
Changes in Benefit Terms	-	1,517	-	-
Experience deviations including buybacks	120	143	-	39
Changes of assumptions	112	272	-	-
Benefit payments, including refunds of member contributions	(375)	(614)	(258)	(257)
Net change in total pension liability	161	1,523	(50)	(9)
Total pension liability -- beginning	4,587	3,064	3,113	3,122
<b>Total pension liability -- ending(a)</b>	<b>4,748</b>	<b>4,587</b>	<b>3,063</b>	<b>3,113</b>
<b>Fiduciary net position Contributions--employer</b>				
Contributions--employer	-	-	-	-
Contributions--member	-	-	-	-
Net investment income	903	331	129	342
Benefit payments, including refunds of member contributions	(375)	(614)	(258)	(257)
Other	-	-	-	-
Net change in fiduciary net position	528	(283)	(129)	85
Fiduciary net position -- beginning	4,077	4,360	4,489	4,405
Fiduciary net position -- ending (b)	4,606	4,077	4,360	4,489
<b>Net Pension Liability -- ending (a) - (b)</b>	<b>142</b>	<b>510</b>	<b>(1,297)</b>	<b>(1,376)</b>
Fiduciary net position as a percentage of the total pension liability	97.01%	88.89%	142.32%	144.20%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -
City's fiduciary net pension liability as a percentage of covered- employee payroll	N/A	N/A	N/A	N/A

**\*Prior years are unavailable**

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS  
POLICE AND FIRE PENSION FUND - SENIOR STAFF VOLUNTARY RETIREMENT PLAN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

(in thousands)

	2016	2015*
<b>Total pension liability</b>		
Service Cost (BOY)	\$ -	\$ (57)
Interest on total pension liability	298	282
Changes in Benefit Terms	89	-
Experience deviations including buybacks	27	-
Changes of assumptions	149	154
Benefit payments, including refunds of member contributions	(286)	(109)
Net change in total pension liability	278	270
Total pension liability -- beginning	4,406	4,136
<b>Total pension liability -- ending(a)</b>	<b>4,684</b>	<b>4,406</b>
<b>Fiduciary net position Contributions--employer</b>		
Contributions--employer	-	-
Contributions--member	-	22
Net investment income	386	(167)
Benefit payments, including refunds of member contributions	(286)	(109)
Other	-	-
Net change in fiduciary net position	100	(254)
Fiduciary net position -- beginning	4,002	4,257
Fiduciary net position -- ending (b)	4,102	4,002
<b>Net Pension Liability -- ending (a) - (b)</b>	<b>582</b>	<b>404</b>
Fiduciary net position as a percentage of the total pension liability	87.57%	90.83%
Covered-employee payroll	\$ -	\$ -
City's fiduciary net pension liability as a percentage of covered- employee payroll	N/A	N/A

**\*Prior years are unavailable**

**CITY OF JACKSONVILLE, FLORIDA**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN – LAST 10 FISCAL YEARS**  
**POLICE AND FIRE RETIREMENT SYSTEM**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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(net of investment expense)

Fiscal Year Ended September 30	Police and Fire Retirement System
2022	-16.78%
2021	23.15%
2020	7.98%
2019	2.96%
2018	10.00%
2017	14.27%
2016	10.00%
2015	-3.95%
2014	10.73%
2013	14.29%
2012	18.25%

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) OTHER THAN POLICE & FIRE  
SCHEDULE OF CITY CONTRIBUTIONS – LAST SIX FISCAL YEARS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in relation to the Determined Contribution</u>	<u>Contribution Deficiency or (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contribution as a percentage of covered payroll</u>
2017	\$18,347,728	\$5,231,223	\$13,116,505	\$366,392,949	1.4%
2018	\$20,177,634	\$6,060,000	\$14,117,634	\$379,216,702	1.6%
2019	\$16,926,496	\$5,588,925	\$11,337,571	\$446,587,932	1.3%
2020	\$16,952,454	\$3,629,110	\$13,323,344	\$200,775,000	1.8%
2021	\$11,180,763	\$2,207,089	\$8,973,674	\$153,166,800	1.4%
2022	\$10,412,785	\$2,486,900	\$7,925,885	\$157,762,000	1.6%

Other: This schedule is presented for the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for the years for which information is available.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE  
SCHEDULE OF CITY CONTRIBUTIONS – LAST THREE FISCAL YEARS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in relation to the Determined Contribution</u>	<u>Contribution Deficiency or (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contribution as a percentage of covered payroll</u>
2020	\$10,786,515	\$2,611,660	\$8,174,856	\$261,444,000	1.0%
2021	\$30,704,888	\$6,250,523	\$24,454,365	\$433,771,559	1.4%
2022	\$34,632,216	\$ 7,042,952	\$27,589,264	\$446,785,000	1.6%

Other: This schedule is presented for the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for the years for which information is available.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) OTHER THAN POLICE & FIRE  
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Total OPEB Liability						
Service cost	\$ 6,596,811	\$ 5,283,937	\$ 1,999,915	\$ 8,828,783	\$ 11,293,019	\$ 10,839,911
Interest	\$ 2,131,546	\$ 2,130,089	\$ 2,192,473	\$ 8,097,713	\$ 8,884,615	\$ 7,507,817
Changes of benefit terms	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Differences between expected and actual experience	\$ -	\$ (9,947,871)	\$ -	\$ (10,029,066)	\$ -	\$ -
Changes in assumptions	\$ (21,331,773)	\$ 1,500,025	\$ 62,365,376	\$ 41,622,149	\$ (30,714,455)	\$ (7,431,307)
Plan change (1/1/2020)	\$ -	\$ -	\$ (201,346,437)			
Benefit payments	\$ (2,486,900)	\$ (2,207,089)	\$ (3,629,110)	\$ (5,588,925)	\$ (6,060,000)	\$ (5,231,223)
Net change in total OPEB liability	\$ (15,090,316)	\$ (3,240,909)	\$ (138,417,783)	\$ 42,930,654	\$ (16,596,821)	\$ 5,685,198
Total OPEB liability - beginning	\$ 88,962,834	\$ 92,203,743	\$ 230,621,526	\$ 187,690,872	\$ 204,287,693	\$ 198,602,495
Total OPEB liability - ending (a)	\$ 73,872,518	\$ 88,962,834	\$ 92,203,743	\$ 230,621,526	\$ 187,690,872	\$ 204,287,693
Plan fiduciary net position						
Contributions - employer	\$ 2,486,900	\$ 2,207,089	\$ 3,629,110	\$ 5,588,925	\$ 6,060,000	\$ 5,231,223
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefit payments	\$ (2,486,900)	\$ (2,207,089)	\$ (3,629,110)	\$ (5,588,925)	\$ (6,060,000)	\$ (5,231,223)
Administrative expense						
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's net OPEB liability - ending (a) - (b)	\$ 73,872,518	\$ 88,962,834	\$ 92,203,743	\$ 230,621,526	\$ 187,690,872	\$ 204,287,693
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 157,762,000	\$ 153,166,800	\$ 200,775,000	\$ 446,587,932	\$ 379,216,702	\$ 366,392,949
City net OPEB liability as a percentage of covered-employee payroll	46.8%	58.1%	45.9%	51.6%	49.5%	55.8%

Other: This schedule is presented for the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for the years for which information is available.

Notes to Required Schedules:

- 1) The City does not accumulate assets in a trust to pay related benefits.
- 2) Significant changes in assumptions that affect trends in the amounts reported:
  - a) The discount rate was updated from 2.26% to 4.02%.
  - b) Trend rates were reset to 6.75% (5.75% for Medicare and graded down by 0.25% until reaching an ultimate of 4.0% based on current Healthcare Analytics (HCA) consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE  
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>
Total OPEB Liability			
Service cost	\$ 20,667,941	\$ 15,844,688	\$ 10,507,028
Interest	\$ 7,788,038	\$ 5,396,475	\$ 4,191,742
Changes of benefit terms	\$ -	\$ -	\$ -
Differences between expected and actual experience	\$ -	\$ 69,664,625	\$ -
Changes in assumptions	\$ (84,344,318)	\$ 11,336,741	\$ 18,031,436
Plan change (1/1/2020)			\$ 201,346,437
Benefit payments	<u>\$ (7,042,952)</u>	<u>\$ (6,250,523)</u>	<u>\$ (2,611,660)</u>
Net change in total OPEB liability	\$ (62,931,291)	\$ 95,992,006	\$ 231,464,984
Total OPEB liability - beginning	<u>\$ 327,456,990</u>	<u>\$ 231,464,984</u>	<u>\$ -</u>
Total OPEB liability - ending (a)	\$ 264,525,699	\$ 327,456,990	\$ 231,464,984
Plan fiduciary net position			
Contributions - employer	\$ 7,042,952	\$ 6,250,523	\$ 2,611,660
Net investment income	\$ -	\$ -	\$ -
Benefit payments	\$ (7,042,952)	\$ (6,250,523)	\$ (2,611,660)
Administrative expense	\$ -	\$ -	\$ -
Net change in plan fiduciary net position	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -
City's net OPEB liability - ending (a) - (b)	\$ 264,525,699	\$ 327,456,990	\$ 231,464,984
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 446,785,000	\$ 433,771,559	\$ 261,444,000
City net OPEB liability as a percentage of covered-employee payroll	59.2%	75.5%	88.5%

Other: This schedule is presented for the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for the years for which information is available.

Notes to Required Schedules:

- 1) The City does not accumulate assets in a trust to pay related benefits.
- 2) Significant changes in assumptions that affect trends in the amounts reported:
  - a) The discount rate was updated from 2.26% to 4.02%.
  - b) Trend rates were reset to 6.75% (5.75% for Medicare and graded down by 0.25% until reaching an ultimate of 4.0% based on current Healthcare Analytics (HCA) consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.

**CITY OF JACKSONVILLE, FLORIDA  
 REQUIRED SUPPLEMENTAL INFORMATION  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
 OTHER THAN POLICE & FIRE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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*Actuarial Assumptions and Methods:*

- |                                   |  |
|-----------------------------------|--|
| 1) Measurement Date:              | September 30, 2022.  |
| 2) Discount Rate:                 | 2.26% (BOY), 4.02% (EOY) – Bond Buyer 20-Bond GO Index.  |
| 3) Salary Increase Rate:          | 3.5% per annum.  |
| 4) Valuation Date and Census Data | Valuation date of October 1, 2021, based on the census provided by the City as of September 2021.  |
| 5) Marriage Rate                  | The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided.   |
| 6) Spouse Age                     | Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.  |
| 7) Medicare Eligibility           | All current and future retirees are assumed to be eligible for Medicare at age 65.   |
| 8) Actuarial Cost Method          | Entry Age Normal based on level percentage of projected salary.  |
| 9) Amortization Method            | Experience/Assumptions gains and losses are amortized over a closed period of 10.3 years starting October 1, 2021, equal to the average remaining service of active and inactive plan members (who have no future service).                                |
| 10) Plan Participation Percentage | That 60% of future pre 65 retirees will participate in the pre-65 medical plan and 15% (30% for those hired prior to 1/1/1987) continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement. |
| 11) Mortality Rates               | Pub-2010 generational table scaled using MP-20 and applied on a gender specific basis.   |

**CITY OF JACKSONVILLE, FLORIDA  
 REQUIRED SUPPLEMENTAL INFORMATION  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
 OTHER THAN POLICE & FIRE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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*Actuarial Assumptions and Methods: (continued)*

12) Health Care Cost Trend Rate

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25% each year until reaching the ultimate trend rate.

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-Medicare Medical and Rx Benefits	6.75%	4.0%
Medicare Benefits	5.75%	4.0%
Stop Loss Fees	6.75%	4.0%
Administrative Fees	4.00%	4.0%

13) Per Capita Health Care Cost Trend Rate

Expected annual claim costs were developed using 24 months of historical claim experience through October 2021. Recent claims did not suggest adjustments for COVID-19 were necessary for future claims cost projections. The age 60 and age 70 claim costs are as follows:

<u>Rate Tier</u>	<u>Age 60</u>	<u>Age 70 (Medicare)</u>	<u>(Non-Medicare)</u>
HMO 48	\$ 14,328	\$ 9,230	\$ 18,808
HDHP 65	\$ 8,024	\$ 5,266	\$ 10,533
PPO	\$ 16,033	\$ 9,953	\$ 21,046
Future Retirees	\$ 14,038	\$ 8,978	\$ 18,428

14) Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee as of 2021.

<u>Rate Tier</u>	<u>Age 60</u>
Administrative Fee	\$27.67
Stop Loss Fee	\$ 9.16

15) Plan Election Percentage

Future eligible retirees are assumed to elect coverage based on the following percentages:

<u>Rate Tier</u>	<u>Age 60</u>
HMO 48	70 %
HDHP 65	10 %
PPO	20 %

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)  
OTHER THAN POLICE & FIRE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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*Actuarial Assumptions and Methods: (continued)*

16) Age Based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study.

17) Termination and Retirement Age

The rate of withdrawal for reasons other than death and retirement has been developed from the Florida Retirement System Actuarial Valuation as of July 1, 2020, City of Jacksonville Correctional Officer Retirement System Valuation as of October 1, 2020, and the City of Jacksonville General Employees Retirement Plan Valuation as of October 1, 2020. The annual termination probability is dependent on an employee's age, gender, and years of service.

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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*Actuarial Assumptions and Methods:*

- 1) Measurement Date: September 30, 2022.
- 2) Discount Rate: 2.26% (BOY), 4.02% (EOY) – Bond Buyer 20-Bond GO Index.
- 3) Salary Increase Rate: 3.5% per annum.
- 4) Valuation Date and Census Data: Valuation date of October 1, 2022, based on the census provided by the City as of September 2021.
- 5) Marriage Rate: The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided.
- 6) Spouse Age: Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses.
- 7) Medicare Eligibility: All current and future retirees are assumed to be eligible for Medicare at age 65.
- 8) Actuarial Cost Method: Entry Age Normal based on level percentage of projected salary.
- 9) Amortization Method: Experience/Assumptions gains and losses are amortized over a closed period of 9.0 years starting October 1, 2021, equal to the average remaining service of active and inactive plan members (who have no future service).
- 10) Plan Participation Percentage: That 60% of future pre 65 retirees will participate in the pre-65 medical plan and 15% (30% for those hired prior to 1/1/1987) continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement.
- 11) Mortality Rates: Pub-2010 generational table scaled using MP-20 and applied on a gender specific basis.

**CITY OF JACKSONVILLE, FLORIDA  
 REQUIRED SUPPLEMENTAL INFORMATION  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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*Actuarial Assumptions and Methods: (continued)*

12) Health Care Cost Trend Rate

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25% each year until reaching the ultimate trend rate.

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-Medicare Medical and Rx Benefits	6.75%	4.0%
Medicare Benefits	5.75%	4.0%
Stop Loss Fees	6.75%	4.0%
Administrative Fees	4.00%	4.0%

13) Per Capita Health Care Cost Trend Rate

Expected annual claim costs were developed using 24 months of historical claim experience through October 2021. Recent claims did not suggest adjustments for COVID-19 were necessary for future claims cost projections. The age 60 and age 70 claim costs are as follows:

<u>Rate Tier</u>	<u>Age 60</u>	<u>Age 70 (Medicare)</u>	<u>(Non-Medicare)</u>
HMO 48	\$ 14,328	\$ 9,230	\$ 18,808
HDHP 65	\$ 8,024	\$ 5,266	\$ 10,533
PPO	\$ 16,033	\$ 9,953	\$ 21,046
Future Retirees	\$ 14,038	\$ 8,978	\$ 18,428

14) Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee as of 2021.

<u>Rate Tier</u>	<u>Age 60</u>
Administrative Fee	\$27.67
Stop Loss Fee	\$ 9.16

15) Plan Election Percentage

Future eligible retirees are assumed to elect coverage based on the following percentages:

<u>Rate Tier</u>	<u>Age 60</u>
HMO 48	70 %
HDHP 65	10 %
PPO	20 %

**CITY OF JACKSONVILLE, FLORIDA  
REQUIRED SUPPLEMENTAL INFORMATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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*Actuarial Assumptions and Methods: (continued)*

16) Age Based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study.

17) Termination and Retirement Age

The rate of withdrawal for reasons other than death and retirement has been developed from the City of Jacksonville Police & Fire Pension Fund Actuarial Valuation as of October 1, 2020. The annual termination probability is dependent on an employee's age, gender, and years of service.



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## **Single Audit**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 28, 2023. Our report includes a reference to other auditors who audited the financial statements of JEA, Jacksonville Transportation Authority and Jacksonville Port Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying *Schedule of Findings and Questioned Costs* as items 2022-001, 2022-002, and 2022-003 that we consider to be material weaknesses.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***City's Response to Findings***

*Government Auditing Standards* require the auditors to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Jacksonville, Florida  
September 28, 2023

CITY OF JACKSONVILLE, FLORIDA  
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED SEPTEMBER 30, 2022

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF AGRICULTURE</u>				
PASSED THROUGH STATE DEPARTMENT OF HEALTH:				
Child and Adult Care Food Program	10.558	A-1109	\$ 1,076,040	
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 1,076,040</b>	<b>\$ -</b>
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
DIRECT PROGRAMS:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-12-0017	\$ 6,614,855	\$ 1,603,883
<b>COVID-19 - Community Development Block Grants/Entitlement Grants</b>	14.218	B-21-UC-12-0017	<b>\$ 2,131,294</b>	<b>\$ 1,976,697</b>
<i>Total CDBG - Entitlement Grants Cluster</i>			<b>\$ 8,746,149</b>	<b>\$ 3,580,580</b>
Emergency Solutions Grant Program	14.231	E-20-UW-12-0017	\$ 598,418	\$ 513,338
<b>COVID-19 - Emergency Solutions Grant Program</b>	14.231	E-20-UW-12-0017	<b>\$ 3,002,872</b>	<b>\$ 2,881,209</b>
			<b>\$ 3,601,290</b>	<b>\$ 3,394,547</b>
Home Investment Partnerships Program	14.239	M21-UC120209	\$ 2,666,084	\$ 2,102,042
Housing Opportunities for Persons with Aids	14.241	FLH21-F001	\$ 2,519,664	\$ 2,398,172
Fair Housing Assistance Program-State & Local	14.401	*	\$ 134,803	\$ -
PASSED THROUGH STATE DEPARTMENT OF ECONOMIC OPPORTUNITY:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	HM004	\$ 2,192,410	\$ 1,836,158
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>\$ 19,860,400</b>	<b>\$ 13,311,497</b>

CITY OF JACKSONVILLE, FLORIDA  
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED SEPTEMBER 30, 2022

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF JUSTICE</u>				
DIRECT PROGRAMS:				
Justice Systems Response to Families	16.021	2018-FJ-AX-0008	\$ 146,392	\$ 146,392
<b>COVID-19 Coronavirus Emergency Supplemental Funding Program</b>	16.034	2020-VD-BX-1709	\$ 424,806	\$ 74,514
Community-Based Violence Prevention Program	16.123	2020-MU-MU-0047	\$ 185,265	\$ 128,374
Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	2019-FW-AX-K007	\$ 126,994	\$ 126,994
Crime Victim Assistance/Discretionary Grants	16.582	2018-V3-GX-0007	\$ 27,477	\$ -
State Criminal Alien Assistance Program	16.606	*	\$ 3,655	\$ -
State Criminal Alien Assistance Program	16.606	*	\$ 35,135	\$ -
Public Safety Partnership and Community Policing Grants	16.710	2020ULWX0031	\$ 3,071,011	
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-02310-SPPS	\$ 5,474	
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2020-WH-AX-0002	\$ 81,095	\$ 81,095
Innovations in Community-Based Crime Reduction	16.817	2018-BJ-BX-0005	\$ 898,123	\$ 718,267
Equitable Sharing Program	16.922	*	\$ 213,587	
PASSED THROUGH STATE DEPARTMENT OF LEGAL AFFAIRS- OFFICE OF ATTORNEY GENERAL:				
Crime Victim Assistance	16.575	VOCA-2020-00575	\$ 66,366	
Crime Victim Assistance	16.575	VOCA-2021-00577	\$ 287,292	\$ -
Crime Victim Assistance	16.575	VOCA-2021-00717	\$ 166,127	\$ -
National Sexual Assault Kit Initiative	16.833	2020-AK-BX-0003	\$ 205,015	\$ -
National Sexual Assault Kit Initiative	16.833	2018-AK-BX-0025	\$ 186,647	\$ -
PASSED THROUGH FLORIDA DEPARTMENT OF LAW ENFORCEMENT:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0469	\$ 156,074	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0731	\$ 156,228	\$ 102,252
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0866	\$ (17,046)	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-DUVA-2-3B-060	\$ 74,649	
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<b>\$ 6,500,364</b>	<b>\$ 1,377,888</b>
<u>DEPARTMENT OF LABOR</u>				
DIRECT PROGRAMS:				
Homeless Veterans Reintegration Program	17.805	HV-36536-21-60-5-12	\$ 240,040	\$ 26,000
<b>TOTAL DEPARTMENT OF LABOR</b>			<b>\$ 240,040</b>	<b>\$ 26,000</b>

CITY OF JACKSONVILLE, FLORIDA  
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED SEPTEMBER 30,2022

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF TRANSPORTATION</u>				
Railroad Safety	20.301	69A36520401820RTEFL	\$ 8,595	
PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION:				
<i>Highway &amp; Planning Construction Cluster</i>				
Highway Planning and Construction	20.205	G1J43	\$ 1,880	
Highway Planning and Construction	20.205	G1H12	\$ 6,720,188	\$ -
<i>Total Highway &amp; Planning Construction Cluster</i>			\$ 6,722,068	\$ -
<i>Highway Safety Cluster</i>				
State and Community Highway Safety <i>Total Highway Safety Cluster</i>	20.600	G2227	\$ 22,856	\$ -
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<b>\$ 6,753,519</b>	<b>\$ -</b>
<u>DEPARTMENT OF TREASURY</u>				
DIRECT PROGRAMS:				
<b>COVID-19 - Coronavirus Relief Fund</b>	21.019	*	\$ 4,230,698	\$ 444,861
<b>COVID-19 - Emergency Rental Assistance Program</b>	21.023	*	\$ 29,442,943	\$ 29,105,255
<b>COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS</b>	21.027	*	\$ 88,420,537	
PASSED THROUGH FLORIDA DEPARTMENT OF JUSTICE:				
Equitable Sharing	21.016	*	\$ 80,234	
<b>TOTAL DEPARTMENT OF TREASURY</b>			<b>\$ 122,174,412</b>	<b>\$ 29,550,116</b>
<u>FEDERAL OFFICE OF LIBRARY SERVICES</u>				
PASSED THROUGH STATE DEPARTMENT OF STATE:				
Grants to States	45.310	21-LSTA-B-04	\$ 55,009	
<b>COVID-19 - Grants to States</b>	45.310	21-ARPA-14	\$ 467,070	
<b>TOTAL FEDERAL OFFICE OF LIBRARY SERVICES</b>			<b>\$ 522,079</b>	<b>\$ -</b>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
DIRECT PROGRAMS:				
Air Pollution Control Program Support	66.001	A-00402520-5	\$ 374,441	
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-01D06020-0	\$ 18,020	
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-01D06020-0	\$ 21,572	
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-01D06020-0	\$ 25,929	
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	00D93619	\$ 124,496	\$ -
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<b>\$ 564,457</b>	<b>\$ -</b>

CITY OF JACKSONVILLE, FLORIDA  
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED SEPTEMBER 30,2022

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
DIRECT PROGRAMS:				
Community Programs to Improve Minority Health Grant Program	93.137	1 CIMP211270-01-00	\$ 1,294,328	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79TI081064	\$ 292,398	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79TI081937	\$ 150,189	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79TI081937	\$ 92,342	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79SP080288	\$ (216,399)	\$ (189,448)
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	H79SM084915	\$ 593,064	\$ 560,929
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM082201	\$ 124,590	\$ 198,121
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM082201	\$ 879,751	\$ 921,961
HIV Emergency Relief Project Grants	93.914	H89HA00039	\$ 3,304,893	\$ 3,157,742
HIV Emergency Relief Project Grants	93.914	H89HA00039	\$ 2,876,208	\$ 2,573,840
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	6 UT8HA33942-01-01	\$ (1,697)	\$ -
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	6 UT8HA33942-02-01	\$ 828,844	\$ 759,205

CITY OF JACKSONVILLE, FLORIDA  
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED SEPTEMBER 30,2022

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>				
PASSED THROUGH DEPARTMENT OF ELDER AFFAIRS:				
<i>Aging Cluster</i>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CA20-JSSP	\$ 259,576	\$ -
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	A021-JSSP A1	\$ 734,800	\$ -
Nutrition Services Incentive Program	93.053	A021-JSSP A1	\$ 93,405	
<i>Total Aging Cluster</i>			<u>\$ 1,087,781</u>	<u>\$ -</u>
Low-Income Home Energy Assistance	93.568	PO21-COJ	\$ 144,145	\$ -
<b>COVID-19 - Low-Income Home Energy Assistance</b>	93.568	PO22-COJ	\$ 3,097	\$ -
PASSED THROUGH STATE OF FLORIDA, FL DEPT OF HEALTH:				
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	20-22-02	\$ 614,550	\$ 616,828
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	20-25-02	\$ 94,909	\$ 63,972
<b>Total OPFF</b>			<u>\$ 709,459</u>	<u>\$ 680,800</u>
PASSED THROUGH STATE OF FLORIDA, DEPARTMENT OF REVENUE:				
Child Support Enforcement	93.563	COC16	\$ 986,309	\$ -
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>\$ 13,149,302</u>	<u>\$ 8,663,150</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
DIRECT PROGRAMS:				
Retired Senior Volunteer Program	94.002	19SRFL006	\$ 1,858	
Retired Senior Volunteer Program	94.002	22SRHFL002	\$ 75,098	
<i>Total Retired Senior Volunteer</i>			<u>\$ 76,956</u>	<u>\$ -</u>
<b>Foster Grandparent/Senior Companion Cluster</b>				
Foster Grandparent Program	94.011	21SFHFL003	\$ 367,790	
<i>Total Foster Grandparent</i>			<u>\$ 367,790</u>	<u>\$ -</u>
PASSED THROUGH DEPARTMENT OF ELDER AFFAIRS:				
Senior Companion Program	94.016	21SC233128	\$ 75,911	
<i>Total Companion Program</i>			<u>\$ 75,911</u>	<u>\$ -</u>
<b>Total Foster Grandparent/Senior Companion Cluster</b>			<u>\$ 443,701</u>	<u>\$ -</u>
<b>Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			<u>\$ 520,656</u>	<u>\$ -</u>

CITY OF JACKSONVILLE, FLORIDA  
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED SEPTEMBER 30,2022

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
PASSED THROUGH DIVISION OF EMERGENCY MANAGEMENT:				
Flood Mitigation Assistance	97.029	EMA-2019-FM-E001	\$ 450	\$ -
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	17-PA-U5-04-26-01-085	\$ 3,826	\$ -
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-00-04-26-01-024	\$ (715,170)	\$ -
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-00-04-26-01-026	\$ 362,334	
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<b>\$ (348,560)</b>	<b>\$ -</b>

CITY OF JACKSONVILLE, FLORIDA  
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED SEPTEMBER 30, 2022

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
DIRECT PROGRAMS:				
<b>COVID-19 - Assistance to Firefighters Grant</b>	97.044	EMW-2020-FG-00255	\$ 246,239	
Assistance to Firefighters Grant	97.044	EMW-2020-FG-10216	\$ 81,672	
Port Security Grant Program	97.056	EMW-2020-PU-00194	\$ 140,023	
Port Security Grant Program	97.056	EMW-2019-PU-00128	\$ 50,470	\$ -
Port Security Grant Program	97.056	EMW-2021-PU-00047	\$ 2,767	\$ -
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2018-FH-00180	\$ 1,596,823	
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2019-FF-01640	\$ 4,503,510	
Homeland Security Biowatch Program	97.091	06OHBIO00012-15-00	\$ 101,816	
Homeland Security Biowatch Program	97.091	06OHBIO00012-16-00	\$ 184,306	
Homeland Security Biowatch Program	97.091	06OHBIO00012-17-00	\$ 88,386	
Regional Catastrophic Preparedness Grant Program	97.111	EMA-2019-GR-00009	\$ 195,974	
PASSED THROUGH DIVISION OF EMERGENCY MANAGEMENT:				
Hazard Mitigation Grant	97.039	FEMA-DR-4337-005-R	\$ 282,773	\$ -
Hazard Mitigation Grant	97.039	FEMA-DR-4337-FL	\$ 353,245	
Hazard Mitigation Grant	97.039	FEMA-DR-4337-FL	\$ 404,244	
Hazard Mitigation Grant	97.039	H0595	\$ 12,828	
Hazard Mitigation Grant	97.039	H0434	\$ 205,453	
Hazard Mitigation Grant	97.039	H0337	\$ 32,706	
Hazard Mitigation Grant	97.039	H0429	\$ 120,711	
Emergency Management Performance Grants	97.042	G104	\$ 90,904	
Emergency Management Performance Grants	97.042	EMA-2021-EP-00007	\$ 213,064	
<b>COVID-19 - Emergency Management Performance Grants</b>	97.042	EMA-2020-EP-00023	\$ 34,710	
<b>COVID-19 - Emergency Management Performance Grants</b>	97.042	EMA-2021-EP-00006	\$ 13,926	
Homeland Security Grant Program	97.067	EMW-2020-SS-0035-S01	\$ 24,696	\$ -
Homeland Security Grant Program	97.067	EMW-2021-SS-00056-S01	\$ 30,695	\$ -
PASSED THROUGH STATE DEPARTMENT OF FINANCIAL SERVICES:				
Homeland Security Grant Program	97.067	EMW-2020-SS-0035-S01	\$ 78,324	
Homeland Security Grant Program	97.067	EMW-2020-SS-0035-S01	\$ 102,954	
Homeland Security Grant Program	97.067	EMW-2021-SS-00056-S01	\$ 16,337	
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>			<b>\$ 9,209,558</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>			<b>\$ 180,222,267</b>	<b>\$ 52,928,650</b>

CITY OF JACKSONVILLE FLORIDA  
SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR YEAR ENDED SEPTEMBER 30, 2022

STATE AGENCY	CSFA NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>EXECUTIVE OFFICE OF GOVERNOR</u>				
DIRECT PROGRAMS:				
Emergency Management Programs	31.063	A0126	105,617	
Emergency Management Programs	31.063	A0221	105,768	-
TOTAL EXECUTIVE OFFICE OF GOVERNOR			\$ 211,385	\$ -
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
DIRECT PROGRAMS:				
Beach Management Funding Assistance Program	37.003	19DU1	\$ 1,546,642	
Local Government Cleanup Contracting	37.024	GC892-6	\$ 754,500	
Local Government Cleanup Contracting	37.024	GC892-7	\$ 262,560	
Resilient Florida Programs	37.098	R2235	\$ 389,110	
TOTAL DEPARTMENT OF ENVIRONMENTAL PROTECTION			\$ 2,952,813	\$ -
<u>DEPARTMENT OF ECONOMIC OPPORTUNITY</u>				
DIRECT PROGRAMS:				
Economic Development Partnerships	40.040	DTF 22-100	\$ 500,000	
Economic Development Partnerships	40.040	*	\$ 88,000	
Economic Development Partnerships	40.040	DTF 23-301	\$ 279,632	
Regional Community Development and Infrastructure	40.042	S0156	\$ 282,500	
Regional Community Development and Infrastructure	40.042	*	\$ 401,732	
TOTAL DEPARTMENT OF ECONOMIC OPPORTUNITY			\$ 1,551,865	\$ -
<u>FLORIDA HOUSING FINANCE CORPORATON</u>				
DIRECT PROGRAMS:				
State Housing Initiatives Partnership Program (SHIP)	40.901	HFC01	\$ 1,791,286	\$ 1,189,274
TOTAL FLORIDA HOUSING FINANCE CORPORATION			\$ 1,791,286	\$ 1,189,274

CITY OF JACKSONVILLE FLORIDA  
SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR YEAR ENDED SEPTEMBER 30, 2022

STATE AGENCY	CSFA NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF STATE AND SECRETARY OF STATE</u>				
DIRECT PROGRAMS:				
State Aid to Libraries	45.030	19-ST-22	71,244	-
State Aid to Libraries	45.030	22-ST-22	196,587	-
TOTAL DEPARTMENT OF STATE AND SECRETARY OF STATE			\$ 267,831	\$ -
<u>DEPARTMENT OF EDUCATION AND COMMISSIONER OF EDUCATION</u>				
DIRECT PROGRAMS:				
Coach Aaron Feis Guardian Program	48.140	96L-90210-2D001	42,281	-
COJ Northwest Jacksonville STEM Center for Teens - Fixed Capital Outlay Project	48.174	16F-90220-2S001	755,860	-
TOTAL DEPARTMENT OF STATE AND SECRETARY OF STATE			\$ 798,141	\$ -
<u>DEPARTMENT OF TRANSPORTATION</u>				
DIRECT PROGRAMS:				
State Highway Project Reimbursement	55.023	AR320	310,714	-
Local Transportation Projects	55.039	AN810	23,780	-
Local Transportation Projects	55.039	G1526	1,963,969	-
City of Jacksonville Pedestrian Amenities	55.041	GOW51	402,667	-
TOTAL DEPARTMENT OF TRANSPORTATION			\$ 2,701,130	\$ -

CITY OF JACKSONVILLE FLORIDA  
SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR YEAR ENDED SEPTEMBER 30, 2022

STATE AGENCY	CSFA NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF HEALTH</u>				
DIRECT PROGRAMS:				
County Grant Awards	64.005	C0013	\$ 16,210	\$ -
TOTAL DEPARTMENT OF HEALTH			<u>16,210</u>	<u>\$ -</u>
<u>DEPARTMENT OF ELDER AFFAIRS</u>				
DIRECT PROGRAMS:				
Respite for Elders Living in Everyday Families (RELIEF)	65.006	*	86,067	\$ -
TOTAL DEPARTMENT OF ELDER AFFAIRS			<u>\$ 86,067</u>	<u>\$ -</u>
<u>DEPARTMENT OF LAW ENFORCEMENT</u>				
DIRECT PROGRAMS:				
Criminal Justice Training	71.001	CJSTC-310	207,922	-
TOTAL DEPARTMENT OF LAW ENFORCEMENT			<u>\$ 207,922</u>	<u>\$ -</u>
<u>DEPARTMENT OF REVENUE</u>				
DIRECT PROGRAMS:				
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training	73.016	*	\$ 2,000,004	\$ -
TOTAL DEPARTMENT OF REVENUE			<u>2,000,004</u>	<u>\$ -</u>
<u>DEPARTMENT OF FLORIDA FISH AND WILDLIFE CONSERVATION</u>				
DIRECT PROGRAMS:				
Derelect Vessel Removal Grant	77.005	FWC-20367	\$ 17,000	
Derelect Vessel Removal Grant	77.005	FWC-20377	\$ 10,000	
Derelect Vessel Removal Grant	77.005	FWC-20399	\$ 27,500	
Derelect Vessel Removal Grant	77.005	FWC-21086/21191	\$ 45,000	
TOTAL FLORIDA FISH AND WILDLIFE CONSERVATION			<u>\$ 99,500</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 12,684,152</u>	<u>\$ 1,189,274</u>

\* not available

**Notes to Schedule of  
Expenditures of Federal Awards  
And State Financial Assistance**

**City of Jacksonville, Florida**  
**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**For the fiscal year end September 30, 2022**

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**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance includes certain federal and state grant activity of the City of Jacksonville, Florida (the “City”) for the year ended September 30, 2022. The schedules do not include the federal and state grant activity of the City’s discretely presented component units the JEA, Jacksonville Port Authority, and the Jacksonville Transportation Authority, which received approximately \$44.8 million, and \$54.8 million, respectively. Federal and state grant activity for the discretely presented component units is reported on separately. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position or cash flows of the City. The City’s reporting entity is defined in Note 1 of the City’s basic financial statements.

**Note 2. Basis of Accounting**

The schedules are presented using the modified accrual basis of accounting for grants which are accounted for in governmental funds and on the accrual basis of accounting for grants which are accounted for in proprietary funds. Such expenditures are recognized following the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in these schedules is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.500, Rules of the Auditor General. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 3. Program Clusters**

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. Accordingly, federal programs and related CFDA numbers reported within the schedule of expenditures include the CDBG-Entitlement Cluster 14.218, Highway Planning & Construction Cluster 20.205, Highway Safety Cluster 20.600, Aging Cluster 93.044, 93.045 and 93.053, and the Foster Grandparent/Senior Companion Cluster 94.011 and 94.016.

**Note 4. Indirect Cost**

The City has not elected to use the 10% de minimis indirect cost rate.

**Note 5. FEMA Expenditures**

Expenditures for CDFA No. 97.036 Disaster Grants – Public Assistance, include (\$348,560) expended in the prior fiscal year that had not been obligated (approved) by the Federal Emergency Management Agency as of September 30, 2022.



Carr, Riggs & Ingram, LLC  
7411 Fullerton Street  
Suite 300  
Jacksonville, FL 32256

904.356.6023  
904.353.5836 (fax)  
CRlcpa.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

**Report on Compliance for Each Major Federal Program and Each Major State Project**

***Qualified and Unmodified Opinions***

We have audited the City of Jacksonville, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and state financial assistance projects for the year ended September 30, 2022. The City's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying *Schedule of Findings and Questioned Costs*.

The City's basic financial statements include the operations of JEA, Jacksonville Transportation Authority and Jacksonville Port Authority, for which any federal or state grant activity is not included in the schedules of federal awards and state financial assistance. Our audit, described below, did not include the operations of JEA, Jacksonville Transportation Authority and Jacksonville Port Authority which expended federal awards and state financial assistance of approximately \$5 million, \$55 million and \$45 million, respectively, because the component units engaged other auditors to perform audits in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

***Qualified Opinion on the Community Development Block Grant***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Community Development Block Grant for the year ended September 30, 2022.

***Unmodified Opinion on Each of the Other Major Federal Programs and Each Major State Project***

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs and each of its major state projects identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2022.

### ***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Matter Giving Rise to Qualified Opinion on the Community Development Block Grant***

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the Community Development Block Grant as described in finding number 2022-007 for Special Tests and Provisions – Wage Rate Requirements.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### ***Other Matters***

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### ***Report on Internal Control over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal

program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-004, 2022-005, 2022-006, 2022-007, 2022-008, 2022-009, and 2022-010 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Carr, Rigg & Ingram, L.L.C.*

Jacksonville, Florida  
September 28, 2023

**Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022**

**Part I – Summary of Auditors’ Results**

*Financial Statements:*

- 1. Type of auditors’ report issued Unmodified
- 2. Internal control over financial reporting:
  - a. Material weaknesses identified? Yes
  - b. Significant deficiencies identified not considered to be material weaknesses? None noted
  - c. Noncompliance material to the financial statements noted? No

*Federal and State Awards:*

- 1. Type of auditors’ report issued on compliance for major programs/projects Unmodified/Qualified
- 3. Internal control over major programs/projects:
  - a. Material weaknesses identified? Yes
  - b. Significant deficiencies identified not considered to be material weaknesses? No
- 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a) and Chapter 10.557, Rules of the Auditor General? Yes
- 4. Identification of major programs/projects:

<u><b>Federal Programs</b></u>	<u><b>ALN</b></u>
Community Development Block Grants	14.218
Emergency Solutions Grant Program	14.231
Public Safety Partnership and Community Policing Grants	16.710
CARES Act - Coronavirus Relief Fund	21.019
Emergency Rental Assistance Program	21.023
Coronavirus State and Local Fiscal Recovery Funds	21.027
Staffing for Adequate Fire and Emergency Response	97.083
<u><b>State Projects</b></u>	<u><b>CSFA #</b></u>
Beach Management Funding Assistance Program	37.003
Local Government Cleanup Contracting	37.024
Economic Development Partnerships	40.040

**Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022**

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Regional Community Development and Infrastructure	40.042
COJ NW Jacksonville STEM Center for Teens	48.174
Facilities for Professional Sports	73.016
5. Dollar threshold used to distinguish between type A and type B federal programs:	\$3,000,000
6. Dollar threshold used to distinguish between type A and type B state projects:	\$750,000
7. Auditee qualified as low risk auditee under 2 CFR 200.520?	No

Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022

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Part II – Financial Statement Findings

2022-001      ACCOUNTING SYSTEM IMPLEMENTATION

Condition: During the audit we found that financial records for most classes of transactions and account balances were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made in the following areas:

- Equity in Pooled Cash and Investments
- Cash in Escrow and with Fiscal Agents
- Accounts Receivable and Due from Independent Agencies and Other Governments
- Revenues
- Capital Assets
- Accounts Payable and Accrued Liabilities
- Beginning Fund Balance

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The new accounting system was not designed and implemented effectively such that it was not functioning sufficiently to maintain up-to-date and accurate financial records for most classes of transactions and account balances.

Effect: Multiple material errors were found and the audit was not able to be completed by the state’s initial deadline.

Recommendation: Continue to enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Also, bring monthly and annual close processes up to date and ensure that sub-ledgers reconcile accurately to the general ledger and that the fiscal year end cutoff procedures are fully implemented and documented.

Management Response: The City of Jacksonville has made and continues to make extensive improvements to our ability to maintain up-to-date and accurate financial records since the simultaneous impacts in March 2020 of our ERP system conversion and the COVID-19 pandemic shut down. This year, for the first time since going live with our new system, we are submitting both our ACFR and our Single Audit before the end of the following fiscal year. We are proud of the progress we have made in replacing a system that was multiple decades old, especially since it is not unusual for large organizations to struggle for years with major systems conversions even without a nationwide health crisis.

**Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022**

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We appreciate the acknowledgement by our auditors that we have enhanced our understanding of and abilities within our ERP system. In the past year, the addition of our ERP Training Manager has resulted in increased collaboration citywide, addressing training needs and creating multimedia content on user roles and responsibilities. Monthly and annual close processes remain on time, with updated documentation of standard operating procedures (SOPs). We continue to work with both Oracle Consulting Services (OCS) and Oracle Managed Care Solutions (MCS) to address system issues promptly as they arise and to ensure all subledgers are used and configured properly to reconcile accurately to the general ledger.

**2022-002      BANK RECONCILIATIONS**

Condition: During the audit we found that the bank reconciliation was not accurately or timely completed and there were transactions which were not properly recorded in the general ledger or the bank reconciliation.

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The bank reconciliation was not able to be completed in a timely and accurate manner due to general weaknesses in the system implementation.

Effect: Material errors were identified between the bank reconciliation and related general ledger accounts.

Recommendation: The Treasury division, Accounting division, and finance managers throughout the City should collaborate better to ensure the bank balances are being reconciled accurately and in a timely manner to an amount that matches the general ledger to bank statements.

Management Response: We agree that weaknesses in the original system implementation continue to impact the bank reconciliation process. Weekly cash reconciliation meetings between Treasury and Accounting which commenced in May 2022 have continued, and monthly meetings with Treasury, Accounting and ITD were initiated to address other cash management issues. Marked improvements in the cash reconciliation process have occurred and we expect continued improvements as internal controls continue to strengthen around the subledgers and module integration. Additionally, we plan to implement a new control around reconciling the tax collector ledger to the general ledger to ensure the related cash balances are accurate.

These procedural and operational improvements made by the City since embarking on the challenging journey of converting to a new modern ERP system are efforts which will pay dividends for years to come in the areas of transparency, timeliness and quality of financial reporting.

Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022

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**2022-003      REPORTING OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

Condition: During the audit we found material errors, omissions, and misclassifications on the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of Expenditures of State Financial Assistance (SESA), including incorrect reporting of amounts passed through to subrecipients.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General* require complete and accurate reporting of the expenditures of federal awards and state financial assistance on the SEFA and SESA, respectively, which includes establishing and maintaining effective internal control to help ensure that such information is reliable and properly reported.

Cause: The new accounting system's grant and revenue modules had implementation challenges related to maintaining up-to-date and accurate financial records for certain grant transactions resulting in misclassification or other errors in recording grant revenues and expenditures. During the transition to the new accounting system, certain decentralized grant managers within the City maintained and reported grant expenditures on stand-alone schedules and ledgers outside of and unreconciled to the grant and revenue modules.

Effect: Multiple material errors were found in the SEFA and SESA, requiring the City to research and restate both schedules.

Recommendation: Continue to enhance the effectiveness of the grant and revenue modules of the new accounting system through further training and consultation with software providers. Also, ensure that sub-ledgers maintained by decentralized users related to grants are regularly reconciled to the grant module of the new accounting system.

Management Response: We have implemented many process and training improvements since our systems conversion as detailed in our responses to findings 001 and 002 which we expect to positively impact these findings in the FY 23 audit. We plan to continue to enhance City personnel understanding of and abilities within the grant and revenue modules of the new accounting system with further training specifically on these modules in consultation with Oracle, the provider of the software. We will also ensure that any ledgers maintained by decentralized users related to grants are regularly reconciled to the grant module of the new accounting system.

Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022

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**Part III – Findings and Questioned Costs – Federal Programs**

**2022-004 – COVID-19: Emergency Rental Assistance Program**

**Federal Awarding Agency – U.S. Department of the Treasury**

**Assistance Listing Number – 21.023**

**FAIN – n/a**

**Award Year – 2021**

**Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR sections 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, beneficiary eligibility, period of performance, reporting, subrecipient monitoring, and special tests and provisions. The related compliance requirements are set in Section 501 of Division N of the Consolidated Appropriations Act, 2021, 2 CFR Part 200, Subpart E, Appendices III-V11, and sections 200.330, .331, .332, and .501(h), federal awarding agency regulations, and the terms and conditions of the award.

Condition: Subrecipient monitoring controls related to periodic subrecipient reports and the final subrecipient expenditure reports, financial reporting, period of performance, and special tests and provisions for funding reallocations were not documented in a manner that is reperformable.

Cause: Control activities were performed informally and without clear documentation.

Effect: Individuals who are not eligible to receive the services funded by this grant may incorrectly be served by the subrecipient entities, allowable costs or cost principles may not have been followed by subrecipient entities, or subrecipients may not have been properly monitored for other compliance requirements. Expenditures could be made outside of the period of performance, amounts in the financial reports could be incorrect, funding reallocation requirements could be missed.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Views of responsible officials: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022

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**2022-005 – COVID 19: Coronavirus State and Local Fiscal Recovery Funds**

**Federal Awarding Agency – U.S. Department of the Treasury**

**Assistance Listing Number – 21.027**

**FAIN – n/a**

**Award Year – 2021**

**Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR sections 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, reporting, and suspension and debarment. The related compliance requirements are set in 2 CFR Part 200 sections 200.514(c), 200.212, 200.318(h), 200.332, 180.300 and subpart E; 48 CFR section 52.209-6; 31 CFR section 19.300; sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 as codified at 42 USC 802 and 803 and 31 CFR Part 35, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported. Controls related to reporting of other grant expenditures were not effective and certain amounts were missing from the financial reports. Controls related to ensuring contractors were not suspended, debarred, or otherwise excluded pursuant to 31 CFR section 19.300 were not documented in a manner that is reperformable.

Cause: Base year calculation of revenue was performed using interim financial information and was not reconciled to final audited reports. Base year calculation of revenue was not clearly documented. Subsequent year revenue calculations were performed by a consultant who was not engaged to review the base year calculation. Controls over such calculations were not effective. Review of financial reports was not sufficient to ensure all grant expenditures were reported. Suspension and debarment controls were not evidenced with clear documentation; checklists are maintained but were not completed in all cases.

Effect: Calculation of lost revenue was incorrectly reported. Expenditures related to the provision of government services related to such lost revenue did not exceed the actual lost revenue. Certain other grant expenditures were erroneously excluded from the financial reports. Procurement of contractors risks including those who were suspended or debarred; however none such were identified.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Views of responsible officials: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022

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**2022-006 – COVID-19: Emergency Solutions Grant Program**

**Federal Awarding Agency – U.S. Department of Housing and Urban Development**

**Assistance Listing Number – 14.231**

**FAIN – E-20-UC-12-0017 & E-20-UW-12-0017**

**Award Years – 2020 & 2021**

**Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, and matching. The related compliance requirements are set in 2 CFR sections 200.306, 330, .331, .501(h), .514(c), and subpart E, 24 CFR Part 576, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of monthly subrecipient reports to ensure compliance with allowable costs, cost principles, and matching requirements were not documented in a manner that is reperformable. Timesheet approvals were not documented in all instances to ensure compliance with allowable costs, cost principles.

Cause: Internal controls over monthly subrecipient report review for allowable costs, cost principles, and matching compliance requirements and timesheet reviews and approvals were not evidenced with clear documentation.

Effect: Subrecipients may not have met required matching compliance requirements. Time could be charged to the grant that is not allowable.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Views of responsible officials: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

**Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022**

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**2022-007 – COVID-19: Community Development Block Grants/Entitlement Grants  
Federal Awarding Agency – U.S. Department of Housing and Urban Development  
Assistance Listing Number – 14.218  
FAIN – B-20-UW-12-0017 & B-21-UC-12-0017  
Award Year – 2021 & 2022  
Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, period of performance, reporting, and special tests and provisions – wage rate requirements. The related compliance requirements are set in 24 CFR Part 570 Subpart D and sections 570.200 through .710, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the April 30, 2021 Quick Guide, CDBG-CV PPR Tieback Flexibilities, Title I of the Housing Community Development Act (HCDA) of 1974, as amended (Pub. L. No. 93-383) (42 USC 5301), 2 CFR Part 200, Subpart E, Appendices III-V11, and sections 200.330, .331, and .501(h), 31 USC 1552, Section III.B.7 of CDBG-CV Notice, Section 110(a) of the HCD Act, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of financial reports to ensure compliance with allowable costs, cost principles, period of performance, and reporting requirements were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.

Cause: Internal controls over financial reports were not evidenced with clear documentation.

Effect: Financial reports may not be accurate, allowable costs, cost principles, and period of performance compliance requirements may not be met due to lack of reperformable internal controls. Wage rate requirements were not complied with.

Recommendation: We recommend that the City ensure wage rate requirement compliance is prioritized when applicable. We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Views of responsible officials: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed. We will also prioritize wage rate compliance when applicable.

Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022

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**2022-008 – Public Safety Partnership and Community Policing Grants**

**Federal Awarding Agency – U.S. Department of Justice**

**Assistance Listing Number – 16.710**

**FAIN – 15JCOPS-21-GG-02310-SPPS; 2020ULWX0031-ORI-FL01602**

**Award Year – 2020 & 2021**

**Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, cash management, period of performance, matching, and reporting. The related compliance requirements are set in 24 CFR Part 570 Subparts D and E, Appendices III-V11, and sections 200.330, .331, and .501(h), the Omnibus Crime Control and Safe Streets Act of 1968 as amended by the Violent Crime Control and Law Enforcement Act of 1994, Title I, Part Q, Pub. L. No. 103-322, 34 USC 10381 et seq., federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of financial and drawdown reports to ensure compliance with reporting requirements which also covers allowable costs, cost principles, cash management, period of performance, and matching requirements were not documented in a manner that is reperformable. No internal controls were identified related to review of progress reports to ensure compliance with reporting requirements.

Cause: Internal controls over financial, drawdown, and progress reports were not evidenced with clear documentation.

Effect: Financial reports may not be accurate; allowable costs, cost principles, cash management, period of performance, matching, and reporting compliance requirements may not be met due to lack of reperformable internal controls. Progress reports may not be accurate.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Views of responsible officials: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

**Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022**

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**2022-009 – COVID 19: Staffing for Adequate Fire and Emergency Response (SAFER)**

**Federal Awarding Agency – Federal Emergency Management Agency**

**Assistance Listing Number – 97.083**

**FAIN –EMW-2018-FH-00180 & EMW-2019-FF-01640**

**Award Year – 2019 & 2020**

**Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, cash management, matching/level of effort, and reporting. The related compliance requirements are set in 24 CFR Part 570 Subparts D and E, Appendices III-V11, and sections 200.330, .331, and .501(h), Section 34 of the Federal Fire Prevention and Control Act of 1974, Pub. L. No. 93-498, as amended (15 USC Sec. 2229a) and Section 4013 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of drawdown reports to ensure compliance with reporting requirements which also covers allowable costs, cost principles, cash management, and matching requirements were not documented in a manner that is reperformable. No internal controls were identified related to review of progress reports to ensure compliance with reporting requirements. No internal controls were identified related to the level of effort requirement.

Cause: Internal controls related to review of drawdown reports, progress reports, and level of effort were not evidenced with clear documentation.

Effect: Financial reports may not be accurate; allowable costs, cost principles, cash management, level of effort, matching, and reporting compliance requirements may not be met due to lack of reperformable internal controls. Progress reports may not be accurate.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Views of responsible officials: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

Schedule of Findings and Questioned Costs  
For the Fiscal year ended September 30, 2022

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**Part IV – Findings and Questioned Costs – State Projects**

**2022-010 – COJ Northwest Jacksonville STEM Center for Teens – Fixed Capital Outlay Project**  
**State of Florida Awarding Agency – Department of Education and Commissioner of Education**  
**CSFA Number – 48.174**  
**Project Number –16F-90220-2S001**  
**Award Year – 2022**  
**Questioned costs – none**

Criteria: Florida Statutes section 215.97 requires non-state entities receiving state financial assistance to establish and maintain effective internal controls over state assistance, including the requirements for equipment and real property management. The related compliance requirements are set in the Florida State Projects Compliance Supplement, state awarding agency regulations, and the terms and conditions of the grant.

Condition: Internal controls related to maintaining equipment records to ensure that equipment was used in the program for which it was acquired and that such equipment was maintained and safeguarded in accordance with grant award requirements were not documented in a manner that is reperformable.

Cause: Internal controls related to monitoring the restrictions on the use of purchased equipment were not evidenced with clear documentation.

Effect: Equipment purchased with program grant funds may be used for non-grant program purposes.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Views of responsible officials: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

**Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 2022**

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**Prior Year Financial Statement Findings**

2021-001 – ACCOUNTING SYSTEM IMPLEMENTATION: During the audit we found that financial records for most classes of transactions and accounts (previously reported as 2020-001)

- Not corrected, repeated as the substantially same finding in current year 2022-001.

2021-002 – BANK RECONCILIATIONS: During the audit we found that the bank reconciliation was not accurately or timely completed (previously reported as 2020-002)

- Not corrected, repeated as the substantially same finding in current year 2022-002.

2021-003 – REPORTING OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE: During the audit we found material errors, omissions, and misclassifications on the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of Expenditures of State Financial Assistance (SESA), including incorrect reporting of amounts passed through to subrecipients.

- Not corrected, repeated as the substantially same finding in current year 2022-003.

**Prior Year Federal Programs Findings**

2021-004 – COVID-19: Emergency Rental Assistance Program; ALN – 21.023; FAIN – n/a: Subrecipient monitoring controls related to monthly subrecipient reports and the final subrecipient expenditure reports were not documented in a manner that is reperformable.

- Not corrected, repeated as the substantially same finding in current year 2022-004.

2021-005 – COVID-19: Housing Opportunities for Persons with AIDS; ALN – 14.241; FAIN – n/a: Subrecipient monitoring controls related to review of monthly subrecipient reports and annual subrecipient financial statements were not documented in a manner that is reperformable.

- Corrected during fiscal year 2021.

2021-006 – COVID-19: Emergency Solutions Grant Program; ALN – 14.231; FAIN – E-20-UC-12-0017: Internal controls related to review of monthly subrecipient reports to ensure compliance with matching requirements were not documented in a manner that is reperformable.

- Not corrected, repeated as the substantially same finding in current year 2022-006.

**Prior Year State Project Findings**

There were no findings related to state projects in fiscal year 2021.



Carr, Riggs & Ingram, LLC  
7411 Fullerton Street  
Suite 300  
Jacksonville, FL 32256

904.356.6023  
904.353.5836 (fax)  
CRIcpa.com

## MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL

To the Honorable Mayor and members of the City Council  
City of Jacksonville, Florida

### Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the “City”) as of and for the fiscal year ended September 30, 2022, which collectively comprise the City’s basic financial statements and have issued our report thereon dated September 28, 2023. Our report on the basic financial statements included reference to the reports of other auditors. This management letter does not include the findings and recommendations of the other auditors that are reported on separately by those auditors.

### Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Our report includes a reference to other auditors who audited the financial statements of JEA, Jacksonville Transportation Authority, and Jacksonville Port Authority, discretely presented component units of the City.

### Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants’ Reports on examinations conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated September 28, 2023, should be considered in conjunction with this management letter.

## Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The table below details such for each finding reported.

Tabulation of Current and Prior Year Audit Findings		
Current Year Finding #	FY 2021 Finding #	FY 2020 Finding #
2022-001	2021-001	2020-001
2022-002	2021-002	2020-002
Corrected in Prior Year	Corrected in FY 2021	2020-003
Corrected in Prior Year	Corrected in FY 2021	2020-004
2022-003	2021-003	New in FY 2021 – n/a
2022-004	2021-004	New in FY 2021 – n/a
Corrected in Current Year	2021-005	New in FY 2021 – n/a
2022-005	New in FY 2022 – n/a	New in FY 2022 – n/a
2022-006	2021-006	New in FY 2021 – n/a
2022-007	New in FY 2022 – n/a	New in FY 2022 – n/a
2022-008	New in FY 2022 – n/a	New in FY 2022 – n/a
2022-009	New in FY 2022 – n/a	New in FY 2022 – n/a
2022-010	New in FY 2022 – n/a	New in FY 2022 – n/a

## Official Title and Legal Authority

Section 10.554(1)(i)4, *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 in the notes to the financial statements.

## Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City as of September 30, 2022. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we recommend that the City continue efforts to improve its tracking, reconciliation, and analysis related to capital assets.

### **Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

In connection with our audit, we noted an opportunity for the City to improve its process for maintaining documentation of internal control processes over grant compliance. We recommend the creation and regular update of written procedures for grant compliance including the identification of specific controls and the responsible individual for performing the control for each grant received by the City. Each control over compliance should be evidenced by clear documentation of who performed the control, what the control was, and the date it was performed.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council, and applicable management, and appropriate audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Rigg & Ingram, L.L.C.*

Jacksonville, Florida  
September 28, 2023



ONE CITY. ONE JACKSONVILLE.

*Donna Deegan, Mayor*

Finance and Administration Department  
General Accounting Division  
117 West Duval Street, Suite #375  
Jacksonville, FL 32202  
(904) 630-CITY  
www.coj.net

September 28, 2023

Below are corrective action plans for Audit Findings 2022-001, 2022-002, 2022-003, 2022-004, 2022-005, 2022-006, 2022-007, 2022-008, 2022-009, and 2022-010.

## Part II – Financial Statement Findings

### 2022-001 ACCOUNTING SYSTEM IMPLEMENTATION

Condition: During the audit we found that financial records for most classes of transactions and account balances were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made in the following areas:

- Equity in Pooled Cash and Investments
- Cash in Escrow and with Fiscal Agents
- Accounts Receivable and Due from Independent Agencies and Other Governments
- Revenues
- Capital Assets
- Accounts Payable and Accrued Liabilities
- Beginning Fund Balance

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The new accounting system was not designed and implemented effectively such that it was not functioning sufficiently to maintain up-to-date and accurate financial records for most classes of transactions and account balances.

Effect: Multiple material errors were found and the audit was not able to be completed by the state's initial deadline.

Recommendation: Continue to enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Also, bring monthly and annual close processes up to date and ensure that sub-ledgers reconcile accurately to the general ledger and that the fiscal year end cutoff procedures are fully implemented and documented.

**Action Plan:** The City of Jacksonville has made and continues to make extensive improvements to our ability to maintain up-to-date and accurate financial records since the simultaneous impacts in March 2020 of our ERP system conversion and the COVID-19 pandemic shut down. This year, for the first time since going live with our new system, we are submitting both our ACFR and our Single Audit before the end of the following fiscal year. We are proud of the progress we have made in replacing a system that was multiple decades old, especially since it is not unusual for large organizations to struggle for years with major systems conversions even without a nationwide health crisis.

We appreciate the acknowledgement by our auditors that we have enhanced our understanding of and abilities within our ERP system. In the past year, the addition of our ERP Training Manager has resulted in increased collaboration citywide, addressing training needs and creating multimedia content on user roles and responsibilities. Monthly and annual close processes remain on time, with updated

documentation of standard operating procedures (SOPs). We continue to work with both Oracle Consulting Services (OCS) and Oracle Managed Care Solutions (MCS) to address system issues promptly as they arise and to ensure all subledgers are used and configured properly to reconcile accurately to the general ledger.

**Contact Names responsible for the plan** – Marcia Saulo  
**Anticipated completion date of the plan** – September 30, 2024

## **2022-002            BANK RECONCILIATIONS**

**Condition:** During the audit we found that the bank reconciliation was not accurately or timely completed and there were transactions which were not properly recorded in the general ledger or the bank reconciliation.

**Criteria:** Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

**Cause:** The bank reconciliation was not able to be completed in a timely and accurate manner due to general weaknesses in the system implementation.

**Effect:** Material errors were identified between the bank reconciliation and related general ledger accounts.

**Recommendation:** The Treasury division, Accounting division, and finance managers throughout the City should collaborate better to ensure the bank balances are being reconciled accurately and in a timely manner to an amount that matches the general ledger to bank statements.

**Action Plan:** We agree that weaknesses in the original system implementation continue to impact the bank reconciliation process. Weekly cash reconciliation meetings between Treasury and Accounting which commenced in May 2022 have continued, and monthly meetings with Treasury, Accounting and ITD were initiated to address other cash management issues. Marked improvements in the cash reconciliation process have occurred and we expect continued improvements as internal controls continue to strengthen around the subledgers and module integration. Additionally, we plan to implement a new control around reconciling the tax collector ledger to the general ledger to ensure the related cash balances are accurate.

These procedural and operational improvements made by the City since embarking on the challenging journey of converting to a new modern ERP system are efforts which will pay dividends for years to come in the areas of transparency, timeliness and quality of financial reporting.

**Contact Names responsible for the plan** – Marcia Saulo  
**Anticipated completion date of the plan** – September 30, 2024

## **2022-003            REPORTING OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

**Condition:** During the audit we found material errors, omissions, and misclassifications on the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of Expenditures of State Financial Assistance (SESA), including incorrect reporting of amounts passed through to subrecipients.

**Criteria:** Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General* require complete and accurate reporting of the expenditures of federal awards and state financial assistance on the SEFA and SESA, respectively, which includes establishing and maintaining effective internal control to help ensure that such information is reliable and properly reported.

**Cause:** The new accounting system's grant and revenue modules had implementation challenges related to maintaining up-to-date and accurate financial records for certain grant transactions resulting in misclassification or other errors in recording grant revenues and expenditures. During the transition to the new accounting system, certain decentralized grant managers within the City maintained and reported grant expenditures on stand-alone schedules and ledgers outside of and unreconciled to the grant and revenue modules.

**Effect:** Multiple material errors were found in the SEFA and SESA, requiring the City to research and restate both schedules.

Recommendation: Continue to enhance the effectiveness of the grant and revenue modules of the new accounting system through further training and consultation with software providers. Also, ensure that sub-ledgers maintained by decentralized users related to grants are regularly reconciled to the grant module of the new accounting system.

**Action Plan:** We have implemented many process and training improvements since our systems conversion as detailed in our responses to findings 001 and 002 which we expect to positively impact these findings in the FY 23 audit. We plan to continue to enhance City personnel understanding of and abilities within the grant and revenue modules of the new accounting system with further training specifically on these modules in consultation with Oracle, the provider of the software. We will also ensure that any ledgers maintained by decentralized users related to grants are regularly reconciled to the grant module of the new accounting system.

**Contact Names responsible for the plan** – Marcia Saulo  
**Anticipated completion date of the plan** – September 30, 2024

### Part III – Findings and Questioned Costs – Federal Programs

#### 2022-004 – COVID-19: Emergency Rental Assistance Program CFDA Number 21.023

##### Questioned costs – none

**Criteria:** 2 CFR Part 200 in general and 2 CFR sections 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, beneficiary eligibility, period of performance, reporting, subrecipient monitoring, and special tests and provisions. The related compliance requirements are set in Section 501 of Division N of the Consolidated Appropriations Act, 2021, 2 CFR Part 200, Subpart E, Appendices III-V11, and sections 200.330, .331, .332, and .501(h), federal awarding agency regulations, and the terms and conditions of the award.

**Condition:** Subrecipient monitoring controls related to periodic subrecipient reports and the final subrecipient expenditure reports, financial reporting, period of performance, and special tests and provisions for funding reallocations were not documented in a manner that is reperformable.

**Cause:** Control activities were performed informally and without clear documentation.

**Effect:** Individuals who are not eligible to receive the services funded by this grant may incorrectly be served by the subrecipient entities, allowable costs or cost principles may not have been followed by subrecipient entities, or subrecipients may not have been properly monitored for other compliance requirements. Expenditures could be made outside of the period of performance, amounts in the financial reports could be incorrect, funding reallocation requirements could be missed.

**Recommendation:** We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

**Action Plan:** We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

**Contact Names responsible for the plan** – Marcia Saulo  
**Anticipated completion date of the plan** – September 30, 2024

#### 2022-005 – COVID 19: Coronavirus State and Local Fiscal Recovery Funds CFDA Number 21.027

##### Questioned costs – none

**Criteria:** 2 CFR Part 200 in general and 2 CFR sections 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, reporting, and suspension and

debarment. The related compliance requirements are set in 2 CFR Part 200 sections 200.514(c), 200.212, 200.318(h), 200.332, 180.300 and subpart E; 48 CFR section 52.209-6; 31 CFR section 19.300; sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 as codified at 42 USC 802 and 803 and 31 CFR Part 35, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported. Controls related to reporting of other grant expenditures were not effective and certain amounts were missing from the financial reports. Controls related to ensuring contractors were not suspended, debarred, or otherwise excluded pursuant to 31 CFR section 19.300 were not documented in a manner that is reperformable.

Cause: Base year calculation of revenue was performed using interim financial information and was not reconciled to final audited reports. Base year calculation of revenue was not clearly documented. Subsequent year revenue calculations were performed by a consultant who was not engaged to review the base year calculation. Controls over such calculations were not effective. Review of financial reports was not sufficient to ensure all grant expenditures were reported. Suspension and debarment controls were not evidenced with clear documentation; checklists are maintained but were not completed in all cases.

Effect: Calculation of lost revenue was incorrectly reported. Expenditures related to the provision of government services related to such lost revenue did not exceed the actual lost revenue. Certain other grant expenditures were erroneously excluded from the financial reports. Procurement of contractors risks including those who were suspended or debarred; however none such were identified.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

## **2022-006 – COVID-19: Emergency Solutions Grant Program CFDA Number 14.231**

### **Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, and matching. The related compliance requirements are set in 2 CFR sections 200.306, 330, .331, .501(h), .514(c), and subpart E, 24 CFR Part 576, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of monthly subrecipient reports to ensure compliance with allowable costs, cost principles, and matching requirements were not documented in a manner that is reperformable. Timesheet approvals were not documented in all instances to ensure compliance with allowable costs, cost principles.

Cause: Internal controls over monthly subrecipient report review for allowable costs, cost principles, and matching compliance requirements and timesheet reviews and approvals were not evidenced with clear documentation.

Effect: Subrecipients may not have met required matching compliance requirements. Time could be charged to the grant that is not allowable.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo  
Anticipated completion date of the plan – September 30, 2024

**2022-007 – COVID-19: Community Development Block Grants/Entitlement Grants CFDA Number 14.218**  
**Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, period of performance, reporting, and special tests and provisions – wage rate requirements. The related compliance requirements are set in 24 CFR Part 570 Subpart D and sections 570.200 through .710, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the April 30, 2021 Quick Guide, CDBG-CV PPR Tieback Flexibilities, Title I of the Housing Community Development Act (HCDA) of 1974, as amended (Pub. L. No. 93-383) (42 USC 5301), 2 CFR Part 200, Subpart E, Appendices III-V11, and sections 200.330, .331, and .501(h), 31 USC 1552, Section III.B.7 of CDBG-CV Notice, Section 110(a) of the HCD Act, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of financial reports to ensure compliance with allowable costs, cost principles, period of performance, and reporting requirements were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.

Cause: Internal controls over financial reports were not evidenced with clear documentation.

Effect: Financial reports may not be accurate, allowable costs, cost principles, and period of performance compliance requirements may not be met due to lack of reperformable internal controls. Wage rate requirements were not complied with.

Recommendation: We recommend that the City ensure wage rate requirement compliance is prioritized when applicable. We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed. We will also prioritize wage rate compliance when applicable.

Contact Names responsible for the plan – Marcia Saulo  
Anticipated completion date of the plan – September 30, 2024

## **2022-008 – Public Safety Partnership and Community Policing Grants CFDA Number 16.710**

### **Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, cash management, period of performance, matching, and reporting. The related compliance requirements are set in 24 CFR Part 570 Subparts D and E, Appendices III-V11, and sections 200.330, .331, and .501(h), the Omnibus Crime Control and Safe Streets Act of 1968 as amended by the Violent Crime Control and Law Enforcement Act of 1994, Title I, Part Q, Pub. L. No. 103-322, 34 USC 10381 et seq., federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of financial and drawdown reports to ensure compliance with reporting requirements which also covers allowable costs, cost principles, cash management, period of performance, and matching requirements were not documented in a manner that is reperformable. No internal controls were identified related to review of progress reports to ensure compliance with reporting requirements.

Cause: Internal controls over financial, drawdown, and progress reports were not evidenced with clear documentation.

Effect: Financial reports may not be accurate; allowable costs, cost principles, cash management, period of performance, matching, and reporting compliance requirements may not be met due to lack of reperformable internal controls. Progress reports may not be accurate.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

## **2022-009 – COVID 19: Staffing for Adequate Fire and Emergency Response (SAFER) CFDA Number 97.083**

### **Questioned costs – none**

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, cash management, matching/level of effort, and reporting. The related compliance requirements are set in 24 CFR Part 570 Subparts D and E, Appendices III-V11, and sections 200.330, .331, and .501(h), Section 34 of the Federal Fire Prevention and Control Act of 1974, Pub. L. No. 93-498, as amended (15 USC Sec. 2229a) and Section 4013 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of drawdown reports to ensure compliance with reporting requirements which also covers allowable costs, cost principles, cash management, and matching requirements were not documented in a manner that is reperformable. No internal controls were identified related to review of progress reports to ensure compliance with reporting requirements. No internal controls were identified related to the level of effort requirement.

Cause: Internal controls related to review of drawdown reports, progress reports, and level of effort were not evidenced with clear documentation.

Effect: Financial reports may not be accurate; allowable costs, cost principles, cash management, level of effort, matching, and reporting compliance requirements may not be met due to lack of reperformable internal controls. Progress reports may not be accurate.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

#### **Part IV – Findings and Questioned Costs – State Projects**

**2022-010 – COJ Northwest Jacksonville STEM Center for Teens – Fixed Capital Outlay Project CSFA Number – 48.174**

**Questioned costs – none**

Criteria: Florida Statutes section 215.97 requires non-state entities receiving state financial assistance to establish and maintain effective internal controls over state assistance, including the requirements for equipment and real property management. The related compliance requirements are set in the Florida State Projects Compliance Supplement, state awarding agency regulations, and the terms and conditions of the grant.

Condition: Internal controls related to maintaining equipment records to ensure that equipment was used in the program for which it was acquired and that such equipment was maintained and safeguarded in accordance with grant award requirements were not documented in a manner that is reperformable.

Cause: Internal controls related to monitoring the restrictions on the use of purchased equipment were not evidenced with clear documentation.

Effect: Equipment purchased with program grant funds may be used for non-grant program purposes.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: We will work with our departments to ensure that controls for grants are documented with written procedures. These procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, re-performable manner with the name of the responsible individuals, the specific control(s) they performed over compliance for the grant, and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024