

CITY OF JACKSONVILLE, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006



PREPARED BY THE DEPARTMENT OF ADMINISTRATION AND FINANCE
ACCOUNTING DIVISION

City of Jacksonville, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2006

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LETTER OF TRANSMITTAL



OFFICE OF THE MAYOR

John Peyton, Mayor

February 12, 2007

To the Citizens of Jacksonville:

It is a pleasure to present you with the City of Jacksonville's Comprehensive Annual Financial Report for Fiscal Year 2005/2006.

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

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

Sincerely,

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

John Peyton
Mayor





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March 2, 2007

The Honorable Mayor
Members of the City Council
And Citizens of the City of Jacksonville

INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) of the City of Jacksonville, Florida (the city), for the fiscal year ended September 30, 2006 is hereby submitted.

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

The city, which was founded in 1832, was consolidated with Duval County in 1968, has an estimated population of 891,192 living within an area of 840.1 square miles. Within Duval County there are four separate municipalities (the Cities of Jacksonville Beach, Neptune Beach and Atlantic Beach and the Town of Baldwin) which represent a population of 42,729 within 15.9 square miles. The city is the doorway to Florida (along the Atlantic coast) and the center of the five county Jacksonville Metropolitan Statistical Area (MSA) which has an estimated population of 1,272,700. The city operates under a charter adopted October 1, 1968 and a Mayor/Council form of government.

The following discussion is intended to demonstrate the growth and vitality of the city (and the MSA) and to address the challenges and concerns of the near future.

ECONOMIC CONDITIONS

Each fiscal year provides the city an opportunity to identify, address and resolve issues facing our community and our citizens, both exclusively and as part of the MSA.

The city's major challenges are to provide the infrastructure and both city and county services needed to maintain the quality of life, which has attracted considerable growth to our community. History has proven that significant emphases on support systems such as transportation, stormwater management, potable water, wastewater and electric capacity must be balanced carefully with the quality of life amenities which include parks, recreation, sports, entertainment and cultural opportunities to maintain the natural beauty and attractiveness of a community. For the city, these natural attributes take shape as they relate to water (the St. Johns River and its tributaries, the intracoastal waterway and the Atlantic Ocean), a tree canopy, and lush vegetation, which provide the unique atmosphere/environment of Jacksonville MSA living.

Growth

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

The city and the MSA continue to demonstrate the benefits of being one of the identified emerging sunbelt growth centers. Jacksonville is seen as having an attractive tax environment as well as being a great place to live, work, and raise a family.

ACTUAL/ESTIMATES AND AVERAGE % GROWTH ANNUAL AND THREE, FIVE AND TEN YEAR PERSPECTIVES

	2006	2005	2004	2003	2002	2001	1996	Average % Growth		
								Last 3	Last 5	Last 10
Population (in thousands)										
City/County	891.2	859.4	847.3	827.9	807.9	791.6	740.9	2.5%	2.5%	2.0%
MSA	1,272.7	1,224.7	1,204.6	1,170.8	1,134.8	1,115.0	994.9	2.9%	2.8%	2.8%
Assessed Value (in billions)										
City/County	52.7	45.6	40.7	37.6	35.1	32.5	23.0	13.4%	12.4%	12.9%
MSA	84.6	76.1	66.8	60.8	55.7	47.3	31.4	13.0%	15.8%	16.9%
Dollar Value of Building Permits (in millions)										
City/County	2,380	3,654	2,147	1,971	1,797	1,686	1,079	N/A	N/A	N/A
MSA	4,269	6,174	4,082	3,547	3,025	2,669	1,649	N/A	N/A	N/A
Building Permits (in thousands of Units)										
City/County	95.2	104.7	94.0	89.1	42.9	77.9	89.8	N/A	N/A	N/A
MSA	111.7	123.5	109.7	101.7	54.0	87.6	98.2	N/A	N/A	N/A
Employment MSA (in thousands)										
Selected Segments:										
Mfg & Constr.	86.5	102.6	97.4	91.6	88.1	88.2	82.7	-1.9%	-0.4%	0.5%
Wholesale & Retail	139.1	127.6	125.1	122.7	120.4	120.3	115.7	4.5%	3.1%	2.0%
Service	303.2	260.0	259.2	252.9	257.5	255.0	205.0	6.6%	3.8%	4.8%
Government	79.0	73.9	72.7	71.6	70.5	70.2	68.5	3.4%	2.5%	1.5%
Other	28.0	27.5	26.6	25.7	24.9	23.9	20.2	3.0%	3.4%	3.9%
Total	635.8	591.6	581.0	564.5	561.4	557.6	492.1	4.2%	2.8%	2.9%
Retail Sales in MSA (in billions)	23.1	16.9	21.8	14.3	14.5	14.5	9.4	20.5%	11.9%	14.6%
Chamber/Job Recruitment										
New Jobs (1)	10,166	10,572	9,674	8,035	10,165	8,627	N/A	N/A	N/A	N/A
Corporate (2)	4,449	3,761	4,177	3,273	3,415	3,810	N/A	N/A	N/A	N/A
Port (JPA) Activity										
Cruise Passengers (in thousands)	78.0	86.0	50.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A
Tons of Freight (in millions)	8.7	8.4	7.7	7.3	7.1	6.9	5.7	6.4%	5.2%	5.3%
Airport (JAA) Activity										
Passengers (in millions)	5.9	5.7	5.1	4.9	4.8	5.3	4.1	6.8%	2.3%	4.4%
Tons of Airfreight (in thousands)	86.8	85.1	83.2	76.2	74.5	66.9	59.7	4.6%	5.9%	4.5%

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

(2) New jobs - high wage

Limitation on Flexibility-State View

The State of Florida is the fourth largest state with over 18.1 million residents and is one of the fastest growing, yet least taxed major state in the country. Local government revenue sources are restricted to property taxes and a limited array of permissive additional revenue opportunities. Because a personal

income tax is constitutionally prohibited in Florida, state and local governments are continually seeking new and broader revenue opportunities to meet the service delivery and infrastructure requirements of our current and future population.

In 1985, the State Legislature passed significant growth management legislation, which requires state and local governments to develop five-year financeable capital infrastructure and minimum standard service level programs. The State, in an attempt to enhance the planning for the future, which is projecting Florida to continue its recent growth patterns through the year 2010 and beyond, was attempting through 1985 legislation to ensure that the quality of life is maintained and that infrastructure and service delivery issues are reasonably addressed. The 1985 Legislature knowingly failed to address new revenue flexibility that would have allowed the State and local governments to develop financing for these five-year planning programs. Subsequently, the State legislature has been preoccupied with other issues, principally the need for state involvement and help to improve the quality of education in Florida. Currently, state budget balancing issues and citizen-initiated referendum (e.g., court system funding, K-12 class size reduction, etc.) are obviously requiring legislative primary attention and focus. As a result, other local governments' (city and county) enhanced revenue flexibility has not been adequately addressed.

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

Limitation on Flexibility- City/County View

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

In 2000, the city initiated and the voters approved, by referendum the \$2.25 billion Better Jacksonville Plan (BJP). The BJP program proposed to address \$1.5 billion roadway system improvements and \$750.0 million in vertical construction and other improvements. The program proposed to (a) use excess capacity in a ½ cent sales tax previously approved to eliminate tolls in the city and to provide a recurring funding source for mass transit (bus and other) to fund \$750.0 million in road projects, (b) authorize a second ½ cent (\$1.5 billion in project) split equally between road/transportation projects and vertical and other initiatives, (c) to separate the funding into an unique and self contained accountability process and (d) to provide for citizen advisor committee oversight.

Although the State has not addressed significant broadening of local government latitude, over the last ten years the growth of the State and the city/county and related impact on revenue, has allowed for a questionably inadequate effort to meet the demands of growth.

To understand the city, an observer must first understand the framework under which this government operates.

Framework

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

The city operates under a strong Mayor/City Council form of government. The 19 member City Council is made up of 14 districts and 5 at large Councilmen/women. The 20 city elected officials stand for election every 4 years (having no mid-term elections) and are subject to a 2 term limitation.

By its Charter, the county continues to utilize the Florida County structured elected Constitutional Officers (Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections and Clerk of the Court). The Sheriff operates the combined Police/Sheriff operation as well as the corrections/court bailiff activities. The Clerk of the Court operates the court/record filing activities, but unlike the majority of the other 67 counties the Clerk does not have financial accounting/reporting, which have been transferred to the administration.

A number of traditional city activities are operated by independent authorities and/or Commissions.

JEA (electric, water and wastewater utilities)

Water Sewer Expansion Authority (WSEA)

Jacksonville Port Authority

Jacksonville Aviation Authority

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

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

Jacksonville Children's Commission*

Jacksonville Library Commission*

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

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

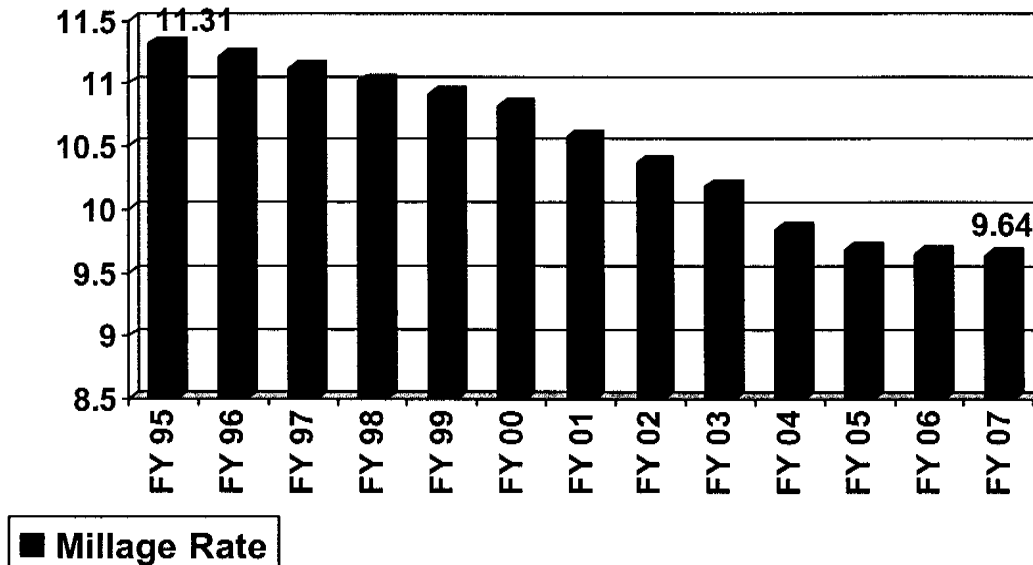
CHALLENGES/CONCERNS

As the city addresses the various demands of growth, it is equally important that it identify the challenges, which will face the community over the next 3 to 5 years.

Balancing the Budget

In 1993, the city by advisory referendum established a target to limit the growth in property tax revenue, separate from new construction, to 3.0 % annually. While the General Counsel has determined that the vote was advisory and not mandatory, each Mayor and City Council (from 1993 through 2005) have abided by the rollback. The collective impact is reflected in the following schedule.

Jacksonville has had 13 straight years of millage rate reduction – worth 1.68 mills, \$80 million in 2007 and \$370,656,857 cumulatively.



In developing the 2006-2007 budgets the Mayor elected to forgo the proposed reduction.

Suggested Reduction	Millage	Actual Reduction	3% rollback
2005-2006	9.65	.03	.61
2006-2007	9.64	.01	.42

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

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

	2000/ 2001	2005/ 2006	% Change
Sheriff:			
Staffing	2,674	2,939	9.9%
Budget (in million)	\$193.4	\$276.1	42.8%
Fire Rescue			
Staffing	1,076	1,289	19.8%
Budget (in million)	\$ 86.5	\$121.9	40.9%

During the same period, the non-public safety operation (e.g. public work, park & recreation, etc.) other than the Library systems have grown at a significantly reduced rate. The Library system which opened 2 new regional libraries, 16 new or remodeled branch libraries and as of November 2005 opened the new 297,000 sq ft. Main Library represented the only non public safety department to experience material growth. The following schedules reflect these changes.

	<u>2000/ 2001</u>	<u>2005/ 2006</u>	<u>% Change</u>
Library System			
Staffing	204	401	96.6%
Budget (in million)	\$14.8	\$32.0	116.2%
Other non-public safety			
Staffing	2,396	2,012	(14.8%)
Budget	\$195.1	\$194.5	N/C

Over the last 15 years, the city has experienced a recurring and growing use of one-time money (reserves in various funds) to meet both one-time and recurring capital and/or operating cost. While FY 2005-2006 was budgeted to use approximately \$25 million in one time money (including \$10.5 million in Pension excess contribution (PEC) which substitute for employer contributions to the pension plan) the actual year-end excess of revenues over expenditures was \$18.7 million.

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

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

During 2005-2006 and in development of the 2006-2007 budget the city accomplished each of these targeted objectives. To balance the 2006-2007 budget, the city:

- As previously indicated, did not follow the 3% local advisory referendum
- Reduced the number of non-public safety staff by 246, and
- Benefited from 14% increase in appraised value growth, which exceeded a) last years property tax revenue by \$45 million and b) exceed the forecasted budget of 5.6% by 25.4 million.

Property Tax Relief-State-Wide Initiative

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

- Doubling the homestead exemption from the first \$25,000 of taxable value to the first \$50,000,
- Introduce portability to some of the Save Our Homes 3% cap on growth in homestead property tax reduction to dampen the impact of buying a new home (upsizing and downsizing)

- Providing some form of growth cap on non-homestead properties (both residential and business), and
- Addressing an exemption on tangible personal property (possible \$25,000)

Additionally, these proposals are to only apply to cities and counties and therefore to exempt the School Board and special districts, including the Water Management Districts.

While the portability issue is yet unclearly defined (e.g. proposals ranging from within a County, between Counties and/or with some maximum benefit cap), the doubling of homestead exception and a new tangible personal property exemption (if \$25,000) have been tentatively priced at \$47.0 and \$3.5 million in the City's General Fund revenue loss or reduction.

While the city has been an example of fiscal restraint, any form of tax relief ballot initiative is expected to be approved handily.

Pollution Remediation and Ash Site Settlement

During 2004-2005 the city was able to settle a long standing class action suit regarding land value diminution and personal injury arising out of a practice prior to the early 1970's use of Solid Waste incinerator produced ash as a fill when mixed with soil in low lying areas prior to development. The city agreed to pay \$25.0 million and to allow the plaintiffs to pursue the city's then insurance providers related thereto. The city will issue debt and amortize the \$25.0 million over a forward period not to exceed 25 years.

Related thereto, the city is also in negotiations with the U.S. Environmental Protection Agency (EPA) regarding clean up which may involve removing 2 feet of soil around the homes and related park land, putting down a mesh and replacing the removed top cover with new soil on an area of 1,300 or more homes. The preliminary estimate for remediation of the ash sites and other is between \$50 to \$200 million, of which \$50 million is accrued as a liability of the end of 2006. The initial \$21.0 million will be provided by the BJP non-transportation related authorized uses, but additional funding is being identified for the remainder.

The city is working with the U.S. Environmental Protection Agency (EPA) on four other sites that require pollution remediation. The city has accrued \$37.2 million as a liability for these sites.

Capital Improvement Program (CIP)

The intent of financially feasible CIP is to develop a multiple year planning agenda which can assist the Planning, Public Works and User Department in scheduling both required and desired capital projects. Theoretically, there should be a mix of recurring pay-as-you-go funding combined with periodic borrowing related thereto. The process should allow for (a) the natural progression of a project's construction phase from year 3 to year 2 and so forth, (b) the breaking down of an individual project into its elements (e.g. land and environmental consideration, conceptual design, final design and construction), which can be funded incrementally over the scheduling period and (c) an annual revisiting of the project capital and related operating cost as part of the planning/prioritization effort.

The city's prior 5 year CIP program focuses almost exclusively on the 1st year of the period during 2005-2006. During 2005-2006 the city has substantially restructured its 5 year CIP process and program as a preferred business practice. Equally and separately, the State legislature, during the 2005 session set forth a new requirement for local governments to develop a financially feasible 5 year CIP program which must be in place no later than December 1, 2007.

Growth Management

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

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

Transportation

The Metroplan Jacksonville 2030 Long Range Transportation Plan Update has indicated that the 2006 - 2030 needs of Northeast Florida for an improved transportation network are projected to cost in excess of \$6.3 billion to meet a 38% increase in vehicle miles traveled in the region. Regional projected revenues over this 25 year period fund approximately \$3.3 billion leaving a gap of \$3 billion. Even with such expenditures, there are no guarantees that the quality of transportation and, thus, the quality of life would not deteriorate further.

State and Federal Imposed Mandates

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

On November 6, 1990, the voters of Florida passed an amendment to the Constitution to limit the state legislature's ability to pass unfunded mandates imposing burdens upon local governments. An extraordinary 2/3 majority of both chambers is necessary to approve an unfunded mandate. Since the amendment, and at least partially as a result of these initiatives, there have been no clearly identifiable new mandates placed directly on local government. Continued concern exists regarding unfunded mandates (both state and federal), which come in various forms and their financial implications.

During the 1999 legislative session, in response to the efforts of statewide Police and Firefighters unions the State, by an overwhelming vote, imposed significant changes/enhancements to the State identified "minimum" for local Police and Firefighters Pension benefits. The State collects insurance premiums to partially fund Police and Firefighter benefits and has determined that these new enhancements are only required to be implemented as incremental premium dollars become available. Local governments have continually argued that since pension benefits are, by statute, a subject of negotiations with the bargaining

unit, it is inappropriate for the State as a third party to enhance pension benefits. While the city's benefits, in aggregate, are substantially better than the State identified minimums, this form of indirect mandate and state bureaucratic interpretation continues to be troubling.

MAJOR INITIATIVES/PROGRAMS:

Mayor John Peyton's Initiatives: Six Guiding Principles

To be the best possible steward of the taxpayers' dollars, Mayor John Peyton developed six guiding principles for operating and improving city government. Highlights in each area are listed below.

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

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

The economic development efforts initiated with Super Bowl XXXIX in 2005 and re-focused JEDC efforts over the last two years led to explosive growth in Jacksonville. In 2006, the JEDC facilitated projects that will create more than 3,300 new jobs, retain 5,000 jobs and bring \$446 million in new Private Capital Investment (PCI) into the community. Additionally, over the past year, the JEDC has increased the private to public investment ratio 154 percent.

The mayor's strong support of the local military presence (which contributes in excess of \$8 billion to the local economy) resulted in Jacksonville becoming the largest "gainer" community in the nation during the recent BRAC round. The city will gain 2,700 new military personnel as a result.

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

Mayor Peyton has made a historic commitment to public safety, increasing funding for the Jacksonville Sheriff's Office (JSO), the Jacksonville Fire and Rescue Department (JFRD) and the Medical Examiner's Office. Funding allowed for modernizing and replacing infrastructure and apparatus and increasing personnel. Mayor Peyton has also initiated a review of JSO spending and staffing to ensure the highest and best use of taxpayers' dollars.

3) Increasing early literacy

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

The initiative has already reached more than 24,000 children through the Mayor's Book Club, as well as children in nearly 650 early care classrooms, distributed well over 800,000 books to families, and improved training of childcare workers and transitioning childcare centers from custodial care to early learning centers.

The program has recently expanded its outreach to provide the families of newborns with a free literacy kit filled with age-appropriate books, baby supplies, a Jacksonville Public Library card application, helpful information for parents and a compact disc featuring educational songs.

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

Mayor Peyton is committed to enhancing the quality of life for residents of Northeast Florida. This includes keeping property taxes low. Jacksonville's property owners enjoy the lowest property taxes of any large city in Florida. Since taking office, the mayor has continued the practice of previous mayors and reduced property taxes by over 1/2-mill, resulting in \$254.8 million in savings to taxpayers.

The mayor restructured the city's parks department to include a conservation program, empanel a parks advisory board to raise money for maintenance and improvements, and create a security division to coordinate with the Jacksonville Sheriff's Office. In all, since 2003, the mayor has added 21 parks to the system and made renovations at 103 others.

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

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

Other infrastructure improvements include securing funding to relocate and rebuild the Trout River Bridge, install aesthetic lighting on the Main Street, Hart and Fuller Warren bridges; and creating the Water and Sewer Expansion Authority (WSEA), which since 2003 has eliminated 262 failing septic tanks.

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

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

To foster healthy neighborhoods, the mayor's *Seeds of Change: Growing Great Neighborhoods* initiative focuses on enhancing neighborhood aesthetics, identifying opportunities to improve infrastructure such as drainage, parks, paving and sidewalks, conducting comprehensive litter cleanups, stepping up code enforcement and taking a proactive approach to property management in order to increase property values and QOL. Additionally, *Seeds of Change* is reaching out to and connecting with the city's youth and providing them with job opportunities and mentoring.

Through the Mayor's Office of Faith and Community-based organizations, the mayor is also working to enhance the capacity of private nonprofit organizations to meet human services, something they do more

efficiently and cost-effectively than government. The office is now putting a stronger focus on connecting those in the community who need help with those who provide the appropriate services.

5) Increasing infill housing

Early in his term, the mayor re-vamped the Jacksonville Housing Commission (JHC) and charged it with developing a strategic plan to eliminate substandard housing and increase homeownership in Jacksonville over the next 20 years. Since 2003, the department – either directly or through supporting outside agencies – has provided rehab work on 1,432 homes, assisted 339 people in buying homes, provided homebuyer counseling for 1,529 people, and supported construction on 65 homes. Combined, this represents a \$35.6 million investment in increasing low- to moderate-income housing and homeownership in Jacksonville.

As of September 30, 2006, the department had Single Family Mortgage Revenue Bonds authorized of \$492 million, of which \$329.9 was outstanding. The proceeds of the bonds will be used to provide low-interest mortgage financing and down payment assistance to eligible homebuyers and to provide financial assistance to moderate-income workers purchasing homes in Duval County.

The mayor has also turned his attention to revitalizing downtown and increasing the population in the urban core. As of December 2006, there were 1,690 units available, 933 units under construction and approximately 6,000 units proposed for approval downtown. Additionally, the JEDC and the City Council have approved a number of commercial projects that will soon be developing downtown including Macquarie Mortgages USA, which will relocate its U.S. headquarters from Memphis and will employ 50 people in the Downtown Enterprise zone. In addition, Fidelity National Financial committed to its second major investment in the community, which will add 800 new jobs and \$23 million in private capital investment.

6) Streamlining government to facilitate business growth

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

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

He initiated a citywide organizational effectiveness review that created recommendations for eliminating redundancy, increasing effectiveness, better incorporating technology into daily operations, saving money, and improving management and performance across the board. In all, the review identified potential recurring savings and cost avoidance of approximately \$5.8 million.

The mayor is implementing Lean management within city government. Ultimately, Lean will result in higher performance, reliability and greater value to the taxpayers. The city is piloting this approach in two important areas of city operations, and the results thus far have been very encouraging.

The mayor has also implemented major financial policy changes in the last two FY budgets, establishing a formal, protected \$40 million emergency reserve; creating the first-ever financially feasible Capital Improvement Plan including O&M; eliminating the use of one-time revenue for recurring expenses,

speeding up and improving financial reporting, and stabilizing the city's pension funds. These practices will, over time, ensure Jacksonville's long-term financial stability and predictability.

Better Jacksonville Plan – Update

During 2004-2005 substantial progress was made on various components of the program. The following three topics demonstrate where significant emphasis was placed.

Restructuring Project Priorities within the Road Project Portion of the Program

During 2004-2005 the city, lead by the Mayor and the Public Works Department (a) reevaluated the \$1.5 billion project list, proposed project changes and/or substitutions (b) determined that the cost estimates for the total program project list, if constructed, would be \$800 million over the original forecast. Since the \$1.5 billion program budget was a hard cap, clearly some reprioritization would be required. When addressing the list of planned but yet uninitiated projects there were two categories, (a) city road project(s) which the city would need to build now or later, regardless, and (b) state road project(s) where the program was designed to accelerate road projects on state roads which, if unaddressed by BJP, would eventually become a part of the state road(s) construction program. After a reprioritization to insure that city road projects were addressed, it was projected that the BJP agenda could address approximately 25 to 30% of the remaining state road projects. The city therefore proposed a partnering proposal with the State on projects for the residual BJP project agenda.

In addition, based on revenue estimates it appears that the Jacksonville Transportation Authority (JTA) ½ cent might provide for an addition \$100.0 million of borrowing capacity (the initial JTA ½ cent referendum is not limited by time or amount), in approximately 2011. At the city's request, the JTA placed on its future agenda the possibility of the additional \$100 million borrowing to be used within the BJP project agenda. The JTA's ongoing concern is its ability to support its bus and other mass transit initiatives.

Courthouse Project Budget Constraints

The original BJP vertical and other \$750.0 million agenda project for the Courthouse was budgeted at \$190.0 million. Additionally the non-road agenda included \$35.0 million in contingency. The project was initially increased by \$21.0 million to \$211.0 million as part of the \$35.0 million contingency distribution. A second proposal change increased the project budget (including non-BJP dollars) to \$230.0 million. At the point of an additional proposal (a \$32.0 million increase), Mayor Peyton "pulled the plug", dismissed the outside project manager and architect and effectively started over.

Having already spent \$57.8 million on land, site demolition, environmental issue and design, the Mayor proposed to build what the available BJP project budget would allow (within the \$211.0 million authorized). At this point, the Administration initiated an on-going dialogue with the interested parties, convened a special task force (involving the interested parties) and after the conclusion thereof continuing discussion with the Chief Judge.

The Task Force list of available solutions, within the Mayor's charge to stay within the budget, focus primarily on building a new Criminal Court Building, limited rehab to the existing courthouse to serve as the Civic Court building and limited initial planning for an eventual new Civic Court building adjacent to the Criminal Court building with the possibility of a common core element address elevation and other central support functions.

As of November 30, 2005 the latest proposal would be a \$261.5 million project (using the \$211.0 million BJP funding and some additional Court related revenue short terms on a pay-as-you-go basis and

eventually including related borrowing) to build the Criminal Court, some existing building (current Court House) rehab and substantial conceptual plans for the second Civic Court building (including designed for both building to use a common core component). A request for qualification was initiated by the Public Works Director which could lead to construction commencing by August 2007 and a targeted open by August 2010.

Ongoing discussions continue to question the long-term advisability of phasing versus at least building the shell for the whole structure and/or fully addressing the interim (2015 or 2020) needs within a larger shell which would provide future expansion space within the structure.

Library Component of the BJP program

The original library component of the BJP program provided for \$95.0 million for a new main Library (downtown) and \$35.6 million for six new branch libraries and renovation to 11 of the current branch libraries. Fiscal year 2004-2005 saw the opening of each of the six branch libraries, completed renovation to all branch libraries. On November 12, 2005 the city held the grand opening of its 297,000 sq. ft. new Main Library (Downtown) and the related 600 space parking garage.

To complete the Main (Downtown) Library initiative, the city needed to find an additional \$6.3 million (reallocated within the Autumn bond program).

Autumn Bonds

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

AUTUMN BOND PROJECTS

Amount budgeted, expensed, encumbered, and remaining balances as of September 30, 2006

	Budget	Expenditures	Encumbered
1. Building Consolidation and renovation	\$ 25,000,000	\$ 23,547,854	\$ 1,003,066
2. Main Library	\$ 6,300,000	\$ 4,128,880	\$ 276,095
3. LaVilla / Brooklyn	\$ 15,000,000	\$ -	\$ -
4. Council Discretionary *	\$ 7,226,455	\$ -	\$ -
5. Urban Area Traffic Impr. and Community Development	\$ 14,175,000	\$ 784,251	\$ 469,356
6. Replacement, construction and renovations of Firestations	\$ 9,262,200	\$ 2,349,382	\$ 43,262
7. Improvement to the corrections facilities and jail facilities, including construction of a forensic lab	\$ 6,852,000	\$ 3,369,294	\$ 104,932
8. Water Resource Development	\$ 9,008,000	\$ 3,198,048	\$ 1,945,522
9. St. Johns River Bulkhead and Riverwalk Repair	\$ 2,469,200	\$ 150,753	\$ 461,608
10. Sidewalk Repair & Replacement	\$ 6,790,000	\$ 2,994,597	\$ 79,398
11. Improvements to Equestrian Center	\$ 2,000,000	\$ 347,125	\$ 1,652,875
12. Jacksonville Zoo	\$ 5,000,000	\$ 3,000,000	\$ -
13. Senior Citizens centers expansion & Land Acquisition	\$ 1,081,119	\$ 539,148	\$ 4,798
14. Parks and Playground upgrades	\$ 14,109,577	\$ 3,461,863	\$ 2,098,514
15. Miscellaneous other projects	\$ 16,977,649	\$ 2,765,652	\$ 4,748,238
16. Contingency **	\$ -	\$ -	\$ -
Total	\$ 141,251,200	\$ 50,636,847	\$ 12,887,664

* The original budgeted amount for the 14 council districts was \$14 million. A total of \$6,773,543 has been reallocated to various projects within the bond issue.

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

BUSINESS ACTIVITIES

In addition to the Major Business Units (Parking System and Solid Waste) the following schedule reflect the level of activities, operations and debt service picture for the city, cultural and entertainment facilities which are presented in part in several special revenue funds (Alltel Stadium Revenue, Sports Complex Trust Fund, Convention Development, Entertainment Facilities Trust Fund, and Cecil Field Commerce Center) and in part in a non-major enterprise fund (business unit – Sports Management Group (SMG)).

Event Related Facility Operations Summary Information for Fiscal Year ending September 30, 2006.

	<u>Stadium</u>	<u>Memorial Arena</u>	<u>Baseball Stadium</u>	<u>Performing Arts</u>	<u>Convention Center</u>	<u>Equestrian Center</u>
Seating capacity	75,000	15,000	10,000	4,000	4,000	4,000
Number of events	199	103	86	295	282	80
Attendees	896,541	453,564	449,968	315,967	222,330	54,613
Revenues						
Rent & Naming Rights	\$1,609,937	\$ 902,117	\$ 47,500	\$ 518,169	\$ 588,653	\$116,840
Commission	604,823	1,051,794	-	172,637	297,094	34,055
Event related reimbursement	3,440,529	6,278,561	1,191,035	1,864,747	716,798	351,676
Other	<u>469,453</u>	<u>33,222</u>	<u>16,147</u>	<u>84,986</u>	<u>69,980</u>	<u>46,775</u>
Operating Total Rev	\$6,124,742	\$8,265,694	\$1,254,682	\$2,640,539	\$1,672,525	\$549,346
Expenses						
Event Related Operating (excl. depreciation)	\$ 3,193,792	\$2,598,539	\$ 323,795	\$1,119,687	\$ 331,228	\$ 124,226
Operating Total Exp	<u>\$15,159,079</u>	<u>\$7,614,899</u>	<u>\$1,085,809</u>	<u>\$2,946,664</u>	<u>\$ 3,307,610</u>	<u>\$ 836,829</u>
Net General Fund						
Operating subsidy	\$ 9,034,337	\$ -	\$ -	\$ 306,125	\$1,635,085	\$ 287,483
Debt Service (D/S)						
Expenses (P&I)	\$11,455,444	\$8,248,491	\$2,156,285	\$ 518,145	\$3,291,200	\$ 38,002
Revenues						
Tourist Dev. Tax	\$ 5,530,444	\$ -	\$ -	\$ -	\$ -	\$ -
Convention Dev. Tax	-	-	-	-	5,200,849	-
BJP sales tax	-	8,248,491	2,156,285	-	-	-
State sales tax recapture	<u>2,000,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	\$ 7,530,448	\$8,248,491	\$2,156,285	\$ -	\$5,200,849	\$ -
Net General Fund						
D/S subsidy	<u>\$ 3,924,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,145</u>	<u>(\$1,909,649) *</u>	<u>\$ 38,002</u>
Operating and						
Debt Service subsidy	<u>\$12,959,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,270</u>	<u>\$ -</u>	<u>\$325,485</u>
Total subsidy						<u>\$14,109,088</u>

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

OTHER FINANCIAL INFORMATION:

Debt Administration

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

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
<u>General Government</u>			
Excise Tax Revenue Bonds	Aa3	A+	AA
Local Government Half-cent Sales Tax Bonds	Aa3	AA+	AA
Guaranteed Entitlement Revenue Bonds	A2	A+	AA-
Capital Improvement Revenue Bonds	A1	N/A	AA-
Capital Projects Revenue Bonds	N/A	N/A	AA-
<u>Special Program</u>			
Better Jacksonville Plan			
Sales Tax Bonds	Aa3	AA-	AA
Transportation Bonds	Aa3	AA-	AA
<u>Components Units</u>			
JEA			
Electric	Aa2	AA-	AA-
Water & Sewer	Aa3	AA-	AA
St. John's River Power Park (SJRPP)	Aa2	AA-	AA-
JAA	A2	N/A	A
JPA	A2	N/A	N/A

Cash Management

The investment goal of the city is to invest public funds in a manner that will earn a competitive yield on its portfolio, consistent with its primary function of safeguarding public assets by minimizing credit and market risks. Safety of principal is regarded as the foremost objective of the investment program. Maintaining sufficient liquidity is also an important investment objective. These investments are stated at fair value. Cash, investments, and the city collateralizing process are further explained in Note 3 of the Notes to Financial Statements.

Pension Plans

The city sponsors two public employee retirement systems administered by two separate and distinct pension Boards of Trustees that provide retirement, death, and disability benefits.

	Jacksonville Retirement System		Police & Fire Retirement System
	<u>Gen. Employees</u>	<u>Correction</u>	
Active	5,096	596	2,730
Retired	4,460	18	1,847
Net Assets (in millions)	\$1,619	\$70	\$840
Earning Percentage			
Market	8.33%	7.68%	8.50%
Actuarial	7.97%	7.03%	8.95%
Contribution (in millions)	\$43.6	\$9.3	\$49.1
Benefits (in millions)	98.8	0.5	\$90.1

In addition, certain city employees (less than 1% of total payroll) and elected officials participate in the State of Florida Retirement System.

Risk Management

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

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

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

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

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

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

GENERAL INFORMATION

Accounting

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

Budgeting

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

Reporting Entity

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

Report Format

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

Independent Audit

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

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Jacksonville for its comprehensive annual financial report for the fiscal year ended September 30, 2005. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Jacksonville has received this Certificate for twenty-six consecutive years (fiscal years 1980 through 2005). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Use of the Report and Acknowledgments

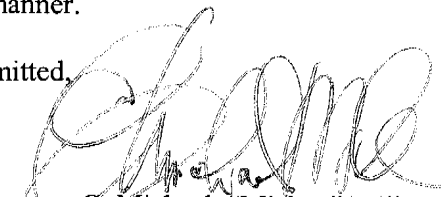
The Report represents the thirty-eighth (1969 - 2006) Comprehensive Annual Financial Report of the city audited by a nationally recognized firm of certified public accountants, since the City of Jacksonville and Duval County Governments were consolidated on October 1, 1968. Approximately 250 copies of this report will be distributed. In addition to citizens of the community, the recipients will include city, state, and federal officials; university students; schools; libraries; newspapers; investment banking firms; banks and rating agencies.

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

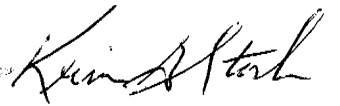
The 2006 Comprehensive Annual Financial Report represents our commitment to this goal and could not have been prepared without the efficient and dedicated efforts of the entire staff of the Department of Administration and Finance - Accounting Division and Treasury Division, who devoted many hours in compiling and assembling the report. We also wish to express our appreciation to all other city personnel who have contributed to its preparation. In addition, we thank the city's independent certified public accountants, Ernst & Young LLP and the Office of the Council Auditor for their efforts and professional conduct throughout the audit engagement.

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

Respectfully submitted,



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



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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Jacksonville
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2005

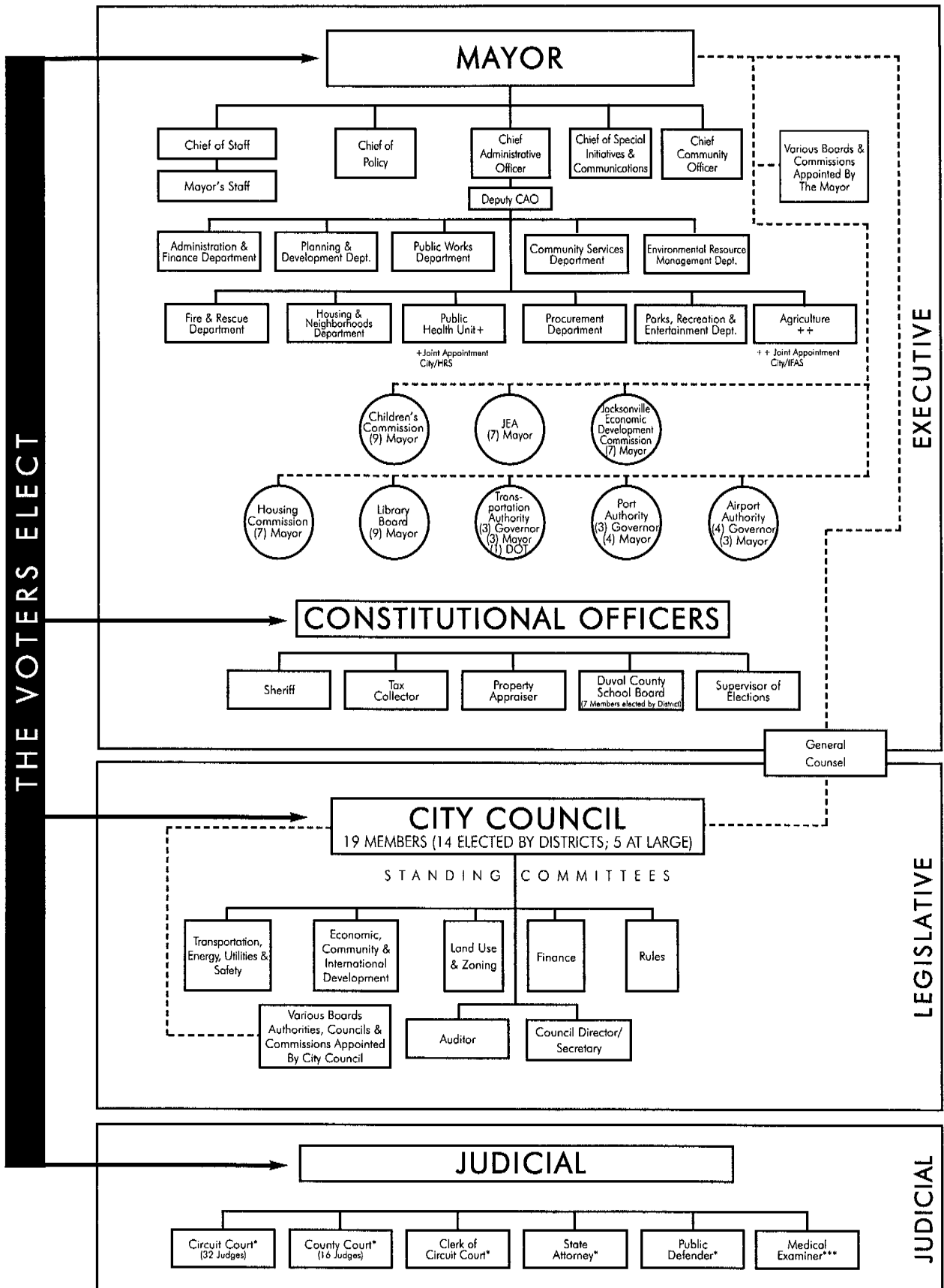
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

ORGANIZATIONAL CHART CITY OF JACKSONVILLE, FLORIDA



City of Jacksonville, Florida

City Officers and Constitutional Officeholders

John Peyton, Mayor

City Officers

Steve Diebenow, Esq.....	Chief of Staff
Alan Mosley	Chief Administrative Officer
Adam Hollingsworth.....	Chief of Policy & Governmental Affairs
Roslyn Phillips.	Chief Community Officer
Susie Wiles.....	Chief of Special Initiatives and Communications
Rick Mullaney, Esq.	General Counsel
G. Michael Miller, CPA, CGFO, CGFM, CIA.....	Director, Dept. of Admn. and Finance
Devin Reed, Esq.....	Director, Department of Procurement and Supply
Dr. Delphia Williams	Director, Department of Community Services
Dan Kleman.....	Interim Director, Department of Fire and Rescue
Pam Markham	Deputy Chief Administrative Officer
John Culbreth	Director, Department of Parks, Recreation, and Entertainment
Kerri Stewart	Director, Housing and Neighborhoods Department
Dr. Robert Harmon.....	Public Health Administrator
Joey Duncan	Director, Department of Public Works
Ebenezer Gujjarlapudi.....	Director, Environmental Resource Management
Kevin G. Stork, CGFM	Comptroller; Chief, Accounting Division
Michael R. Givens, CPA.....	Treasurer; Chief, Treasury Division
Kent Olson.....	Budget Officer; Chief, Budget Division

Constitutional Officeholders

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

City of Jacksonville, Florida

City Council Officials and Staff

City Council

President of Council.....Michael Corrigan
Vice President of Council Daniel Davis

District 1 — Lake Ray	District 8 — Gwen Yates
District 2 — Lynette Self	District 9 — Vacant
District 3 — Richard Clark	District 10 — Mia Jones
District 4 — Suzanne Jenkins	District 11 — Warren Alvarez
District 5 — Art Shad	District 12 — Daniel Davis
District 6 — Sharon Copeland	District 13 — Arthur Graham
District 7 — Pat Lockett-Felder	District 14 — Michael Corrigan

Group 1 At-Large — Ronnie Fussell
Group 2 At-Large — Elaine Brown
Group 3 At-Large — Lad Daniels
Group 4 At-Large — Kevin Hyde
Group 5 At-Large — Glorious Johnson

Council Staff

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



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Report of Independent Certified Public Accountants

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the City), as of and for the year ended September 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the Jacksonville Retirement System nonmajor fiduciary fund presented as supplementary information in the accompanying combining and individual fund financial statements for the year ended September 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jacksonville Port Authority, Jacksonville Transportation Authority, and Downtown Vision, Inc., which collectively represent 12 percent, 33 percent, and 4 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. In addition, we did not audit the financial statements of the police and fire pension trust fund, which represent 33 percent of the assets and net assets of the pension trust funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units and the pension trust fund, are based solely on the reports of the other auditors. The prior year summarized comparative information has been derived from the City's 2005 financial statements and, in our report dated December 29, 2005 which refers to the reports of other auditors, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information.

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



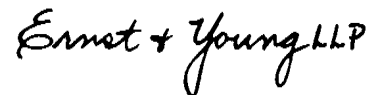
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In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jacksonville Retirement System nonmajor fiduciary fund of the City as of September 30, 2006, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2007 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, and the schedules of employer contributions and funding progress listed under required supplemental information in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



January 19, 2007



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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Financial Highlights

- Capital assets were \$2.5 billion at September 30, 2006, resulting in a \$184 million, 8.1% increase over last fiscal year.
- Revenues in governmental activities increased \$141 million or 11.0%.
- Increases in governmental activities expenses were held to a net \$18.9 million or 1.5%.
- Business type activities were stable with the exception of the pollution remediation costs.
- Mayor Peyton and City Council established a \$40 million emergency reserve.

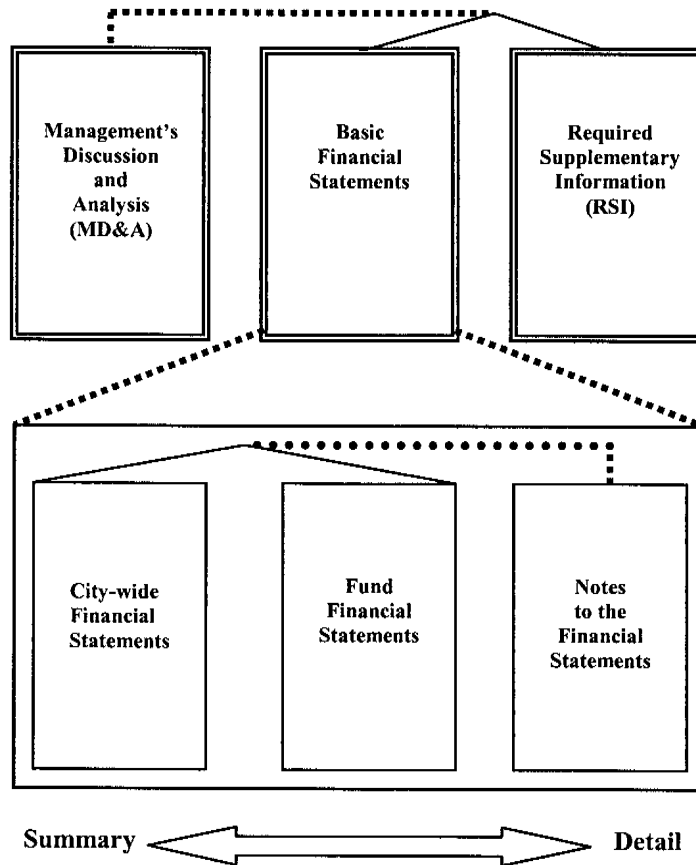
Additional information that explains these financial highlights may be found on pages 13 and 17 of this MD&A.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Figure A-1

COMPONENTS OF THE ANNUAL FINANCIAL REPORT



City-Wide Basic Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

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

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

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

CITY-WIDE FINANCIAL ANALYSIS

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

As of September 30, 2006, the City of Jacksonville is able to report positive balances in overall net assets (See Table A-1).

Table A-1
Summary Statement of Net Assets
(In Thousands)
as of September 30, 2006 and September 30, 2005

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Primary Government</u>	
	2006	2005	2006	2005	2006	2005
Cash and Investments	\$ 695,999	\$ 729,916	\$ 61,658	\$ 54,317	\$ 757,657	\$ 784,233
Other Current Assets	194,833	182,533	32,899	34,728	227,732	217,261
Capital Assets	2,423,202	2,235,368	43,700	47,555	2,466,902	2,282,923
Total assets	<u>3,314,034</u>	<u>3,147,817</u>	<u>138,257</u>	<u>136,600</u>	<u>3,452,291</u>	<u>3,284,417</u>
Current Liabilities	164,737	161,986	14,153	38,649	178,890	200,635
Long-term obligations	2,272,746	2,241,747	215,804	173,412	2,488,550	2,415,159
Total liabilities	<u>2,437,483</u>	<u>2,403,733</u>	<u>229,957</u>	<u>212,061</u>	<u>2,667,440</u>	<u>2,615,794</u>
Net assets						
Invested in capital assets, net of related debt	900,373	786,614	13,375	13,742	913,748	800,356
Restricted	103,733	120,823	13,045	15,497	116,778	136,320
Unrestricted	(127,555)	(163,353)	(118,120)	(104,700)	(245,675)	(268,053)
Total net assets (deficit)	<u>\$ 876,551</u>	<u>\$ 744,084</u>	<u>\$ (91,700)</u>	<u>\$ (75,461)</u>	<u>\$ 784,851</u>	<u>\$ 668,623</u>

Note: FY2005 Net Assets are reclassified to provide for comparability to the FY2006 Net Asset categorization. See Note 18 for additional information.

The largest portion of the city's net assets reflects its substantial capital assets, net of related debt. This displays the City's commitment to investing in assets that have useful lives in excess of the life of the debt issue used to finance the assets. The capital assets in the 2006 governmental activity includes \$59.3 million from developer contributions for increase in infrastructure assets and \$10 million invested from revenue sources instead of issuing additional debt.

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

The reduction in negative net assets and increase in total net assets from FY2005 to FY2006 are due to favorable revenue results combined with cost containment of expenditures in the governmental activities.

Business type activities reclassified \$25 million of current liabilities to long-term liabilities for the ash site settlement accrued in FY2005. The city temporarily paid the amount using funds from its internal banking fund and has two years to issue debt for this purpose. The city will be including the \$25 million in a FY2007 bond issue. The long-term liabilities also increased by \$24 million for an additional accrual for the pollution remediation sites.

The following Table A-2 provides a summary comparison of the city's operations for the 2005 and 2006 fiscal year ends.

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Primary Government</u>	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Fines & Charges for services	\$ 152,833	\$ 136,273	\$ 65,667	\$ 62,166	\$ 218,500	\$ 198,439
Operating grants/contributions	69,985	89,784	-	-	69,985	89,784
Contributions from JEA	88,688	85,938	-	-	88,688	85,938
Capital grants/contributions	76,072	50,241	-	-	76,072	50,241
General revenues:						
Property taxes	408,942	365,456	-	-	408,942	365,456
Utility Service taxes	104,259	99,463	-	-	104,259	99,463
Sales and tourist taxes	196,257	184,172	-	-	196,257	184,172
Intergovernmental	228,237	202,510	-	-	228,237	202,510
Unrestricted earnings on investments	44,380	23,759	4,765	3,368	49,145	27,127
Miscellaneous	52,912	43,610	3,776	1,488	56,688	45,098
Total Revenues	1,422,565	1,281,206	74,208	67,022	1,496,773	1,348,228
Expenses:						
General government	194,406	160,341	-	-	194,406	160,341
Human Services	106,755	107,588	-	-	106,755	107,588
Public safety	429,207	414,490	-	-	429,207	414,490
Cultural and recreational	84,527	88,875	-	-	84,527	88,875
Transportation	216,674	236,998	-	-	216,674	236,998
Economic & physical environment	129,635	135,929	-	-	129,635	135,929
Interest on long term debt	92,682	90,738	-	-	92,682	90,738
Parking system	-	-	4,975	5,116	4,975	5,116
Sports complex	-	-	25,964	25,088	25,964	25,088
Motor vehicle inspections	-	-	439	555	439	555
Solid Waste	-	-	92,935	83,506	92,935	83,506
Ferry	-	-	2,346	1,943	2,346	1,943
Total Expenses	1,253,886	1,234,959	126,659	116,208	1,380,545	1,351,167
Increases (decreases) in net assets before special items and transfers	168,679	46,247	(52,451)	(49,186)	116,228	(2,939)
Special item-environmental settlement & remediation	-	-	-	(87,995)	-	(87,995)
Transfers	(36,212)	(35,301)	36,212	35,301	-	-
Change in net assets	132,467	10,946	(16,239)	(101,880)	116,228	(90,934)
Net assets, beginning of year	744,084	733,138	(75,461)	26,419	668,623	759,557
Net assets, end of year	\$ 876,551	\$ 744,084	\$ (91,700)	\$ (75,461)	\$ 784,851	\$ 668,623

Governmental activities:

The city's general governmental revenues increased to \$1.4 billion (see Table A-2). Revenue increased \$141 million from 2005 to 2006 and consists of:

- Program revenue fines and charges for services increased \$16.6 million and were attributable to several sources. Two of the larger sources were \$3.3 million increase in fair share revenue for three major projects and \$1.2 million increase for a full year's revenue on the \$15 per court ticket enacted in mid-2005.
- Developers contributed \$59.3 million of infrastructure assets in 2006, as opposed to \$40 million in 2005, an increase of \$19 million, reflecting a strong construction activity in the city. Conversely, the city's future operation and maintenance expense will be increasing as the city has the responsibility for maintaining these assets.
- Major increases for general revenues are for property taxes of \$43.5 million, even though the ad valorem tax rate decreased from 9.6879 to 9.6500. Assessed property values increased \$7.1 billion, reflecting the strong growth in Jacksonville.
- Intergovernmental revenue increased \$25.7 as the result of an increase of \$15.4 million in the ½ cent sales tax, which is the portion of sales tax previously retained by the state for debt service on state issued transportation bonds. Those bonds were refunded by the city on behalf of the state and Jacksonville Transportation Authority (JTA). The state shared revenue ½ cent sales tax increased \$5.4 million due to the strong economy in the city.
- Investment income increased by \$20.6 million due to higher interest rates, coupled with a net \$1.4 million loss in FY2005 due to the city ceasing its investment SWAP program as rising interest rates were making the program economically unfeasible to continue.

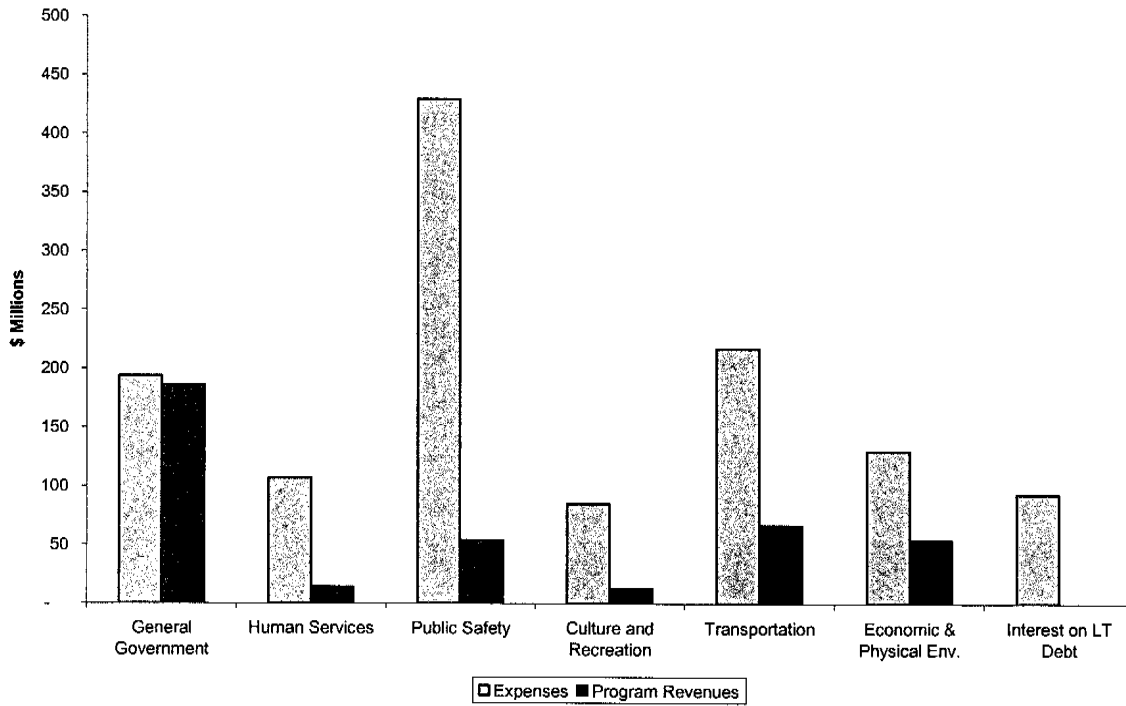
Increases in governmental activities expenses were held to a net \$18.9 million.

- Increases for economic development incentives led to the major increase general government expense. Two major initiatives were funded by Council; the \$29.1 million Carling Hotel residential units project was funded by a \$15.5 million loan by the city, a \$3.0 million grant by the city, and \$2 million grant by the Jacksonville Economic Development Commission (JEDC) and is a major downtown renovation of the former Roosevelt Hotel. The \$143.4 million River City Marketplace-Ramco project, a mixed use development near the Jacksonville International Airport, was partially financed through a Tax Increment District loan for \$12.3 million. The bonds issued to fund this project will be repaid from tax increments on the project improvements with a guarantee from the developer for any deficiencies.
- Public Safety expenses increased due to increased contributions to the Police and Fire Pension Fund by \$11.6 million. Previously, part of the pension contribution was made using prior years' pension excess contributions (PEC). The Mayor and Council decided not to use non-recurring revenue streams for funding these contributions. Overtime costs for the Jacksonville Sheriff's Office (JSO) increased \$3.6 million to total \$18.5 million in 2006 as the Mayor, Council, and Sheriff address the murder rate in the city.
- Decreases in transportation expenses for road work helped offset the increase noted above.

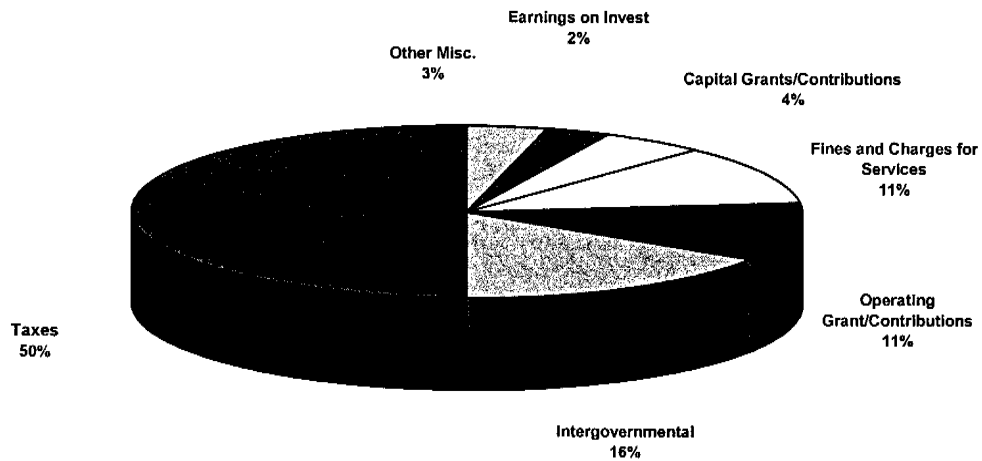
Business Type activities:

Activity was stable in the various Enterprise Funds except for Solid Waste. Solid Waste expenses increased \$9.4 million due to an additional accrual of \$24 million for the pollution remediation at the four ash sites and four DEP sites. Additional information regarding the pollution remediation may be found in Note 15 D Litigation, Contingencies, and Commitments – Environmental Matters of these statements. The additional expense was partially offset due to the liability for closure and post closure costs at the landfills remaining relatively constant. Offsetting the overall increase between years, FY2005 included a one-time readjustment of \$12.9 million expense to the Trailridge landfill closure liability. The estimate was changed to reflect closing the landfill on a cell basis, which reflects actual circumstances, compared to a cost estimate that reflected closing the entire landfill at once.

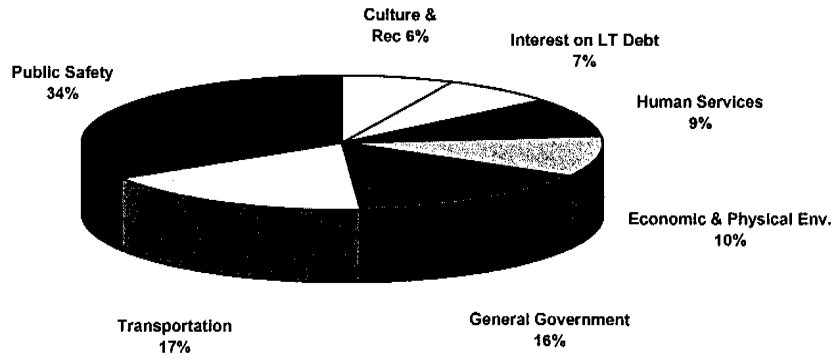
Expenses and Program Revenues - Governmental Activities



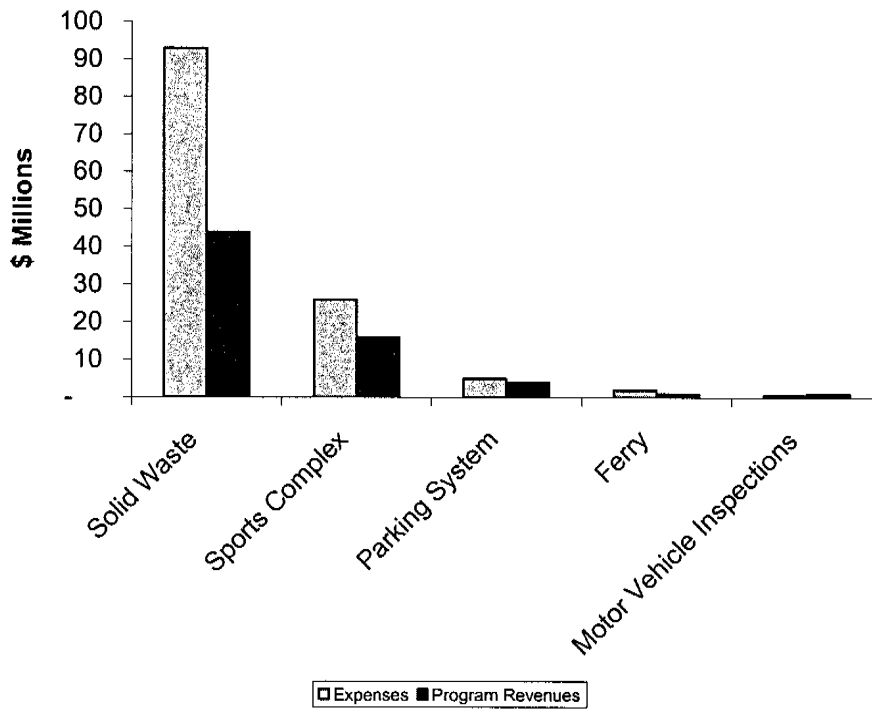
Revenues - Governmental Activities



Expenses - Governmental Activities



Expenses and Program Revenues - Business-Type Activities



FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

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

Governmental Funds: The focus of the City of Jacksonville's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2006. The City of Jacksonville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

At the end of the current fiscal year, the City of Jacksonville's governmental funds reported combined ending fund balances of \$661 million. Approximately 33% of this total amount constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for encumbrances, to provide for prepaid items, to pay for debt service, and to provide for advances to other funds.

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

The General Fund is the chief operating fund of the City of Jacksonville. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$24 million. The General Fund's total fund balance was \$77.9 million, with \$40 million reserved by City Council as an emergency reserve.

The 2006 assessed tax roll is up \$7.1 billion over the prior year; an increase of 15.5%.

Key factors affecting changes in major funds and fund balance in fiscal 2005/2006 operations are as follows:

General Fund:

- Property taxes account for 46.8%, almost half of the general fund revenue and increased \$43.4 million or 11.8% over the previous year. The Ad Valorem millage rate was reduced for the eleventh consecutive year, resulting in a 1.67 mill decrease over the past eleven years. This represents savings to taxpayers of approximately \$63.4 million in the fiscal year 2006 and cumulative savings of \$289.4 million over the eleven-year period.
- Earnings on investments increased \$8.1 million in fiscal year 2006 due to higher interest rates coupled with a net \$1.4 million loss in fiscal year 2005 on its investment SWAP program.
- Jacksonville Sheriff's Office expenditures increased \$19.9 million. The General Fund paid 30 officers that were previously funded by COPS-AHEAD federal grants. The city increased its contributions to the Police and Fire Pension Fund by \$6.7 million. Previously, part of the pension contribution was made using prior years' pension excess contributions (PEC). The Mayor and Council decided not to use non-recurring revenue streams for funding these contributions. Overtime costs increased \$3.6 million to total \$18.5 million in 2006 as the Mayor, Council, and Sheriff address the murder rate in the city.

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

- Intergovernmental revenue increased as the Jacksonville Transportation Authority (JTA) transferred additional funds to the city for payment of JTA bonds held by the State that were defeased by the city. Under the Interlocal Agreement, the city and JTA agreed to pledge the ½ cent sales tax and Constitutional Gas Tax to the payment of the BJP bonds.
- Principal and Interest payments increased \$7.6 million per the debt schedules and the city transferred in an additional \$5.8 million from BJP funds to the Debt Service Fund to pay the increase.

Bond Project Fund:

- Capital Outlays financed by bonds increased \$33.3 million to \$81.9 million for 2006.
- Several bond projects were complete in fiscal year 2006 including the purchase of the Ed Ball Building for \$23.5 million, closing on the Roosevelt/Carling Building for \$20.5 million and the Rivercity Market Place improvements for \$11 million.

Better Jacksonville Plan Construction Project Fund:

- The Better Jacksonville Plan continued major projects with \$77 million on Road Improvement projects, \$17 million on Septic Tank Remediation, and \$10 million on Drainage projects.
- The transfers-in decreased \$10.7 million as the fund received \$5.6 million less in its allocation of the ½ cent sales tax as more went to fund debt service. The constitutional gas tax decreased \$5.1 as a transfer was not made in 2006 as the transfer had been over funded in prior years.
- No additional BJP debt was issued in 2006, thus reflecting an \$18.3 million decrease in Long term debt issued from 2005. The funding available from previous debt issues and the ½ cent sales tax were ample to fund construction projects in 2006.

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

General Fund Budgetary Highlights: The overall budgeted revenues and expenditures did not change significantly from the original and final budgets. Budgeted revenues increased \$4.9 million and budgeted expenditures decreased \$2.6 million.

- The Department of Neighborhoods was eliminated and its Divisions were transferred/combined with other Departments. Thus the Department of Neighborhoods budget decreased from an original budget of \$19.6 million to a final budget of \$671 thousand. A new combined Housing and Neighborhoods Department was created and the General Fund portion of that Department went from an original budget of \$0 to a final budget of \$6.5 million. The Administration and Finance Department, Community Services Department, Environmental Resource Management Department, and Parks, Recreation, and Entertainment were the remaining Departments to absorb a significant part of the previous Neighborhoods Department.
- The Jacksonville Miscellaneous Citywide Activities budget decreased \$8.6 million from original to final as these activities were planned to reduce as a significant portion of their budgets are in reserve to be allocated to other activities in the city throughout the year. Major programs funded were \$3.1 transferred to Fleet Division for additional fuel expense due to the higher than anticipated fuel prices, \$2.6 million from the Special Council Reserve transferred to the capital projects fund to build the First Coast High School pool, and \$2.0 million transferred to the Jacksonville Sheriff's Office to fund additional overtime as part of the Mayor's security initiative. These amounts represent the reason that operating transfers out final budget increased \$9.6 million from original budget.
- Federal Program Reserve budget decreased \$3.8 million from original to final as funds were transferred to special revenue fund grants as the city's match to various Federal and State grants.

Actual revenues increased \$11.0 million above the final budgeted amount. Positive variances occurred with \$6.3 million additional property tax revenue, \$5.5 million in intergovernmental communication service tax revenue, and \$3.9 million utility service tax revenue. Actual interest revenue was \$5.1 million below final budget.

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, 2006, amounts to \$2.5 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, infrastructure, and construction in progress (see Table A-3). The increase in buildings and improvements in fiscal year 2006 includes the completion and capitalization of the main library of \$100 million, replacement and improvements to Fire and Rescue buildings of \$9.6 million, and the purchase of the Ed Ball Building of \$23 million. There was an increase in the developer infrastructure contribution in fiscal year 2006 of \$19 million, and an increase in right-of-way costs of \$2 million. Additional information on the City of Jacksonville's capital assets can be found in Notes to the Financial Statements, Footnote 6 of this report.

Table A-3
Capital Assets
Net of Accumulated Depreciation
(In Thousands)
as of September 30, 2006 and September 30, 2005

	Governmental Activities		Business Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 290,055	\$ 278,944	\$ 7,074	\$ 7,074	\$ 297,129	\$ 286,018
Buildings and improvements	1,090,034	938,080	74,608	74,483	1,164,642	1,012,563
Furniture & Equipment	88,013	65,467	6,964	8,137	94,977	73,604
Construction in progress	37,324	117,573	-	-	37,324	117,573
Infrastructure	1,334,667	1,195,888	-	-	1,334,667	1,195,888
Capital assets reported in						
Internal Service Funds, net	81,491	80,739	-	-	81,491	80,739
Other Assets	3,554	-	-	-	3,554	-
Less accumulated depreciation	(501,936)	(441,323)	(44,946)	(42,139)	(546,882)	(483,462)
Total	<u>\$ 2,423,202</u>	<u>\$ 2,235,368</u>	<u>\$ 43,700</u>	<u>\$ 47,555</u>	<u>\$ 2,466,902</u>	<u>\$ 2,282,923</u>

Major project costs in fiscal year 2006 included the following:

Public Works Road Projects	\$ 77.3 million
Building Projects	56.0 million
Septic Tank Remediation	17.0 million
Drainage Projects	10.4 million
Countrywide Resurfacing	9.9 million
Library Projects	9.5 million
Park Department Projects	6.0 million
Fire Department Projects	5.2 million
Courthouse Project	3.0 million
Miscellaneous Projects	1.9 million

Debt Administration

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

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

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

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

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

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

	Governmental Activities		Business Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Special Obligation Bonds	\$ 985,840	\$ 955,206	\$ -	\$ -	\$ 985,840	\$ 955,206
Special Obligation-BJP	1,064,210	1,081,805			1,064,210	1,081,805
Revenue Bonds Payable	-	-	63,465	67,990	63,465	67,990
Notes Payable	80,200	67,085	-	-	80,200	67,085
Notes Payable-BJP	15,920	18,319	-	-	15,920	18,319
Deferred Amounts						
Loss on Adv Ref	(5,555)	(5,540)	(2,042)	(2,343)	(7,597)	(7,883)
Issuance premiums	15,064	14,560	-	-	15,064	14,560
Issuance discounts	(3,627)	(3,783)	-	-	(3,627)	(3,783)
Total	\$ 2,152,052	\$ 2,127,652	\$ 61,423	\$ 65,647	\$ 2,213,475	\$ 2,193,299

The City of Jacksonville’s debt increased by \$20 million as compared to fiscal year 2005. The increase was primarily due to \$121 million in debt reduction and \$141 million in new debt. The new debt primarily consists of \$105 million of new bonds issued to support roads, buildings, and other capital improvements, \$25 million of commercial paper issued to support internal loan pool, and \$9.3 million to refund the city’s outstanding Sunshine State Governmental Financing Commission, Tax-Exempt Revenue Bonds.

New indebtedness of the City of Jacksonville consists of;

Closing Date	Par Amount	Lien	Primary Use
Nov 2005	\$44,820,000	Excise Taxes Revenue Bonds	Capital Improvements
Dec 2005	\$25,035,000	Excise Local Government	Internal Loan Pool
Jan 2006	\$36,540,000	Excise Taxes Rev Ref Bonds	Capital Improvements
Jan 2006	\$ 9,255,000	Excise Taxes Rev Ref Bonds	Sunshine St Gov Fin Comm
Jan 2006	\$23,555,000	Excise Taxes Revenue Bonds	Taxable Capital Imprvmnts

At September 30, 2006, the City of Jacksonville had \$986 million in special obligation bonds payable from specific revenue sources other than ad valorem taxes, \$1.1 billion in special obligation bonds payable from other specific revenue sources (Better Jacksonville Plan), \$63 million in bonds payable from Enterprise Funds, and \$8 million in U.S. Government Guaranteed Notes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

Other Economic Factors:

- The unemployment rate for the City of Jacksonville is less than 3.5%. This compares favorably to the state's average unemployment rate (3.8%) and the national average unemployment rate (5.1%).
- Inflationary trends in the region compare favorably to national indices.
- The majority of the city's job growth comes from Jacksonville based businesses.
- Jacksonville has the largest Empowerment Zone in the nation.
- Jacksonville has a major port, home to the National Football League's (NFL) Jacksonville Jaguars, is the insurance and financial center of Florida, and is the site of key U.S. Navy bases.

Budget Highlights for fiscal 2006-2007:

- Ad Valorem millage rate was reduced for the twelfth consecutive year. For the second year, the city elected to not adhere to the non-binding 3% local referendum roll back target.
- The Assessed Tax Roll increased by \$5.97 billion on a July-to July basis, a 13.1% increase.
- General Fund budgeted revenues are up \$61 million excluding transfers, which represents an 8.26% increase.
- Funding to the Jacksonville Children's Commission is \$23.8 million; an increase of \$2.2 million. The Commission provides all local governmental services to children.
- The contribution to Shands Hospital/Jacksonville in support of indigent care has been maintained at \$23.8 million.
- The Cultural Council of Greater Jacksonville was provided with \$3.8 million in funding.
- Authorized positions were reduced by 191 positions.
- Pension obligations are funded with recurring revenues. In prior years this obligation was partially funded from prior years' pension excess contributions (PEC).
- The budget funded \$5 million for the County's share of the State's Juvenile Detention Program.
- The Supervisor of Elections received \$3.1 million in additional funding to support the costs of two countrywide Unitary Elections and one Gubernatorial General Election.
- The Fire and Rescue Department received 29 additional positions, 22 for a station scheduled to be opened in April and 7 positions to support the addition of a rescue unit at an existing fire station.
- The Office of the Sheriff's \$16 million original budget for overtime salaries was funded an additional \$1 million. Forty Community Service Officer positions were authorized, but have not been funded.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

**CITY-WIDE FINANCIAL
STATEMENTS**

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS -
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	PRIMARY GOVERNMENT				
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS		COMPONENT UNITS
			2006	2005	
ASSETS:					
Equity in cash and investments.....	\$ 690,547	\$ 61,658	\$ 752,205	\$ 716,012	\$ 1,022,256
Cash in escrow and with fiscal agents.....	5,452	-	5,452	68,221	1,299
Securities lending.....	16,447	-	16,447	16,305	-
Receivables, net.....	65,911	5,007	70,918	44,802	272,370
Due from independent agencies and other governments.....	89,139	7	89,146	104,346	54,361
Inventories.....	6,442	8	6,450	3,359	141,435
Prepaid expenses and other assets.....	16,894	263	17,157	18,562	332,467
Deferred charge - landfill related costs.....	-	27,228	27,228	29,463	-
Other deferred charges.....	-	386	386	424	-
CAPITAL ASSETS:					
Land and work in progress.....	327,856	7,074	334,930	405,004	1,451,906
Other capital assets, net of depreciation.....	2,095,346	36,626	2,131,972	1,877,919	5,795,120
TOTAL ASSETS.....	3,314,034	138,257	3,452,291	3,284,417	9,071,214
LIABILITIES:					
Accounts payable and accrued liabilities.....	59,715	8,104	67,819	85,421	199,013
Contracts payable.....	4,240	1,330	5,570	6,656	-
Due to component units.....	23,741	-	23,741	-	-
Due to independent agencies and other governments.....	2,500	-	2,500	30,068	234
Deposits.....	2,633	154	2,787	5,207	31,410
Deposits held for construction and events.....	-	2,703	2,703	-	-
Accrued interest payable.....	43,813	1,613	45,426	48,651	96,764
Unearned revenue.....	11,452	249	11,701	8,327	39,125
Securities lending.....	16,447	-	16,447	16,305	-
Liabilities payable from restricted assets.....	-	-	-	-	13,692
Other current liabilities.....	196	-	196	-	93,502
NONCURRENT LIABILITIES:					
Due within one year.....	108,091	6,116	114,207	94,691	143,045
Due in more than one year.....	2,164,655	209,688	2,374,343	2,320,468	5,698,746
TOTAL LIABILITIES.....	2,437,483	229,957	2,667,440	2,615,794	6,315,531
NET ASSETS:					
Invested in capital assets, net of related debt.....	900,373	13,375	913,748	800,356	1,916,494
Restricted for:					
Debt service.....	-	-	-	-	7,491
Capital projects.....	103,610	10,431	114,041	132,870	90,200
Permanent fund, non-expendable.....	123	-	123	123	-
Other purposes.....	-	2,614	2,614	3,327	343,647
Unrestricted.....	(127,555)	(118,120)	(245,675)	(268,053)	397,851
TOTAL NET ASSETS (deficit).....	\$ 876,551	\$ (91,700)	\$ 784,851	\$ 668,623	\$ 2,755,683

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF ACTIVITIES -
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT		TOTALS		COMPONENT UNITS
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	2006	2005	
PRIMARY GOVERNMENT:									
Governmental activities:									
General government.....	\$ 194,406	\$ 95,672	\$ 89,928	\$ 207	\$ (8,599)		\$ (8,599)	\$ 24,218	
Human services.....	106,755	1,885	12,053	-	(92,817)		(92,817)	(94,525)	
Public safety.....	429,207	45,670	8,072	-	(375,465)		(375,465)	(365,526)	
Culture and recreation.....	84,527	6,691	3,348	3,036	(71,452)		(71,452)	(77,022)	
Transportation.....	216,674	1,249	297	65,010	(150,118)		(150,118)	(193,757)	
Economic environment.....	74,030	-	40,466	5,627	(27,937)		(27,937)	(28,265)	
Physical environment.....	55,605	1,666	4,509	2,192	(47,238)		(47,238)	(47,108)	
Interest on long term debt.....	92,682	-	-	-	(92,682)		(92,682)	(90,738)	
Total governmental activities....	1,253,886	152,833	158,673	76,072	(866,308)		(866,308)	(872,723)	
Business-type activities:									
Parking system.....	4,975	4,018	-	-	-	(957)	(957)	(2,103)	
Sports complex.....	25,964	16,004	-	-	-	(9,960)	(9,960)	(8,483)	
Motor vehicle inspections.....	439	442	-	-	-	3	3	(74)	
Solid Waste.....	92,935	44,093	-	-	-	(48,842)	(48,842)	(42,386)	
Ferry.....	2,346	1,110	-	-	-	(1,236)	(1,236)	(996)	
Total business-type activities....	126,659	65,667	-	-	-	(60,992)	(60,992)	(54,042)	
Total primary government....	\$ 1,380,545	\$ 218,500	\$ 158,673	\$ 76,072	(866,308)	(60,992)	(927,300)	(926,765)	
COMPONENT UNITS:									
Governmental activities.....	\$ 128,881	\$ 1,533	\$ 11,793	\$ 13,251					\$ (102,304)
Business-type activities.....	1,690,285	1,545,446	102,144	4,403					(38,292)
Total component units.....	\$ 1,819,166	\$ 1,546,979	\$ 113,937	\$ 17,654					\$ (140,596)
General revenues:									
Property taxes.....					408,942	-	408,942	365,456	-
Utility service taxes.....					104,259	-	104,259	99,463	-
Sales and tourist taxes.....					196,257	-	196,257	184,172	76,061
Intergovernmental - unrestricted.....					228,237	-	228,237	202,510	-
Unrestricted earnings on investments.....					44,380	4,765	49,145	27,127	59,395
Gain on disposition of capital assets.....					-	-	-	-	56
Miscellaneous.....					52,912	3,776	56,688	45,098	46,710
Special item - environmental settlements and remediations.....					-	-	-	(87,995)	-
Transfers.....					(36,212)	36,212	-	-	-
Total general revenues, special items, and transfers.....					998,775	44,753	1,043,528	835,831	182,222
Change in net assets.....					132,467	(16,239)	116,228	(90,934)	41,626
Net assets, beginning of year.....					744,084	(75,461)	668,623	759,770	2,714,057
Prior period adjustment.....					-	-	-	(213)	-
Net assets, beginning of year, as restated.....					744,084	(75,461)	668,623	759,557	2,714,057
Net assets (deficit), end of year.....					\$ 876,551	\$ (91,700)	\$ 784,851	\$ 668,623	\$ 2,755,683

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

CAPITAL PROJECTS FUNDS

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

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

CITY OF JACKSONVILLE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	BOND PROJECTS
ASSETS:			
Equity in cash and investments.....	\$ 50,645	\$ 98,283	\$ 79,778
Cash in escrow and with fiscal agents.....	2,477	-	-
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts and interest.....	9,059	-	-
Mortgages.....	41	-	-
Other.....	5,671	-	-
Due from other funds.....	-	-	-
Due from independent agencies and other governments.....	44,828	-	-
Inventories.....	1,449	-	-
TOTAL ASSETS.....	\$ 114,170	\$ 98,283	\$ 79,778
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and accrued liabilities.....	\$ 28,994	\$ -	\$ 3,427
Contracts payable.....	7	-	1,040
Due to other funds.....	-	-	-
Due to component units.....	5,755	-	-
Due to independent agencies and other governments.....	-	-	-
Due to individuals.....	-	-	-
Matured bonds and interest payable.....	-	-	-
Deposits.....	1,505	-	-
Unearned revenue.....	-	-	-
Advances from other funds.....	-	-	-
TOTAL LIABILITIES.....	36,261	-	4,467
FUND BALANCES:			
Reserved for:			
Encumbrances.....	9,969	-	26,745
City Council emergency use.....	40,000	-	-
Imprest cash and cash in escrow.....	2,477	-	-
Mortgages receivable.....	41	-	-
Inventories.....	1,449	-	-
Debt service.....	-	98,283	-
Unreserved:			
Designated for capital projects.....	4,430	-	48,566
Reported in nonmajor special revenue funds.....	-	-	-
Designated for subsequent years' budget			
Reported in nonmajor special revenue funds.....	-	-	-
Designated for next year's budget appropriation.....	-	-	-
Undesignated (deficit).....	19,543	-	-
Unreserved, reported in nonmajor:			
Special revenue funds.....	-	-	-
Capital projects funds.....	-	-	-
Debt service funds.....	-	-	-
Permanent fund.....	-	-	-
TOTAL FUND BALANCES.....	77,909	98,283	75,311
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 114,170	\$ 98,283	\$ 79,778

See accompanying notes.

**BETTER
JACKSONVILLE
PLAN
CONSTRUCTION
PROJECT**

**NON MAJOR
GOVERNMENTAL
FUNDS**

TOTALS

2006

2005

\$ 113,803	\$ 299,619	\$ 642,128	\$ 592,092
-	2,975	5,452	68,221
-	477	9,536	10,150
-	9,647	9,688	10,693
-	-	5,671	1,314
-	-	-	629
3,300	42,579	90,707	101,039
-	-	1,449	1,505
<u>\$ 117,103</u>	<u>\$ 355,297</u>	<u>\$ 764,631</u>	<u>\$ 785,643</u>
\$ 8,175	\$ 12,413	\$ 53,009	\$ 46,878
2,567	626	4,240	5,315
-	-	-	1,597
17,986	-	23,741	-
-	-	-	4,982
-	196	196	270
-	-	-	-
-	1,126	2,631	1,687
-	9,387	9,387	6,096
-	10,408	10,408	10,991
<u>28,728</u>	<u>34,156</u>	<u>103,612</u>	<u>77,816</u>
138,056	40,159	214,929	259,797
-	-	40,000	-
-	2,936	5,413	63,327
-	8,597	8,638	9,568
-	-	1,449	1,439
-	73,947	172,230	129,133
-	-	52,996	49,262
-	588	588	878
-	143	143	34
-	-	-	41,490
(49,681)	-	(30,138)	1,718
-	175,737	175,737	147,142
-	18,846	18,846	3,861
-	-	-	-
-	188	188	178
<u>88,375</u>	<u>321,141</u>	<u>661,019</u>	<u>707,827</u>
<u>\$ 117,103</u>	<u>\$ 355,297</u>	<u>\$ 764,631</u>	<u>\$ 785,643</u>



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City of Jacksonville, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2006
(in thousands)

Total fund balances- governmental funds		\$	661,019
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			2,341,681
Long term liabilities - liabilities are not due and payable in the current period and are not reported in the funds:			
Bonds and notes payable	(2,088,679)		
Unamortized bond discounts	3,627		
Unamortized bond premium	(15,064)		
Unamortized loss on advance refunding of debt	5,555		
Total bonds and notes payable			(2,094,561)
Certain assets and liabilities reported in governmental activities are not financial resources and therefore are not reported in the funds:			
Compensated absences (other than internal service funds)			(52,648)
Interest payable			(43,813)
Unamortized bond issuance costs			14,485
Excess funds distribution to component unit			-
Estimated settlement for Shipyards project			(2,500)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. This amount represents net assets of the internal service funds.			52,888
Net assets of governmental activities		\$	<u>876,551</u>

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	BOND PROJECTS
REVENUE:			
Property taxes.....	\$ 400,667	\$ -	\$ -
Utility Service taxes.....	104,259	-	-
Sales and tourist taxes.....	-	-	-
Licenses and permits.....	10,509	-	-
Intergovernmental.....	152,875	23,092	-
Charges for services.....	61,469	-	-
Fines and forfeitures.....	5,671	-	-
Payment in lieu of taxes.....	88,688	-	-
Interest.....	13,123	6,324	3,802
Other.....	19,250	-	-
Total Revenue.....	856,511	29,416	3,802
EXPENDITURES:			
Current:			
General government.....	101,862	-	-
Human services.....	68,553	-	-
Public safety.....	401,792	-	-
Culture and recreation.....	62,599	-	-
Transportation.....	39,937	-	-
Economic environment.....	13,142	-	-
Physical environment.....	12,952	-	-
Capital outlay.....	-	-	81,897
Debt service:			
Principal.....	-	17,595	-
Interest and fiscal charges.....	-	50,064	222
Other - cost of issuance.....	-	-	1,085
Total Expenditures.....	700,837	67,659	83,204
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	155,674	(38,243)	(79,402)
OTHER FINANCING SOURCES (USES):			
Long term debt issued.....	-	-	112,380
Premium on special obligation bonds payable.....	-	-	1,693
Payment to escrow agent - refunded bonds.....	-	-	(16,322)
Transfers in.....	6,886	41,560	-
Transfers out.....	(147,646)	-	-
Total Other Financing Sources (Uses).....	(140,760)	41,560	97,751
NET CHANGES IN FUND BALANCES.....	14,914	3,317	18,349
FUND BALANCES, BEGINNING			
OF YEAR	62,995	94,966	56,962
FUND BALANCES, END OF YEAR.....	\$ 77,909	\$ 98,283	\$ 75,311

See accompanying notes.

BETTER JACKSONVILLE PLAN CONSTRUCTION PROJECT	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
		2006	2005
\$ -	\$ 8,275	\$ 408,942	\$ 365,456
-	-	104,259	99,463
-	196,257	196,257	184,172
-	-	10,509	9,045
44,411	94,581	314,959	302,213
-	73,508	134,977	121,036
-	1,676	7,347	6,192
-	-	88,688	85,938
7,211	10,924	41,384	21,676
30	33,632	52,912	43,609
<u>51,652</u>	<u>418,853</u>	<u>1,360,234</u>	<u>1,238,800</u>
-	34,953	136,815	139,092
-	37,426	105,979	107,104
-	25,686	427,478	412,054
-	10,325	72,924	78,066
-	108,170	148,107	141,195
-	59,128	72,270	78,323
-	6,355	19,307	21,215
185,329	35,357	302,583	259,078
-	47,179	64,774	53,320
905	44,174	95,365	93,074
-	-	1,085	1,773
<u>186,234</u>	<u>408,753</u>	<u>1,446,687</u>	<u>1,384,294</u>
<u>(134,582)</u>	<u>10,100</u>	<u>(86,453)</u>	<u>(145,494)</u>
-	1,790	114,170	18,319
-	-	1,693	-
-	(25,135)	(41,457)	(40,668)
32,226	133,598	214,270	208,115
-	(101,385)	(249,031)	(232,209)
<u>32,226</u>	<u>8,868</u>	<u>39,645</u>	<u>(46,443)</u>
(102,356)	18,968	(46,808)	(191,937)
<u>190,731</u>	<u>302,173</u>	<u>707,827</u>	<u>899,764</u>
<u>\$ 88,375</u>	<u>\$ 321,141</u>	<u>\$ 661,019</u>	<u>\$ 707,827</u>

City of Jacksonville, Florida
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended September 30, 2006
(in thousands)

Net change in fund balances- total governmental funds: \$ (46,808)

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

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

Capital assets acquired by use of financial resources	188,168	
Capital assets contributed by developers	59,335	
Capital assets transferred from proprietary funds of the city	58	
Current year depreciation	(59,710)	
Loss on disposition of assets	(799)	
		187,052

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

Payment to escrow agent	40,740	
Discount on bonds issued	1,085	
Amortization of issuance costs	(805)	
Amortization of bond discounts	(155)	
Amortization of bond premium	1,189	
Additional bond premium with new debt issue	(1,693)	
Amortization - loss on refunding	(456)	
Additional loss on refunding	471	
		40,376

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

Long term debt issued	(114,170)	
Principal repayment	64,774	
		(49,396)

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

Accrued interest expense	3,156	
Capital lease paid by the Banking Fund	769	
Increases in compensated absences payable	(1,122)	
Enterprise Fund bond principal paid by a governmental fund reflected as a general government expense	(1,459)	
Excess funds distribution to component unit	22,459	
Increases in loans payable to the Banking Fund	(14,715)	
		68

Changes in reserves for inventory -

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

Interest income	2,996	
Other operating expenses	(5,548)	
Loss from operations	(3,773)	
Transfers out, net	(1,520)	
		(7,845)

Change in Net Assets - Governmental Activities \$ 132,467

MAJOR ENTERPRISE FUNDS:

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

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

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

ENTERPRISE FUNDS

	SOLID WASTE DISPOSAL	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
			2006	2005	
ASSETS:					
Equity in cash and investments.....	\$ 43,221	\$ 2,996	\$ 46,217	\$ 37,919	\$ 48,419
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts.....	3,188	679	3,867	4,244	76
Loans receivables.....	-	-	-	-	14,926
Other.....	-	-	-	-	2,070
Due from independent agencies and other governments..	7	-	7	20	1,732
Advances to other funds.....	-	-	-	-	10,408
Interest and dividend receivables.....	133	-	133	-	-
Inventories.....	-	8	8	5	1,693
Prepaid expenses and other assets.....	-	263	263	309	4,235
Total Current Assets.....	46,549	3,946	50,495	42,497	83,559
NONCURRENT ASSETS:					
Sinking fund cash and investments.....	13,834	1,607	15,441	3,064	-
Construction fund cash and investments.....	-	-	-	13,334	-
Accounts and interest receivable.....	-	1,007	1,007	263	-
Loans receivable.....	-	-	-	-	59,025
Other receivables.....	-	-	-	-	15,490
CAPITAL ASSETS:					
Land and work in progress.....	1,859	5,215	7,074	7,074	88
Other capital assets, net of depreciation.....	25,175	11,451	36,626	40,481	81,433
Deferred charge - Landfill related costs.....	27,228	-	27,228	29,463	-
Other deferred charges.....	386	-	386	424	-
Total Noncurrent Assets.....	68,482	19,280	87,762	94,103	156,036
TOTAL ASSETS.....	115,031	23,226	138,257	136,600	239,595

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

ENTERPRISE FUNDS

	SOLID WASTE DISPOSAL	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
			2006	2005	
LIABILITIES:					
Accounts payable and accrued liabilities.....	\$ 4,557	\$ 3,547	\$ 8,104	\$ 31,774	\$ 6,706
Contracts payable.....	1,330	-	1,330	1,341	-
Capitalized lease obligations, current portion.....	-	-	-	-	81
Deposits.....	154	-	154	3,518	2
Deposits held for construction and events.....	-	2,703	2,703	-	-
Accrued interest payable.....	1,191	422	1,613	1,682	-
Current portion of bonds payable.....	3,210	-	3,210	4,525	-
Deferred revenue.....	-	249	249	334	2,065
Accrued compensated absences, current portion.....	157	54	211	231	938
Current portion of loans payable.....	-	2,695	2,695	-	11,081
Total Current Liabilities.....	10,599	9,670	20,269	43,405	20,873
NONCURRENT LIABILITIES:					
Estimated liability for self-insured losses.....	-	-	-	-	64,776
Estimated liability for ash sites remediations.....	87,246	-	87,246	62,995	-
Liability for landfill closure and postclosure care.....	43,050	-	43,050	44,003	-
Accrued compensated absences.....	367	128	495	536	2,189
Capitalized lease obligations.....	-	-	-	-	63
Notes payable.....	-	-	-	-	72,205
Loans payable.....	23,380	-	23,380	-	26,601
Bonds payable.....	41,310	14,207	55,517	61,122	-
Total Noncurrent Liabilities.....	195,353	14,335	209,688	168,656	165,834
TOTAL LIABILITIES.....	205,952	24,005	229,957	212,061	186,707
NET ASSETS:					
Invested in capital assets, net of related debt.....	2,742	10,633	13,375	13,742	43,776
Restricted for:					
Capital.....	10,431	-	10,431	12,170	-
Restricted - others.....	-	2,614	2,614	3,327	-
Unrestricted.....	(104,094)	(14,026)	(118,120)	(104,700)	9,112
TOTAL NET ASSETS (deficit).....	\$ (90,921)	\$ (779)	\$ (91,700)	\$ (75,461)	\$ 52,888

See accompanying notes.



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CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

ENTERPRISE FUNDS

	SOLID WASTE DISPOSAL	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
			2006	2005	
OPERATING REVENUE:					
Charges for services.....	\$ 44,093	\$ 21,574	\$ 65,667	\$ 62,166	\$ 177,194
Charges for services for independent authorities....	-	-	-	-	27,456
Other.....	-	-	-	-	(1,043)
Total Operating Revenue.....	<u>44,093</u>	<u>21,574</u>	<u>65,667</u>	<u>62,166</u>	<u>203,607</u>
OPERATING EXPENSES:					
Personal services.....	5,496	14,115	19,611	21,519	29,818
Supplies and materials.....	2,412	4,079	6,491	5,230	21,558
Central services.....	2,167	976	3,143	3,051	3,997
Interdepartmental charges.....	183	1,761	1,944	2,207	-
Other services and charges.....	76,985	11,218	88,203	76,039	32,237
Depreciation and amortization.....	3,309	731	4,040	4,799	23,273
Court reporter services.....	-	-	-	-	35
Claims and losses.....	-	-	-	-	20,826
Insurance premiums and participant dividends.....	-	-	-	-	75,636
Total Operating Expenses.....	<u>90,552</u>	<u>32,880</u>	<u>123,432</u>	<u>112,845</u>	<u>207,380</u>
OPERATING LOSS.....	<u>(46,459)</u>	<u>(11,306)</u>	<u>(57,765)</u>	<u>(50,679)</u>	<u>(3,773)</u>
NON-OPERATING REVENUE (EXPENSES):					
Interest revenue.....	2,275	2,490	4,765	3,368	2,996
Interest expense.....	(2,383)	(844)	(3,227)	(3,363)	-
Other.....	3,682	94	3,776	1,488	(5,548)
Total Non-Operating Revenue (Expenses).....	<u>3,574</u>	<u>1,740</u>	<u>5,314</u>	<u>1,493</u>	<u>(2,552)</u>
LOSS BEFORE TRANSFERS.....	<u>(42,885)</u>	<u>(9,566)</u>	<u>(52,451)</u>	<u>(49,186)</u>	<u>(6,325)</u>
TRANSFERS:					
Transfers in.....	27,561	10,722	38,283	36,506	3,798
Transfers out.....	(40)	(2,031)	(2,071)	(1,205)	(5,318)
Total Transfers.....	<u>27,521</u>	<u>8,691</u>	<u>36,212</u>	<u>35,301</u>	<u>(1,520)</u>
SPECIAL ITEMS:					
Environmental settlements and remediations.....	-	-	-	(87,995)	-
CHANGES IN NET ASSETS.....	<u>(15,364)</u>	<u>(875)</u>	<u>(16,239)</u>	<u>(101,880)</u>	<u>(7,845)</u>
NET ASSETS (DEFICIT),					
BEGINNING OF YEAR.....	<u>(75,557)</u>	<u>96</u>	<u>(75,461)</u>	<u>26,419</u>	<u>60,733</u>
NET ASSETS (DEFICIT),					
END OF YEAR.....	<u>(\$ 90,921)</u>	<u>\$ (779)</u>	<u>(\$ 91,700)</u>	<u>\$ (75,461)</u>	<u>\$ 52,888</u>

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)**

ENTERPRISE FUNDS

**SOLID
WASTE
DISPOSAL**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers.....	\$ 42,697
Payments to suppliers.....	(81,415)
Payments to employees	(5,564)
Internal activity- payments to other funds.....	-
Other receipts (expenses).....	3,682
Other operating cash payments.....	(941)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(41,541)

NONCAPITAL FINANCING ACTIVITIES:

Cash received through transfers from other funds.....	27,561
Cash payments through transfers to other funds.....	(40)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	27,521

CAPITAL AND RELATED FINANCING ACTIVITIES:

Increase (decrease) to property, plant and equipment.....	(51)
Additions to land & improvements.....	-
Increase (decrease) in landfill closure costs and other charges.....	2,273
Increase (decrease) in construction fund cash and investments.....	(500)
Principal paid on long-term obligations.....	(3,089)
Increase in capitalized lease obligations.....	-
Proceeds from loans payable.....	-
Proceeds from notes payable.....	23,380
Interest and payments to refunded bond escrow agent.....	(2,383)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	19,630

INVESTING ACTIVITIES:

Interest and dividends on investments.....	2,275
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	2,275

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....

7,885

Cash and cash equivalents at October 1, 2005.....	35,336
Cash and cash equivalents at September 30, 2006.....	\$ 43,221

ENTERPRISE FUNDS

<u>NON MAJOR ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
	<u>2006</u>	<u>2005</u>	
\$ 22,444	\$ 65,141	\$ 61,873	\$ 162,525
(15,924)	(97,339)	(57,040)	(60,896)
(14,013)	(19,577)	(21,502)	(29,674)
-	-	(1)	-
94	3,776	1,488	(5,548)
<u>(1,237)</u>	<u>(2,178)</u>	<u>(16,267)</u>	<u>(13,636)</u>
<u>(8,636)</u>	<u>(50,177)</u>	<u>(31,449)</u>	<u>52,771</u>
10,722	38,283	36,506	3,798
<u>(2,031)</u>	<u>(2,071)</u>	<u>(1,205)</u>	<u>(5,318)</u>
<u>8,691</u>	<u>36,212</u>	<u>35,301</u>	<u>(1,520)</u>
(134)	(185)	(750)	(25,410)
-	-	-	1,355
-	2,273	2,511	-
1,457	957	(1,479)	-
(2,516)	(5,605)	(3,700)	(15,490)
(95)	(95)	(1)	(77)
-	-	-	(58,565)
-	23,380	-	22,756
<u>(844)</u>	<u>(3,227)</u>	<u>(3,363)</u>	<u>-</u>
<u>(2,132)</u>	<u>17,498</u>	<u>(6,782)</u>	<u>(75,431)</u>
<u>2,490</u>	<u>4,765</u>	<u>3,368</u>	<u>2,996</u>
<u>2,490</u>	<u>4,765</u>	<u>3,368</u>	<u>2,996</u>
413	8,298	438	(21,184)
<u>2,583</u>	<u>37,919</u>	<u>37,481</u>	<u>69,603</u>
<u>\$ 2,996</u>	<u>\$ 46,217</u>	<u>\$ 37,919</u>	<u>\$ 48,419</u>

(continued)

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands; continued)

	<u>SOLID WASTE DISPOSAL</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
OPERATING LOSS.....	(\$ 46,459)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization.....	3,309
Other non-operating revenue/(expenses).....	3,682
Change in assets and liabilities:	
Decrease (increase) in receivables and other current assets, net.....	(1,264)
Increase in interest and dividend receivables.....	(133)
Decrease (increase) in due from other funds.....	-
Decrease in due from independent agencies and other governments.....	1
Decrease in due from other governments.....	-
Decrease (increase) in inventories.....	-
(Increase) in receivables-non-current.....	-
Decrease (increase) in prepaid expenses.....	-
Increase (decrease) in accounts payable and accrued expenses.....	(24,017)
(Decrease) in due to other funds.....	-
Increase (decrease) in contracts payable.....	(11)
Decrease in due to independent agencies and other governments.....	-
Increase (decrease) in deposits.....	50
Increase in interest payable.....	(74)
Increase (decrease) in current portion of bond payables.....	145
Increase (decrease) in unearned revenue.....	-
Increase in estimated liability for ash sites remediations	24,251
Increase (decrease) in liability for landfill closure and postclosure care.....	(953)
Increase (decrease) in liability for self-insured losses.....	-
Increase (decrease) in accrued compensated absences.....	(68)
TOTAL ADJUSTMENTS.....	<u>4,918</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	 <u><u>(\$ 41,541)</u></u>
 NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Change in the fair value of investments.....	\$ 295
Change in capital lease obligations.....	-
 TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	 <u><u>\$ 295</u></u>

ENTERPRISE FUNDS

<u>NON MAJOR ENTERPRISE</u>	<u>TOTALS</u>		<u>INTERNAL SERVICE FUNDS</u>
	<u>2006</u>	<u>2005</u>	
<u>(\$ 11,306)</u>	<u>(\$ 57,765)</u>	<u>(\$ 50,679)</u>	<u>(\$ 3,773)</u>
731	4,040	4,799	23,273
94	3,776	(86,507)	(5,548)
897	(367)	(408)	158
-	(133)	-	-
-	-	(1)	1,551
-	1	103	1,555
12	12	-	-
(3)	(3)	5	156
-	-	-	(43,191)
46	46	106	(187)
347	(23,670)	27,373	72,411
-	-	-	(80)
-	(11)	13	-
-	-	(7)	(47)
(711)	(661)	(1,834)	-
5	(69)	(111)	-
1,235	1,380	(118)	-
(85)	(85)	(94)	168
-	24,251	62,995	-
-	(953)	12,899	-
-	-	-	6,181
102	34	17	144
<u>2,670</u>	<u>7,588</u>	<u>19,230</u>	<u>56,544</u>
<u>(\$ 8,636)</u>	<u>(\$ 50,177)</u>	<u>(\$ 31,449)</u>	<u>\$ 52,771</u>
<u>\$ 21</u>	<u>\$ 316</u>	<u>(\$ 343)</u>	<u>\$ 478</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(77)</u>
<u>\$ 21</u>	<u>\$ 316</u>	<u>(\$ 343)</u>	<u>\$ 401</u>

(continued)

See accompanying notes.



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FIDUCIARY FUND LEVEL STATEMENTS

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

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

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

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST FUND		AGENCY FUNDS	
	2006	2005	2006	2005	2006	2005
ASSETS						
CURRENT ASSETS:						
Equity in cash and investments.....	\$ 30,454	\$ 152,422	\$ 216	\$ 212	\$ 44,998	\$ 38,602
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends.....	8,504	8,541	-	-	-	-
Accounts.....	4,018	164	-	-	4,944	3,993
Total receivables.....	12,522	8,705	-	-	4,944	3,993
Investments, at fair value:						
U.S. Government obligations.....	436,604	533,006	-	-	-	-
Municipal Bonds.....	455	7,310	-	-	-	-
Domestic corporate bonds.....	451,930	332,401	-	-	-	-
Commercial paper.....	-	37,999	-	-	-	-
Domestic stocks.....	1,237,875	1,200,970	-	-	-	-
International stocks.....	317,797	222,479	-	-	-	-
Real Estate.....	184,348	61,900	-	-	-	-
Total investments.....	2,629,009	2,396,065	-	-	-	-
TOTAL CURRENT ASSETS.....	2,671,985	2,557,192	216	212	49,942	42,595
CAPITAL ASSETS						
Other capital assets, net of depreciation.....	100	161	-	-	-	-
TOTAL CAPITAL ASSETS, Net.....	100	161	-	-	-	-
Securities Lending Collateral.....	267,382	236,285	-	-	-	-
TOTAL ASSETS.....	2,939,467	2,793,638	216	212	\$ 49,942	\$ 42,595
LIABILITIES						
CURRENT LIABILITIES:						
Obligations Under Securities Lending Agreement.....	267,382	236,285	-	-	-	-
Accounts payable and accrued liabilities.....	4,989	5,401	-	-	282	64
Due to independent agencies and other governments...	-	-	-	-	23,498	20,702
Due to individuals.....	-	-	-	-	698	2,382
Current portion of long-term liabilities.....	-	-	-	-	-	-
Deposits held in escrow.....	-	-	-	-	25,464	19,447
Total Current Liabilities.....	272,371	241,686	-	-	49,942	42,595
NONCURRENT LIABILITIES:						
Accrued compensated absences.....	32	32	-	-	-	-
Terminal Leave - Group Care.....	399	909	-	-	-	-
Terminal Leave - Pending.....	169	250	-	-	-	-
Due to Drop participants.....	138,429	127,555	-	-	-	-
TOTAL LIABILITIES.....	411,400	370,432	-	-	\$ 49,942	\$ 42,595
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....	\$ 2,528,067	\$ 2,423,206	\$ 216	\$ 212		

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST	
	2006	2005	2006	2005
ADDITIONS				
Contributions:				
Employer.....	\$ 58,518	\$ 40,764	\$ -	\$ -
Plan members.....	22,254	32,813	-	-
Total contributions.....	<u>80,772</u>	<u>73,577</u>	<u>-</u>	<u>-</u>
Other additions:				
State insurance contributions.....	7,674	7,187	-	-
Court fines & penalties.....	1,791	1,663	-	-
Miscellaneous.....	4,092	4,080	-	-
Transfers in.....	-	-	13	3
Total other additions.....	<u>13,557</u>	<u>12,930</u>	<u>13</u>	<u>3</u>
Investment income:				
Net appreciation in fair value of investments.....	167,963	172,491	-	-
Interest.....	18,923	44,865	6	5
Dividends.....	26,587	22,273	-	-
Rebate of commissions.....	322	2,144	-	-
Rental income.....	871	809	-	-
Other miscellaneous.....	-	369	-	-
Total investment income.....	214,666	242,951	6	5
Less investment expense.....	(8,686)	(9,953)	-	-
Less rental expense.....	(222)	(648)	-	-
Net investment income.....	<u>205,758</u>	<u>232,350</u>	<u>6</u>	<u>5</u>
From Securities Lending Activities:				
Securities Lending.....	10,511	5,579	-	-
Securities Lending Expenses.....	-	-	-	-
Interest Expense (returned to borrower).....	(9,779)	(4,931)	-	-
Agent Fees.....	(183)	(163)	-	-
Total securities lending activities.....	<u>549</u>	<u>485</u>	<u>-</u>	<u>-</u>
TOTAL ADDITIONS.....	<u>300,636</u>	<u>319,342</u>	<u>19</u>	<u>8</u>
DEDUCTIONS				
Benefits payments.....	189,366	177,127	-	-
Refunds of contributions.....	3,186	3,317	-	-
Transfers out.....	-	-	13	-
Administrative expenses.....	3,223	2,432	-	-
Operating expenses.....	-	-	2	6
TOTAL DEDUCTIONS.....	<u>195,775</u>	<u>182,876</u>	<u>15</u>	<u>6</u>
CHANGE IN NET ASSETS.....	104,861	136,466	4	2
NET ASSETS, BEGINNING OF YEAR.....	<u>2,423,206</u>	<u>2,286,740</u>	<u>212</u>	<u>210</u>
NET ASSETS, END OF YEAR.....	<u>\$ 2,528,067</u>	<u>\$ 2,423,206</u>	<u>\$ 216</u>	<u>\$ 212</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 appointment of a voting majority of the component unit's governing body with certain exceptions, and either (a) the ability to impose will by the primary government, or (b) the potential for the organization to provide financial benefits to, or impose financial burdens on the primary government. The city's major component units follow:

MAJOR COMPONENT UNITS:

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS -
COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2006

	MAJOR COMPONENT UNITS	
	JEA	JACKSONVILLE TRANSPORTATION AUTHORITY
ASSETS		
Cash and cash equivalents.....	\$ 450,255	\$ 35,207
Cash in escrow with fiscal agent.....	-	-
Investments.....	313,741	96,240
Due from primary government.....	-	-
Due from other governmental agencies.....	-	48,537
Accounts and interest receivable.....	209,129	1,564
Mortgages receivable.....	-	-
Other receivables.....	-	-
Inventories.....	136,744	2,449
Other assets.....	324,924	500
Bond issuance costs, net.....	-	-
Capital assets:		
Land and construction in progress.....	893,676	325,144
Buildings and improvements.....	-	79,262
Vehicles.....	-	33,334
Equipment.....	-	28,626
Utility plant in service.....	7,747,282	-
Infrastructure assets.....	-	-
Other capital assets.....	-	-
Less: accumulated depreciation.....	(2,656,734)	-
Total capital assets, net of depreciation.....	<u>5,984,224</u>	<u>466,366</u>
Total assets.....	<u>7,419,017</u>	<u>650,863</u>
LIABILITIES		
Accounts payable and accrued expenses.....	182,386	4,120
Deposits.....	29,615	-
Deferred revenue.....	-	3,512
Due to other governmental agencies.....	-	234
Interest payable.....	93,863	-
Other current liabilities.....	78,651	62
Other noncurrent liabilities.....	129,866	-
Liabilities payable with restricted assets.....	-	13,692
Long-term liabilities:		
Due within one year:		
Estimated liability for injury and damage claims.....	-	1,304
Bonds, notes payable, capital leases and contracts.....	119,820	-
Compensated absences.....	-	57
Due in more than one year:		
Estimated liability for injury and damage claims.....	-	3,204
Bonds, capital leases and commercial paper.....	5,344,575	-
Compensated absences.....	-	692
Total liabilities.....	<u>5,978,776</u>	<u>26,877</u>
NET ASSETS		
Invested in capital assets, net of related debt.....	881,398	466,365
Restricted for:		
Capital projects and grants.....	-	90,200
Debt service.....	-	-
Other purposes.....	289,675	3,838
Unrestricted.....	269,168	63,583
Total Net Assets.....	<u>\$ 1,440,241</u>	<u>\$ 623,986</u>

See accompanying notes.

MAJOR COMPONENT UNITS

JACKSONVILLE AVIATION AUTHORITY	JACKSONVILLE PORT AUTHORITY	NON MAJOR COMPONENT UNITS	TOTAL
\$ 65,306	\$ 13,364	\$ 19,371	\$ 583,503
-	-	1,299	1,299
27,094	1,678	-	438,753
-	-	-	-
-	5,760	64	54,361
5,232	3,578	654	220,157
-	-	10,099	10,099
6,943	3,067	32,104	42,114
746	1,496	-	141,435
2,483	2,378	505	330,790
-	1,677	-	1,677
91,984	139,238	1,864	1,451,906
548,833	315,156	-	943,251
-	-	-	33,334
-	100,130	344	129,100
-	-	-	7,747,282
-	-	-	-
1,180	-	-	1,180
(205,941)	(196,111)	(241)	(3,059,027)
436,056	358,413	1,967	7,247,026
543,860	391,411	\$ 66,063	9,071,214
7,099	4,423	985	199,013
-	-	1,795	31,410
-	3,262	32,351	39,125
-	-	-	234
2,901	-	-	96,764
-	14,789	-	93,502
-	-	-	129,866
-	-	-	13,692
-	-	-	1,304
14,837	7,027	-	141,684
-	-	-	57
-	200	-	3,404
143,023	77,186	-	5,564,784
-	-	-	692
167,860	106,887	35,131	6,315,531
302,987	263,799	1,945	1,916,494
-	-	-	90,200
-	7,491	-	7,491
49,805	329	-	343,647
23,208	12,905	28,987	397,851
\$ 376,000	\$ 284,524	\$ 30,932	\$ 2,755,683

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF ACTIVITIES -
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES						TOTAL
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental activities:							
Jacksonville Transportation Authority	\$ 110,472	\$ -	\$ 1,460	\$ 12,099	(\$ 96,913)		(\$ 96,913)
Non Major Component Units	18,409	1,533	10,333	1,152	(5,391)		(5,391)
Total governmental activities.....	128,881	1,533	11,793	13,251	(102,304)		(102,304)
Business-type activities:							
JEA	1,470,628	1,427,877	23,633	-	-	(19,118)	(19,118)
Jacksonville Transportation Authority	97,752	22,539	13,056	4,403	-	(57,754)	(57,754)
Jacksonville Aviation Authority	67,139	56,490	13,089	-	-	2,440	2,440
Jacksonville Port Authority	54,004	38,492	538	-	-	(14,974)	(14,974)
Non Major Component Units	762	48	2,033	-	-	1,319	1,319
Total business-type activities.....	1,690,285	1,545,446	52,349	4,403	-	(88,087)	(88,087)
Total component units.....	\$ 1,819,166	\$ 1,546,979	\$ 64,142	\$ 17,654	(102,304)	(88,087)	(190,391)
General revenues:							
Sales and tourist taxes.....					76,061	-	76,061
Payments from other governments.....					-	49,795	49,795
Unrestricted earnings on investments.....					7,099	52,296	59,395
Gain on disposition of capital assets.....					-	56	56
Miscellaneous.....					1,086	45,624	46,710
Total general revenues, special items, and transfers.....					84,246	147,771	232,017
Change in net assets.....					(18,058)	59,684	41,626
Net assets, beginning of year.....					481,664	2,232,393	2,714,057
Net assets, beginning of year, as restated.....					481,664	2,232,393	2,714,057
Net assets, end of year.....					\$ 463,606	\$ 2,292,077	\$ 2,755,683

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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CITY OF JACKSONVILLE, FLORIDA
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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Jacksonville, Florida (the city) conform to accounting principles generally accepted in the United States (GAAP) as applicable to governments. The following is a summary of the more significant policies. Notes 1.C. through 18 are note disclosures of the primary government with significant disclosures for major component units incorporated within. Additional significant component unit disclosures are presented in Note 17.

A. Basis of Presentation:

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

B. Financial Reporting Entity:

The city is a consolidated city/county political entity created by Chapter 67-1320 of the Laws of Florida. When consolidation occurred on October 1, 1968, all existing municipalities, authorities, and public agencies within Duval County, except for the Duval County School Board, were merged into a single new corporate and political entity also known as the City of Jacksonville. At the same time, however, the cities of Jacksonville Beach, Atlantic Beach, Neptune Beach, and the Town of Baldwin elected to retain local autonomy for certain municipal purposes and were reconstituted as separate and distinct urban service districts. The consolidated city government, which is comprised of an elected City Council (19 members) and Mayor, provides, under the administration of the appointed Chief Administrative Officer, services to approximately 890,000 residents living in an 840.1 square mile area.

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

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the Mayor and/or controlled by or dependent upon the City Council as set forth in the City Charter. The city, a primary government,

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

has also considered for inclusion all potential component units for which it may be financially accountable and other organizations for which the nature and significance of their relationship with the city are such that exclusion would cause the city's financial statements to be misleading or incomplete. In GASB Statement No. 14, The Financial Reporting Entity, the GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the city to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.

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

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

boards. The footnotes include the financial data of these entities. Each component unit listed below has a September 30 fiscal year end.

Major Component Units

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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

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

Non-major Component Units

The **Jacksonville Housing Finance Authority (JHoFA)**, formerly known as the Duval County Housing Finance Authority (or DCHFA), was created by City Ordinance 2003-1058, to alleviate a shortage of housing and capital investment for the people of Duval County, pursuant to Florida Statutes, Section 159.604. The Mayor appoints 3 of the 5 board members. The city has the ability to impose its will on the JHoFA. The JHoFA 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 8.G. Conduit Debt. The JHoFA engages only in governmental activities. There are no separately issued financial statements for the JHoFA, whose financial activity is accounted for by the city. For financial reporting purposes, fund financial statements for JHoFA are presented in the Combining Individual Fund Statements and Schedules section of this report.

The **Jacksonville Economic Development Commission (JEDC)**, created July 1, 1997, under Chapter 92-341, Laws of Florida, provides a focal point for economic development in the city that results in a centralization of economic development programs under the auspices of one agency, thus ensuring a more efficient and practical means of addressing the goals, objectives and strategies for future economic development in the city. The JEDC operates with all the powers and authority of a community redevelopment agency under Part III, Chapter 163, Florida Statutes and as an industrial development authority under Part III, Chapter 159, Florida Statutes. The mayor appoints the board members and a chairman, who are confirmed by the City Council, and the city has the ability to impose its will. The JEDC engages only in governmental activities. There are no separately issued financial statements

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

for the JEDC, whose financial activity is accounted for by the city as a single special revenue fund during the year. For financial reporting purposes, fund financial statements for JEDC are presented in the Combining Individual Fund Statements and Schedules section of this report.

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

the Mayor and confirmed by the City Council. The city has the ability to impose its will on the WSEA principally through the Mayor's ability to remove board members with two-thirds approval vote from the City Council, and the City Councils authority to review and approve the WSEA annual budget. The WSEA engages only in business-type activities and issues separate financial statements, which may be obtained from its administrative office 21 West Church Street, T - 16 Jacksonville, Florida 32202.

Related Organizations

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

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

Jointly Governed Organization

The Jacksonville Metropolitan Planning Organization (MPO) was previously reported by the city as a blended component unit. An Interlocal Agreement was entered into on February 27, 2004, by and between the Florida Department of Transportation, the Counties of Clay, Duval, and St. Johns, the Cities of Jacksonville, Atlantic Beach, Jacksonville Beach, Neptune Beach and Saint Augustine, the Jacksonville Aviation Authority, the Jacksonville Port Authority, the Jacksonville Transportation Authority, and the St. Augustine/St. Johns County Airport Authority to redesignate the **First Coast Metropolitan Planning Organization (FCMPO)**. Pursuant to Section 339.175(3), Florida Statutes, by letter to Mayor John Peyton, the Governor agreed to the apportionment plan of newly proposed members. The City Council no longer serves as the MPO Board. The Mayor, 3 Jacksonville City Council Members and various other leaders of the involved agencies, make up the 16 member board, with 3 members being non-voting.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity: (continued)

The city does not have an ongoing financial interest or responsibility to the FCMPO. However, since the board includes members from each of the governments that created it, the FCMPO is considered a jointly governed organization of the city. The former MPO is reported as a special revenue fund for fiscal year 2006.

C. Basic Financial Statements:

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

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

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

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

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure:

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

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

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

Debt Service Funds:

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

Capital Project Funds:

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure: (continued)

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

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

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

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

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

In addition, the city reports the following fund types:

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure: (continued)

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

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

E. Basis of Accounting:

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting: (continued)

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

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

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

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

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

F. Cash, Cash Equivalents, and Investments:

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

The City of Jacksonville's swap policy allows for the use of interest rate swaps and other financial instruments to manage the city's financial exposure. This policy went into effect on October 1, 2003 and was revised on March 1, 2004. The city utilizes interest

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash, Cash Equivalents, and Investments: (continued)

rate swaps to manage the interest rate risk associated with various assets. The city continuously works toward developing the optimal capital structure, including the amounts and types of variable rate exposure, in view of the city's risk tolerance to market fluctuations, capital market outlook, future capital funding needs, rating agency considerations, counterparty credit profiles, and competition. Interest rate swaps are one instrument used in achieving an optimal capital structure. As of September 30, 2006, the City had no interest rate swaps in the investment portfolio.

G. Receivables:

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

H. Inventories:

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

I. Capital Assets:

All purchased capital assets are recorded at cost where historical records are available and at estimated cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Generally, capital assets costing more than \$750 and having a useful life of more than one year are capitalized. Infrastructure is capitalized based on the accumulated amounts charged to specific capital projects on an annual basis. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are reported in the applicable governmental or business-type column in the city-wide financial statements, and in the Proprietary Fund Level Statements.

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets: (continued)

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

J. Contributions:

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

K. Interfund Activity:

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

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

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

L. Restricted Assets:

Assets are reported as restricted in the city-wide Statement of Net Assets and the enterprise fund level statements when constraints are placed on net asset use. The constraints are either: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law or through constitutional provisions or enabling legislation. For example, sinking fund cash and investments presented in the Enterprise Funds are considered to be restricted assets.

M. Compensated Absences:

City employees may accumulate earned personal leave benefits (compensated absences) at various rates within limits specified in collective bargaining agreements. For all funds, this liability reflects amounts attributable to employee services already rendered, cumulative, probable for payment, and reasonably estimated in conformity with GASB

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Compensated Absences: (continued)

Statement No. 16, Accounting for Compensated Absences.

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

N. Risk Financing:

The City is self-insured for general and automobile liability and up to \$1.2 million per occurrence for workers compensation. The liability for self-insured losses is based on individual case estimates for reported claims, historical loss data and valuations performed by independent actuaries at September 30, 2006, for incurred but not yet reported claims and claims development. The liability for self-insured losses is accounted for in the Self-Insurance Fund (internal service fund) that pays for claims made against the city. The City has an excess liability policy which provides coverage for general liability at limits of \$1 million per occurrence and \$3 million in the aggregate, subject to a \$5 million self-insured retention; and employers liability at limits of \$1 million per occurrence and \$3 million in the aggregate subject to a \$1.2 million self-insured retention.

O. Pension Costs:

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

P. Landfill Closure and Postclosure Care Costs:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
P. Landfill Closure and Postclosure Care Costs: (continued)

engineer's estimates. The City Council establishes rates that are designed to recover costs and believes it is reasonable to assume that such rates, which will recover the costs, can be charged to and collected from customers. Accordingly, the provisions of FAS 71 are applied. The city intends to recover these MSWLF costs through future operating revenues of the Solid Waste Disposal Enterprise Fund. Accordingly, MSWLF costs are recognized as expense each year to match the flow of revenue and bonds principal payments, thereby reducing the deferred charge. Expenses for closure and postclosure care costs are recorded each year and the liability is adjusted to the engineer's estimate. MSWLF closure and postclosure care costs incurred for landfills accepting solid waste after final implementation of the 1988 Act and EPA regulations are recognized as an expense. A liability is recorded based upon the landfill capacity used during that year applied to the engineer's estimate of closure and postclosure care costs. (See Note 13.C.)

Q. Long-Term Obligations:

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

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

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

Non Assets 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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Long-Term Obligations: (continued)

loans) which are in some instances designed to be repaid by either the CRA's tax increment revenues and/or the developer.

R. Reservations and Designations of Fund Equity:

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

Explanations of significant designations include:

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

S. Bond Discounts, Premiums and Issuance Costs:

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Deferred Loss on Debt Refundings:

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

U. Use of Estimates:

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

V. Reclassification:

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

W. 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, 2005, from which the summarized information was derived.

2. BUDGETARY DATA

The city presents a Budgetary Comparison Schedule for the General Fund as Required Supplementary Information. For this reporting period, no special revenue funds met the major fund criteria. The city's budgetary comparison reporting and Notes to Required Supplementary Information containing descriptions of the city's budgetary policies and processes are included in the Required Supplementary Information section of this report.

3. CASH, INVESTMENTS AND SECURITIES LENDING

A. Equity in Cash and Investments:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)
A. Equity in Cash and Investments: (continued)

require such arrangements are classified as "restricted assets."

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

B. Cash on Deposit:

At September 30, 2006, the city's cash on deposit in its bank accounts was \$47.2 million including interest bearing accounts, all of which was insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes. The related book balance was \$599 million. Monies which are placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the city's public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" and covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

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

C. Investments and Investment Practices:

The city is authorized to invest in securities consistent with the guidelines established by Chapter 17, Section 57 (17.57) Florida Statutes, the limitations established by the Investment Policy, and the Investment Policy of the Florida State Treasury Intermediate Core Portfolio. The city's Investment Policy was amended and restated effective March 1, 2004. Only securities, which are specifically listed as authorized, may be purchased. The City of Jacksonville's amended and restated Investment Policy resolves any conflict between the state's and city's investment policies. The pension trust funds are also authorized to invest in obligations of the City of Jacksonville, of the State of Florida, commercial paper rated A-1 or P-1 by a nationally recognized rating service, bankers' acceptances, corporate bonds, including collateralized mortgage obligations, preferred stocks, common stocks, and real estate limited trusts.

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices: (continued)

Cash Management Pool / Investment Portfolio

As of September 30, 2006, the City's investment portfolio consisted of the following:

	In-house Management		External Managers	
	<u>Fair Value</u>	<u>Average Maturity (Years)</u>	<u>Fair Value</u>	<u>Average Maturity (Years)</u>
Treasury	\$ -		\$ 22,138,262	8.09
Agency	-		16,706,841	3.86
Corporate	-		40,416,346	5.07
Mortgage	-		68,289,148	3.29
ABS	-		4,454,375	1.98
Other Yankee	-		465,067	9.90
Non-Corporate Credit ¹	-		245,644	7.52
Other (Agency DUS)	-		545,559	2.51
Other (CMBS)	-		8,554,806	3.73
Other (Non-US Govt/Agency)	-		2,504,966	9.91
Other Mortgage ²	-		4,055,445	0.84
Cash Equivalent (2a-7 like)	606,681,666			
Total Fair Value	\$ 606,681,666		\$ 168,376,459	
Portfolio Weighted Average to Maturity		-		4.46

¹: Includes securities issued by supranationals, sovereigns, foreign agencies and regional governments

²: Includes TBA contracts for the purchase or sale of an MBS to be delivered at an agreed-upon future date that is recorded as cash.

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**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices: (continued)

Cash Management Pool / Portfolio Characteristics

As of September 30, 2006, the City's investment portfolio consisted of the following:

	Total Portfolio		In-House Management	External Managers
	Actual Year End Value	Actual Year End	Actual Year End %	Actual Year End %
Treasury	\$ 22,138,262	3%	0%	3%
Agency	16,706,841	2%	0%	2%
Corporate	40,416,346	5%	0%	5%
Mortgage	68,289,148	9%	0%	9%
ABS	4,454,375	1%	0%	1%
Other Yankee	465,067	0%	0%	0%
Non-Corporate Credit ¹	245,644	0%	0%	0%
Other (Agency DUS)	545,559	0%	0%	0%
Other (CMBS)	8,554,806	1%	0%	1%
Other (Non-US Govt/Agency)	2,504,966	0%	0%	0%
Other Cash	4,055,445	1%	0%	1%
Cash Equivalent (2a-7 like)	606,681,666	78%	78%	0%
Total Fair Value	\$ 775,058,125	100%	78%	22%

¹: Includes securities issued by supranationals, sovereigns, foreign agencies and regional governments

²: Includes TBA contracts for the purchase or sale of an MBS to be delivered at an agreed-upon future date that is recorded as cash.

Credit Quality

Rating	Total Portfolio	In-House Management	External Managers
US Treasury	3%	0%	14%
Agency	7%	0%	31%
Other (Define)	0%	0%	0%
Aaa	5%	0%	24%
Aa	2%	0%	7%
A	4%	0%	18%
Baa	1%	0%	6%

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices: (continued)

Money Manager 1	Year End Value	Year End %	Max During Year	Effective Duration
Treasury	\$ 5,017,053	10%	10%	10.10
Agency	12,193,296	24%	26%	4.10
Corporate	18,509,211	37%	43%	4.10
Mortgage	12,626,350	25%	25%	3.60
Other (Non-US Govt/Agency)	1,803,974	4%	2%	11.50
Other Cash	557,821	1%	6%	0.08
Total Fair Value	\$ 50,707,705			4.79

Money Manager 1 (Landfill)	Year End Value	Year End %	Max During Year	Effective Duration
Treasury	\$ 1,501,812	12%	13%	8.00
Agency	2,352,162	19%	28%	1.70
Corporate	4,724,460	39%	39%	4.50
Mortgage	2,987,228	25%	25%	3.70
Other Yankee	465,067	4%	4%	9.90
Other Cash	88,140	1%	2%	0.08
Total Fair Value	\$ 12,118,869			4.37

Money Manager 2	Year End Value	Year End %	Max During Year	Effective Duration
Treasury	\$ 7,676,785	15%	19%	8.20
Agency	477,478	1%	2%	3.74
Corporate	8,023,389	15%	18%	6.24
Mortgage	21,088,683	40%	46%	3.28
ABS	2,173,122	4%	7%	2.61
Other (Agency DUS)	545,559	1%	1%	2.51
Other (CMBS)	8,554,806	16%	17%	3.73
Other (Non-US Govt/Agency)	700,992	1%	1%	5.81
Other Cash	2,949,261	6%	6%	0.10
Total Fair Value	\$ 52,190,075			4.36

Money Manager 3	Year End Value	Year End %	Max During Year	Effective Duration
Treasury	\$ 7,942,612	15%	18%	6.72
Agency	1,683,905	3%	4%	5.19
Corporate	9,159,286	17%	21%	6.32
Mortgage	31,586,887	59%	59%	3.14
ABS	2,281,253	4%	5%	1.38
Non-Corporate Credit 1	245,644	0%	1%	7.52
Other Cash	460,223	1%	1%	6.61
Total Fair Value	\$ 53,359,811			4.26

¹: Includes securities issued by supranationals, sovereigns, foreign agencies and regional governments

²: Includes TBA contracts for the purchase or sale of an MBS to be delivered at an agreed-upon future date that is recorded as cash.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Investments and Investment Practices: (continued)

Interest rate risk: In accordance with the city's investment policy, the city manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments to less than six years.

Custodial Credit Risk: Investments are subject to custodial credit risk if the securities are uninsured, not registered in the city's name, are held by the party that either sells to or buys for the city. During the year, investments in overnight reverse purchase agreements exposed the city to custodial credit risk. No investments held at year end were subject to custodial credit risk.

D. Securities Lending: As of September 30, 2006, the City of Jacksonville Retirement System participates in securities lending transactions through a contract for a custodial relationship with The Northern Trust Company. Additionally, the city's general government participates in securities lending transactions through a contract for a custodial relationship with Dresdner Kleinwort and Wasserstein. Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Types of securities lent include Global Equities, US Agencies, US Corporate Fixed, US Equities and US Government Fixed. The market value of Jacksonville Retirement System securities on loan against cash collateral and non cash collateral at September 30, 2006 was \$267,381,699, and \$32,898,891, respectively. The total market value of securities on loan was \$300,280,590. The market value of city general government securities on loan against cash collateral at September 30, 2006 was \$16,447,214.

All securities loans can be terminated on demand by either the lender or the borrower, although the average term of the overall loans as of September 30, 2006 was approximately 118 days. Cash open collateral is invested in a short term investment pool, which had an average weighted maturity of 30 days as of this statement date. Cash collateral may also be invested separately in "term loans," in which case the investments match the loan term. These loans can be terminated on demand by either the lender or the borrower.

There were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)
D. Securities Lending: (continued)

responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. For the fiscal year ended September 30, 2006, the plan received net income of \$.5 million from securities lending activities for its pension portfolio.

4. ACCOUNTS AND MORTGAGES RECEIVABLE

The accounts and mortgages receivable balances in the funds listed below, in thousands, are shown net of an allowance for doubtful accounts. No other funds had an allowance for doubtful accounts at September 30, 2006.

Fund	Accounts Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
General Fund	\$ 24,498	\$ (15,439)	\$ 9,059
Non-Major Special Revenue Funds:			
Sports, Convention & Tourism Develop.	69	(68)	1
Budgeted General Government	65	(55)	10
Major Enterprise Fund:			
Solid Waste Disposal	3,240	(52)	3,188
Non-Major Enterprise Funds:			
Sports Complex, Convention Center	695	(80)	615

Fund	Mortgages Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
Non-Major Special Revenue Funds:			
Community Development Block Grant	\$ 3,057	\$ (1,785)	\$ 1,272
Housing and Neighborhoods	11,703	(5,915)	5,788
State Housing Initiative Partnership	4,204	(1,617)	2,587

5. PROPERTY TAXES

A. Ad Valorem Property Taxes:

Property tax collections are governed by Chapter 197, Florida Statutes. The Duval County Tax Collector bills and collects all property taxes levied within the consolidated city/county. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The total millage rate levied by the city was 9.6500 for the fiscal year ended September 30, 2006.

The Florida Constitution, as amended under Article VII, Section 4, limits the increase in

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

5. PROPERTY TAXES (continued)

A. Ad Valorem Property Taxes: (continued)

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

B. Property Tax Calendar:

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

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

6. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended September 30, 2006, was as follows (in thousands):

Primary Government

	Beginning Balance October 1, 2005	Additions	Dispositions/ Reclassifications	Reclassifications	Ending Balance September 30, 2006
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 278,944	\$ 9,762	(\$ 6)	\$ 1,355	\$ 290,055
Art In Public Places	-	419	-	-	419
Construction in progress	117,573	5,186	(85,465)	-	37,294
Construction in progress Internal Service Funds	-	30	-	-	30
Land reported in Internal Service Funds	1,413	-	-	(1,355)	58
Total capital assets not being depreciated	<u>397,930</u>	<u>15,397</u>	<u>(85,471)</u>	<u>-</u>	<u>327,856</u>
Capital assets being depreciated:					
Buildings	798,779	131,043	-	-	929,822
Furniture and equipment and Library books	65,467	14,774	(5,537)	13,309	88,013
Improvements	139,301	19,744	-	1,167	160,212
Infrastructure	1,195,888	138,779	-	-	1,334,667
Intangible Assets Software	-	930	-	2,205	3,135
Capital assets reported in Internal Service Funds, net	79,326	59,922	(46,780)	(11,035)	81,433
Total assets being depreciated	<u>2,278,761</u>	<u>365,192</u>	<u>(52,317)</u>	<u>5,646</u>	<u>2,597,282</u>
Less accumulated depreciation for:					
Buildings	187,433	15,855	-	-	203,288
Furniture and equipment	67,115	4,027	(4,743)	5,622	72,021
Improvements	23,859	4,699	-	-	28,558
Intangible Assets Software	-	-	-	24	24
Infrastructure	162,916	35,129	-	-	198,045
Total accumulated depreciation	<u>441,323</u>	<u>59,710</u>	<u>(4,743)</u>	<u>5,646</u>	<u>501,936</u>
Total capital assets being depreciated, net	<u>1,837,438</u>	<u>305,482</u>	<u>(47,574)</u>	<u>-</u>	<u>2,095,346</u>
Governmental activities capital assets, net	<u>\$ 2,235,368</u>	<u>\$ 320,879</u>	<u>(\$ 133,045)</u>	<u>\$ -</u>	<u>\$ 2,423,202</u>

Primary Government

	Beginning Balance October 1, 2005	Increases	Decreases	Reclassifications	Ending Balance September 30, 2006
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 7,074	\$ -	\$ -	\$ -	\$ 7,074
Total capital assets not being depreciated	<u>7,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,074</u>
Capital assets being depreciated:					
Buildings and improvements	74,483	1,406	(1,281)	-	74,608
Furniture and equipment	8,137	62	(1,235)	-	6,964
Total assets being depreciated	<u>82,620</u>	<u>1,468</u>	<u>(2,516)</u>	<u>-</u>	<u>81,572</u>
Less accumulated depreciation for:					
Buildings and improvements	36,461	3,759	-	-	40,220
Furniture and equipment	5,678	281	(1,233)	-	4,726
Total accumulated depreciation	<u>42,139</u>	<u>4,040</u>	<u>(1,233)</u>	<u>-</u>	<u>44,946</u>
Total capital assets being depreciated, net	<u>40,481</u>	<u>(2,572)</u>	<u>(1,283)</u>	<u>-</u>	<u>36,626</u>
Business-type activities capital assets, net	<u>\$ 47,555</u>	<u>(\$ 2,572)</u>	<u>(\$ 1,283)</u>	<u>\$ -</u>	<u>\$ 43,700</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

6. CAPITAL ASSET ACTIVITY

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

Governmental activities:	
General government	\$ 2,403
Human services	783
Public Safety	2,771
Culture and recreation	17,895
Transportation	77
Economic environment	182
Physical environment	35,599
Total depreciation expense - governmental activities	<u><u>\$ 59,710</u></u>

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

Business-type activities:	
Parking system	\$ 368
Sports Complex, Convention Center and Auditorium	8
Motor vehicle inspections	47
Solid waste	3,309
Ferry	308
Total depreciation expense - business-type activities	<u><u>\$ 4,040</u></u>

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**CITY OF JACKSONVILLE , FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund balances follows (in thousands):

<u>ADVANCES FROM OTHER FUNDS</u>	<u>AMOUNT</u>	<u>ADVANCES TO OTHER FUNDS</u>	<u>PURPOSE</u>
NON-MAJOR FUNDS:			
Capital Projects			
General Projects	\$ 10,408	Self Insurance	Interfund Loan for Redevelopment Agreement
TOTAL	<u>\$ 10,408</u>		

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

<u>TRANSFERS IN</u>	<u>AMOUNT</u>	<u>TRANSFERS OUT</u>
MAJOR FUNDS:		
General Fund		
General Fund	\$ 5	Expendable Trust Fund
General Fund	250	Tax Increment
General Fund	268	Purchasing
General Fund	2,286	Office of General Council
General Fund	233	General Government-Non Budgeted
General Fund	100	Concurrency Management
General Fund	71	Air Pollution Control and Monitoring
General Fund	201	General Government - Budgeted
General Fund	809	General Capital Projects
General Fund	2,528	Fleet Management
General Fund	135	Community Development Block Grant
Total	<u>6,886</u>	
Debt Service		
Special Bonded Debt - B J P	41,560	Better Jacksonville Plan Trust Fund
Total	<u>41,560</u>	
Capital Projects		
Better Jax Construction Project Trust Fund	32,226	Better Jacksonville Plan Trust Fund
Total	<u>32,226</u>	
Enterprise Funds		
Solid Waste Disposal Fund	27,521	General Fund
Solid Waste Disposal Fund	40	General Capital Projects
	<u>27,561</u>	

**CITY OF JACKSONVILLE , FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

NON-MAJOR FUNDS:

Special Revenue

Air Pollution Control and Monitoring	400	General Fund
General Government - Budgeted	1,528	General Fund
Tax Increment Districts	600	General Fund
Jacksonville Children's Commission	21,590	General Fund
Community Development Block Grant	75	Tax Increment Districts
Maintenance, Parks and Recreation	1,236	General Fund
Other Federal, State & Local Grant Funds	4,630	General Fund
Other Federal, State & Local Grant Funds	129	Jacksonville Children's Commission
Expendable Trust	156	General Fund
Jacksonville Housing Commission	40	General Fund
Jacksonville Housing Commission	3,313	Community Development Block Grant
Total	<u>33,697</u>	

Debt Service

Special Bonded Debt Obligations	72,844	General Fund
Special Bonded Debt Obligations	14,747	Sports, Convention and Tourism
Special Bonded Debt Obligations	1,793	Tax Increment Districts
Special Bonded Debt Obligations	2,013	Public Parking System
Other Non-Bonded Debt Obligations	41	General Fund
Other Non-Bonded Debt Obligations	1,010	Tax Increment Districts
Total	<u>92,448</u>	

Capital Projects

General Capital Projects	1,739	Tax Increment
General Capital Projects	81	Maintenance, Parks and Recreation
General Capital Projects	2,671	General Fund
General Capital Projects	1,951	Sports, Convention & Tourism Dev
Grant Capital Improvement Projects	1,011	General Fund
Total	<u>7,453</u>	

**CITY OF JACKSONVILLE , FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Enterprise Funds

Public Parking System	1,532	General Fund
Sports Complex, Conv Cntr & Aud	7,524	General Fund
Sports Complex, Conv Cntr & Aud	577	Sports, Convention & Tourism Dev
Sports Complex, Conv Cntr & Aud	120	Maintenance, Parks and Recreation
Mayport Ferry	969	General Fund
Total	<u>10,722</u>	

Internal Service Funds

Fleet Management	\$ 2,249	General Fund
Fleet Management	117	Other Federal, State and Local Grants
Purchasing	92	Information Technology
Information Technology	32	General Fund
Information Technology	93	Jacksonville Children's Commission
Insured Programs	144	Self Insurance
Self Insurance	1,072	General Fund
Total	<u>3,799</u>	

Fiduciary Funds

Private Purpose Trust	\$ 13	General Government-Non Budgeted
Total	<u>13</u>	

TOTAL \$ 256,365

In the fund financial statements, total transfers out are greater than total transfers in by \$58. This is due to the treatment of transfers of capital assets from Public Parking and Solid Waste to the general government in the amount of \$18 and \$40, respectively. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

During fiscal year 1999, the self-insurance fund advanced \$14,000,000 to the capital projects fund for the purpose of fulfilling city obligations under a redevelopment agreement for a new 900-room hotel with substantial convention and business spaces. The total capital investment for the project is \$126.0 million. The City Council passed an ordinance to treat the funding from the self insurance fund as a loan which will be repaid from general fund revenues commencing on May 1, 2000 in equal annual installments over 20 years, plus simple interest of 4.4%. The balance of this advance was \$10,408,006 at September 30, 2006.

In fiscal year 2003, the city passed an ordinance to enter into a redevelopment agreement with Vestcor Companies and its subsidiaries for the redevelopment of the Lynch Building and the Roosevelt Hotel into apartment buildings as city historic landmarks. In fiscal year 2003, the city used internal self-insurance funds, in an amount of \$17,818,000, to provide permanent financing for the project. The self-insurance fund will be repaid on an annual basis with funds from the Northbank Downtown Tax Increment District. The terms of the repayment will be a 30-year amortization, with a 20-year term at a fixed interest rate of six percent (6%) per year. Annual payments are \$1,294,313 which includes both principal and interest with a balloon payment of \$8,290,400 at the end of the 20-year period. The balance of the loan at September 30, 2006 was \$15,489,917.

Vestcor will repay the city an amount of \$17,816,000 to the Downtown Economic Development fund as created by ordinance 2000-1079-E. The terms of the repayment will be a 40-year amortization, with a 20-year term at a fixed interest rate of 1.525% per year. Annual payments are \$595,248 which includes both principal and interest with a balloon payment of \$10,291,719. The balance of the loan at September 30, 2006 was \$16,766,594.

During fiscal year 2006, the city had financial transactions with its discretely presented component units classified as follows for the financial reporting purposes:

JEA: Enhanced Joint Agency Financing Program – On November 5, 1996, JEA and the city executed a Financial Agreement in relation to the use of an “enhanced joint agency financing program” (the “EJ Program”) in conjunction with the issuance of \$57,150,000 Excise Tax Revenue Bonds, Series 1996B for the benefit of various marine facilities for the Jacksonville Port Authority (JPA). The city and JEA have agreed that annual contributions from JEA to the city under Article 21 of the City Charter and Section 106.202 (c) of the City Ordinance Code will be supplemented to offset any shortfall in certain cash flows in the city revenues dedicated for the benefit of the JPA (See discussion below concerning the allocation of three sources of revenue by the city to the JPA). As of September 30, 2006, revenues dedicated for the support of debt service requirements of the 1993 Bonds and the 1996B Bonds have been sufficient so as to avoid the need to call upon supplemental contributions from JEA in support of the EJ Program.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

JEA: (continued)

Payment in Lieu of Taxes - On October 1, 1968, the city turned its electrical department over to the newly created Jacksonville Electric Authority (JEA). Additionally, on June 1, 1997, the JEA assumed the operation and all related assets and liabilities of the water and sewer system from the city. The JEA is required by the City Charter to contribute annually to the general fund of the city an amount not to exceed 5.513 mills per kilowatt per hour sold and at a rate of 2.149 mills per cubic feet of water sold. For the fiscal year ending September 30, 2006 these contributions totaled \$71,030,760 and \$17,656,788, respectively. Such contributions to the city's general fund are for the use of the public right-of-way in connection with its electric distribution system and its water sewer distribution and collection system and are based on calculations contained within section 21.07 of the City Charter.

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

- On August 11, 1989, Jacksonville citizens voted for the removal of all tolls from county/city bridges and certain roads and replaced the revenue with a local option one-half cent sales tax that provides a permanent funding source for the construction and maintenance of the city's roads and bridges; the operation and maintenance of the bus system and the refinancing of existing bonds issued for the construction of such bridges and roads. All collections from the one-half cent sales tax are statutorily required to be remitted to the JTA.

Accordingly, the city remitted all collections from the one-half cent sales tax to the JTA in the amount of \$76.1 million in fiscal year 2006. 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 \$76.1 million transfer from the city as sales tax revenue.

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Jacksonville Port Authority (JPA) (continued)

Interlocal Agreement, the city agreed to issue the 1993 Bonds and the 1996B Bonds to finance the port and marine facilities capital improvement project, and the JPA, in consideration therefore, agreed to reimburse the city for debt service payments on the 1993 Bonds and the 1996B Bonds from certain revenues allocated to the JPA. Any insufficiency in the extent of such revenues allocated to the JPA under the Amended and Restated Interlocal Agreement or any changes in the Amended and Restated Interlocal Agreement does not affect in any manner any obligation of the city pursuant to the terms of the 1993 Bonds or the 1996B Bonds. The Amended and Restated Interlocal Agreement is not for the benefit of the holders of the 1993 Bonds or the 1996B Bonds and the JPA has no obligation under that Amended and Restated Interlocal Agreement to any third party bondholder. The revenues allocated to the JPA and supplemental contributions to the city from the JEA in conjunction with the EJ Program are not pledged as security for the 1993 Bonds and the 1996B Bonds. The Amended and Restated Interlocal Agreement provides for the allocation of three sources of revenue (collectively referred to as the "pledged revenues") by the city to the JPA. The first source of revenue relates to the allocation of half of the increased revenues in the Telecommunications tax, which is 85% of the Communication Services Tax ("Authority Allocation No. 1"). The second source of revenue relates to the amount calculated by multiplying one quarter (.25) mills by the gross kilowatt hours (as defined in Article 21 of the City Charter) sold by JEA during the twelve month period ending May 31 of the prior fiscal year (the "Authority Allocation No. 2"). The third source of revenue relates to the \$800,000 annual contribution remitted to the 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 1993 Bonds and the 1996B Bonds for such fiscal year prior to being paid to the JPA. To the extent that the debt service on the 1993 Bonds and the 1996B Bonds in any fiscal year exceeds the allocation of revenues to the JPA, then the amount of such deficiency shall be paid by JEA to the city. The 1996B bonds were refunded by Excise Taxes Refunding Bonds, Series 2001A.

The 1993 Bonds were refunded by the Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003C. For the fiscal year ended September 30, 2006, the allocation of revenues from the city to the JPA exceeded the debt service requirements of the 1993 Bonds, 1996B Bonds, 2001A Bonds and the 2003C Bonds by the amount of \$3.6 million. In FY 05/06, \$2.83 million was distributed to the JPA. \$3.5 million will remain in reserves to be applied to any future debt service shortfalls of the 1993 Bonds, 1996B Bonds, 2001A Bonds and the 2003B Bonds and the remaining amount will be expended on capital projects. At September 30, 2006, the cumulative balance after the distribution to JPA is \$5.6 million.

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

8. LONG-TERM OBLIGATIONS

A. Long-term Obligations at September 30, 2006, are comprised of the following (in thousands):

SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:	<u>INTEREST RATES</u>	<u>PRINCIPAL</u>
Excise Taxes Revenue Bonds, Series 1993 payable in semi-annual installments to 2016	5.00 - 6.30%	\$ 7,545
Excise Taxes Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.875 - 5.125%	7,580
Sales Tax Revenue Bonds, Series 1996 payable in semi-annual installments to 2019	4.35 - 5.50%	3,700
Excise Taxes Revenue Bonds, Series 1996C payable in semi-annual installments to 2007	4.35 - 4.85%	515
Capital Improvement Revenue Bonds, Series 1997 payable in semi-annual installments to 2026	4.20 - 5.25%	6,905
Capital Project Revenue Bonds, Series 1997-1 payable in monthly installments to 2018	Variable Rate Assumed at 7.81%	22,610
Capital Project Revenue Bonds, Series 1997-2 payable in monthly installments to 2023	Variable Rate Assumed at 8.89%	40,100
Capital Improvement and Revenue Refunding Bonds, Series 1998 payable in semi-annual installments to 2026	3.90 - 5.00%	35,520
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A payable in semi-annual installments to 2020	3.30 - 5.00%	34,285
Local Government Sales Tax Refunding Revenue Bonds, Series 2001 payable in semi-annual installments to 2019	3.00 - 5.00%	102,990
Excise Taxes Refunding Bonds, Series 2001A payable in semi-annual installments to 2010	5.00%	28,585

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2006: (continued)

SPECIAL OBLIGATIONS BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES OTHER THAN AD VALOREM TAXES:	(continued)	<u>INTEREST RATES</u>	<u>PRINCIPAL</u>
Excise Taxes Revenue Bonds, Series 2001B payable in semi-annual installments to 2033		4.000% - 5.125%	\$ 45,885
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A payable in semi-annual installments to 2014		4.250% - 5.500%	42,155
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002 payable in semi-annual installments to 2033		3.000% - 5.375%	109,085
Capital Improvement Revenue Bonds, Series 2002A payable in semi-annual installments to 2031		2.375% - 5.000%	54,135
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B payable in semi-annual installments to 2020		2.000% - 5.250%	40,830
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C payable in semi-annual installments to 2026		2.375% - 5.250%	26,920
Excise Taxes Revenue Bonds, Series 2002B payable in semi-annual installments to 2027		2.500% - 5.375%	64,030
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002 payable in semi-annual installments to 2019		3.000% - 5.375%	55,550
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B payable in semi-annual installments to 2012		3.000% - 5.000%	12,150

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2006: (continued)

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

(continued)	<u>INTEREST RATES</u>	<u>PRINCIPAL</u>
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT) payable in semi-annual installments to 2021	2.000% - 5.250%	\$ 33,850
Capital Project Revenue Bonds, Series 1997-3 payable in monthly installments to 2026	Variable Rate Maximum Assumed at 7.90%	24,000
Excise Taxes Revenue Bonds, Series 2003A payable in semi-annual installments to 2024	3.000% - 4.500%	18,745
Capital Project Revenue Bonds, Series 2002-1 payable in monthly installments to 2035	Variable Rate Maximum Assumed at 7.588%	54,000
Excise Taxes Revenue Bonds, Series 2005A payable in semi-annual installments to 2033	3.50%-5.00%	44,820
Excise Taxes Revenue Refunding Bonds, Series 2006A payable in monthly installments to 2033	3.375%-5.00%	36,540
Excise Taxes Revenue Refunding Bonds (AMT), Series 2006B payable in semi-annual installments to 2016		9,255
Excise Taxes Revenue Bonds, Taxable Series 2006C payable in monthly installments to 2020		23,555
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes		<u>\$ 985,840</u>
Add: Deferred amounts on Special Obligation Bonds		<u>5,881</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes, plus deferred amounts		<u>\$ 991,721</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2006: (continued)

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

Transportation Revenue Bonds, Series 2001 payable in semi-annual installments to 2032	3.00 - 5.25%	\$ 172,180
Better Jacksonville Sales Tax Revenue Bonds, Series 2001 payable in semi-annual installments to 2031	3.00 - 5.50%	202,115
Better Jacksonville Sales Tax Revenue Bonds, Series 2003 payable in semi-annual installments to 2031	2.00 - 5.25%	199,730
Transportation Revenue Bonds, Series 2003 interest is reset and payable every 35 days to 2021	Auction Rate Securities Assumed at 4.01%	43,515
Transportation Revenue Bonds, Series 2003A interest is reset and payable every 35 days to 2033	Auction Rate Securities Assumed at 4.81%	76,825
Transportation Revenue Bonds, Series 2003B interest is reset and payable every 35 days to 2033	Auction Rate Securities Assumed at 4.81%	76,800
Better Jacksonville Sales Tax Revenue Bonds, Series 2004 payable in semi-annual installments to 2031	2.00 - 5.00%	213,570
Transportation Revenue Bonds, Series 2004 interest is reset and payable every 35 days to 2027	Auction Rate Securities Assumed at 3.455%	<u>\$ 79,475</u>
Total Special Obligation Bonds Payable From Specific Revenue Sources Other Than Ad Valorem Taxes - Better Jacksonville Plan		<u>\$ 1,064,210</u>
TOTAL SPECIAL OBLIGATIONS BONDS		<u>\$ 2,055,931</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2006: (continued)

BONDS PAYABLE FROM ENTERPRISE FUNDS:

Excise Taxes Revenue Refunding Bonds, Series 1995A payable in semi-annual installments to 2010	4.25 - 5.125%	\$ 10,335
Excise Taxes Revenue Refunding Bonds, Series 1996A payable in semi-annual installments to 2017	4.00 - 5.50%	15,065
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B payable in semi-annual installments to 2017	4.20 - 5.75%	30,665
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B payable in semi-annual installments to 2012	3.00 - 5.00%	<u>7,400</u>
TOTAL BONDS PAYABLE FROM ENTERPRISE FUNDS		<u>\$ 63,465</u>

TOTAL BONDS PAYABLE		<u>\$ 2,119,396</u>
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NOTES PAYABLE FROM GENERAL REVENUE:

U.S. Government Guaranteed Note Payable, Series 1995 (Coach) payable in semi-annual installments to 2014	3.09 - 5.19 (Taxable)	\$ 3,100
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty) payable in semi-annual installments to 2012	6.46-6.88% (Taxable)	470
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton Hotel) payable in semi-annual installments to 2015	6.46-7.03% (Taxable)	2,165
U.S. Government Guaranteed Note Payable, Series 1997 (Lavilla) payable in semi-annual installments to 2016	6.46-7.08% (Taxable)	930
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates) payable in semi-annual installments to 2010	6.46-6.78% (Taxable)	285
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings) payable in semi-annual installments to 2016	6.46-7.08% (Taxable)	615
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns) payable in semi-annual installments to 2015	6.46-7.03% (Taxable)	<u>430</u>
TOTAL NOTES PAYABLE FROM GENERAL REVENUE		<u>\$ 7,995</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)
A. Long-term Obligations at September 30, 2006: (continued)

NOTES PAYABLE FROM BJP REVENUE:

State of Florida Infrastructure Bank payable in semi-annual installments to 2024	2.00%	\$ 15,920
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NOTES PAYABLE FROM INTERNAL SERVICE OPERATIONS:

Commercial Paper Notes with interest rates ranging from 2.45% to 2.70%, maturing no later than 270 days after date of issuance, and in no event later than December 31, 2034; renewable annually, at the city's option, per credit agreement dated November 4, 2004.	72,205
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TOTAL BONDED INDEBTEDNESS	<u>\$ 2,215,516</u>
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CAPITALIZED LEASE OBLIGATIONS:

General Fund:

Installment lease purchase of office equipment with lease maturity 2008 with effective interest rates ranging from 4.00 to 5.00%

Internal Service Fund:

Installment lease purchase of office and communications equipment with lease maturity dates through 2010 with effective interest rates ranging from 4.13 to 6.40%

Total Capitalized Lease Obligations	<u>\$ 144</u>
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ACCRUED COMPENSATED ABSENCES:

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

Governmental and Internal Service Funds	\$ 55,774
Business-type Funds	705
(Fiduciary - Pension Funds have compensated absences of \$ 57 which are not presented on the City-wide Statements)	

Total Accrued Compensated Absences	<u>\$ 56,479</u>
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OTHER LONG-TERM DEBT:

Estimated Liability for Self-Insured Losses	\$ 64,776
Liability for Landfill Closure and Postclosure Care	43,050

Total Other Long-Term Debt	<u>\$ 107,826</u>
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TOTAL LONG-TERM OBLIGATIONS	<u>\$ 2,379,965</u>
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Less Unamortized Discount/Premium and Deferred Loss on Advance Refunding	<u>(2,042)</u>
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Total, less Unamortized Discount/Premium and Deferred Loss on Advance Refunding	<u>\$ 2,377,923</u>
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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)

B. Debt Service Requirement to Maturity:

Debt service requirement to maturity on the city's Long-Term Obligations at September 30, 2006, are as follows (in thousands):

Fiscal Year Ending September 30	General Long-Term Bonds				Bonds Payable From Enterprise Funds		Other Long-Term Obligations		Total Long-Term Obligations And Interest
	Special Obligation		Special Obligation BJP		Principal	Interest	Principal	Interest	
	Principal	Interest	Principal	Interest					
2007	\$ 43,070	\$ 50,351	\$ 16,225	\$ 48,211	\$ 5,905	\$ 3,089	\$ 17,205		\$ 184,056
2008	43,855	48,421	18,600	47,623	7,410	2,779	17,344		186,032
2009	46,950	46,422	21,615	46,941	7,680	2,429	17,493		189,530
2010	45,630	44,705	19,470	46,243	7,990	2,047	17,642		183,727
2011	36,036	44,618	20,150	45,580	5,120	1,715	17,692		170,911
2012 - 2016	203,323	199,747	132,510	213,049	24,055	4,663	8,744		786,091
2017- 2021	211,905	126,710	176,685	179,314	5,305	144			700,063
2022 - 2026	151,045	78,149	242,060	132,267					603,521
2027 - 2031	149,395	38,910	361,805	63,236					613,346
2032 - 2035	54,631	6,405	55,090	2,350					118,476
Total Principal and Interest	985,840	684,438	1,064,210	824,814	63,465	16,866	96,120	-	3,735,753
Less: Interest to be paid	-	(684,438)	-	(824,814)	-	(16,866)	-	-	(1,526,118)
Total Principal	985,840	-	1,064,210	-	63,465	-	96,120	-	2,209,635
Deferred amounts	5,881	-	-	-	-	-	-	-	5,881
Unamortized Discount/Premium and Deferred Loss on Advance Refunding (1)	-	-	-	-	(2,042)	-	-	-	(2,042)
Totals	\$ 991,721	\$ -	\$ 1,064,210	\$ -	\$ 61,423	\$ -	\$ 96,120	\$ -	\$ 2,213,474
Long-Term Obligations Not Included Above:									
Accrued Compensated Absences									56,479
Capitalized Lease Obligations									144
Estimated Liability for Self-Insured Losses									64,776
Liability for Landfill Closure and Postclosure Care									43,050
TOTAL LONG-TERM OBLIGATIONS									\$ 2,377,923

(1) Public Parking System \$ 833 and Solid Waste Disposal \$1,209

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)

C. Changes in Long-Term Liabilities:

Changes in long-term liabilities for the fiscal year ended September 30, 2006, are summarized as follows (in thousands):

	Balance October 1, 2005	Additions	Reductions	Balance September 30, 2006	Due within one year
Governmental activities:					
General long-term obligations:					
Special Obligation Bonds	\$ 955,206	\$ 114,170	\$ 83,536	\$ 985,840	\$ 43,070
Special Obligation -BJP	1,081,805	-	17,595	1,064,210	16,225
Notes Payable- BJP	18,319	-	2,399	15,920	2,129
Notes Payable	8,520	-	525	7,995	635
Notes Payable - Banking Fund	58,565	25,035	11,395	72,205	14,441
Deferred amounts:					
Loss on Advance Refunding	(5,540)	471	456	(5,555)	-
Issuance premiums	14,560	1,693	1,189	15,064	-
Issuance discounts	(3,783)	-	155	(3,628)	-
Total bonds and notes payable	<u>2,127,652</u>	<u>141,369</u>	<u>117,250</u>	<u>2,152,051</u>	<u>76,500</u>
Accrued Compensated Absences	54,509	31,865	30,600	55,774	16,732
Capitalized Lease Obligations	991	-	847	144	81
Estimated Liability for Self-Insured Losses	<u>58,595</u>	<u>20,826</u>	<u>14,645</u>	<u>64,776</u>	<u>14,778</u>
Governmental activity long-term obligations	<u>2,241,747</u>	<u>194,060</u>	<u>163,342</u>	<u>2,272,745</u>	<u>108,091</u>
Business-type activities:					
Revenue Bonds	67,990	-	4,525	63,465	5,905
Less: Unamortized Discount/Premium and, Deferred Loss on Advance Refunding	<u>(2,343)</u>	<u>-</u>	<u>(301)</u>	<u>(2,042)</u>	<u>-</u>
Total Revenue Bonds, less Unamortized Discount/Premium and, Deferred	65,647	-	4,224	61,423	-
Loss on Advance Refunding	65,647	-	4,224	61,423	-
Accrued Compensated Absences	767	118	180	705	212
Liability for Landfill Closure and Postclosure Care	44,003	-	953	43,050	-
Pollution Settlement & Remediation	<u>87,995</u>	<u>24,251</u>	<u>1,620</u>	<u>110,626</u>	<u>-</u>
Business-type activity long-term liabilities	<u>198,412</u>	<u>24,369</u>	<u>6,977</u>	<u>215,804</u>	<u>6,116</u>
TOTAL LONG-TERM LIABILITIES	<u>\$ 2,440,159</u>	<u>\$ 218,429</u>	<u>\$ 170,319</u>	<u>\$ 2,488,549</u>	<u>\$ 114,207</u>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities of \$ 3,126 for compensated absences payable and \$63 for capital leases are included above in the totals for governmental activities. Compensated absences for governmental activities are generally liquidated by the general fund. Accrued compensated absences includes \$52.6 million General Government and \$3.1 million Internal Services funds.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)

D. New Indebtedness and Refundings Issued by the City:

On November 10, 2005, the City closed on the sale of \$44,820,000 Excise Taxes Revenue Bonds, Series 2005A with a true interest cost of 4.747%. The 2005A bonds carry coupon rates ranging from 3.5% to 5% with maturity dates ranging from October 1, 2009 through October 1, 2032. The proceeds of the 2005A Bonds will be used to fund capital improvements within the City and to fund the RAMCO Jacksonville, LLC Airport Center Drive road and utility improvements. The issuance provided net proceeds of \$44,707,933.14 (after payment of \$734,261.46 for underwriter's discounts, insurance, and costs of issuance) to fund construction and capitalized interest.

On December 16, 2005 the City closed on the sale of \$25,035,000 Commercial Paper Notes, Series A, with a true interest cost of 4.009%. The Notes carry an initial coupon rate of 3.12% with initial rollover dates ranging from February 16 to March 8, 2006. The issuance provided net proceeds of \$25,000,000 after paying issuance costs of \$35,000.

On January 26, 2006, the City closed on the sale of \$36,540,000 Excise Taxes Revenue Refunding Bonds, Series 2006A with a true interest cost of 4.559%. The 2006A bonds carry coupon rates ranging from 3.75% to 5% with maturity dates ranging from October 1, 2011 through October 1, 2032. The proceeds of the 2006A Bonds will be used to fund capital improvements, the acquisition of the Ed Ball Building and to refund the city's outstanding Sunshine State Governmental Financing Commission, Tax-Exempt Revenue Bonds, Series 1995A. The issuance provided net proceeds of \$37,234,542.31 (which includes a net premium of \$1,147,999.45 less the payment of \$453,457.14 for underwriter's discounts, insurance, and costs of issuance) to fund improvements, acquisitions and the escrow deposit. As a result of the refunding, an economic gain was realized (difference between the present values of the old and new debt service payments) of \$362,141.69 or 5.03% as a percentage of bonds refunded.

On January 26, 2006, the city closed on the sale of \$9,255,000 Excise Taxes Revenue Refunding Bonds, Series 2006B with a true interest cost of 4.169%. The 2006B bonds carry coupon rates ranging from 3.625% to 4% with maturity dates ranging from October 1, 2011 through October 1, 2015. The proceeds of the 2006B Bonds will be used to refund the city's outstanding Sunshine State Governmental Financing Commission, Tax-Exempt Revenue Bonds (AMT), Series 1995B. The issuance provided net proceeds of \$9,047,657.19 (after payment of \$207,343.41 for original issue discount, underwriter's discounts, insurance, and costs of issuance) to the escrow deposit. The refund provided a realized economic gain of \$782,858.94 or 8.75% as a percentage of bonds refunded.

On January 26, 2006, the city closed on the sale of \$23,555,000 Excise Taxes Revenue Bonds (Taxable), Series 2006C with a true interest cost of 5.228%. The 2006C bonds carry coupon rates ranging from 4.88% to 5.22% with maturity dates ranging from October 1, 2011 through October 1, 2019. The 2006C Bonds proceeds will be used to fund taxable capital improvements, including the Carling Hotel Project. The issuance

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)

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

provided net proceeds of \$23,263,335 (after payment of \$291,664 for underwriter's discounts, insurance, and costs of issuance) to fund the taxable improvements.

E. Lease Obligations: At September 30, 2006, the city has one capital lease agreement in place. The lease meets the criteria of a capital lease as defined by FASB Statement No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The lease agreements contain options that allow the city to cancel the leases if sufficient funds are not appropriated. Since cancellation of the leases is not foreseen, the leases have been capitalized. Further, upon satisfaction of the lease obligations, asset title will pass to the city.

The city has Motorola radios which were acquired through capital leases (recorded in the Information Technologies Internal Service Fund). Depreciation of the items acquired through these capital leases was \$167 thousand in fiscal year 2006 and was included in depreciation expense of capital assets.

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

	Internal Service Fund - Information Technologies
Asset:	
Furniture and Equipment	\$ 310
Less: Accumulated Depreciation	(166)
Total	\$ 144

The future minimum lease obligations as of September 30, 2006, were as follows (in thousands):

Fiscal Year Ending September 30,	Information Technologies Internal Service Fund
2007	86
2008	64
Total minimum lease payments	150
Less: Amount representing interest	(6)
Present value - minimum lease payments	\$144
Classified as:	
Current	\$ 81
Non-current	63
Total	\$144

The city does not have any material operating leases.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)

F. Conduit Debt:

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

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

Effective January 1, 1983, the city pursuant to Chapter 159, Florida Statutes, assumed responsibility for approving applications for IDB's and PAB's. As of September 30, 2006, the city had authorized \$1,959,628,120 in IDB's and PAB's, of which \$1,575,011,902 have been issued. From time to time, certain issues of such conduit debt may be in default or under investigation as to tax-exempt status of interest on such debt, however, this has no effect on the city's financial position.

As of September 30, 2006, the city has authorized a total of \$681,446,000 Jacksonville Housing Finance Authority (JHoFA), formerly Duval County Housing Finance Authority (DCHFA), Single Family and Multi-Family Bonds of which \$508,431,142 have been issued. The amount of Single Family Housing Revenue Bonds authorized and issued are \$492,000,000 and \$329,876,142, respectively, with a total amount outstanding of \$86,415,222. The amount of Multi-Family Housing Bonds authorized and issued is \$189,446,000 and \$178,555,000, respectively, with a total amount outstanding of \$163,840,000. There were \$12,000,000 Single Family Housing Revenue Bonds authorized but unissued during the fiscal year ended 2006. The amount of Multi-Family Housing Bonds both authorized and issued during the fiscal year ended 2006 is \$25,075,000. Refundings of previous issues make up \$81,830,000 of the total amount authorized, \$81,585,000 of the total amount issued, and \$49,690,222 of the total amount outstanding.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)

F. Conduit Debt: (continued)

As of September 30, 2006, the city has authorized \$681,765,000 of Jacksonville Health Facilities Authority (JHFA) Bonds, of which \$605,446,184 have been issued. In 2005, the Jacksonville Health Facilities Authority issued \$50,000,000 of revenue bonds for a Baptist Medical Center project. Of the total amount of JHFA Bonds, refundings of previous issues make up \$403,365,834 of the authorizations and \$328,074,166 of the issuances.

G. Interest Rate Swaps with Better Jacksonville Plan:

Terms - Effective July 1, 2003, the City of Jacksonville entered into a 17 year floating receiver swap with Wachovia Bank rated A+. The notional amount of the swap as of September 30, 2006 was \$44,990,000 and has a termination date of October 1, 2020. There were no payments at the initiation of the swap. The city receives a floating rate of the BMA Index and pays a fixed rate of 4.01%. The city receives payments monthly and makes payments semi-annually. The swap is related to the \$47,775,000 Transportation Revenue Bonds, Series 2003 (Auction Rate Securities). The swap was structured as an integrated hedge with the same amortization as the bonds, which resulted in synthetic fixed rate debt. For purposes of credit, the swap is secured by the city's transportation sales tax and constitutional gas tax with a lien on parity to the bonds. The counterparty does not have the right to terminate this transaction unless a termination event occurs. The threshold for posting collateral is when the market value of the swap exceeds \$20 million; above \$20 million the counterparty shall post \$1 million of collateral. Collateral is in the form of cash. A lower credit rating will also increase the amount of collateral required. The city retains the right to terminate this swap agreement at the market value prior to maturity.

Fair Value - As of September 30, 2006, the underlying swaps had a fair value of \$(1,465,273). This fair value was obtained by the counter-parties' mark to market reports submitted to the city.

On September 30, 2004, the City of Jacksonville entered into a 23-year floating-to-fixed interest rate swap with Wachovia Bank rated Aa2/A+. The notional amount of the swap as of September 30, 2006 was \$79,875,000 and has a termination date of October 1, 2027. There were no payments at the initiation of the swap. The city pays Wachovia a fixed rate of 3.455% and receives floating based on 67% of 1-month LIBOR, which could result in a basis risk if there are changes in the tax laws. The swap is related to the \$80,275,000 Transportation Revenue Bonds, Series 2004A (Auction Rate Securities). The swap was structured as an integrated hedge with the same amortization as the bonds, which resulted in synthetic fixed rate debt. For purposes of credit, the swap is secured by the city's transportation sales tax and constitutional gas tax with a lien on parity to the bonds. The counterparty does not have the right to terminate this transaction unless a termination event occurs. The threshold for posting collateral is when the market value

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)

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

of the swap exceeds \$20 million; above \$20 million the counterparty shall post \$1 million of collateral. Collateral is in the form of cash. A lower credit rating will also increase the amount of collateral required. The city retains the right to terminate this swap agreement at the market value prior to maturity.

Fair Value - As of September 30, 2006, the underlying swaps had a fair value of \$(760,034). This fair value was obtained by the counter-parties' mark to market reports submitted to the city.

Credit Risk- As of September 30, 2006, the city was not exposed to credit risk (the risk of economic loss due to a counterparty default on the swap agreements) because each had a negative fair value. However, should interest rates change and the fair values of the swaps become positive, the city would then be exposed to credit risk in the amount of the swap's fair value.

Basis Risk- As of September 30, 2006, the swaps expose the city to basis risk. The agreement dated July 1, 2003 calls for the city to pay a fixed rate and receive a variable payment based on the BMA index. The city will pay or receive the difference between the fixed rate and the BMA index. If the fixed rate is greater than the rates on the BMA index the city will be liable for the difference. The agreement dated September 30, 2004 calls for the city to pay a fixed rate and receive a variable payment based on the one month LIBOR. The city will pay or receive the difference between the fixed rate and variable rate. If the fixed rate is greater than the rates on the LIBOR index the city will be liable for the difference.

Termination Risk- The city or the counterparty may terminate the swap if the other party fails to perform under the terms of the respective contracts. If at the time of the termination the swap has a negative value, as each does at September 30, 2006, the city would be liable to the counterparty for a payment equal to the swaps' fair value.

Swap payments and associated debt – See maturity schedule for Better Jacksonville Transportation Series 2003 and 2004A.

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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

8. LONG-TERM OBLIGATIONS (continued)

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

Swap Payments and Associated Debt

Using rates as of September 30, 2006, debt service requirements of the variable-rate bonds and the swap payments, assuming current interest rates remain the same for their term, were as follows.

Fiscal Year Ending Sept. 30	Variable-Rate Bonds			Net Swap Payments/ (Receipts)	Total
	Principal	Interest	Total		
2007	\$ 1,940	\$ 4,269	\$ 6,209	\$ 76	\$ 6,285
2008	4,385	4,200	8,585	61	8,646
2009	4,495	4,047	8,542	66	8,608
2010	4,695	3,891	8,586	63	8,649
2011	4,860	3,728	8,588	59	8,647
2012-2015	31,110	15,894	47,004	217	47,221
2017-2021	41,480	9,135	50,615	(105)	50,510
2022-2026	24,525	3,500	28,025	(173)	27,852
2027-2027	5,500	187	5,687	(9)	5,678
	<u>\$ 122,990</u>	<u>\$ 48,851</u>	<u>\$ 171,841</u>	<u>\$ 255</u>	<u>\$ 172,096</u>

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

The Auction Rate Securities (ARS) 35-day rate as of September 30, 2006 was 3.60%

The BMA rate for swap payments received as of September 30, 2006 was 3.534%

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

The Auction Rate Securities (ARS) 7-day rate as of September 30, 2006 was 3.40%

The 67% of LIBOR rate for payments received as of September 30, 2006 was 3.571%

H. Interest Expense:

Total interest expense for the fiscal year ended September 30, 2006 was \$92.3 million for governmental activities and \$3.2 million for business-type activities.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

I. JEA - Long-Term Debt:

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

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

Long-term debt activity for the year ended September 30, 2006 was as follows (in thousands):

	Bonds Payable September 30, 2005	Par Amount of Bonds Issued	Par Amount of Bonds Refunded or Defeased	Principal Payments	Accretion of SJRPP Issue 2 Series 7 Capital Appreciation Bonds	Bonds Payable September 30, 2006	Current Portion September 30, 2006
Electric System	\$ 2,360,991	\$ 119,000	\$ -	\$ (19,813)	\$ -	\$ 2,460,178	\$ 22,440
SJRPP System	1,306,109	321,680	(325,115)	(79,440)	2,105	1,225,339	83,560
Water and Sewer System	1,790,145	50,000	-	(9,120)	-	1,831,025	13,820
District Energy System	47,800	7,000	(3,000)	-	-	51,800	-
Total	\$ 5,505,045	\$ 497,680	\$ (328,115)	\$ (108,373)	\$ 2,105	\$ 5,568,342	\$ 119,820

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

8. LONG-TERM OBLIGATIONS (continued)

J. JAA - Long-Term Indebtedness:

A summary of noncurrent liability activity for the year ended September 30, 2006 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Revenue bonds	\$ 39,225	-	\$ 790	\$ 38,435	\$ 1,625
Revenue refunding bonds	112,615	-	4,355	108,260	5,285
Revenue notes	6,396	-	276	6,120	293
Notes payable	600	-	600	-	-
Line of credit	50	-	-	50	50
Total	158,886	-	6,021	152,865	\$ 7,253
Unamortized deferred loss on bond refunding	(7,738)	(129)	600	(7,267)	
Unamortized bond discount	(68)	-	4	(64)	
Unamortized bond premium	5,118	-	(426)	4,692	
Total bonds and notes payable	\$ 156,198	(\$129)	\$ 6,199	\$ 150,226	

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

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

A summary of noncurrent liability activity for the year ended September 30, 2006 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within one year
Bonds payable, notes payable and capital leases:					
Revenue bonds	\$ 21,415	\$ -	(\$ 1,045)	\$ 20,370	\$ 1,095
Revenue refunding bonds	57,314	-	(1,379)	55,935	1,460
Capital leases	9,005	-	(944)	8,061	892
	87,734	-	(3,368)	84,366	3,447
Less original issue discounts and deferred loss on refunding	(4,017)	-	284	(3,733)	-
Total noncurrent liabilities	\$ 83,717	\$ -	(\$ 3,084)	\$ 80,633	\$ 3,447

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

8. LONG-TERM OBLIGATIONS (continued)

L. JTA – Long-Term Debt:

Accrued compensated absences at September 30, 2006 consisted of the following (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental					
Activities:					
Compensated absences	\$ 282	\$ 178	\$ (216)	\$ 244	\$ 17
Business-type					
Activities:					
Compensated absences	\$ 551	\$ 1,182	\$ (1,228)	\$ 505	\$ 40

9. PENSION PLANS

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

The City of Jacksonville Retirement System, as amended, encompasses the Corrections Officers Retirement Plan which was established by the Laws of Florida 2004-411, and covers all certified Corrections Officers. Currently, both the General Employees Retirement Plan and the Corrections Officers Retirement Plan, have the same benefits. Both are governed by the same Board.

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

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

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

9. PENSION PLANS (continued)

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

A. Summary of Significant Accounting Policies:

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

B. City of Jacksonville Retirement System:

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

The payroll for members covered by the System was \$ 264.8 million during the 2006 fiscal year, consisting of \$129 million City of Jacksonville payroll, \$102.8 million JEA payroll and \$4.1 million JHA payroll. The total 2006 payroll was \$374.4 million for the city, \$131.6 million for the JEA, \$8.3 million for JHA, \$7.8 million for JPA and \$13.5 million for JAA, for a total of \$535.6 million.

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

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

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

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

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

At September 30, 2006, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	<u>General Employee</u>	<u>Corrections Officer</u>	<u>Total</u>
Retired	4,460	18	4,478
Current employees:			
Vested	3,496	468	3,964
Nonvested	1,600	128	1,728
Total Current Employees	5,096	596	5,692
Total Membership	9,556	614	10,170

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

9. PENSION PLANS

B. City of Jacksonville Retirement System: (continued)

City contribution requirements are, as part of the funding policy, met through two sources; cash payments from the city, and allocations from the Past Excess Contribution account, maintained as part of the pension fund in accordance with State requirements to track prior payments made in excess of the actuarially required amounts. Contributions from all sources during fiscal year 2006 totaled \$52.9 million. The city contributed \$20.7 million from the Past Excess Contributions account and \$9.9 million in cash. Employees paid \$22.3 million. Contributions during fiscal 2005 and 2004 were \$38.5 million and \$45.5 million, respectively. These contributions were made in accordance with contribution requirements determined through an actuarial valuation performed March 2006. The actuarial methods used for this purpose are the same as those used in determining funding progress.

- (3) Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Six-year historical trend information is being developed on a year by year basis and is included in the accompanying required supplemental information. The Schedule of Funding Progress – Actuarial Assumptions for this pension plan are as follows:

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

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

9. PENSION PLANS (continued)
B. City of Jacksonville Retirement System: (continued)

(4) The Statement of Fiduciary Net Assets – General Employees Pension Plan is as follows (in thousands) at September 30, 2006:

ASSETS	
Equity in cash and investments.....	\$ 22,624
Receivables (net, where applicable, of allowances for uncollectible):	
Interest and dividends.....	5,071
Accounts.....	936
Total receivables.....	<u>6,007</u>
Investments, at fair value:	
U.S. Government obligations.....	340,129
Municipal Bonds.....	-
Domestic corporate bonds.....	249,610
Commercial paper.....	-
Domestic stocks.....	712,565
International stocks.....	267,123
Real Estate.....	95,052
Total investments.....	<u>1,664,479</u>
Capital assets:	
Other capital assets, net of depreciation.....	13
Net capital assets.....	<u>13</u>
Securities Lending Collateral.....	267,382
TOTAL ASSETS.....	<u>1,960,505</u>
LIABILITIES	
Obligations Under Securities Lending Agreement.....	267,382
Accounts payable and accrued liabilities.....	4,571
TOTAL LIABILITIES.....	<u>271,953</u>
NET ASSETS HELD IN TRUST FOR	
PENSION BENEFITS.....	<u>\$ 1,688,552</u>

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

9. PENSION PLANS (continued)
B. City of Jacksonville Retirement System: (continued)

(5) The Statement of Changes in Fiduciary Net Assets – Jacksonville Retirement System is as follows (in thousands) at September 30, 2006:

<u>ADDITIONS</u>	
Contributions:	
Employer.....	\$ 9,468
Plan Member.....	22,254
Total contributions.....	<u>31,722</u>
Other additions:	
Miscellaneous.....	379
Investment income:	
Net appreciation (depreciation) in fair value of investments	
Interest and Dividends.....	<u>132,225</u>
TOTAL ADDITIONS.....	<u>164,326</u>
 <u>DEDUCTIONS</u>	
Benefits payments.....	99,311
Refunds of contributions.....	3,057
Administrative expenses.....	<u>1,245</u>
TOTAL DEDUCTIONS.....	<u>103,613</u>
Net change in net assets.....	60,713
NET ASSETS, BEGINNING OF YEAR.....	<u>1,627,839</u>
NET ASSETS, END OF YEAR.....	<u>\$ 1,688,552</u>

C. Police and Fire Pension Plan:

(1) Plan Description - The Police and Fire Pension Plan (the “Plan”) is a single-employer contributory defined benefit pension plan covering all full-time civil-service members of the City of Jacksonville’s Sheriff’s Office and Fire and Rescue Departments. The Plan is administered solely by a five-member board of trustees. There are separately issued financial statements for the Police and Fire Pension Plan. The city’s payroll for members covered by the Plan was \$134.7 million during the fiscal year, excluding DROP participants. The Plan, as amended effective April 1, 2001, provides, in general, retirement benefits after twenty years of credited membership, regardless of age, with a minimum benefit of 60% of the average salary received for the fifty-two pay periods immediately preceding retirement. An additional 2% for each completed year over twenty up to a maximum of 80% may be earned. There is no mandatory retirement age. Effective April 1, 2000, the Plan provides for a cost of living increase to pensioners and their beneficiaries of 3% per annum. The plan uses a level percent closed amortization method with 23.5 years remaining in its amortization period.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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

Pension benefits may be vested after a minimum of five years of membership. Benefits are computed based on average salary for the fifty-two pay periods immediately preceding vesting multiplied by 3% times the number of credited years of service. Employees, in this category, may alternatively select a 100% payout of member contributions to the Plan without interest, upon withdrawal from the Plan.

At September 30, 2006, the Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees with future benefits	1,847
DROP Participants	221
Active plan members	<u>2,509</u>
Total current employees	<u>2,730</u>
Total membership	<u>4,577</u>

- (2) The city is currently contributing 26.20% of Plan members' salaries. The Plan members contribute 7.00% of salaries, and DROP participants contribute 2.00%. Additional contributions are comprised of court fines and forfeitures, State premium tax refunds (insurance contributions) and transfers from the Combined Reserve Account. Investment costs of the Plan are financed through investment earnings. Other administrative costs are included in the annual required contribution amount .

The State of Florida requires funding of pension contributions to be made based upon an actuarial valuation; the most recent valuation is as of October 1, 2003. The City Council has the authority to amend its contribution to the Plan to not less than the minimum state requirement.

- (3) Net Assets Available for Benefits - Net assets available for benefits are designated pursuant to an agreement between the Police and Fire Pension Plan Board of Trustees and the city effective April 1, 2000, consisting of the following actuarially computed components as of September 30, 2006 (in thousands):

Combined Reserve Account ⁽¹⁾	\$ 12,178
Base benefits fund	<u>827,337</u>
Total net assets available for benefits	<u><u>\$ 839,515</u></u>

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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

The city stabilization reserve account was established for the purpose of cushioning actuarial losses in the base benefits fund and giving the city greater flexibility in its funding of the Plan. The enhanced benefits account was established to hold any remaining State premium tax refunds not assigned to offset city contribution requirements. The base benefits fund consists of the assets pledged to provide fund benefits. The combined balances as of September 30, 2006, have been calculated under the terms of the 2000 agreement between the Plan and the City of Jacksonville.

(4) Trend Information - Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Six-year historical trend information, on a year by year basis, is included in the accompanying required supplemental information. The Schedules of Funding Progress – Actuarial Assumptions for this pension plan are as follows:

Actuarial Accrued Liability - Present values are determined under the Entry Age Normal Actuarial Cost Method for the October 1, 2006 valuation.

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

See Note 1.B. concerning financial statement availability.

D. Florida Retirement System:

(1) Plan Description - The city also participates in the Florida Retirement System (FRS), a multiple-employer cost-sharing retirement system which covers less than 1% of the city’s full-time employees. FRS is a defined-benefit contributory retirement plan, administered by the State of Florida, Division of Retirement. The city payroll for employees covered by FRS was \$3.3 million during the fiscal year; the city’s total payroll for all employees was \$411.2 million.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

9. PENSION PLANS (continued)

D. Florida Retirement System: (continued)

(2) Contributions - During the years ended September 30, 2006, 2005, and 2004, the city contributed \$528 thousand, \$499 thousand, and \$543 thousand, respectively, to the System for covered employees. For the fiscal year ended September 30, 2005, this contribution represented less than 1% of the total contributions required by all participating employers. Contributions in both fiscal 2004 and 2003 were less than 1% of the total contributions required by all participating employers, which amounted to approximately \$2.2 and \$1.9 billion per year. The funding methods and the determination of benefits payable are provided in various Acts of the State Legislature. These Acts provide that employers make required contributions actuarially determined at the rates in effect at September 30, 2006, of 9.85% of the compensation for regular members, 20.92% for special risk members, 16.53% for elected county officials, 13.12% for senior management and 10.91% for DROP Plan members.

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

10. DEFERRED COMPENSATION PROGRAM AND 401A PLAN

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

The city also provides a defined contribution plan under the Internal Revenue Code, Section 401(a). The plan provides an employer-paid, pre-tax allowance for employees under certain union contracts, managerial and confidential, and some appointed personnel. It also allows employees to participate on a post-tax basis. This benefit does not replace a pension plan, or serve in lieu of a qualified pension plan. The city contributes from .25% to 1.00% of the base salary of the employee depending on the bargaining unit and specific leave plan. For the year ended September 30, 2006, the city contributed \$904,293 for 401A plan benefits.

11. POST RETIREMENT BENEFITS

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

12. RISK FINANCING

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

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

There have been no reductions in insurance coverage for workers' compensation, general liability, and automobile liability in the last year. The City remains self-insured for general liability, automobile liability, and workers’ compensation; however, property coverage was significantly reduced. This is a result of changes within the insurance industry due to recent losses from natural disasters, which increased costs and created a reduction of available property insurance. There were no substantial or material losses during the fiscal year. Settled claims have not exceeded commercial coverage in the last three fiscal years.

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

<u>Retention Level</u>	<u>Coverage</u>	<u>Policy Limit</u>
\$5,000,000	General Liability	\$1,000,000 ⁽¹⁾
\$1,200,000	Employer’s Liability	\$1,000,000 ⁽¹⁾
\$1,200,000	Workers’ Compensation	Statutory
\$100,000	Property (Real & Personal)	\$150,000,000 ⁽²⁾
\$50,000	Employee Dishonesty Bond (includes computer fraud)	\$3,000,000

⁽¹⁾Under the General Liability, and Employer’s Liability policies there is an annual \$3,000,000 aggregate limit. In addition to the deductible amounts, the city is responsible for the excess payments above the policy per occurrence and aggregate limits.

⁽²⁾The property retention and limits are on a per occurrence basis.

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

The Division performs all loss prevention and workers’ compensation claims management activities. General Liability and Automobile Liability claims management activities are conducted by a third party administrator under the supervision of the Division.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

12. RISK FINANCING (continued)

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

Estimated Risk Management Liability ⁽¹⁾
(in thousands)

	<u>Discounted ⁽²⁾</u>	<u>Undiscounted</u>
Low	\$48,037,960	\$58,090,201
Middle	\$53,573,745	\$64,758,880
High	\$59,109,530	\$71,427,561

⁽¹⁾ Actuarial projection excludes property liability.

⁽²⁾ 5 % yield on investments assumption

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

The city maintains separate fiscal year accounting, which allows any excess revenues available to be returned to the city itself and component units. As of September 30, 2006, the city has available net assets in the Self-Insurance fund of \$4,539 (in thousands). Within the Supplemental Section of the city's Comprehensive Annual Financial Report, is a trend information schedule for general/auto liability and workers' compensation, entitled "Schedule of Self-Insurance Ten Year Claims Development Information," which reflects the claims paid and liability projection development of each of the most recent ten years as of September 30, 2006.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

12. RISK FINANCING (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>Workers Compensation</u>		<u>Totals</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Unpaid claims and claims adjustment expenses at beginning of fiscal year	\$ 9,332	\$ 8,862	\$ 49,263	\$ 46,535	\$ 58,595	\$ 55,397
Incurred claims and claim adjustment expenses:						
Provisions for insured events of the current fiscal year	2,493	3,480	6,182	7,065	8,675	10,545
Increases (decreases) in provision for insured events of prior fiscal years	<u>1,840</u>	<u>1,987</u>	<u>10,311</u>	<u>9,285</u>	<u>12,151</u>	<u>11,272</u>
Total incurred claims and claim adjustment Expenses	<u>4,333</u>	<u>5,467</u>	<u>16,493</u>	<u>16,350</u>	<u>20,826</u>	<u>21,817</u>
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,056	1,148	2,329	3,260	3,385	4,408
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	<u>2,970</u>	<u>3,849</u>	<u>8,290</u>	<u>10,362</u>	<u>11,260</u>	<u>14,211</u>
Total Payments	<u>4,026</u>	<u>4,997</u>	<u>10,619</u>	<u>13,622</u>	<u>14,645</u>	<u>18,619</u>
Total unpaid claims and claim adjustment expenses at end of fiscal year	<u>\$ 9,639</u>	<u>\$ 9,332</u>	<u>\$ 55,137</u>	<u>\$ 49,263</u>	<u>\$ 64,776</u>	<u>\$ 58,595</u>

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**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

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 and Excess of Expenditures Over Appropriations:

The following individual funds had a fund deficit at September 30, 2006, (in thousands):

	<u>Fund Balance/ Net Asset</u>
Major Enterprise Fund:	
Solid Waste Disposal	\$ (90,921)
Non-Major Enterprise Fund:	
Sports Complex Convention Cntr and Aud.	\$ (1,135)
Public Parking	\$ (3,770)
Non-Major Internal Service Fund:	
Group Health	\$ (33)

The Solid Waste Disposal fund deficit is partially due to the increase of closure construction cost estimates associated with the Trail Ridge Landfill. It is anticipated that future revenues will eliminate the deficit. The remaining deficit is due to the \$87 million accrual for pollution remediation. Bonds will be issued to return adequate cash to the fund and rate revenue or transfer from the General Fund will be made annually to pay principal and interest. The deficit will eventually be eliminated over the life of the bonds.

The Sports Complex Convention Center and Auditorium deficit is due to the increase in operating expenses with lower revenue. The losses are subsidized by the City of Jacksonville.

The Public Parking deficit is due to the transfer of the Daniel Building Parking Garage to the Adams Mark Hotel in 1999 as part of an economic development incentive given by the city. A loss of approximately \$9.6 million was recognized by the Public Parking Fund due to the net book value of the parking garage at the time of the transfer. It is anticipated that future revenues will eliminate this fund deficit.

The Group Health deficit is due to increased health care premiums. This deficit will be corrected in fiscal year 2007.

The city had no funds with an excess of expenditures over appropriations for the year ended September 30, 2006.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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

C. Landfill Closure and Postclosure Care Costs:

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

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

The estimated liability for MSWLF closure and postclosure care costs at September 30, 2006, is (in thousands):

	Balance, October 1, 2005	Accrual of Costs	Payment of Costs	Balance, September 30, 2006
Closed Landfills -				
Postclosure care costs	\$ 13,857	(\$ 764)	\$ -	\$ 13,093
Operating Landfill -				
Closure and Postclosure care costs	29,204	(121)	-	29,083
Total Landfill Postclosure Care Costs	43,061	(885)	-	42,176
Waste Dump Site -				
Long Term Care Costs	942	(68)	-	874
Total Liability for Landfill Closure, Postclosure, Decontamination and Long Term Care Costs	\$ 44,003	(\$ 953)	\$ -	\$ 43,050

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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

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

At September 30, 2006, the closure and postclosure care costs for the closed landfills (North and East sites) had been fully accrued as these two landfills both stopped accepting solid waste in April 1992. Of the total MSWLF closure and postclosure care cost liability, \$45.1 million had been paid for the cost of closure and \$0.9 million had been reduced for postclosure care costs through September 30, 2006.

Funding MSWLF costs for these two closed landfills will be provided from future operating revenues of Solid Waste Disposal Enterprise Fund activities. As discussed in Note 1.P., after adjustments for the current year change in estimate, the \$61.2 million in MSWLF closure and postclosure care costs recorded for the city's two closed landfills, North and East, and the \$9.1 million in Waste Dump Site decontamination costs has been capitalized and recorded as a deferred charge in the Solid Waste Disposal Enterprise Fund. Through fiscal 2005, \$29.4 million of this deferred charge had been expensed to solid waste disposal operations. Additionally, during fiscal 2006, \$2.2 million of this deferred charge was expensed to solid waste operations, resulting in a balance at September 30, 2006, of \$27.2 million. It is the intent of the city that these costs be recovered from future operating revenues of the Solid Waste Disposal Enterprise Fund, and accordingly will be recognized as operating expenses as such revenue is earned.

The total closure and postclosure liability for the operating landfill (Trailridge) is \$29 million. This total is based on the estimated capacity used of 60.7735% or 11,546,838 tons used with a total estimated capacity of 18,999,804 tons. The city will recognize the remaining estimated cost of closure and postclosure costs of \$44.4 million as the remaining capacity is filled. These amounts are based upon what it would cost to perform all closure and postclosure care in 2006. The city expected to close the landfill in approximately seven years (2012); however, it is presently extending the life of the landfill by increasing the capacity (Phase III) and the life to 4 more years (2016). As mentioned, actual costs may be higher due to inflation, changes in technology, or changes in environmental regulations.

The liability for the Waste Dump Site at September 30, 2006, of \$0.8 million is based on the most recent estimate by the Federal Government of the city's allocated share of the clean-up and long term care cost of the site under a Participation Agreement and Consent Decree with the Environmental Protection Agency. The city was identified as a responsible party, sharing 65% of the total clean-up costs.

Annually, the Florida Department of Environmental Protection (FDEP) requires the city to meet a proof of financial responsibility for its two closed (East and North) and one open (Trailridge) municipally owned landfills. This proof of financial responsibility provides assurance to FDEP that future closure and postclosure care costs will be adequately funded by the city. At September 30, 2006, this proof of financial

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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

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

responsibility has been met by the city under Rule 62-701.630(5)(c) of the Florida Administrative Code by \$29.5 million in deposits made to a restricted cash escrow account of the Solid Waste Disposal Enterprise Fund.

The amount to be deposited into the escrow account is based on estimates made annually by a registered Professional Engineer plus an adjustment for additional future costs associated with the closing of the Trail Ridge landfill. The escrow account was comprised of the following estimated components at September 30, 2006 (in thousands):

	<u>Trail Ridge</u>	<u>North</u>	<u>East</u>	<u>Total</u>
Current cost of closure (1)	\$10,540,332	\$ -	\$ -	\$10,540,332
Annual cost of postclosure care (2)	-	826,260	353,154	1,179,414
Total estimated closure and postclosure care costs	<u>\$10,540,332</u>	<u>\$826,260</u>	<u>\$353,154</u>	<u>11,719,746</u>
Balance in escrow account (4)	\$28,347,103	\$826,260	\$353,154	29,526,517
City funding above state minimum (3)	\$17,806,771	\$ -	\$ -	\$ 17,806,771

1) Trail Ridge – Total submitted cost of \$ 15, 057,617 x 14/20 (requirement is to annually fund current estimate divided by years remaining in landfill life; landfill is expected to reach capacity in 2012; at September 30, 2006 fourteen years of twenty year landfill life have passed), North – landfill was certified closed in October 1999, East landfill was certified closed in April 1995.

2) Trail Ridge – Total cost of \$ 23,296,952 x 0/30 (since landfill is not closed yet, 30 year post closure care period has not begun) North – total cost of \$ 16,525,206 x 1/20 (requirement is to fund one year of postclosure care), East – total cost of \$ 7,063,072 x 1/20 (requirement is fund one year postclosure care).

3) The city funding above the state minimum of \$ 17,806,771 represents the difference between the funding required by the State of Florida and the funding required by city ordinance. The funding of landfill closure is based on a formula passed by city ordinance, which approximates the projected cash flow needs for the future liability as calculated under GASB 18 – Accounting for Municipal Solid Waste Landfill Closure and Postclosure care costs. The liability is based on a per cell closing methodology utilized by the Solid Waste Division of the city.

4) The \$29,526,517 escrowed amounts are accounted for in a separate subfund 443 - Landfill Closure per City of Jacksonville Ordinance and is legally restricted. It consists of subfunds to meet DEP funding requirements, with remaining funds to meet the additional amount required by the City of Jacksonville funding ordinance.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

14. LESSOR OPERATING LEASE

A. Jacksonville Jaguars, Inc.

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

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

For the first five years, rent is deferred in the amount of \$250,000 per year; in years 6-10 rent is \$500,000 per year; in years 11-20 \$1,000,000; and in the final fifteen years \$1.25 million, including the lease extension. However, amendment 8, executed January 2006, reduces the Jaguars rent obligations by six equal installments of \$1,433,333 (\$8,600,000) beginning with the yearly scheduled November 2005 payment through the June 2008 payment. Amendment 8 also reduces supplemental lease obligations, with the city's acceptance of payment from the Jaguars in the amount of \$10,197,891 for the full satisfaction of amounts due for Super Bowl net revenues. Rents from years eleven through the end of the lease are subject to escalation based on one-half of any increase in the Consumer Price Index, but not to exceed 2.5% per year. In addition, the Jaguars are obligated to pay supplemental rent in an amount equal to the annual debt service incurred by the city for certain costs of renovation of \$53.1 million requested by the Jaguars over a thirty-year period with interest computed on a tax-exempt basis; inclusive of Amendment 7 executed May 27, 2004.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

14. LESSOR OPERATING LEASE (continued)

B. Shands Jacksonville

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

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation:

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

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

B. Grants and Contracts:

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

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

C. Self-Insurance

Through the city's Risk Management Division, the City maintains an insurance and self-insurance program (See Note 12). The Division administers the public liability (general liability and automobile liability) and workers' compensation self-insurance program covering the activities of the city general government, JEA, Jacksonville Housing Authority, Jacksonville Port Authority, and Jacksonville Aviation Authority under the

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS

C. Self-Insurance (continued)

City's Ordinance Code Chapter 128. The city purchases commercial insurance for workers' compensation claims in excess of \$1.2 million. Under the laws of the State of Florida, the city has limited sovereign immunity for certain self-insured losses in excess of \$200,000. The city retains coverage on all other types of insurance including real and personal property damage. The self-insured programs of the city, which are included in the Self-Insurance Internal Service Fund, are funded on a dollar-for-dollar basis determined actuarially for the estimated losses for incurred but not reported claims and development liabilities.

D. Environmental Matters:

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

The city and other PRPs settled with the USEPA which had sought reimbursement of its cost of a removal action in 1995, regarding the Bill Johns Waste Oil Site. The city's liability is based on contracting with the waste oil service to empty used oil collection points operated under a recycling grant from the State. The Florida Department of Environmental Protection (FDEP) has submitted a demand to the PRPs to assess the site further to determine the extent of contamination that may remain after the removal action. Liability to FDEP is being assessed, but the site may be eligible for the state-funded clean up program, relieving the city of any financial exposure.

Because of the uncertainty as to the amount of any environmental cleanup costs which may ultimately be paid by the city no accrual has been made in the accompanying financial statements at September 30, 2006, except as disclosed in Note 13.C. Funding for such payment, if any, will be from general revenue sources, environmental protection trust fund monies, third-party recoveries, federal assistance and earnings.

Incinerator Ash Site Pollution Remediation: The City has identified four sites that were used for incinerator ash waste. The common practice during the 1950s and 1960s was to incinerate garbage and then mix the residual ash waste with other soil and use it as fill dirt. The city and the U. S. Environmental Protection Agency (EPA) signed an agreement in 1999 to develop a plan to remediate the four sites. In order to make the sites and surrounding areas safe from a variety of residual pollutants, the city has proposed to the EPA a plan to clean up the areas by removing the top two feet of soil, placing a barrier, and then replacing the topsoil with untainted dirt. The project is estimated to take several years to complete once started and an order of magnitude cost estimate based on similar remediation sites resulted in a range of \$50 million - \$200 million. The lower of the range estimate of \$50 million has been accrued per FASB Interpretation/FIN#14, Reasonable Estimation of the Amount of a Loss. The final plan has not been approved

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS

D. Environmental Matters: (continued)

by the EPA. The Better Jacksonville Plan contains \$21 million for Ash Sites, but other sources of funds will need to be identified for the amounts above the \$21 million.

Department of Environmental Protection (DEP) Sites: The city, working in conjunction with the DEP, have identified four sites of potential liability including the Burke St. Lime Pitts, Doe Boy Dump Site, Gold Merit / Pope Plan and Southside Incinerator Site. The project, which is estimated to take several years to complete once started, has an estimated cost of \$37 million, which has been accrued by the city.

E. Shipyards Project:

In previous fiscal years, the city provided economic development grant monies to a developer totaling approximately \$36.5 million, funded by tax exempt bond proceeds (City of Jacksonville, Florida Excise Tax Revenue Bonds, Series 2001B). The grant was to provide for certain public improvements related to a project titled "Shipyards". The original developer did not complete the improvements anticipated in the public offering, and a city review of the project determined that the developer had inappropriately spent city grant proceeds (financed by the bonds) on private use elements of the overall project and/or business expenditures not related to the project, and therefore was in default under the Redevelopment Agreement. The city also determined that the original developer's default resulted in the private use portion of the bond proceeds exceeding limits allowed by the tax code. On June 28, 2005 the city reached agreement with a new replacement developer to provide the anticipated public improvements with some modifications.

The city anticipates this agreement over time will preserve the tax exempt status of interest on the bond issue. To the extent the replacement developer does not provide the modified public improvements, the city will be required to make additional public improvements from public funds other than tax exempt bond proceeds. The city elected to notify the Internal Revenue Service of the problem and enter into voluntary negotiations intended to preserve the tax exempt status of interest on the bonds and provide for a city settlement payment. The settlement is anticipated to address the time period between the point of misuse and the substitution of appropriate public uses, and the incremental cost between tax exempt and taxable debt. The city estimates that the eventual settlement payment could be as much as \$2.5 million. The arrangement with the replacement developer provides for an eventual repayment of this amount from excess tax increment revenues after certain priority uses thereof.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

F. Other Litigation:

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

The city is involved in a federal civil rights claim pending in United States District Court. The city plans to vigorously defend this case. Trial is scheduled for 2008. Exposure is estimated between \$1,000,000 and \$5,000,000.

There is a threatened claim in which a JSO officer is alleged to have accidentally struck the plaintiff, a pedestrian, with a vehicle. Estimated potential liability is \$5,000,000.

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

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**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

15. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

G. Construction Commitments:

At September 30, 2006, the city had major construction appropriations for the following projects:

Library Projects:	
Branch Library	\$ 1,351,087
Main Library	\$ 3,983,595
Courthouse Project	\$155,110,945
Buildings new & renovations	
New Facilities and Building Renovations	\$ 12,326,055
Ed Ball Building	\$ 8,169,769
New Fire Stations and Renovations	\$ 9,348,676
Economic Development Projects	
Jacksonville Landing	\$ 1,620,034
Humana Parking Garage	\$ 3,500,000
East Parcel Parking	\$ 4,375,000
NW Small Business Initiative	\$ 4,384,175
NW Business Infrastructure Grant	\$ 3,657,030
Strand at St. Johns Place	\$ 4,000,000
River City Marketplace - RAMCO	\$ 4,751,454
Infrastructure Projects	
Town center District	\$ 10,840,330
Ped / Veh RR Crossing Grade Separation	\$ 20,177,639
Countywide Sidewalks / Bikelanes	\$ 2,217,578
Sidewalk Maint	\$ 3,005,511
Bulkhead Maintenance	\$ 1,684,247
Traffic Improvements and Downtown Enhancements	\$ 4,272,305
Landscape and Beautification	\$ 7,611,419
Storm-water Mgt Facilities	\$ 1,106,755
NW Quard Development	\$ 9,415,668
Ferry Capital Project	\$ 1,721,198
JEA-WSEA	\$ 1,061,803
Park Projects	
Park Acquisition & Development	\$ 15,701,012
Park Improvement	\$ 5,157,486
Preservation	\$ 4,698,332
Zoo Improvements	\$ 2,000,000
Public Works Road Projects	\$344,853,888
Countywide Resurfacing	\$ 6,468,971
Drainage Rehab Projects	\$ 45,558,845
Septic Tank Remediation	\$ 35,643,205
Shipyards Projects	\$ 3,122,399
First Coast High School Pool	\$ 4,370,189

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

16. SUBSEQUENT EVENTS

A. Litigation Settlement

The city settled a case in which the plaintiff, a developer, claimed the city was in breach of a downtown development agreement. The case was settled for \$1,450,000 and payment was made on January 5, 2007.

B. Conduit Debt Issue

On October 11, 2006, the Jacksonville Housing Finance Authority (JHoFA) closed on a \$12,000,000 single family bond issue. This bond issue is not included in the Jacksonville Housing Finance Authority (JHoFA) conduit debt issued figure detailed in Note 8G.

17. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE

A. JEA/City of Jacksonville

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

	<u>Revenues</u>	<u>Expenses</u>
Fiscal year 2006	\$ 24,443	\$ 6,878
Fiscal year 2005	\$ 19,866	\$ 11,064

During fiscal year 2004, the calculation of the city contribution was reconsidered. The approved calculation formula is based on 9.8% of the revenues, as defined, of the Electric System and Water and Sewer System. This calculation is subject to a minimum average annual increase of \$2.75 million per year using 2004 as the base year for the combined assessment for the Electric System and Water and Sewer System. There will also be a maximum annual assessment for the combined Electric System and Water and Sewer System.

The JEA Electric System is required to contribute annually to the General Fund of the city an amount not to exceed 5.5 mills per kilowatt hour delivered by JEA to retail users in JEA's service area, and to wholesale customers under firm contracts having an original term of more than one year, other than sales of energy to FPL from JEA's St. Johns River Power Park System. The contributions for fiscal years 2006 and 2005 amounted to \$71,031 thousand and \$68,677 thousand, respectively.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

17. MAJOR DISCRETELY PRESENTED COMPONENT UNITS - ADDITIONAL DISCLOSURE

A. JEA/City of Jacksonville (continued)

The JEA Water and Sewer System is required to contribute annually to the General Fund of the city an amount not to exceed 2.1 mils per cubic foot of potable water and sewer service provided, excluding reclaimed water service. The contribution for fiscal years 2006 and 2005 amounted to \$17,657 thousand and \$17,261 thousand, respectively.

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

In addition to the contributions described above, JEA is also obligated to make semi-annual payments with respect to a portion of the debt service for the city's Excise Tax Revenue Bonds, Series 1999A and 1995A through fiscal year 2009. In fiscal years 2006 and 2005, JEA made principal and interest payments to the city of \$2,533 thousand and \$3,156 thousand, respectively. The total remaining principal amounts due to the city as of September 30, 2006 and 2005 was \$4,677 thousand and \$7,077 thousand, respectively.

Risk Management

JEA insures its risks related to general liability, automobile liability, and workers' compensation through the city's self insurance program. The city's Director of Administration and Finance manages the self-insurance program, estimates the liabilities through actuarial and other methods, and assesses the user departments and agencies. JEA purchases property insurance separate from the city for its insurable assets. In addition, JEA purchases property, liability and workers' compensation insurance for its St. Johns River Power Park facility, including ownership interest of Florida Power and Light Company, as an additional insured.

Better Jacksonville Plan

The city is providing funding for sewer improvements as a part of the Better Jacksonville Plan. The city receives sales tax revenues, a portion of which are used for capital contributions to JEA for sewer improvements. These contributions amounted to \$15,546 thousand and \$385 thousand in fiscal years 2006 and 2005, respectively.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

18. REALLOCATION OF NET ASSETS:

The presentation of fiscal year 2005 net assets amounts were reallocated for comparability purposes with fiscal year 2006 net asset amounts. Changes for fiscal year 2005 net assets presented on the 2006 Statement of Net Assets are as follows (000s):

	<u>Reallocation</u> <u>Net Assets</u>	<u>Original</u> <u>Net Assets</u>	<u>Change</u>
FY2005 Net Assets(000s)			
Invested in capital assets, net of related debt.....	\$800,356	\$655,300	\$ 145,056
Restricted for:			
Debt service.....	-	74,106	(74,106)
Capital projects.....	132,870	132,870	-
Permanent Fund, Non-expendable.....	123	123	-
Other purposes.....	3,327	3,327	-
Unrestricted.....	<u>(268,053)</u>	<u>(197,103)</u>	<u>(70,950)</u>
Net Reallocation.....	<u><u>\$668,623</u></u>	<u><u>\$668,623</u></u>	<u><u>\$ -</u></u>

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

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

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

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

While the Unrestricted Net Assets balance is a single number in accordance with GASB Statement 34, the impact of non-asset debt will appear to reduce the year-end discretionary balance available to the government. However, in the City’s case, given that a portion of these non-asset bonds/loans reported in the Governmental Activities column have a dedicated revenue source (to amortize the debt over time) the year-end available portion of the Net Assets to the city is greater than is apparent. The following schedule illustrates these differences (000s):

**CITY OF JACKSONVILLE, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

18. REALLOCATION OF NET ASSETS: (continued)

Governmental Unrestricted Net Assets (per statement – page 22)	\$ (127,555)
Impact of Better Jacksonville Plan’s (BJP) bond financed capital expenditures incurred by component units and other entities. Includes refinancing of state held debt for associated component unit.	<u>312,418</u> 184,863
Economic Incentives to be repaid by TIF revenue and/or Developer	<u>44,152</u>
Governmental - Unrestricted Net Assets (adjusted for dedicated revenue funded portions)	<u>\$ 229,015</u>

Because the BJP program has dedicated sales tax revenue sources which will be used to repay the related debt service and either the CRA’s tax increment financing (TIF) revenue or the Developer repayments are anticipated to address the related debt service principal and all or a portion of the interest, the Government Unrestricted Net Assets (adjusted for dedicate revenue funded portions of non-assets debt) more truly reflect the General Government’s available (although partially tentatively targeted) portion of net assets.

19. EMERGENCY RESERVE:

Within the 2005-2006 budget ordinance, the city established a \$40.0 million emergency reserve and was classified as a reservation of fund balance within the General Fund. The emergency reserve shall not be used except as initiated by the Mayor through written communication to City Council, explaining the emergency, and subsequent approval by two-thirds vote of all City Council members.



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REQUIRED SUPPLEMENTAL INFORMATION

CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

GENERAL FUND

	BUDGETED AMOUNTS				ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL				
REVENUE:							
Property taxes.....	\$ 394,383	\$ 394,383	\$ 400,667	\$ -	\$ 400,667	\$ 6,284	
Utility service taxes.....	100,379	100,379	104,259	-	104,259	3,880	
Licenses and permits.....	8,831	8,831	10,509	-	10,509	1,678	
Intergovernmental.....	146,356	147,338	152,875	-	152,875	5,537	
Charges for services.....	61,963	61,456	61,469	-	61,469	13	
Fines and forfeitures.....	5,701	5,701	5,671	-	5,671	(30)	
Payment in lieu of taxes.....	88,688	88,688	88,688	-	88,688	-	
Interest.....	15,740	18,190	13,123	-	13,123	(5,067)	
Other.....	18,440	20,493	19,250	-	19,250	(1,243)	
Total Revenue.....	840,481	845,459	856,511	-	856,511	11,052	
EXPENDITURES AND ENCUMBRANCES:							
Administration and Finance.....	13,068	15,417	14,610	769	15,379	38	
Agriculture.....	1,238	1,232	1,006	226	1,232	-	
City Council.....	7,578	8,131	8,020	110	8,130	1	
Clerk of the Courts.....	5,175	4,431	4,157	8	4,165	266	
Courts.....	2,274	2,231	2,139	40	2,179	52	
Community Services.....	30,818	34,782	34,180	185	34,365	417	
Environmental Resource Management.....	10,208	13,670	12,089	250	12,339	1,331	
Fire/Rescue.....	121,036	121,878	120,639	449	121,088	790	
General Counsel.....	342	342	332	3	335	7	
Health Administrator.....	2,987	3,032	3,028	4	3,032	-	
Housing and Neighborhoods.....	-	6,505	6,133	178	6,311	-	
Jacksonville Human Rights Commission.....	1,171	1,148	1,106	9	1,115	33	
Mayor.....	2,312	2,642	2,619	23	2,642	-	
Mayor's Boards and Commissions.....	404	409	406	3	409	-	
Medical Examiner.....	2,186	2,185	2,077	67	2,144	41	
Metropolitan Planning Organization.....	14	14	-	14	14	-	
Department of Neighborhoods.....	19,636	671	667	3	670	1	
Property Appraiser.....	8,377	8,427	8,006	208	8,214	213	
Public Defender.....	810	848	844	3	847	1	
Planning and Development.....	6,634	6,775	5,594	263	5,857	918	
Pension Funds.....	15	15	10	-	10	5	
Public Libraries.....	30,720	31,987	31,409	570	31,979	8	
Parks, Recreation and Entertainment.....	27,119	32,019	30,419	1,300	31,719	300	
Procurement & Supplies.....	3,034	3,848	3,279	275	3,554	294	
Public Works.....	65,413	66,273	64,313	1,745	66,058	215	
State Attorney.....	749	749	724	3	727	22	
Supervisor of Elections.....	6,246	6,328	5,352	457	5,809	519	
Office of the Sheriff.....	275,336	276,170	274,053	1,538	275,591	579	
Tax Collector.....	13,699	16,381	13,485	216	13,701	2,680	
Federal Program Reserve.....	4,023	156	-	-	-	156	
Contribution to Shands-Jacksonville.....	23,776	23,776	23,776	-	23,776	-	
Cash Carryover Reserves.....	6	6	-	-	-	6	
Jacksonville Misc. Citywide Activities.....	39,293	30,671	26,365	1,050	27,415	3,256	
Total Expenditures.....	725,697	723,149	700,837	9,969	710,806	12,343	
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	114,784	122,310	155,674	(9,969)	145,705	23,395	
OTHER FINANCING SOURCES (USES):							
Operating transfers in.....	10,488	12,656	6,886	-	6,886	(5,770)	
Operating transfers out.....	(142,176)	(151,721)	(147,646)	-	(147,646)	4,075	
Total Other Financing Sources (Uses).....	(131,688)	(139,065)	(140,760)	-	(140,760)	(1,695)	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(16,904)	(16,755)	14,914	(9,969)	4,945	21,700	
FUND BALANCES - BEGINNING.....	62,995	62,995	62,995	-	62,995	-	
FUND BALANCES - ENDING.....	\$ 46,091	\$ 46,240	\$ 77,909	(\$ 9,969)	\$ 67,940	\$ 21,700	

CITY OF JACKSONVILLE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. BUDGETARY DATA

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

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

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

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

The city presents a Budgetary Comparison Schedule as Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget. For the fiscal year 2006, no special revenue funds met the criteria to be reported as a major fund. The city has opted to make this presentation in the format and classifications of the budget document. These schedules report actual expenditures using generally accepted accounting principles as well as expenditures on the budgetary basis, which include amounts encumbered for future spending.

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

C. The city adopts annual budgets for the General Fund, certain Special Revenue Funds, and Proprietary Funds. The city reports Budgetary Comparisons for its General Fund and Major Special Revenue Funds in the Required Supplementary Information section of this report. Proprietary Fund budgets are adopted for management control purposes. The city is not required to include Budgetary Comparisons for Proprietary Funds in this report. Project or program budgets, which may not coincide with the city's fiscal year, or which may exceed a single annual period, are adopted by separate ordinance for most Special Revenue Funds and Capital Project Funds. Budgets are not formally adopted for Debt Service Funds as internal spending controls are set by compliance with bond covenants. The Special Revenue Funds which are not budgeted annually include the following: Community Development Block Grant, Job Training Partnership Act Grant, Maintenance, Parks and Recreation, Metropolitan Planning Organization, Other Federal, State and Local Grants, Better Jacksonville Trust Fund, Jacksonville Housing Commission and Non-Budgeted General Government.

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

(1) The budget is adopted by Ordinance which sets the legal level of control at the fund level by department.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

1. BUDGETARY DATA (continued)

- (2) The city has adopted more stringent administrative policies that control expenditures at the major category (Personal Services, Operating Expense, Capital Outlay, Debt Service) level within divisions within individual funds.
- (3) The city, additionally, has adopted a Municipal Ordinance Code Policy that provides transfer authority to the Mayor, without City Council approval, within an individual fund.
- E.** Supplemental Appropriations - The City Council may, through passage of an ordinance, amend the budget in any manner permissible under State and Local Law, with one exception. Bond covenants, trust and agency agreements, and certain clauses of ordinances in effect may restrict certain budgetary items in terms of amount or use.

In certain instances the city may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2006 Annual Budget Ordinance were made throughout the year, the effects of which were not material.
- F.** All appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end or at the close of the authorizing project/program, unless specifically carried forward by ordinance.
- G.** Formal budgetary integration is used as a management control device for all funds of the city, except certain Debt Service Funds as explained in Note to RSI 1.C.
- H.** The City's Annual Financial Plan, or published budget document, may be obtained from the city's Budget Office located at 117 West Duval Street, Suite 325, Jacksonville, Florida 32202.

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**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
SEPTEMBER 30, 2006**

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Annual Required Contributions</u>	<u>City Cash Contributions</u>	<u>Allotted from Past Excess Contributions</u>	<u>Total Employer Contributions</u>	<u>Percentage Contributed</u>
2001	\$ 12,235	\$ 125	\$ 12,110	\$ 12,235	100%
2002	12,724	-	12,724	12,724	100%
2003	19,003	8	18,995	19,003	100%
2004	25,775	23,773	2,002	25,775	100%
2005	30,957	16,394	14,563	30,957	100%
2006	30,587	9,851	20,736	30,587	100%

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

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

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE AND FIRE RETIREMENT SYSTEM
SEPTEMBER 30, 2006**

(in thousands)

Plan Year Ending September 30	Annual Required Contribution (1)	City Cash Contributions	Alloted from Contribution Reserves	Court Fines and Premium-Tax Refunds (2)	Total Employer Contributions	Total Member Contributions	Percentage Contributed
2001	\$ 26,875	\$ 9,058	\$ 3,170	\$ 6,881	\$ 19,109	\$ 7,766	100%
2002	35,585	9,896	10,389	7,185	27,470	8,115	100%
2003	36,311	9,734	10,882	7,426	28,042	8,269	100%
2004	39,295	22,098	769	7,654	30,521	8,774	100%
2005	50,727	25,851	8,753	6,541	41,145	9,582	100%
2006 (3)	53,263	34,712	2,106	6,800	43,618	9,646	100%

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

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

(3) The financial statement expense requirement for the fiscal year ended September 30, 2006 was equal to the annual required contributions of \$53,263. The Plan has no net pension obligation.

See accompanying notes.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
SEPTEMBER 30, 2006**

(in thousands)

Valuation Date	Actuarial Value of Assets (2) (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
* 09/30/01	\$ 1,459,649	\$ 1,511,829	\$ 52,180	96.55%	\$ 234,684	22.2%
09/30/02	1,425,708	1,528,742	103,034	93.26%	243,446	42.3%
* 09/30/03	1,426,783	1,611,958	185,175	88.51%	237,373	78.0%
09/30/04	1,496,315	1,810,451	314,136	82.65%	236,540	132.8%
09/30/05	1,569,816	1,810,148	240,332	86.72%	253,074	95.0%
09/30/06	1,662,087	1,900,945	238,858	87.43%	264,811	90.2%

(1) Actuarial Assumptions provided in the notes to the financial statements

(2) Net of the unassigned past-excess contributions separate account

* Minor adjustments made for consistency

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
POLICE AND FIRE RETIREMENT SYSTEM
SEPTEMBER 30, 2006**

(in thousands)

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (1) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
09/30/01 (2)	\$ 766,414	\$ 1,012,577	\$ 246,163	75.69%	\$ 96,199	255.89%
09/30/02	725,416	977,779	252,363	74.19%	101,698	248.15%
09/30/03	732,526	1,146,459	413,933	63.89%	109,637	377.55%
09/30/04	727,955	1,222,355	494,400	59.55%	118,510	417.18%
09/30/05	765,180	1,314,424	549,244	58.21%	130,392	421.23%
09/30/06	827,338	(3) 1,376,659	549,321	60.10%	134,694	407.83%

(1) Actuarial Assumptions provided in the notes to the financial statements

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

(3) This account was redefined by the Restated Agreement effective April 1, 2000. As of September 30, 2006, the value of the City Budget Stabilization Account was \$2,209,087, and the Enhanced Benefit Account was \$9,968,603. These amounts are not included in the actuarial value of assets as of September 30, 2006.

NON-MAJOR GOVERNMENTAL FUNDS:

SPECIAL REVENUE FUNDS

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

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

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

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

The Clerk of the Circuit Court Fund receives revenue collected on behalf of the state and city by the courts system for various judgments, fines, bonds, fees and licenses, and other miscellaneous amounts.

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

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

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

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

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

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

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

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

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

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

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

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

The Jacksonville Housing Commission was designated as the housing agency for Affordable Housing, State Housing Initiative Partnership funds, and all other matters related to housing, with the exception of those matters which fall within the responsibility of the Jacksonville Housing Authority.

The State Housing Initiative Partnership Fund accounts for revenue collected by the Clerk of the Circuit Court on certain property transactions in Duval county passed from the State earmarked for housing assistance and financial incentive programs to increase the availability of affordable housing in Jacksonville including down payment assistance, home owner repair and rehabilitation and acquisition of existing single family dwellings for home ownership.

The Non-Budgeted General Government Fund accounts for the Public Records Modernization activity which receives revenues from a service charge authorized by Florida Statute 28.24(15)(d) to be held in trust and used exclusively for equipment, personnel training, and technical assistance in modernizing the official public records system of the Clerk's office and also accounts for numerous smaller funds whose revenues are dedicated to a variety of specific purposes.

DEBT SERVICE FUNDS

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

PERMANENT FUND

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

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2006
 WITH COMPARATIVE TOTALS FOR 2005 (in thousands)**

	SPECIAL REVENUE FUNDS			
ASSETS	CONCURRENCY MANAGEMENT	AIR POLLUTION CONTROL AND MONITORING	SPORTS, CONVENTION AND TOURISM DEVELOPMENT	CLERK OF THE COURT
Equity in cash and investments.....	\$ 42,634	\$ 599	\$ 14,702	\$ 4,955
Cash in escrow and with fiscal agents.....	-	-	100	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	1	-
Mortgages.....	-	-	-	-
Due from other funds.....	-	-	-	-
Due from component units.....	-	-	-	-
Due from independent agencies and other governments.....	-	386	167	-
Assets held for resale.....	-	-	-	-
Prepaid items.....	-	-	-	-
TOTAL ASSETS.....	<u>\$ 42,634</u>	<u>\$ 985</u>	<u>\$ 14,970</u>	<u>\$ 4,955</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 219	\$ 59	\$ 1,030	\$ 407
Contracts payable.....	4	-	-	-
Due to other funds.....	-	-	-	-
Due to other governments.....	-	-	-	-
Due to individuals.....	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-
Deposits.....	362	-	-	-
Advances from other funds.....	-	-	-	-
Unearned revenue.....	-	-	-	-
TOTAL LIABILITIES.....	<u>585</u>	<u>59</u>	<u>1,030</u>	<u>407</u>
FUND BALANCES:				
Reserved for:				
Encumbrances.....	2,726	1	2,213	41
Cash in escrow.....	-	-	100	-
Mortgages receivable.....	-	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	-	-
Designated for subsequent years' budget.....	-	-	-	-
Designated for changes in fair value of investments.....	-	-	-	-
Undesignated	39,323	925	11,627	4,507
Total Fund Balances.....	<u>42,049</u>	<u>926</u>	<u>13,940</u>	<u>4,548</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 42,634</u>	<u>\$ 985</u>	<u>\$ 14,970</u>	<u>\$ 4,955</u>

SPECIAL REVENUE FUNDS

<u>TRANSPORTATION FUND</u>	<u>BUDGETED GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>EMERGENCY 9-1-1</u>	<u>TAX INCREMENT DISTRICTS</u>	<u>JACKSONVILLE CHILDREN'S COMMISSION</u>
\$ 25,120	\$ 40,673	\$ 507	\$ 5,327	\$ 1,786	\$ 4,846
-	-	-	-	-	-
-	10	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,704	371	-	220	-	3,475
-	-	-	-	-	-
<u>41,824</u>	<u>41,054</u>	<u>507</u>	<u>5,547</u>	<u>1,786</u>	<u>8,321</u>
\$ 404	\$ 723	\$ 164	\$ 167	\$ 584	\$ 2,100
38	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	655	-	-	-	-
-	-	-	-	-	-
<u>442</u>	<u>1,378</u>	<u>164</u>	<u>167</u>	<u>584</u>	<u>2,100</u>
891	3,659	-	492	249	2,041
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
40,491	36,017	343	4,888	953	4,180
<u>41,382</u>	<u>39,676</u>	<u>343</u>	<u>5,380</u>	<u>1,202</u>	<u>6,221</u>
<u>41,824</u>	<u>41,054</u>	<u>507</u>	<u>5,547</u>	<u>1,786</u>	<u>8,321</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2006
 WITH COMPARATIVE TOTALS FOR 2005 (in thousands; continued)**

	SPECIAL REVENUE FUNDS			
ASSETS	COMMUNITY DEVELOPMENT BLOCK GRANT	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION	METROPOLITAN PLANNING ORGANIZATION
Equity in cash and investments.....	\$ 1,045	\$ 545	\$ 3,742	\$ 131
Cash in escrow and with fiscal agents.....	383	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts	-	-	171	-
Mortgages.....	1,272	-	-	-
Due from other funds.....	-	-	-	-
Due from component units.....	-	-	-	-
Due from independent agencies and other governments.....	861	-	69	24
Assets held for resale.....	-	-	-	-
Prepaid items.....	-	-	-	-
TOTAL ASSETS.....	<u>\$ 3,561</u>	<u>\$ 545</u>	<u>\$ 3,982</u>	<u>\$ 155</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities.....	\$ 325	\$ -	\$ 517	\$ -
Contracts payable.....	45	-	10	-
Due to other funds.....	-	-	-	-
Due to other governments.....	-	-	-	-
Due to individuals.....	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-
Deposits.....	6	-	-	-
Advances from other funds.....	-	-	-	-
Unearned revenue.....	1,050	-	-	-
TOTAL LIABILITIES.....	<u>1,426</u>	<u>-</u>	<u>527</u>	<u>-</u>
FUND BALANCES:				
Reserved for:				
Encumbrances.....	2,451	-	277	78
Cash in escrow.....	383	-	-	-
Mortgages receivable.....	222	-	-	-
Debt service.....	-	-	-	-
Unreserved:				
Designated for capital projects.....	-	-	588	-
Designated for subsequent years' budget.....	-	-	12	-
Designated for changes in fair value of investments.....	-	-	-	-
Undesignated	(921)	545	2,578	77
Total Fund Balances.....	<u>2,135</u>	<u>545</u>	<u>3,455</u>	<u>155</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 3,561</u>	<u>\$ 545</u>	<u>\$ 3,982</u>	<u>\$ 155</u>

SPECIAL REVENUE FUNDS

OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST	HOUSING AND NEIGHBORHOODS	STATE HOUSING INITIATIVE PARTNERSHIP	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2006	2005
\$ 9,193 40	\$ - -	\$ 4,744 2,097	\$ 15,984 -	\$ 11,877 -	\$ 188,410 2,620	\$ 138,052 7,466
-	-	-	-	295	477	2,974
-	-	5,788	2,587	-	9,647	10,650
-	-	-	-	-	-	-
3,262	12,098	183	-	-	37,820	38,385
-	-	-	-	-	-	-
<u>12,495</u>	<u>12,098</u>	<u>12,812</u>	<u>18,571</u>	<u>12,172</u>	<u>238,974</u>	<u>197,593</u>
\$ 1,827	\$ -	\$ 774	\$ 369	\$ 194	\$ 9,863	\$ 10,382
-	-	-	-	-	97	61
-	-	-	-	-	-	629
-	-	-	-	-	-	1,044
-	-	-	-	196	196	270
-	-	-	-	-	-	-
-	-	76	-	27	1,126	1,047
-	-	-	-	-	-	-
-	-	-	7,957	380	9,387	1,505
<u>1,827</u>	<u>-</u>	<u>850</u>	<u>8,326</u>	<u>797</u>	<u>20,669</u>	<u>14,938</u>
6,239	-	6,295	2,576	391	30,620	22,465
40	-	2,097	-	-	2,620	2,611
-	-	5,788	2,587	-	8,597	9,525
-	-	-	-	-	-	-
-	-	-	-	-	588	878
-	-	-	-	131	143	34
-	-	-	-	-	-	-
<u>4,389</u>	<u>12,098</u>	<u>(2,218)</u>	<u>5,082</u>	<u>10,853</u>	<u>175,737</u>	<u>147,142</u>
<u>10,668</u>	<u>12,098</u>	<u>11,962</u>	<u>10,245</u>	<u>11,375</u>	<u>218,305</u>	<u>182,655</u>
<u>12,495</u>	<u>12,098</u>	<u>12,812</u>	<u>18,571</u>	<u>12,172</u>	<u>238,974</u>	<u>197,593</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands; continued)**

DEBT SERVICE FUNDS					
	SPECIAL BONDED DEBT OBLIGATIONS	GENERAL BONDED DEBT OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	TOTALS	
				2006	2005 (1)
ASSETS					
Equity in cash and investments.....	\$ 73,769	\$ -	\$ 178	\$ 73,947	\$68,522
Cash in escrow and with fiscal agents.....	210	39	-	249	25,689
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts	-	-	-	-	-
Mortgages.....	-	-	-	-	-
Due from other funds.....	-	-	-	-	-
Due from component units.....	-	-	-	-	-
Due from independent agencies and other governments.....	-	-	-	-	-
Assets held for resale.....	-	-	-	-	-
Prepaid items.....	-	-	-	-	-
TOTAL ASSETS.....	\$ 73,979	\$ 39	\$ 178	\$ 74,196	\$ 94,211
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities.....	\$ -	\$ 39	\$ -	\$ 39	\$ 39
Contracts payable.....	-	-	-	-	-
Due to other funds.....	-	-	-	-	-
Due to other governments.....	-	-	-	-	-
Due to individuals.....	-	-	-	-	-
Matured bonds and interest payable.....	-	-	-	-	-
Deposits.....	-	-	-	-	-
Advances from other funds.....	-	-	-	-	-
Unearned revenue.....	-	-	-	-	-
TOTAL LIABILITIES.....	-	39	-	39	39
FUND BALANCES:					
Reserved for:					
Encumbrances.....	-	-	-	-	-
Cash in escrow.....	210	-	-	210	25,689
Mortgages receivable.....	-	-	-	-	-
Debt service.....	73,769	-	178	73,947	68,483
Unreserved:					
Designated for capital projects.....	-	-	-	-	-
Designated for subsequent years' budget.....	-	-	-	-	-
Designated for changes in fair value of investments.....	-	-	-	-	-
Undesignated	-	-	-	-	-
Total Fund Balances.....	73,979	-	178	74,157	94,172
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 73,979	\$ 39	\$ 178	\$ 74,196	\$ 94,211

(1) For comparative purposes prior year funds have been combined consistent with that of the current year.

CAPITAL PROJECTS FUNDS			TOTALS		PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS		
GENERAL PROJECTS	GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS		CEMETERY MAINTENANCE FUNDS		TOTALS	
			2006	2005 (1)	2006	2005	2006	2005 (1)
\$ 28,218	\$ 4,901	\$ 3,955	\$ 37,074	\$ 31,162	\$ 188	\$ 178	\$ 299,619	\$ 237,914
-	106	-	106	106	-	-	2,975	33,261
-	-	-	-	-	-	-	477	2,974
-	-	-	-	-	-	-	9,647	10,650
-	-	-	-	629	-	-	-	-
-	4,759	-	4,759	7,230	-	-	42,579	45,615
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 28,218</u>	<u>\$ 9,766</u>	<u>\$ 3,955</u>	<u>\$ 41,939</u>	<u>\$ 39,127</u>	<u>\$ 188</u>	<u>\$ 178</u>	<u>\$ 355,297</u>	<u>\$ 331,109</u>
\$ 1,151	\$ 1,359	\$ 1	\$ 2,511	\$ 2,471	\$ -	\$ -	\$ 12,413	\$ 12,892
204	325	-	529	497	-	-	626	558
-	-	-	-	-	-	-	-	629
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	196	270
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,126	1,047
10,408	-	-	10,408	10,991	-	-	10,408	10,991
-	-	-	-	-	-	-	9,387	1,505
<u>11,763</u>	<u>1,684</u>	<u>1</u>	<u>13,448</u>	<u>13,959</u>	<u>-</u>	<u>-</u>	<u>34,156</u>	<u>28,936</u>
5,018	4,443	78	9,539	14,642	-	-	40,159	37,107
-	106	-	106	106	-	-	2,936	28,406
-	-	-	-	-	-	-	8,597	9,525
-	-	-	-	6,559	-	-	73,947	-
-	-	-	-	-	-	-	588	878
-	-	-	-	-	-	-	143	34
-	-	-	-	-	-	-	-	-
<u>11,437</u>	<u>3,533</u>	<u>3,876</u>	<u>18,846</u>	<u>3,861</u>	<u>188</u>	<u>178</u>	<u>194,771</u>	<u>151,181</u>
<u>16,455</u>	<u>8,082</u>	<u>3,954</u>	<u>28,491</u>	<u>25,168</u>	<u>188</u>	<u>178</u>	<u>321,141</u>	<u>302,173</u>
<u>\$ 28,218</u>	<u>\$ 9,766</u>	<u>\$ 3,955</u>	<u>\$ 41,939</u>	<u>\$ 39,127</u>	<u>\$ 188</u>	<u>\$ 178</u>	<u>\$ 355,297</u>	<u>\$ 331,109</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
 COMBINING STATEMENT OF REVENUE, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
 WITH COMPARATIVE TOTALS FOR 2005 (in thousands)**

SPECIAL REVENUE FUNDS

	CONCURRENCY MANAGEMENT	AIR POLLUTION CONTROL AND MONITORING	SPORTS, CONVENTION AND TOURISM DEVELOPMENT	CLERK OF THE COURT
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	16,262	-
Intergovernmental.....	-	2,127	2,000	-
Charges for services.....	15,861	-	2,677	24,615
Fines and forfeitures.....	-	-	-	-
Interest.....	1,670	27	689	-
Other.....	-	-	2,038	1,110
Total Revenue.....	17,531	2,154	23,666	25,725
EXPENDITURES:				
Current:				
General government.....	698	-	-	25,025
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	4,259	-
Transportation.....	3,333	-	-	-
Economic environment.....	-	-	4,572	-
Physical environment.....	-	2,352	-	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	111
Total Expenditures.....	4,031	2,352	8,831	25,136
EXCESS OF REVENUE OVER (UNDER)				
EXPENDITURES.....	13,500	(198)	14,835	589
OTHER FINANCING SOURCES (USES):				
Long term debt issued.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	-	400	-	-
Transfers out.....	(100)	(71)	(17,274)	-
Total Other Financing Sources (Uses).....	(100)	329	(17,274)	-
NET CHANGE IN FUND BALANCES.....	13,400	131	(2,439)	589
FUND BALANCES, BEGINNING OF YEAR,				
AS RESTATED.....	28,649	795	16,379	3,959
FUND BALANCES, END OF YEAR.....	\$ 42,049	\$ 926	\$ 13,940	\$ 4,548

SPECIAL REVENUE FUNDS

TRANSPORTATION FUND	BUDGETED GENERAL GOVERNMENT	PUBLIC SAFETY	EMERGENCY 9-1-1	TAX INCREMENT DISTRICTS	JACKSONVILLE CHILDREN'S COMMISSION
\$ -	\$ -	\$ -	\$ -	\$ 8,275	\$ -
106,768	-	-	-	-	-
7,277	2,363	241	-	-	31,220
-	20,899	-	4,529	-	174
-	1,560	-	-	-	-
810	1,401	35	206	7	227
-	6,487	-	-	129	10
<u>114,855</u>	<u>32,710</u>	<u>276</u>	<u>4,735</u>	<u>8,411</u>	<u>31,631</u>
-	4,597	-	-	-	-
-	1,496	-	-	-	25,430
-	10,729	409	3,827	-	-
-	-	-	-	-	-
104,837	-	-	-	-	-
-	-	-	-	3,213	27,924
-	3,836	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>104,837</u>	<u>20,658</u>	<u>409</u>	<u>3,827</u>	<u>3,213</u>	<u>53,354</u>
<u>10,018</u>	<u>12,052</u>	<u>(133)</u>	<u>908</u>	<u>5,198</u>	<u>(21,723)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	1,528	-	-	600	21,590
-	(200)	-	-	(4,866)	(222)
-	<u>1,328</u>	-	-	<u>(4,266)</u>	<u>21,368</u>
10,018	13,380	(133)	908	932	(355)
<u>31,364</u>	<u>26,296</u>	<u>476</u>	<u>4,472</u>	<u>270</u>	<u>6,576</u>
<u>\$ 41,382</u>	<u>\$ 39,676</u>	<u>\$ 343</u>	<u>\$ 5,380</u>	<u>\$ 1,202</u>	<u>\$ 6,221</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands; continued)**

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	JOB TRAINING PARTNERSHIP ACT GRANT	MAINTENANCE, PARKS AND RECREATION	METROPOLITAN PLANNING ORGANIZATION
REVENUE:				
Property taxes.....	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-
Intergovernmental.....	8,978	-	-	-
Charges for services.....	-	-	2,136	-
Fines and forfeitures.....	-	-	-	-
Interest.....	41	24	145	1
Other.....	650	-	797	-
Total Revenue.....	9,669	24	3,078	1
EXPENDITURES:				
Current:				
General government.....	-	-	-	-
Human services.....	-	-	-	-
Public safety.....	-	-	-	-
Culture and recreation.....	-	-	3,900	-
Transportation.....	-	-	-	-
Economic environment.....	4,839	-	-	-
Physical environment.....	-	-	5	-
Capital outlay.....	-	-	-	-
Debt service:				
Principal.....	-	-	-	-
Interest on fiscal charges.....	-	-	-	-
Total Expenditures.....	4,839	-	3,905	-
EXCESS OF REVENUE OVER (UNDER)				
EXPENDITURES.....	4,830	24	(827)	1
OTHER FINANCING SOURCES (USES):				
Long term debt issued.....	-	-	-	-
Payment to escrow agent - refunded bonds.....	-	-	-	-
Transfers in.....	75	-	1,236	-
Transfers out.....	(3,449)	-	(201)	-
Total Other Financing Sources (Uses).....	(3,374)	-	1,035	-
NET CHANGE IN FUND BALANCES.....	1,456	24	208	1
FUND BALANCES, BEGINNING OF YEAR,				
AS RESTATED.....	679	521	3,247	154
FUND BALANCES, END OF YEAR.....	\$ 2,135	\$ 545	\$ 3,455	\$ 155

SPECIAL REVENUE FUNDS

OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST	HOUSING AND NEIGHBORHOODS	STATE HOUSING INITIATIVE PARTNERSHIP	NON-BUDGETED GENERAL GOVERNMENT	TOTALS	
					2006	2005
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,275	\$ 4,688
-	73,227	-	-	-	196,257	184,172
17,651	-	5,395	189	203	77,644	87,250
-	-	-	-	2,617	73,508	65,779
-	-	-	-	116	1,676	1,057
354	452	57	755	375	7,276	3,019
187	-	546	737	9,747	22,438	23,923
<u>18,192</u>	<u>73,679</u>	<u>5,998</u>	<u>1,681</u>	<u>13,058</u>	<u>387,074</u>	<u>369,888</u>
2,159	-	-	-	2,474	34,953	29,259
10,001	-	-	-	499	37,426	33,650
8,336	-	-	-	2,385	25,686	26,744
1,526	-	-	-	640	10,325	9,520
-	-	-	-	-	108,170	105,936
564	-	12,258	5,743	15	59,128	59,846
158	-	-	-	4	6,355	8,225
-	-	-	-	2,431	2,431	-
-	-	-	-	-	-	-
-	-	-	-	-	111	-
<u>22,744</u>	<u>-</u>	<u>12,258</u>	<u>5,743</u>	<u>8,448</u>	<u>284,585</u>	<u>273,180</u>
<u>(4,552)</u>	<u>73,679</u>	<u>(6,260)</u>	<u>(4,062)</u>	<u>4,610</u>	<u>102,489</u>	<u>96,708</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,759	-	3,353	-	156	33,697	32,510
(117)	(73,786)	-	-	(250)	(100,536)	(97,058)
<u>4,642</u>	<u>(73,786)</u>	<u>3,353</u>	<u>-</u>	<u>(94)</u>	<u>(66,839)</u>	<u>(64,548)</u>
90	(107)	(2,907)	(4,062)	4,516	35,650	32,160
<u>10,578</u>	<u>12,205</u>	<u>14,869</u>	<u>14,307</u>	<u>6,859</u>	<u>182,655</u>	<u>150,495</u>
<u>\$ 10,668</u>	<u>\$ 12,098</u>	<u>\$ 11,962</u>	<u>\$ 10,245</u>	<u>\$ 11,375</u>	<u>\$ 218,305</u>	<u>\$ 182,655</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands; continued)**

	DEBT SERVICE FUNDS				
	SPECIAL BONDED DEBT OBLIGATIONS	GENERAL BONDED DEBT OBLIGATIONS	OTHER NON-BONDED DEBT OBLIGATIONS	TOTALS	
				2006	2005 (1)
REVENUE:					
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and tourist taxes.....	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-
Charges for services.....	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-
Interest.....	2,110	-	14	2,124	2,878
Other.....	-	-	-	-	-
Total Revenue.....	2,110	-	14	2,124	2,878
EXPENDITURES:					
Current:					
General government.....	-	-	-	-	-
Human services.....	-	-	-	-	-
Public safety.....	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-
Transportation.....	-	-	-	-	-
Economic environment.....	-	-	-	-	-
Physical environment.....	-	-	-	-	-
Capital outlay.....	-	-	-	-	-
Debt service:					
Principal.....	46,654	-	525	47,179	41,270
Interest on fiscal charges.....	43,555	-	508	44,063	45,058
Total Expenditures.....	90,209	-	1,033	91,242	86,328
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(88,099)	-	(1,019)	(89,118)	(83,450)
OTHER FINANCING SOURCES (USES):					
Long term debt issued.....	1,790	-	-	1,790	-
Payment to escrow agent - refunded bonds.....	(25,135)	-	-	(25,135)	(40,668)
Transfers in.....	91,397	-	1,051	92,448	79,168
Transfers out.....	-	-	-	-	-
Total Other Financing Sources (Uses).....	68,052	-	1,051	69,103	38,500
NET CHANGE IN FUND BALANCES.....	(20,047)	-	32	(20,015)	(44,950)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED.....	94,026	-	146	94,172	139,122
FUND BALANCES, END OF YEAR.....	\$ 73,979	\$ -	\$ 178	\$ 74,157	\$ 94,172

(1) For comparative purposes prior year funds have been combined consistent with that of the current year.

CAPITAL PROJECTS FUNDS					PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
GENERAL PROJECTS	GRANT PROJECTS	RIVER CITY RENAISSANCE PROJECT	TOTALS		CEMETERY MAINTENANCE FUNDS		TOTALS	
			2006	2005 (1)	2006	2005	2006	2005 (1)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,275	\$ 4,688
-	-	-	-	-	-	-	196,257	184,172
200	16,737	-	16,937	10,689	-	-	94,581	97,939
-	-	-	-	-	-	-	73,508	65,779
-	-	-	-	-	-	-	1,676	1,057
1,122	215	177	1,514	686	10	2	10,924	6,585
11,194	-	-	11,194	3,650	-	-	33,632	27,573
<u>12,516</u>	<u>16,952</u>	<u>177</u>	<u>29,645</u>	<u>15,025</u>	<u>10</u>	<u>2</u>	<u>418,853</u>	<u>387,793</u>
-	-	-	-	-	-	-	34,953	29,259
-	-	-	-	-	-	-	37,426	33,650
-	-	-	-	-	-	-	25,686	26,744
-	-	-	-	-	-	-	10,325	9,520
-	-	-	-	-	-	-	108,170	105,936
-	-	-	-	-	-	-	59,128	59,846
-	-	-	-	-	-	-	6,355	8,225
13,337	19,492	97	32,926	24,848	-	-	35,357	24,848
-	-	-	-	-	-	-	47,179	41,270
-	-	-	-	-	-	-	44,174	45,058
<u>13,337</u>	<u>19,492</u>	<u>97</u>	<u>32,926</u>	<u>24,848</u>	<u>-</u>	<u>-</u>	<u>408,753</u>	<u>384,356</u>
<u>(821)</u>	<u>(2,540)</u>	<u>80</u>	<u>(3,281)</u>	<u>(9,823)</u>	<u>10</u>	<u>2</u>	<u>10,100</u>	<u>3,437</u>
-	-	-	-	-	-	-	1,790	-
-	-	-	-	-	-	-	(25,135)	-
6,442	1,011	-	7,453	2,086	-	-	133,598	113,764
(849)	-	-	(849)	(6,812)	-	-	(101,385)	(103,870)
<u>5,593</u>	<u>1,011</u>	<u>-</u>	<u>6,604</u>	<u>(4,726)</u>	<u>-</u>	<u>-</u>	<u>8,868</u>	<u>9,894</u>
4,772	(1,529)	80	3,323	(14,549)	10	2	18,968	13,331
<u>11,683</u>	<u>9,611</u>	<u>3,874</u>	<u>25,168</u>	<u>39,717</u>	<u>178</u>	<u>176</u>	<u>302,173</u>	<u>329,510</u>
<u>\$ 16,455</u>	<u>\$ 8,082</u>	<u>\$ 3,954</u>	<u>\$ 28,491</u>	<u>\$ 25,168</u>	<u>\$ 188</u>	<u>\$ 178</u>	<u>\$ 321,141</u>	<u>\$ 342,841</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

	<u>CONCURRENCY MANAGEMENT</u>					
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUE:						
Charges for services.....	\$ 800	\$ 800	\$ 15,861	\$ -	\$ 15,861	\$ 15,061
Interest.....	110	970	1,670	-	1,670	700
Total Revenue.....	<u>910</u>	<u>1,770</u>	<u>17,531</u>	<u>-</u>	<u>17,531</u>	<u>15,761</u>
EXPENDITURES:						
Planning and development.....	21,967	7,717	686	1,545	2,231	5,486
Public works.....	3,456	19,035	3,345	1,181	4,526	14,509
Total Expenditures.....	<u>25,423</u>	<u>26,752</u>	<u>4,031</u>	<u>2,726</u>	<u>6,757</u>	<u>19,995</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES.....	<u>(24,513)</u>	<u>(24,982)</u>	<u>13,500</u>	<u>(2,726)</u>	<u>10,774</u>	<u>35,756</u>
OTHER FINANCING (USES):						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	-	(100)	(100)	-	(100)	-
Total Other Financing (Uses).....	<u>-</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>(100)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES.....	<u>(24,513)</u>	<u>(25,082)</u>	<u>13,400</u>	<u>(2,726)</u>	<u>10,674</u>	<u>35,756</u>
FUND BALANCE, BEGINNING.....	<u>28,649</u>	<u>28,649</u>	<u>28,649</u>	<u>-</u>	<u>28,649</u>	<u>-</u>
FUND BALANCE, ENDING.....	<u>\$ 4,136</u>	<u>\$ 3,567</u>	<u>\$ 42,049</u>	<u>(\$ 2,726)</u>	<u>\$ 39,323</u>	<u>\$ 35,756</u>

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

AIR POLLUTION CONTROL AND MONITORING

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUE:						
Intergovernmental.....	\$ 2,624	\$ 3,354	\$ 2,127	\$ -	\$ 2,127	(\$ 1,227)
Interest.....	13	13	27	-	27	14
Total Revenue.....	<u>2,637</u>	<u>3,367</u>	<u>2,154</u>	<u>-</u>	<u>2,154</u>	<u>(1,213)</u>
EXPENDITURES:						
Environmental Resource Management.....	3,241	3,964	2,352	1	2,353	1,611
Total Expenditures.....	<u>3,241</u>	<u>3,964</u>	<u>2,352</u>	<u>1</u>	<u>2,353</u>	<u>1,611</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....						
	<u>(604)</u>	<u>(597)</u>	<u>(198)</u>	<u>(1)</u>	<u>(199)</u>	<u>398</u>
OTHER FINANCING SOURCES:						
Transfers in.....	400	400	400	-	400	-
Transfers out.....	(114)	(114)	(71)	-	(71)	43
Total Other Financing Sources.....	<u>286</u>	<u>286</u>	<u>329</u>	<u>-</u>	<u>329</u>	<u>43</u>
NET CHANGE IN FUND BALANCES.....	(318)	(311)	131	(1)	130	441
FUND BALANCE, BEGINNING.....	795	795	795	-	795	-
FUND BALANCE, ENDING.....	\$ 477	\$ 484	\$ 926	(\$ 1)	\$ 925	\$ 441

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

SPORTS, CONVENTION AND TOURISM DEVELOPMENT

	<u>BUDGETED AMOUNTS</u>			<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>			
REVENUE:						
Sales and tourist taxes.....	\$ 15,250	\$ 15,250	\$ 16,262	\$ -	\$ 16,262	\$ 1,012
Intergovernmental.....	-	-	2,000	-	2,000	2,000
Charges for services.....	2,667	2,667	2,677	-	2,677	10
Interest.....	62	98	689	-	689	591
Other.....	4,455	2,169	2,038	-	2,038	(131)
Total Revenue.....	<u>22,434</u>	<u>20,184</u>	<u>23,666</u>	<u>-</u>	<u>23,666</u>	<u>3,482</u>
EXPENDITURES:						
City Council.....	8,365	8,265	4,572	2,037	6,609	1,656
Neighborhoods.....	1,198	1,816	570	3	573	1,243
Sports Complex.....	3,262	4,208	3,689	173	3,862	346
Total Expenditures.....	<u>12,825</u>	<u>14,289</u>	<u>8,831</u>	<u>2,213</u>	<u>11,044</u>	<u>3,245</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....						
	<u>9,609</u>	<u>5,895</u>	<u>14,835</u>	<u>(2,213)</u>	<u>12,622</u>	<u>6,727</u>
OTHER FINANCING (USES):						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	<u>(17,274)</u>	<u>(17,274)</u>	<u>(17,274)</u>	<u>-</u>	<u>(17,274)</u>	<u>-</u>
Total Other Financing (Uses).....	<u>(17,274)</u>	<u>(17,274)</u>	<u>(17,274)</u>	<u>-</u>	<u>(17,274)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES.....						
	<u>(7,665)</u>	<u>(11,379)</u>	<u>(2,439)</u>	<u>(2,213)</u>	<u>(4,652)</u>	<u>6,727</u>
FUND BALANCE, BEGINNING.....						
	<u>16,379</u>	<u>16,379</u>	<u>16,379</u>	<u>-</u>	<u>16,379</u>	<u>-</u>
FUND BALANCE, ENDING.....						
	<u>\$ 8,714</u>	<u>\$ 5,000</u>	<u>\$ 13,940</u>	<u>(\$ 2,213)</u>	<u>\$ 11,727</u>	<u>\$ 6,727</u>

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

TRANSPORTATION FUND

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUE:						
Sales and tourist taxes.....	\$ 99,666	\$ 99,666	\$ 106,768	\$ -	\$ 106,768	\$ 7,102
Intergovernmental.....	11,067	11,067	7,277	-	7,277	(3,790)
Interest.....	619	619	810	-	810	191
Total Revenue.....	111,352	111,352	114,855	-	114,855	3,503
EXPENDITURES:						
Public Works.....	39,021	39,021	34,627	891	35,518	3,503
Jacksonville Misc. Citywide Activities.....	92,705	92,705	70,210	-	70,210	22,495
Total Expenditures.....	131,726	131,726	104,837	891	105,728	25,998
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(20,374)	(20,374)	10,018	(891)	9,127	29,501
OTHER FINANCING (USES):						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	(4,406)	(5,833)	-	-	-	5,833
Total Other Financing (Uses).....	(4,406)	(5,833)	-	-	-	5,833
NET CHANGE IN FUND BALANCES.....	(24,780)	(26,207)	10,018	(891)	9,127	35,334
FUND BALANCE, BEGINNING.....	31,364	31,364	31,364	-	31,364	-
FUND BALANCE, ENDING.....	\$ 6,584	\$ 5,157	\$ 41,382	(\$ 891)	\$ 40,491	\$ 35,334

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

BUDGETED GENERAL GOVERNMENT

	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
REVENUE:						
Intergovernmental.....	\$ 1,805	\$ 3,956	\$ 2,363	\$ -	\$ 2,363	(\$ 1,593)
Charges for services.....	19,339	19,360	20,899	-	20,899	1,539
Fines and forfeitures.....	803	853	1,560	-	1,560	707
Interest.....	220	220	1,401	-	1,401	1,181
Other.....	144	650	6,487	-	6,487	5,837
Total Revenue.....	22,311	25,039	32,710	-	32,710	7,671
EXPENDITURES:						
Clerk of the Courts.....	-	1,569	1,100	-	1,100	469
Court Administration.....	4,113	5,286	2,274	601	2,875	2,411
Community Services.....	1,287	1,142	740	310	1,050	92
Environmental Resource Management.....	2,488	4,727	2,279	157	2,436	2,291
Fire / Rescue.....	472	472	429	2	431	41
Jacksonville Citywide Activities.....	2,170	1,028	-	-	-	1,028
Mayor Board.....	2	9	6	-	6	3
Neighborhoods.....	122	-	-	-	-	-
Public Defender.....	23	197	161	4	165	32
Parks, Recreation & Entertainment.....	-	1,204	-	3	3	1,201
Public Works.....	16,850	20,755	12,237	2,960	15,197	5,558
State Attorney.....	1,549	1,779	1,377	53	1,430	349
Tax Collector.....	47	47	55	2	57	(10)
Total Expenditures.....	29,123	38,215	20,658	4,092	24,750	13,465
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(6,812)	(13,176)	12,052	(4,092)	7,960	21,136
OTHER FINANCING SOURCES (USES):						
Transfers in.....	350	1,529	1,528	-	1,528	(1)
Transfers out.....	(201)	(201)	(200)	-	(200)	1
Total Other Financing Sources (Uses).....	149	1,328	1,328	-	1,328	-
NET CHANGE IN FUND BALANCES.....	(6,663)	(11,848)	13,380	(4,092)	9,288	21,136
FUND BALANCE, BEGINNING.....	26,296	26,296	26,296	-	26,296	-
FUND BALANCE, ENDING.....	\$ 19,633	\$ 14,448	\$ 39,676	(\$ 4,092)	\$ 35,584	\$ 21,136

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

PUBLIC SAFETY

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
REVENUE:						
Intergovernmental.....	\$ -	\$ 241	\$ 241	\$ -	\$ 241	\$ -
Interest.....	-	-	35	-	35	35
Total Revenue.....	-	241	276	-	276	35
EXPENDITURES:						
Fire and Rescue.....	261	509	409	-	409	100
Jacksonville Misc. Citywide Activities.....	-	-	-	-	-	-
Total Expenditures.....	261	509	409	-	409	100
EXCESS OF REVENUE (UNDER) EXPENDITURES.....	(261)	(268)	(133)	-	(133)	135
NET CHANGE IN FUND BALANCES.....	(261)	(268)	(133)	-	(133)	135
FUND BALANCE, BEGINNING.....	476	476	476	-	476	-
FUND BALANCE, ENDING.....	\$ 215	\$ 208	\$ 343	\$ -	\$ 343	\$ 135

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

EMERGENCY 9-1-1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET -</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				<u>POSITIVE (NEGATIVE)</u>
REVENUE:						
Charges for services.....	\$ 3,766	\$ 3,766	\$ 4,529	\$ -	\$ 4,529	\$ 763
Interest.....	26	26	206	-	206	180
Total Revenue.....	3,792	3,792	4,735	-	4,735	943
EXPENDITURES:						
Office of the Sheriff.....	6,749	6,746	3,827	492	4,319	2,427
Total Expenditures.....	6,749	6,746	3,827	492	4,319	2,427
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES.....	(2,957)	(2,954)	908	(492)	416	3,370
NET CHANGE IN FUND BALANCES.....	(2,957)	(2,954)	908	(492)	416	3,370
FUND BALANCE, BEGINNING.....	4,472	4,472	4,472	-	4,472	-
FUND BALANCE, ENDING.....	<u>\$ 1,515</u>	<u>\$ 1,518</u>	<u>\$ 5,380</u>	<u>(\$ 492)</u>	<u>\$ 4,888</u>	<u>\$ 3,370</u>

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

TAX INCREMENT DISTRICTS						
	BUDGETED AMOUNTS		ACTUAL	ENCUMBRANCES	BUDGETARY ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL				
REVENUE:						
Property taxes.....	\$ 9,796	\$ 9,796	\$ 8,275	\$ -	\$ 8,275	(\$ 1,521)
Interest.....	-	-	7	-	7	7
Other.....	-	-	129	-	129	129
Total Revenue.....	9,796	9,796	8,411	-	8,411	(1,385)
EXPENDITURES:						
Jacksonville Citywide Activities.....	6,528	4,317	2,971	19	2,990	1,327
Jacksonville Economic Development Commission.....	254	1,104	242	5	247	857
Planning Department.....	-	225	-	225	225	-
Total Expenditures.....	6,782	5,646	3,213	249	3,462	2,184
EXCESS OF REVENUE OVER EXPENDITURES.....						
	3,014	4,150	5,198	(249)	4,949	799
OTHER FINANCING SOURCES (USES):						
Transfers in.....	-	600	600	-	600	-
Transfers out.....	(3,284)	(5,273)	(4,866)	-	(4,866)	407
Total Other Financing Sources (Uses).....	(3,284)	(4,673)	(4,266)	-	(4,266)	407
NET CHANGE IN FUND BALANCES.....	(270)	(523)	932	(249)	683	1,206
FUND BALANCE, BEGINNING.....	270	270	270	-	270	-
FUND BALANCE, ENDING.....	\$ -	(\$ 253)	\$ 1,202	(\$ 249)	953	\$ 1,206

CITY OF JACKSONVILLE, FLORIDA
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

JACKSONVILLE CHILDREN'S COMMISSION

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>BUDGETARY ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET -</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				<u>POSITIVE (NEGATIVE)</u>
REVENUE:						
Intergovernmental.....	\$ 29,324	\$ 37,128	\$ 31,220	\$ -	\$ 31,220	(\$ 5,908)
Charges for services.....	57	114	174	-	174	60
Interest.....	-	-	227	-	227	227
Other.....	-	81	10	-	10	(71)
Total Revenue.....	29,381	37,323	31,631	-	31,631	(5,692)
EXPENDITURES:						
Jacksonville Children's Commission.....	52,024	59,905	53,354	2,041	55,395	4,510
Total Expenditures.....	52,024	59,905	53,354	2,041	55,395	4,510
EXCESS OF REVENUE (UNDER) EXPENDITURES.....	(22,643)	(22,582)	(21,723)	(2,041)	(23,764)	(1,182)
OTHER FINANCING SOURCES (USES):						
Transfers in.....	21,488	21,590	21,590	-	21,590	-
Transfers out.....	(84)	(360)	(222)	-	(222)	138
Total Other Financing Sources (Uses).....	21,404	21,230	21,368	-	21,368	138
NET CHANGE IN FUND BALANCES.....	(1,239)	(1,352)	(355)	(2,041)	(2,396)	(1,044)
FUND BALANCE, BEGINNING.....	6,576	6,576	6,576	-	6,576	-
FUND BALANCE, ENDING.....	\$ 5,337	\$ 5,224	\$ 6,221	(\$ 2,041)	\$ 4,180	(\$ 1,044)

NON-MAJOR ENTERPRISE FUNDS:

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

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

The Sports Complex, Convention Center and Auditorium Fund accounts for the operation of the ALLTEL Stadium, the Baseball Park and Veterans Memorial Arena sports complex, the Prime Osborn Convention Center and Performing Arts Center.

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

<u>ASSETS</u>	<u>SPORTS</u>	<u>MOTOR</u>	<u>MAYPORT</u>	<u>PUBLIC</u>	<u>TOTALS</u>	
	<u>COMPLEX,</u> <u>CONVENTION</u> <u>CENTER AND</u> <u>AUDITORIUM</u>	<u>VEHICLE</u> <u>INSPECTION</u>	<u>FERRY</u>	<u>PARKING</u>	<u>2006</u>	<u>2005 (1)</u>
CURRENT ASSETS:						
Equity in cash and investments.....	\$ 1,148	\$ 73	\$ 154	\$ 1,621	\$ 2,996	\$ 2,583
Receivables (net, where applicable, of allowances for uncollectibles):						
Accounts.....	615	63	1	-	679	2,320
Due from other governments.....	-	-	-	-	-	12
Inventories.....	-	8	-	-	8	5
Prepaid expenses and other assets.....	238	-	25	-	263	309
Total Current Assets.....	<u>2,001</u>	<u>144</u>	<u>180</u>	<u>1,621</u>	<u>3,946</u>	<u>5,229</u>
NONCURRENT ASSETS:						
Sinking fund cash and investments.....	1,607	-	-	-	1,607	3,064
Accounts and interest receivable.....	1,007	-	-	-	1,007	263
CAPITAL ASSETS:						
Land and work in progress.....	-	32	610	4,573	5,215	5,215
Other capital assets, net of depreciation.....	203	71	3,452	7,725	11,451	12,048
Total Noncurrent Assets.....	<u>2,817</u>	<u>103</u>	<u>4,062</u>	<u>12,298</u>	<u>19,280</u>	<u>20,590</u>
TOTAL ASSETS.....	<u>4,818</u>	<u>247</u>	<u>4,242</u>	<u>13,919</u>	<u>23,226</u>	<u>25,819</u>
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable and accrued liabilities.....	3,090	9	316	132	3,547	3,200
Accrued compensated absences, current portion.	-	11	-	43	54	53
Deposits held for construction and events.....	2,614	-	-	89	2,703	3,414
Accrued interest payable.....	-	-	-	422	422	417
Current portion of bonds payable.....	-	-	-	2,695	2,695	1,460
Deferred revenue.....	249	-	-	-	249	334
Total Current Liabilities.....	<u>5,953</u>	<u>20</u>	<u>316</u>	<u>3,381</u>	<u>9,670</u>	<u>8,878</u>
NONCURRENT LIABILITIES:						
Accrued compensated absences.....	-	27	-	101	128	122
Bonds payable.....	-	-	-	14,207	14,207	16,723
Total Noncurrent Liabilities.....	<u>-</u>	<u>27</u>	<u>-</u>	<u>14,308</u>	<u>14,335</u>	<u>16,845</u>
TOTAL LIABILITIES.....	<u>5,953</u>	<u>47</u>	<u>316</u>	<u>17,689</u>	<u>24,005</u>	<u>25,723</u>
NET ASSETS:						
Invested in capital assets, net of related debt.....	203	103	4,063	6,264	10,633	10,966
Restricted - capital.....	-	-	-	-	-	880
Restricted - others.....	2,614	-	-	-	2,614	3,327
Unrestricted.....	(3,952)	97	(137)	(10,034)	(14,026)	(15,077)
TOTAL NET ASSETS.....	<u>\$ (1,135)</u>	<u>\$ 200</u>	<u>\$ 3,926</u>	<u>\$ (3,770)</u>	<u>\$ (779)</u>	<u>\$ 96</u>

(1) For comparative purposes prior year funds have been combined consistent with that of the current year.

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	PUBLIC PARKING SYSTEM	TOTALS	
					2006	2005 (1)
OPERATING REVENUE:						
Charges for services.....	\$ 16,004	\$ 442	\$ 1,110	\$ 4,018	\$ 21,574	\$ 21,046
Total Operating Revenue.....	<u>16,004</u>	<u>442</u>	<u>1,110</u>	<u>4,018</u>	<u>21,574</u>	<u>21,046</u>
OPERATING EXPENSES:						
Personal services.....	11,408	296	872	1,539	14,115	14,991
Supplies and materials.....	3,766	4	279	30	4,079	3,777
Central services.....	33	12	-	931	976	1,223
Interdepartmental charges.....	1,548	4	150	59	1,761	1,876
Other services and charges.....	9,201	76	737	1,204	11,218	9,273
Depreciation and amortization.....	8	47	308	368	731	729
Total Operating Expenses.....	<u>25,964</u>	<u>439</u>	<u>2,346</u>	<u>4,131</u>	<u>32,880</u>	<u>31,869</u>
OPERATING INCOME (LOSS).....	<u>(9,960)</u>	<u>3</u>	<u>(1,236)</u>	<u>(113)</u>	<u>(11,306)</u>	<u>(10,823)</u>
NON-OPERATING REVENUE (EXPENSES):						
Interest revenue.....	107	3	17	2,363	2,490	2,633
Interest expense.....	-	-	-	(844)	(844)	(833)
Other.....	73	-	-	21	94	8
Total Non-Operating Revenue (Expenses).....	<u>180</u>	<u>3</u>	<u>17</u>	<u>1,540</u>	<u>1,740</u>	<u>1,808</u>
INCOME (LOSS) BEFORE						
CONTRIBUTIONS AND TRANSFERS.....	<u>(9,780)</u>	<u>6</u>	<u>(1,219)</u>	<u>(8,420)</u>	<u>(9,566)</u>	<u>(9,015)</u>
Transfers in.....	8,221	-	969	1,532	10,722	10,681
Transfers out.....	-	-	-	(2,031)	(2,031)	(1,021)
CHANGES IN NET ASSETS.....	<u>(1,559)</u>	<u>6</u>	<u>(250)</u>	<u>928</u>	<u>(875)</u>	<u>645</u>
TOTAL NET ASSETS, BEGINNING OF YEAR.....	<u>424</u>	<u>194</u>	<u>4,176</u>	<u>(4,698)</u>	<u>96</u>	<u>(549)</u>
TOTAL NET ASSETS, END OF YEAR.....	<u>\$ (1,135)</u>	<u>\$ 200</u>	<u>\$ 3,926</u>	<u>\$ (3,770)</u>	<u>\$ (779)</u>	<u>\$ 96</u>

(1) For comparative purposes prior year funds have been combined consistent with that of the current year.

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)**

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	PUBLIC PARKING SYSTEM	TOTALS	
					2006	2005 (1)
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts to customers.....	\$ 16,904	\$ 422	\$ 1,077	\$ 4,041	\$ 22,444	\$ 19,981
Payments to suppliers.....	(12,853)	(94)	(832)	(2,145)	(15,924)	(11,553)
Payments to employees.....	(11,408)	(297)	(872)	(1,436)	(14,013)	(14,986)
Other receipts (expenses).....	73	-	-	21	94	8
Other operating cash payments.....	(2,261)	(4)	(150)	1,178	(1,237)	(3,991)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(9,545)	27	(777)	1,659	(8,636)	(10,541)
NONCAPITAL FINANCING ACTIVITIES:						
Cash received through transfers from other funds.....	8,221	-	969	1,532	10,722	10,681
Cash payments through transfers to other funds.....	-	-	-	(2,031)	(2,031)	(1,021)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	8,221	-	969	(499)	8,691	9,660
CAPITAL AND RELATED FINANCING ACTIVITIES:						
Increase (decrease) to property, plant and equipment.....	-	-	(129)	(5)	(134)	(386)
Increase in construction fund cash and investments.....	1,457	-	-	-	1,457	(1,402)
Increase in capitalized lease obligations.....	-	-	-	(95)	(95)	(1)
Principal paid on long-term obligations.....	-	-	-	(2,516)	(2,516)	(756)
Interest and payments to refunded bond escrow agent.....	-	-	-	(844)	(844)	(833)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	1,457	-	(129)	(3,460)	(2,132)	(3,378)
INVESTING ACTIVITIES:						
Interest and dividends on investments.....	107	3	17	2,363	2,490	2,633
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	107	3	17	2,363	2,490	2,633
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....						
Cash and cash equivalents at October 1.....	908	43	74	1,558	2,583	4,209
Cash and cash equivalents at September 30.....	\$ 1,148	\$ 73	\$ 154	\$ 1,621	\$ 2,996	\$ 2,583

(1) For comparative purposes prior year funds have been combined consistent with that of the current year.

	SPORTS COMPLEX, CONVENTION CENTER AND AUDITORIUM	MOTOR VEHICLE INSPECTION	MAYPORT FERRY	PUBLIC PARKING SYSTEM	TOTALS	
					2006	2005 (1)
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:						
OPERATING INCOME (LOSS).....	(\$ 9,960)	\$ 3	(\$ 1,236)	(\$ 113)	(\$ 11,306)	(\$ 10,823)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization.....	8	47	308	368	731	729
Other non-operating revenue/(expenses).....	73	-	-	21	94	8
Change in assets and liabilities:						
Decrease (increase) in receivables and other current assets, net.....	907	(32)	(1)	23	897	(1,077)
Increase (decrease) in due from other governments.....	-	12	-	-	12	-
Decrease (increase) in inventories.....	-	(3)	-	-	(3)	5
Decrease (Increase) in prepaid expenses.....	52	-	(6)	-	46	106
Increase in accounts payable and accrued expenses.....	147	1	184	15	347	2,762
Increase (decrease) in due to independent other governments.....	-	-	-	-	-	(7)
Increase (decrease) in deposit held for construction & events.....	(713)	-	-	2	(711)	(1,865)
Increase (decrease) in current portion of bond payables.....	-	-	-	1,235	1,235	(243)
(Decrease) in unearned revenue.....	(59)	-	(26)	-	(85)	(94)
(Decrease) in interest payable.....	-	-	-	5	5	(47)
Increase (decrease) in accrued compensated absences.....	-	(1)	-	103	102	5
TOTAL ADJUSTMENTS.....	415	24	459	1,772	2,670	282
NET CASH PROVIDED(USED IN) OPERATING ACTIVITIES.....	(\$ 9,545)	\$ 27	(\$ 777)	\$ 1,659	(\$ 8,636)	(\$ 10,541)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:						
Change in the fair value of investments.....	\$ 6	\$ -	\$ -	\$ 15	\$ 21	(\$ 20)
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	\$ 6	\$ -	\$ -	\$ 15	\$ 21	(\$ 20)

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INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

ASSETS	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
CURRENT ASSETS:			
Equity in cash and investments.....	\$ 449	\$ 310	\$ 3,545
Accounts receivable.....	-	-	-
Loans receivables.....	-	-	-
Other receivables.....	-	-	-
Due from other funds.....	-	-	-
Due from independent agencies and other governments.....	627	1	408
Advances to other funds.....	-	-	-
Inventories.....	1,401	-	292
Prepaid expenses and other assets.....	-	-	-
Total Current Assets.....	2,477	311	4,245
NONCURRENT ASSETS:			
Loans receivable - noncurrent.....	-	-	-
Other receivables - noncurrent.....	-	-	-
Total Noncurrent Assets.....	-	-	-
CAPITAL ASSETS AND INFRASTRUCTURE (Note 1)			
Land and work in progress.....	66	-	22
Other capital assets, net of depreciation.....	54,038	2	27,346
Total Capital Assets, Net.....	54,104	2	27,368
TOTAL ASSETS.....	56,581	313	31,613
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities.....	1,061	67	1,830
Due to other funds.....	-	-	-
Due to independent agencies and other governments.....	-	-	-
Capitalized lease obligations, current portion.....	-	-	81
Deposits.....	-	-	-
Unearned revenue.....	-	-	-
Accrued compensated absences, current portion.....	248	18	385
Current portion of loans payable.....	6,208	-	4,873
Total Current Liabilities.....	7,517	85	7,169
NONCURRENT LIABILITIES:			
Notes payable.....	-	-	-
Estimated liability for self-insured losses.....	-	-	-
Accrued compensated absences.....	579	43	898
Loans payable.....	18,344	-	8,257
Capitalized lease obligations.....	-	-	63
Total Long-Term Liabilities.....	18,923	43	9,218
TOTAL LIABILITIES.....	26,440	128	16,387
NET ASSETS:			
Invested in capital assets, net of related debt.....	29,552	2	14,175
Unrestricted.....	589	183	1,051
TOTAL NET ASSETS (deficit).....	\$ 30,141	\$ 185	\$ 15,226

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	BANKING FUND	TOTALS	
					2006	2005
\$ 1,582	\$ 40,828	\$ 73	\$ 1,032	\$ 600	\$ 48,419	\$ 69,603
-	76	-	-	-	76	83
-	-	-	-	14,926	14,926	-
-	2,070	-	-	-	2,070	2,221
-	-	-	-	-	-	968
443	237	16	-	-	1,732	3,287
-	10,408	-	-	-	10,408	10,991
-	-	-	-	-	1,693	1,849
-	344	-	2,065	1,826	4,235	4,048
<u>2,025</u>	<u>53,963</u>	<u>\$ 89</u>	<u>3,097</u>	<u>17,352</u>	<u>83,559</u>	<u>93,050</u>
-	-	-	-	59,025	59,025	-
-	15,490	-	-	-	15,490	15,834
-	15,490	-	-	59,025	74,515	15,834
-	-	-	-	-	88	1,413
29	4	4	10	-	81,433	79,326
29	4	4	10	-	81,521	80,739
<u>2,054</u>	<u>69,457</u>	<u>93</u>	<u>3,107</u>	<u>76,377</u>	<u>239,595</u>	<u>189,623</u>
296	105	35	108	3,204	6,706	6,500
-	-	-	-	-	-	-
-	-	-	-	-	-	127
-	-	-	-	-	81	78
-	-	2	-	-	2	2
-	-	-	2,065	-	2,065	1,897
242	11	27	7	-	938	-
-	-	-	-	-	11,081	895
<u>538</u>	<u>116</u>	<u>64</u>	<u>2,180</u>	<u>3,204</u>	<u>20,873</u>	<u>9,499</u>
-	-	-	-	72,205	72,205	58,565
-	64,776	-	-	-	64,776	58,595
564	26	62	17	-	2,189	2,088
-	-	-	-	-	26,601	-
-	-	-	-	-	63	143
<u>564</u>	<u>64,802</u>	<u>62</u>	<u>17</u>	<u>72,205</u>	<u>165,834</u>	<u>119,391</u>
<u>1,102</u>	<u>64,918</u>	<u>126</u>	<u>2,197</u>	<u>75,409</u>	<u>186,707</u>	<u>128,890</u>
29	4	4	10	-	43,776	46,715
923	4,535	(37)	900	968	9,112	14,018
<u>\$ 952</u>	<u>\$ 4,539</u>	<u>\$ (33)</u>	<u>\$ 910</u>	<u>\$ 968</u>	<u>\$ 52,888</u>	<u>60,733</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)**

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
OPERATING REVENUE:			
Charges for services.....	\$ 29,765	\$ 1,401	\$ 33,898
Charges for services for independent authorities.....	6,240	123	3,138
Other.....	1,592	-	538
Total Operating Revenue.....	<u>37,597</u>	<u>1,524</u>	<u>37,574</u>
OPERATING EXPENSES:			
Personal services.....	7,769	289	13,836
Supplies and materials.....	20,028	522	779
Central services.....	646	58	1,022
Other services and charges.....	6,902	292	14,803
Depreciation.....	11,377	1	1,857
Court reporter services.....	-	-	-
Claims and losses.....	-	-	-
Insurance premiums and participant dividends.....	263	1	56
Total Operating Expenses.....	<u>46,985</u>	<u>1,163</u>	<u>32,353</u>
OPERATING INCOME (LOSS).....	<u>(9,388)</u>	<u>361</u>	<u>5,221</u>
NON-OPERATING REVENUE (EXPENSES):			
Interest revenue.....	5	11	181
Other.....	(1,429)	(50)	(1,111)
Total Non-Operating Revenue (Expenses)	<u>(1,424)</u>	<u>(39)</u>	<u>(930)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND OPERATING TRANSFERS.....			
	(10,812)	322	4,291
Transfers in.....	2,365	92	125
Transfers out.....	(2,528)	(268)	(92)
CHANGE IN NET ASSETS.....	<u>(10,975)</u>	<u>146</u>	<u>4,324</u>
NET ASSETS, BEGINNING OF YEAR.....	<u>41,116</u>	<u>39</u>	<u>10,902</u>
NET ASSETS, END OF YEAR.....	<u>\$ 30,141</u>	<u>\$ 185</u>	<u>\$ 15,226</u>

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	BANKING FUND	TOTALS	
					2006	2005
\$ 6,793	\$ 28,216	\$ 70,435	\$ 6,686	\$ -	\$ 177,194	\$ 179,082
2,492	-	-	-	15,463	27,456	13,702
<u>5</u>	<u>2</u>	<u>19</u>	<u>-</u>	<u>(3,199)</u>	<u>(1,043)</u>	<u>5,152</u>
<u>9,290</u>	<u>28,218</u>	<u>70,454</u>	<u>6,686</u>	<u>12,264</u>	<u>203,607</u>	<u>197,936</u>
6,250	648	701	325	-	29,818	27,321
97	89	32	11	-	21,558	18,431
475	1,257	501	38	-	3,997	4,613
1,163	8,059	474	271	273	32,237	29,403
13	2	1	1	10,021	23,273	23,114
35	-	-	-	-	35	50
-	20,826	-	-	-	20,826	21,817
<u>15</u>	<u>306</u>	<u>68,788</u>	<u>6,207</u>	<u>-</u>	<u>75,636</u>	<u>70,952</u>
<u>8,048</u>	<u>31,187</u>	<u>70,497</u>	<u>6,853</u>	<u>10,294</u>	<u>207,380</u>	<u>195,701</u>
<u>1,242</u>	<u>(2,969)</u>	<u>(43)</u>	<u>(167)</u>	<u>1,970</u>	<u>(3,773)</u>	<u>2,235</u>
89	1,996	150	72	492	2,996	2,091
(259)	(735)	(90)	447	(2,321)	(5,548)	(4,554)
<u>(170)</u>	<u>1,261</u>	<u>60</u>	<u>519</u>	<u>(1,829)</u>	<u>(2,552)</u>	<u>(2,463)</u>
1,072	(1,708)	17	352	141	(6,325)	(228)
-	1,072	-	144	-	3,798	4,266
<u>(2,286)</u>	<u>(144)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,318)</u>	<u>(15,650)</u>
(1,214)	(780)	17	496	141	(7,845)	(11,612)
<u>2,166</u>	<u>5,319</u>	<u>(50)</u>	<u>414</u>	<u>827</u>	<u>60,733</u>	<u>72,345</u>
<u>\$ 952</u>	<u>\$ 4,539</u>	<u>(\$ 33)</u>	<u>\$ 910</u>	<u>\$ 968</u>	<u>\$ 52,888</u>	<u>\$ 60,733</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers.....	\$ 37,833	\$ 1,523	\$ 37,752
Payments to suppliers.....	(28,367)	(850)	(17,375)
Payments to employees.....	(7,776)	(275)	(13,730)
Internal activity- payments to other funds.....	-	-	-
Other receipts.....	(1,429)	(50)	(1,111)
Other operating cash payments.....	(47)	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	214	348	5,536
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received through transfers from other funds.....	2,365	92	125
Cash payments through transfers to other funds.....	(2,528)	(268)	(92)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	(163)	(176)	33
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Additions to property, plant and equipment.....	(28,145)	(2)	(19,900)
Additions to land & improvements.....	-	-	-
Increase in capitalized lease obligations.....	-	-	(77)
Proceeds (payments) - loans payable.....	24,552	-	13,130
Proceeds (payments) - notes payable.....	-	-	-
Principal paid on long-term obligations.....	-	-	-
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(3,593)	(2)	(6,847)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends.....	5	11	181
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	5	11	181
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(3,537)	181	(1,097)
Cash and cash equivalents at October 1.....	3,986	129	4,642
Cash and cash equivalents at September 30.....	<u>\$ 449</u>	<u>\$ 310</u>	<u>\$ 3,545</u>

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	BANKING FUND	TOTALS	
					2006	2005
\$ 9,436	\$ 45,786	\$ 70,438	\$ 6,518	\$ (46,761)	\$ 162,525	\$ 197,167
(1,694)	(9,753)	(69,843)	(6,521)	73,507	(60,896)	(130,101)
(6,237)	(641)	(685)	(330)	-	(29,674)	(27,354)
-	-	-	-	-	-	-
(259)	(735)	(90)	447	(2,321)	(5,548)	(4,554)
-	(13,757)	-	168	-	(13,636)	(15,944)
<u>1,246</u>	<u>20,900</u>	<u>(180)</u>	<u>282</u>	<u>24,425</u>	<u>52,771</u>	<u>19,214</u>
-	1,072	-	144	-	3,798	4,266
(2,286)	(144)	-	-	-	(5,318)	(15,650)
<u>(2,286)</u>	<u>928</u>	<u>-</u>	<u>144</u>	<u>-</u>	<u>(1,520)</u>	<u>(11,384)</u>
(2)	-	-	(9)	22,648	(25,410)	(40,700)
-	-	-	-	1,355	1,355	(1,355)
-	-	-	-	-	(77)	(3,550)
-	-	-	-	(14,926)	22,756	-
-	-	-	-	(58,565)	(58,565)	58,565
-	(15,490)	-	-	-	(15,490)	(13,479)
<u>(2)</u>	<u>(15,490)</u>	<u>-</u>	<u>(9)</u>	<u>(49,488)</u>	<u>(75,431)</u>	<u>(519)</u>
<u>89</u>	<u>1,996</u>	<u>150</u>	<u>72</u>	<u>492</u>	<u>2,996</u>	<u>2,091</u>
<u>89</u>	<u>1,996</u>	<u>150</u>	<u>72</u>	<u>492</u>	<u>2,996</u>	<u>2,091</u>
(953)	8,334	(30)	489	(24,571)	(21,184)	9,402
<u>2,535</u>	<u>32,494</u>	<u>103</u>	<u>543</u>	<u>25,171</u>	<u>69,603</u>	<u>60,201</u>
<u>\$ 1,582</u>	<u>\$ 40,828</u>	<u>\$ 73</u>	<u>\$ 1,032</u>	<u>\$ 600</u>	<u>\$ 48,419</u>	<u>\$ 69,603</u>

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands; continued)

	FLEET MANAGEMENT	COPY CENTER	INFORMATION TECHNOLOGIES
RECONCILIATION OF OPERATING INCOME (LOSS) TO			
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	<u>(\$ 9,388)</u>	<u>\$ 361</u>	<u>\$ 5,221</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization.....	11,377	-	1,857
Other non-operating revenue/(expenses).....	(1,429)	(50)	(1,111)
Change in assets and liabilities:			
Decrease (increase) in receivables and other current assets, net.....	-	-	-
Decrease (increase) in due from other funds.....	-	-	-
Decrease (increase) in due from independent agencies and other governments.....	236	(1)	178
Decrease (increase) in inventories.....	67	-	89
(Increase) in receivables-non-current.....	-	-	-
Decrease (increase) in prepaid expenses.....	-	-	-
Increase (decrease) in accounts payable and accrued expenses.....	(595)	23	(804)
Increase (decrease) in due to other funds.....	-	-	-
Increase (decrease) in compensated absences.....	(7)	14	106
Increase in due to independent agencies.....	(47)	-	-
Increase in unearned revenue.....	-	-	-
(Decrease) in liability for self-insured losses.....	-	-	-
TOTAL ADJUSTMENTS.....	<u>9,602</u>	<u>(13)</u>	<u>315</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	<u>\$ 214</u>	<u>\$ 348</u>	<u>\$ 5,536</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in the fair value of investments.....	\$ 33	\$ 2	\$ 43
Change in capital lease obligations.....	-	-	(77)
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES.....	<u>\$ 33</u>	<u>\$ 2</u>	<u>(\$ 34)</u>

LEGAL	SELF-INSURANCE	GROUP HEALTH	INSURED PROGRAMS	BANKING FUND	TOTALS	
					2006	2005
<u>\$ 1,242</u>	<u>(\$ 2,969)</u>	<u>(\$ 43)</u>	<u>(\$ 167)</u>	<u>\$ 1,970</u>	<u>(\$ 3,773)</u>	<u>2,235</u>
13	2	1	1	10,021	23,273	23,114
(259)	(735)	(90)	447	(2,321)	(5,548)	(4,554)
-	158	-	-	-	158	101
-	1,551	-	-	-	1,551	2,616
146	1,012	(16)	-	-	1,555	(177)
-	-	-	-	-	156	(405)
-	15,834	-	-	(59,025)	(43,191)	349
-	(19)	-	(168)	-	(187)	(1,599)
91	(42)	(48)	6	73,780	72,411	(6,247)
-	(80)	-	-	-	(80)	(346)
13	7	16	(5)	-	144	(33)
-	-	-	-	-	(47)	47
-	-	-	168	-	168	915
-	6,181	-	-	-	6,181	3,198
<u>4</u>	<u>23,869</u>	<u>(137)</u>	<u>449</u>	<u>22,455</u>	<u>56,544</u>	<u>16,979</u>
<u>\$ 1,246</u>	<u>\$ 20,900</u>	<u>\$ (180)</u>	<u>\$ 282</u>	<u>\$ 24,425</u>	<u>\$ 52,771</u>	<u>\$ 19,214</u>
\$ 25	\$ 163	\$ -	\$ 5	\$ 207	\$ 478	(\$ 270)
-	-	-	-	-	(77)	(17,047)
<u>\$ 25</u>	<u>\$ 163</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 401</u>	<u>(\$ 17,317)</u>

(continued)



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FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Below are descriptions of the generic fund types within this category and specific funds within each fund type.

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

The Jacksonville Retirement System Fund includes resources accumulated to pay present and future retirement annuities to eligible employees of the City except for sworn officers of the Office of the Sheriff and the firefighters in the Department of Fire and Rescue.

The Police and Fire Pension Trust Fund accounts for a single employer, contributory defined benefit plan for City police officers and firefighters.

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

The Treasurer Fund is the clearing fund used to account for all cash received and disbursed on behalf of the City's payroll.

The Tax Collector Fund accounts for assets and liabilities from the collection of all taxes, revenues and other cash amounts on behalf of the City and various of its agencies, authorities, organizations, individuals, and funds.

Clerk of the Circuit Court accounts for assets and liabilities from revenues collected on behalf of the state and the city by the court system for various judgments, fines, bonds, fees and licenses and other miscellaneous amounts.

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

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

ASSETS	PENSION TRUST FUNDS			
	JACKSONVILLE RETIREMENT SYSTEM	POLICE AND FIRE PENSION PLAN	TOTALS	
			2006	2005
Equity in cash and investments.....	\$ 22,624	\$ 7,830	\$ 30,454	\$ 152,422
Receivables (net, where applicable, of allowances for uncollectible):				
Interest and dividends.....	5,071	3,433	8,504	8,541
Due from other funds.....	-	-	-	-
Due from other governments.....	-	-	-	-
Accounts.....	936	3,082	4,018	164
Total receivables.....	<u>6,007</u>	<u>6,515</u>	<u>12,522</u>	<u>8,705</u>
Investments, at fair value:				
U.S. Government obligations.....	340,129	96,475	436,604	533,006
Municipal Bonds.....	-	455	455	7,310
Domestic corporate bonds.....	249,610	202,320	451,930	332,401
Commercial paper.....	-	-	-	37,999
Domestic stocks.....	712,565	525,310	1,237,875	1,200,970
International stocks.....	267,123	50,674	317,797	222,479
Real Estate.....	95,052	89,296	184,348	61,900
Total investments.....	<u>1,664,479</u>	<u>964,530</u>	<u>2,629,009</u>	<u>2,396,065</u>
Capital assets:				
Other capital assets, net of depreciation.....	13	87	100	161
Net capital assets.....	<u>13</u>	<u>87</u>	<u>100</u>	<u>161</u>
Securities Lending Collateral.....	267,382	-	267,382	236,285
TOTAL ASSETS.....	<u>1,960,505</u>	<u>978,962</u>	<u>2,939,467</u>	<u>2,793,638</u>
LIABILITIES				
Obligations Under Securities Lending Agreement.....	267,382	-	267,382	236,285
Accounts payable and accrued liabilities.....	3,994	995	4,989	5,401
Accrued Compensated Absences.....	9	23	32	32
Terminal Leave - Group Care.....	399	-	399	909
Terminal Leave - Pending.....	169	-	169	250
Due to Drop Participants.....	-	138,429	138,429	127,555
TOTAL LIABILITIES.....	<u>271,953</u>	<u>139,447</u>	<u>411,400</u>	<u>370,432</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS.....	<u>\$ 1,688,552</u>	<u>\$ 839,515</u>	<u>\$ 2,528,067</u>	<u>\$ 2,423,206</u>

(See schedule of funding progress on pages 137 - 138.)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	PENSION TRUST FUNDS			
	JACKSONVILLE RETIREMENT SYSTEM	POLICE AND FIRE PENSION PLAN	TOTALS	
			2006	2005
ADDITIONS				
Contributions:				
Employer.....	\$ 9,468	\$ 49,050	\$ 58,518	\$ 40,764
Plan Member.....	22,254	-	22,254	32,813
Total contributions.....	<u>31,722</u>	<u>49,050</u>	<u>80,772</u>	<u>73,577</u>
Other additions:				
State insurance contributions.....	-	7,674	7,674	7,187
Court fines & penalties.....	379	1,412	1,791	1,663
Miscellaneous.....	-	4,092	4,092	4,080
Total other additions.....	<u>379</u>	<u>13,178</u>	<u>13,557</u>	<u>12,930</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments.....	118,909	49,054	167,963	172,491
Interest.....	39	18,884	18,923	44,865
Dividends.....	16,798	9,789	26,587	22,273
Rebate of Commissions.....	322	-	322	2,144
Rental Income.....	-	871	871	809
Earnings other Miscellaneous.....	-	-	-	369
Total investment income.....	<u>136,068</u>	<u>78,598</u>	<u>214,666</u>	<u>242,951</u>
Less investment expense.....	(4,392)	(4,294)	(8,686)	(9,953)
Less rental expense.....	-	(222)	(222)	(648)
Net investment income.....	<u>131,676</u>	<u>74,082</u>	<u>205,758</u>	<u>232,350</u>
From Securities Lending Activities:				
Securities Lending.....	10,511	-	10,511	5,579
Securities Lending Expenses.....				
Interest Expense (returned to borrower).....	(9,779)	-	(9,779)	(4,931)
Agent Fees.....	(183)	-	(183)	(163)
Total securities lending activities	<u>549</u>	<u>-</u>	<u>549</u>	<u>485</u>
TOTAL ADDITIONS.....	<u>164,326</u>	<u>136,310</u>	<u>300,636</u>	<u>319,342</u>
DEDUCTIONS				
Benefits payments.....	99,311	90,055	189,366	177,127
Refunds of contributions.....	3,057	129	3,186	3,317
Administrative expenses.....	1,245	1,978	3,223	2,432
TOTAL DEDUCTIONS.....	<u>103,613</u>	<u>92,162</u>	<u>195,775</u>	<u>182,876</u>
Net change in net assets.....	60,713	44,148	104,861	136,466
NET ASSETS, BEGINNING OF YEAR.....	<u>1,627,839</u>	<u>795,367</u>	<u>2,423,206</u>	<u>2,286,740</u>
NET ASSETS, END OF YEAR.....	<u>\$ 1,688,552</u>	<u>\$ 839,515</u>	<u>\$ 2,528,067</u>	<u>\$ 2,423,206</u>

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2006
WITH COMPARATIVE TOTALS FOR 2005 (in thousands)

	<u>TREASURER</u>	<u>TAX COLLECTOR</u>	<u>CLERK OF THE CIRCUIT COURTS</u>
ASSETS:			
Equity in cash and investments.....	\$ 243	\$ 19,196	\$ 25,212
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts.....	<u>14</u>	<u>3,389</u>	<u>1,540</u>
TOTAL ASSETS.....	<u>\$ 257</u>	<u>\$ 22,585</u>	<u>\$ 26,752</u>
LIABILITIES:			
Accounts payable and accrued liabilities.....	\$ 257	\$ -	\$ -
Due to other funds.....		-	-
Due to independent agencies and other governments.....	-	8,345	15,111
Due to individuals.....	-	302	396
Deposits held in escrow.....	<u>-</u>	<u>13,938</u>	<u>11,245</u>
TOTAL LIABILITIES.....	<u>\$ 257</u>	<u>\$ 22,585</u>	<u>\$ 26,752</u>

PLAT DEPOSITS	DUVAL CO SCHOOL READINESS COALITION	FLORIDA RETIREMENT SYSTEM	TOTALS	
			2006	2005
\$ 281	\$ 23	\$ 43	\$ 44,998	\$ 38,602
-	1	-	4,944	3,993
<u>\$ 281</u>	<u>\$ 24</u>	<u>\$ 43</u>	<u>\$ 49,942</u>	<u>42,595</u>
\$ -	\$ 24	\$ 1	\$ 282	\$ 64
-	-	-	-	-
-	-	42	23,498	20,702
-	-	-	698	2,382
<u>281</u>	<u>-</u>	<u>-</u>	<u>25,464</u>	<u>19,447</u>
<u>\$ 281</u>	<u>\$ 24</u>	<u>\$ 43</u>	<u>\$ 49,942</u>	<u>\$ 42,595</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

	<u>BALANCE</u> <u>OCTOBER 1,</u> <u>2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30,</u> <u>2006</u>
TREASURER				
ASSETS				
Equity in cash and investments.....	\$ 27	\$ 680,525	\$ 680,309	\$ 243
Accounts receivable.....	<u>14</u>	<u>28</u>	<u>28</u>	<u>14</u>
TOTAL ASSETS.....	<u>\$ 41</u>	<u>\$ 680,553</u>	<u>\$ 680,337</u>	<u>\$ 257</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	<u>\$ 41</u>	<u>\$ 185,981</u>	<u>\$ 185,765</u>	<u>\$ 257</u>
TOTAL LIABILITIES.....	<u>\$ 41</u>	<u>\$ 185,981</u>	<u>\$ 185,765</u>	<u>\$ 257</u>
TAX COLLECTOR				
ASSETS				
Equity in cash and investments.....	\$ 15,336	\$ 103,248	\$ 99,388	\$ 19,196
Accounts receivable.....	<u>3,389</u>	<u>-</u>	<u>-</u>	<u>3,389</u>
TOTAL ASSETS.....	<u>\$ 18,725</u>	<u>\$ 103,248</u>	<u>\$ 99,388</u>	<u>\$ 22,585</u>
LIABILITIES				
Due to independent agencies and other governments.....	\$ 10,002	\$ 299	\$ 1,956	\$ 8,345
Due to individuals.....	758	-	456	302
Deposits held in escrow.....	<u>7,965</u>	<u>100,134</u>	<u>94,161</u>	<u>13,938</u>
TOTAL LIABILITIES.....	<u>\$ 18,725</u>	<u>\$ 100,433</u>	<u>\$ 96,573</u>	<u>\$ 22,585</u>

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

	<u>BALANCE OCTOBER 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2006</u>
<u>CLERK OF THE CIRCUIT COURT</u>				
ASSETS				
Equity in cash and investments.....	\$ 22,912	\$ 2,300	\$ -	\$ 25,212
Accounts receivable.....	589	951	-	1,540
TOTAL ASSETS.....	<u>\$ 23,501</u>	<u>\$ 3,251</u>	<u>\$ -</u>	<u>\$ 26,752</u>
LIABILITIES				
Due to independent agencies and other governments.....	\$ 10,662	\$ -	\$ 1,228	\$ 9,434
Due to individuals.....	1,624	4,449	-	6,073
Deposits held in escrow.....	11,215	30	-	11,245
TOTAL LIABILITIES.....	<u>\$ 23,501</u>	<u>\$ 4,479</u>	<u>\$ 1,228</u>	<u>\$ 26,752</u>
<u>PLAT DEPOSITS</u>				
ASSETS				
Equity in cash and investments.....	\$ 267	\$ 88	\$ 74	\$ 281
TOTAL ASSETS.....	<u>\$ 267</u>	<u>\$ 88</u>	<u>\$ 74</u>	<u>\$ 281</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	\$ -	\$ -	\$ -	\$ -
Deposits held in escrow.....	267	88	74	281
TOTAL LIABILITIES.....	<u>\$ 267</u>	<u>\$ 88</u>	<u>\$ 74</u>	<u>\$ 281</u>
<u>DUVAL CO SCHOOL READINESS COALITION</u>				
ASSETS				
Equity in cash and investments.....	\$ 22	\$ 1	\$ -	\$ 23
Accounts receivable.....	1	-	-	1
TOTAL ASSETS.....	<u>\$ 23</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 24</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	\$ 23	\$ 1	\$ -	\$ 24
TOTAL LIABILITIES.....	<u>\$ 23</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 24</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - ALL AGENCY FUNDS (in thousands; continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

	<u>BALANCE OCTOBER 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2006</u>
FLORIDA RETIREMENT SYSTEM				
ASSETS				
Equity in cash and investments.....	\$ 38	\$ 544	\$ 539	\$ 43
TOTAL ASSETS.....	<u>\$ 38</u>	<u>\$ 544</u>	<u>\$ 539</u>	<u>\$ 43</u>
LIABILITIES				
Due to independent agencies and other governments.....	\$ 38	\$ 527	\$ 522	\$ 43
TOTAL LIABILITIES.....	<u>\$ 38</u>	<u>\$ 527</u>	<u>\$ 522</u>	<u>\$ 43</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in cash and investments.....	\$ 38,602	\$ 786,706	\$ 780,310	\$ 44,998
Accounts receivable.....	3,993	979	28	4,944
TOTAL ASSETS.....	<u>\$ 42,595</u>	<u>\$ 787,685</u>	<u>\$ 780,338</u>	<u>\$ 49,942</u>
LIABILITIES				
Accounts payable and accrued liabilities.....	\$ 64	\$ 185,982	\$ 185,765	\$ 281
Due to independent agencies and other governments.....	20,702	826	3,706	17,822
Due to individuals.....	2,382	4,449	456	6,375
Deposits held in escrow.....	19,447	100,252	94,235	25,464
TOTAL LIABILITIES.....	<u>\$ 42,595</u>	<u>\$ 291,509</u>	<u>\$ 284,162</u>	<u>\$ 49,942</u>

(continued)

COMPONENT UNITS

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

NON-MAJOR COMPONENT UNITS:

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET ASSETS -
NON MAJOR COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2006

	<u>JACKSONVILLE HOUSING FINANCE AUTHORITY</u>	<u>JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION</u>	<u>DOWNTOWN VISION, INC.</u>	<u>WATER AND SEWER EXPANSION AUTHORITY</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents.....	\$ 5,989	\$ 12,593	\$ 740	\$ 49	\$ 19,371
Cash in escrow with fiscal agent.....	1,299	-	-	-	1,299
Due from other governmental agencies.....	-	64	-	-	64
Accounts and interest receivable.....	-	-	651	3	654
Mortgage receivables.....	10,099	-	-	-	10,099
Other receivables.....	-	32,103	-	1	32,104
Other assets.....	502	-	3	-	505
Capital assets:					
Equipment.....	94	113	137	-	344
Construction work in progress.....	-	-	-	1,864	1,864
Less: accumulated depreciation.....	(40)	(86)	(115)	-	(241)
Total capital assets, net of depreciation.	<u>54</u>	<u>27</u>	<u>22</u>	<u>1,864</u>	<u>1,967</u>
Total assets.....	<u>17,943</u>	<u>44,787</u>	<u>1,416</u>	<u>1,917</u>	<u>66,063</u>
LIABILITIES					
Accounts payable and accrued expenses.....	514	427	42	2	985
Deposits.....	-	1,795	-	-	1,795
Deferred revenue.....	-	32,351	-	-	32,351
Total liabilities.....	<u>514</u>	<u>34,573</u>	<u>42</u>	<u>2</u>	<u>35,131</u>
NET ASSETS					
Invested in capital assets, net of related debt..	54	27	-	1,864	1,945
Unrestricted.....	<u>17,375</u>	<u>10,187</u>	<u>1,374</u>	<u>51</u>	<u>28,987</u>
Total Net Assets.....	<u>\$ 17,429</u>	<u>\$ 10,214</u>	<u>\$ 1,374</u>	<u>\$ 1,915</u>	<u>\$ 30,932</u>

**CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF ACTIVITIES -
NON MAJOR COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES					BUSINESS- TYPE ACTIVITIES	TOTAL
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES		
Governmental activities:							
Jacksonville Housing Finance Authority	\$ 3,377	\$ -	\$ -	\$ -	(\$ 3,377)		(\$ 3,377)
Jacksonville Economic Development Commission	13,844	677	10,333	795	(\$ 2,039)		(\$ 2,039)
Downtown Vision, Inc	1,188	856	-	357	25		25
Total governmental activities.....	18,409	1,533	10,333	1,152	(5,391)		(5,391)
Business-type activities:							
Water Sewer Expansion Authority	762	48	2,033	-	-	1,319	1,319
Total business-type activities.....	762	48	2,033	-	-	1,319	1,319
Total component units.....	\$ 19,171	\$ 1,581	\$ 12,366	\$ 1,152	\$ (5,391)	\$ 1,319	\$ (4,072)
General revenues:							
Unrestricted earnings on investments.....					1,184	-	1,184
Miscellaneous.....					710	-	710
Total general revenues, special items, and transfers.....					1,894	-	1,894
Change in net assets.....					(3,497)	1,319	(2,178)
Net assets, beginning of year.....					32,514	596	33,110
Prior period adjustment.....					-	-	-
Net assets, beginning of year, as restated.....					32,514	596	33,110
Net assets (deficit), end of year.....					<u>\$ 29,017</u>	<u>\$ 1,915</u>	<u>\$ 30,932</u>

See accompanying notes.



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SUPPLEMENTAL INFORMATION

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

Due to rounding, the figures presented in the following schedules may not foot.

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands)
SEPTEMBER 30, 2006

	INTEREST RATES	PAYMENT DATES	ISSUE DATE
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE			
SOURCES OTHER THAN AD VALOREM TAXES:			
Excise Taxes Revenue Bonds, Series 1993.....	6.200-6.300%	4/1; 10/1	02/23/93
Sunshine State Governmental Finance Commission Bonds, Series 1994.....	9.200% (1)	Monthly	08/24/94
Capital Improvement Revenue Bonds, Series 1995.....	5.250-5.875%	4/1; 10/1	03/14/95
Sales Tax Revenue Bonds, Series 1995.....	5.000%	4/1; 10/1	06/28/95
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.750-5.125%	4/1; 10/1	01/04/96
Sunshine State Governmental Finance Commission Bonds, Series 1995A.....	5.500-5.650%	4/1; 10/1	10/05/95
Sunshine State Governmental Finance Commission Bonds, Series 1995B (AMT).....	5.750%	4/1; 10/1	10/05/95
Sales Tax Revenue Bonds, Series 1996.....	5.125%	4/1; 10/1	01/07/97
Excise Taxes Revenue Bonds, Series 1996C.....	4.850%	4/1; 10/1	11/05/96
Capital Improvement Revenue Bonds, Series 1997.....	4.500-5.250%	4/1; 10/1	03/11/97
Capital Project Revenue Bonds, Series 1997-1.....	7.810% (1)	Monthly	01/22/98
Capital Project Revenue Bonds, Series 1997-2.....	8.890% (1)	Monthly	11/04/99
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	4.200-5.000%	4/1; 10/1	08/26/98
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	4.000-5.000%	4/1; 10/1	03/09/99
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	3.750-5.500%	4/1; 10/1	04/24/01
Excise Taxes Refunding Bonds, Series 2001A.....	5.000%	4/1; 10/1	07/03/01
Excise Taxes Revenue Bonds, Series 2001B.....	4.000-5.125%	4/1; 10/1	04/01/02
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	5.000-5.500%	4/1; 10/1	07/03/02
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002....	3.000-5.375%	4/1; 10/1	07/03/02
Capital Improvement Revenue Bonds, Series 2002A.....	2.375-5.000%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	2.375-5.250%	4/1; 10/1	09/09/02
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	2.375-5.250%	4/1; 10/1	09/09/02
Excise Taxes Revenue Bonds, Series 2002B.....	3.000-5.375%	4/1; 10/1	11/26/02
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	3.000-5.375%	4/1; 10/1	12/16/02
Excise Taxes Revenue Bonds, Series 2003A.....	3.000-4.500%	4/1; 10/1	12/29/03
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	3.000-5.000%	4/1; 10/1	07/03/03
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	2.125-5.250%	4/1; 10/1	07/03/03
Capital Project Revenue Bonds, Series 1997-3.....	7.900% (1)	Monthly	09/25/03
Capital Project Revenue Bonds, Series 2002-1.....	7.5875% (1)	Monthly	09/21/04
Excise Taxes Revenue Bonds, Series 2005A.....	3.500-5.000%	4/1; 10/1	10/10/05
Excise Taxes Revenue Refunding Bonds, Series 2006A.....	3.375-5.000%	4/1; 10/1	12/29/03
Excise Taxes Revenue Refunding Bonds, Series 2006B (AMT).....	3.625-4.000%	4/1; 10/1	12/29/03
Excise Taxes Revenue Bonds, Taxable Series 2006C.....	4.880-5.220%	4/1; 10/1	12/29/03
TOTAL PAYABLE FROM SPECIFIC REVENUE SOURCES.....			

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

Transportation Revenue Bonds, Series 2001.....	3.600-5.500%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	3.600-5.500%	4/1; 10/1	06/05/01
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	2.000-5.250%	4/1; 10/1	02/19/03
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	2.000-5.000%	4/1; 10/1	03/02/04
Transportation Revenue Bonds, Series 2003 (Auction Rate Securities).....	4.010% (1)	35 day ARS	07/01/03
Transportation Revenue Bonds, Series 2003A (Auction Rate Securities).....	4.810% (1)	35 day ARS	09/25/03
Transportation Revenue Bonds, Series 2003B (Auction Rate Securities).....	4.810% (1)	35 day ARS	09/25/03
Transportation Revenue Bonds, Series 2004A (Auction Rate Securities).....	3.455% (1)	35 day ARS	09/30/04

TOTAL PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES.....

TOTAL GENERAL AND SPECIAL OBLIGATION BONDS.....

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

<u>MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/20	\$ 43,605	\$ 43,605	\$ 36,060	\$ 7,545
09/15/06	10,075	9,825	9,825	-
10/01/25	27,855	27,855	27,855	-
10/01/05	100,000	100,000	100,000	-
10/01/09	7,580	7,580	-	7,580
10/01/11	9,050	9,050	9,050	-
10/01/15	15,945	15,945	15,945	-
10/01/18	65,640	65,640	61,940	3,700
10/01/06	4,055	4,055	3,540	515
10/01/25	8,285	8,285	1,380	6,905
10/01/17	99,000 (2)	30,000	7,390	22,610
10/01/22	N/A (2)	45,000	4,900	40,100
10/01/25	37,310	37,310	1,790	35,520
10/01/19	75,890	75,890	41,605	34,285
10/01/18	127,000	103,725	735	102,990
10/01/09	49,000	42,485	13,900	28,585
10/01/32	49,000	46,735	850	45,885
10/01/13	65,000	56,685	14,530	42,155
10/01/32	125,000	115,265	6,180	109,085
10/01/30	130,000 (3)	54,135	-	54,135
10/01/19	N/A (3)	42,170	1,340	40,830
10/01/25	N/A (3)	26,920	-	26,920
10/01/26	90,300 (4)	68,475	4,445	64,030
10/01/18	70,000	63,060	7,510	55,550
10/01/23	18,745	18,745	-	18,745
10/01/11	70,000 (5)	17,535	5,385	12,150
10/01/20	N/A (5)	34,540	690	33,850
10/01/25	N/A (2)	24,000	-	24,000
10/01/34	94,000 (8)	54,000	-	54,000
10/01/32	147,000 (9)	44,820	-	44,820
10/01/23	N/A (9)	36,540	-	36,540
10/01/23	N/A (9)	9,255	-	9,255
10/01/23	N/A (9)	23,555	-	23,555
	<u>\$ 1,539,335</u>	<u>\$ 1,362,685</u>	<u>\$ 376,845</u>	<u>\$ 985,840</u>
10/01/31	\$ 750,000 (6)	\$ 179,280	\$ 7,100	\$ 172,180
10/01/30	1,500,000 (7)	218,430	16,315	202,115
10/01/30	N/A (7)	211,050	11,320	199,730
10/01/30	N/A (7)	218,755	5,185	213,570
10/01/20	N/A (6)	47,775	4,260	43,515
10/01/32	N/A (6)	76,825	-	76,825
10/01/32	N/A (6)	76,800	-	76,800
10/01/27	N/A (6)	80,275	800	79,475
	<u>\$ 2,250,000</u>	<u>\$ 1,109,190</u>	<u>\$ 44,980</u>	<u>\$ 1,064,210</u>
	<u>\$ 3,789,335</u>	<u>\$ 2,471,875</u>	<u>\$ 421,825</u>	<u>\$ 2,050,050</u>

(continued)

CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF LONG-TERM BONDED INDEBTEDNESS (in thousands; continued)
SEPTEMBER 30, 2006

	<u>INTEREST RATES</u>	<u>PAYMENT DATES</u>	<u>ISSUE DATE</u>
PAYABLE FROM ENTERPRISE FUNDS:			
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	4.875-5.125%	4/1; 10/1	01/04/96
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	4.600-5.500%	4/1; 10/1	02/28/96
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	4.625-5.750%	4/1; 10/1	09/23/99
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	3.000-5.000%	4/1; 10/1	07/03/03
TOTAL PAYABLE FROM ENTERPRISE FUNDS.....			
PAYABLE FROM GENERAL REVENUE:			
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	3.62 - 5.19 %	2/1; 8/1	02/01/95
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	6.49 - 6.88 %	2/1; 8/1	12/18/96
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	6.49 - 7.03 %	2/1; 8/1	11/20/96
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	6.49 - 7.08 %	2/1; 8/1	02/19/97
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	6.49 - 6.78 %	2/1; 8/1	04/02/97
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	6.49 - 7.08 %	2/1; 8/1	10/28/97
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	6.49 - 7.03 %	2/1; 8/1	10/28/97
TOTAL PAYABLE FROM GENERAL REVENUE.....			
NOTES PAYABLE FROM OTHER SPECIFIC REVENUE			
SOURCES OTHER THAN AD VALOREM TAXES:			
State Infrastructure Bank Loan	2.000 %	10/1	07/28/05
TOTAL NOTES PAYABLE FROM OTHER SPECIFIC REVENUE SOURCES....			
NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES			
OTHER THAN AD VALOREM TAXES:			
Commercial Paper	2.55 - 3.60%	Monthly	11/04/04
TOTAL NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES.....			
TOTAL BONDED INDEBTEDNESS.....			

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

<u>FINAL MATURITY DATE</u>	<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
10/01/09	\$ 12,270	\$ 12,270	\$ 1,935	\$ 10,335
10/01/16	19,965	19,965	4,900	15,065
10/01/16	40,835	40,835	10,170	30,665
10/01/11	N/A (5)	9,530	2,130	7,400
	<u>\$ 73,070</u>	<u>\$ 82,600</u>	<u>\$ 19,135</u>	<u>\$ 63,465</u>
08/01/14	\$ 3,845	\$ 3,845	\$ 745	\$ 3,100
08/01/12	1,065	1,065	595	470
08/01/15	2,850	2,850	685	2,165
08/01/16	1,700	1,700	770	930
08/01/10	700	700	415	285
08/01/16	775	775	160	615
08/01/15	550	550	120	430
	<u>\$ 11,485</u>	<u>\$ 11,485</u>	<u>\$ 3,490</u>	<u>\$ 7,995</u>
10/01/14	<u>\$ 40,000</u>	<u>\$ 18,319</u>	<u>\$ 2,399</u>	<u>\$ 15,920</u>
	<u>\$ 40,000</u>	<u>\$ 18,319</u>	<u>\$ 2,399</u>	<u>\$ 15,920</u>
12/31/34	<u>\$ 150,000</u>	<u>\$ 90,035</u>	<u>\$ 17,830</u>	<u>\$ 72,205</u>
	<u>\$ 150,000</u>	<u>\$ 90,035</u>	<u>\$ 17,830</u>	<u>\$ 72,205</u>
	<u>\$ 4,063,890</u>	<u>\$ 2,674,314</u>	<u>\$ 464,679</u>	<u>\$ 2,209,636</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS
COMPARED TO CASH IN SINKING FUND
LONG-TERM OBLIGATIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006**

	PRINCIPAL OUTSTANDING
Special Obligation Bonds Payable from Specific Revenue Source other than Ad Valorem Taxes:	
Excise Taxes Revenue Bonds, Series 1993.....	\$ 7,545,140
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	7,580,000
Sales Taxes Revenue Bonds, Series 1996.....	3,700,000
Excise Taxes Revenue Bonds, Series 1996C.....	515,000
Capital Improvement Revenue Bonds, Series 1997.....	6,905,000
Capital Project Revenue Bonds, Series 1997-1.....	22,610,000
Capital Project Revenue Bonds, Series 1997-2.....	40,100,000
Capital Improvement and Revenue Refunding Bonds, Series 1998.....	35,520,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999A.....	34,285,000
Local Government Sales Tax Refunding Revenue Bonds, Series 2001.....	102,990,000
Excise Taxes Refunding Bonds, Series 2001A.....	28,585,000
Excise Taxes Revenue Bonds, Series 2001B.....	45,885,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A.....	42,155,000
Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002.....	109,085,000
Capital Improvement Revenue Bonds, Series 2002A.....	54,135,000
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002B.....	40,830,000
Capital Improvement and Refunding Revenue Bonds, Crossover Series 2002C.....	26,920,000
Excise Taxes Revenue Bonds, Series 2002B.....	64,030,000
Local Government Sales Tax Refunding and Improvement Bonds, Series 2002.....	55,550,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	12,150,000
Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT).....	33,850,000
Capital Project Revenue Bonds, Series 1997-3.....	24,000,000
Excise Taxes Revenue Bonds, Series 2003A.....	18,745,000
Capital Project Revenue Bonds, Series 2002-1.....	54,000,000
Excise Taxes Revenue Bonds, Series 2005A.....	44,820,000
Excise Taxes Revenue Refunding Bonds, Series 2006A.....	36,540,000
Excise Taxes Revenue Refunding Bonds, Series 2006B (AMT).....	9,255,000
Excise Taxes Revenue Bonds, Taxable Series 2006C.....	23,555,000
Total.....	\$ 985,840,140
Special Obligation Bonds Payable from Other Specific Revenue Source other than Ad Valorem Taxes:	
Transportation Revenue Bonds, Series 2001.....	\$ 172,180,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2001.....	202,115,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2003.....	199,730,000
Transportation Revenue Bonds, Series 2003 (Auction Rate Securities).....	43,515,000
Transportation Revenue Bonds, Series 2003A (Auction Rate Securities).....	76,825,000
Transportation Revenue Bonds, Series 2003B (Auction Rate Securities).....	76,800,000
Better Jacksonville Sales Tax Revenue Bonds, Series 2004.....	213,570,000
Transportation Revenue Bonds, Series 2004 (Auction Rate Securities).....	79,475,000
Total.....	\$ 1,064,210,000
Payable from Enterprise Funds:	
Excise Taxes Revenue Refunding Bonds, Series 1995A.....	\$ 10,335,000
Excise Taxes Revenue Refunding Bonds, Series 1996A.....	15,065,000
Excise Taxes Revenue Refunding and Capital Improvement Bonds, Series 1999B.....	30,665,000
Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B.....	7,400,000
Total.....	\$ 63,465,000
Other Long - Term Obligations:	
U.S. Government Guaranteed Note Payable, Series 1995 (Coach).....	\$ 3,100,000
U.S. Government Guaranteed Note Payable, Series 1996 (Sally Beauty).....	470,000
U.S. Government Guaranteed Note Payable, Series 1996-B (Hilton).....	2,165,000
U.S. Government Guaranteed Note Payable, Series 1997 (LaVilla).....	930,000
U.S. Government Guaranteed Note Payable, Series 1997 (HTV Associates).....	285,000
U.S. Government Guaranteed Note Payable, Series 1997 (Armor Holdings).....	615,000
U.S. Government Guaranteed Note Payable, Series 1997 (Hampton Inns).....	430,000
Total.....	\$ 7,995,000
Notes Payable from Other Specific Revenue Source other than Ad Valorem Taxes:	
State Infrastructure Bank Loan.....	\$ 15,920,436
Total.....	\$ 15,920,436
Notes Payable from Specific Revenue Source other than Ad Valorem Taxes:	
Commercial Paper.....	\$ 72,205,000
Total.....	\$ 72,205,000
Grand Total.....	\$ 2,209,635,576

<u>TOTAL INTEREST TO MATURITY</u>	<u>TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY</u>	<u>CASH IN SINKING FUND</u>	<u>NET DEBT</u>
\$ 18,784,859	\$ 26,329,999	\$ 575	\$ 26,329,424
895,766	8,475,766	308,914	8,166,852
2,097,408	5,797,408	94,965	5,702,443
12,489	527,489	529,197	(1,708)
4,205,011	11,110,011	396,054	10,713,957
10,883,027	33,493,027	1,259,489	32,233,538
39,542,900	79,642,900	1,404,947	78,237,952
27,237,856	62,757,856	580,642	62,177,214
9,022,811	43,307,811	8,131,390	35,176,421
35,561,987	138,551,987	9,592,915	128,959,072
3,062,375	31,647,375	6,686,230	24,961,145
38,013,268	83,898,268	2,007,367	81,890,901
8,192,075	50,347,075	6,442,010	43,905,065
89,435,112	198,520,112	4,832,930	193,687,182
57,433,864	111,568,864	584,912	110,983,952
16,392,953	57,222,953	3,671,378	53,551,575
15,158,466	42,078,466	1,954,940	40,123,526
37,248,965	101,278,965	3,522,697	97,756,268
22,303,969	77,853,969	3,793,125	74,060,844
1,010,500	13,160,500	1,249,587	11,910,913
21,658,372	55,508,372	1,756,853	53,751,519
29,836,549	53,836,549	517,953	53,318,596
8,122,030	26,867,030	910,230	25,956,800
103,342,589	157,342,589	1,998,869	155,343,720
39,874,906	84,694,906	736,842	83,958,064
30,490,884	67,030,884	849,307	66,181,577
2,767,831	12,022,831	181,104	11,841,727
11,849,769	35,404,769	318,745	35,086,024
<u>\$ 684,438,591</u>	<u>\$ 1,670,278,731</u>	<u>\$ 64,314,165</u>	<u>\$ 1,605,964,566</u>
\$ 176,440,103	\$ 348,620,103	\$ 1,958,327	\$ 346,661,775
160,682,512	362,797,512	9,511,934	353,285,578
152,205,035	351,935,035	9,215,569	342,719,465
17,274,078	60,789,078	573,068	60,216,009
72,483,694	149,308,694	645,802	148,662,892
72,448,220	149,248,220	645,592	148,602,628
137,194,308	350,764,308	9,156,288	341,608,019
36,086,179	115,561,179	552,198	115,008,981
<u>\$ 824,814,128</u>	<u>\$ 1,889,024,128</u>	<u>\$ 32,258,779</u>	<u>\$ 1,856,765,349</u>
\$ 1,158,922	\$ 11,493,922	\$ 1,640,100	\$ 9,853,822
4,475,613	19,540,613	1,470,023	18,070,590
10,181,273	40,846,273	3,026,451	37,819,821
1,050,150	8,450,150	2,695,400	5,754,750
<u>\$ 16,865,958</u>	<u>\$ 80,330,958</u>	<u>\$ 8,831,974</u>	<u>\$ 71,498,983</u>
\$ 760,271	\$ 3,860,271	\$ 117,260	\$ 3,743,011
112,902	582,902	8,815	574,087
830,351	2,995,351	24,673	2,970,678
412,012	1,342,012	9,296	1,332,716
53,365	338,365	7,014	331,351
267,153	882,153	6,167	875,986
167,264	597,264	4,212	593,052
<u>\$ 2,603,318</u>	<u>\$ 10,598,318</u>	<u>\$ 177,436</u>	<u>\$ 10,420,882</u>
\$ 1,306,597	\$ 17,227,032	\$ -	\$ 17,227,032
<u>\$ 1,306,597</u>	<u>\$ 17,227,032</u>	<u>\$ -</u>	<u>\$ 17,227,032</u>
\$ 6,498,450	\$ 78,703,450	\$ 608,918	\$ 78,094,532
<u>\$ 6,498,450</u>	<u>\$ 78,703,450</u>	<u>\$ 608,918</u>	<u>\$ 78,094,532</u>
<u>\$ 1,536,527,040</u>	<u>\$ 3,746,162,616</u>	<u>\$ 106,191,273</u>	<u>\$ 3,639,971,344</u>

(continued)

Jacksonville Beach Downtown Revitalization		Superstructure Renovation of the ALLTEL Stadium		Drainage and General Capital Programs		Drainage and General Capital Programs	
Excise Taxes Revenue Bonds Series 1996C		Capital Improvement Revenue Bonds, Series 1997		Capital Project Revenue Bonds Series 1997 - 1		Capital Project Revenue Bonds Series 1997 - 2	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 515,000	\$ 12,489	\$ 210,000	\$ 351,817	\$ 1,430,000	\$ 1,663,337	\$ 1,000,000	\$ 3,483,297
		215,000	341,935	1,495,000	1,548,399	1,000,000	3,397,490
		230,000	331,363	1,565,000	1,423,898	1,100,000	3,294,312
		240,000	319,962	1,640,000	1,297,615	1,100,000	3,199,548
		250,000	307,833	1,720,000	1,163,797	1,200,000	3,093,598
		265,000	294,825	1,805,000	1,024,296	1,200,000	2,989,638
		275,000	280,986	1,895,000	875,128	1,300,000	2,869,439
		290,000	266,365	1,995,000	720,783	1,400,000	2,748,350
		305,000	250,819	2,095,000	557,805	1,400,000	2,623,890
		320,000	234,412	2,205,000	386,641	1,500,000	2,493,535
		340,000	217,087	2,320,000	205,632	1,600,000	2,347,594
		355,000	198,844	2,445,000	15,695	1,700,000	2,199,362
		375,000	179,681			4,400,000	1,827,930
		395,000	159,469			4,600,000	1,421,718
		415,000	138,206			4,900,000	986,067
		435,000	115,894			5,200,000	526,946
		460,000	92,400			5,500,000	40,188
		485,000	67,594				
		510,000	41,475				
		535,000	14,044				
<u>\$ 515,000</u>	<u>\$ 12,489</u>	<u>\$ 6,905,000</u>	<u>\$ 4,205,011</u>	<u>\$ 22,610,000</u>	<u>\$ 10,883,027</u>	<u>\$ 40,100,000</u>	<u>\$ 39,542,900</u>
4.85%		4.50 - 5.25%		Variable Rate Assumed at 7.81%		Variable Rate Assumed at 8.89%	

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES
SEPTEMBER 30, 2006**

Fiscal Year	To Refund a Portion of Capital Improvement Revenue Bonds, Series 1994		To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1998A and 1991, and Preservation		To Refund a Portion of Sales Tax Revenue Bonds, Series 1995 and 1996	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 175,000	\$ 1,682,577	\$ 7,385,000	\$ 1,383,165	\$ 6,965,000	\$ 5,064,210
2008	180,000	1,675,078	3,670,000	1,125,140	7,230,000	4,743,829
2009	190,000	1,667,167	3,815,000	975,440	7,600,000	4,402,041
2010	195,000	1,658,793	1,410,000	870,940	7,905,000	4,087,001
2011	205,000	1,649,890	1,465,000	811,608	8,230,000	3,751,130
2012	215,000	1,640,332	1,530,000	747,965	8,580,000	3,342,350
2013	225,000	1,630,100	1,590,000	680,473	9,050,000	2,857,525
2014	235,000	1,619,231	1,665,000	608,030	9,545,000	2,346,162
2015	245,000	1,607,525	1,740,000	530,548	10,075,000	1,806,613
2016	260,000	1,594,900	1,820,000	447,758	6,405,000	1,353,413
2017	270,000	1,581,650	1,905,000	359,744	6,760,000	991,375
2018	285,000	1,567,775	1,995,000	264,625	7,125,000	609,538
2019	300,000	1,553,150	2,095,000	162,375	7,520,000	206,800
2020	315,000	1,538,169	2,200,000	55,000		
2021	5,035,000	1,411,106				
2022	5,330,000	1,164,937				
2023	5,640,000	904,400				
2024	5,970,000	628,663				
2025	5,640,000	352,925				
2026	4,610,000	109,488				
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
	<u>\$ 35,520,000</u>	<u>\$ 27,237,856</u>	<u>\$ 34,285,000</u>	<u>\$ 9,022,811</u>	<u>\$ 102,990,000</u>	<u>\$ 35,561,987</u>

Interest Rates: 4.20 - 5.00% 4.00 - 5.00% 3.75 - 5.50%

To Refund a Portion Excise Taxes Revenue Bonds, Series 1996B		To Fund a Redevelopment Agreement for the Riverfront Development of the Jacksonville Shipyards		To Refund Excise Taxes Revenue Refunding Bonds, Series 1992 and Animal Care and Control Facility		To Refund Guaranteed Entitlement Revenue Refunding Bonds, Series 1992A and Various Other Projects	
Excise Taxes Refunding Bonds, Series 2001A		Excise Taxes Revenue Bonds, Series 2001B		Excise Taxes Revenue Refunding and Improvement Bonds, Series 2002A		Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2002	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 5,950,000	\$ 1,280,500	\$ 880,000	\$ 2,249,173	\$ 5,335,000	\$ 2,039,225	\$ 2,185,000	\$ 5,233,087
6,710,000	964,000	915,000	2,213,272	5,605,000	1,758,719	2,250,000	5,165,156
7,530,000	608,000	955,000	2,175,395	5,895,000	1,486,319	2,320,000	5,089,400
8,395,000	209,875	995,000	2,134,674	6,155,000	1,199,481	2,400,000	5,006,800
		1,035,000	2,091,277	6,465,000	868,206	2,485,000	4,918,206
		1,080,000	2,045,265	6,805,000	511,362	2,580,000	4,821,625
		1,130,000	1,996,080	2,865,000	245,438	2,680,000	4,718,038
		1,180,000	1,943,515	3,030,000	83,325	2,785,000	4,608,737
		1,235,000	1,887,353			2,895,000	4,493,328
		1,290,000	1,827,370			3,015,000	4,352,591
		1,355,000	1,763,212			3,180,000	4,186,100
		1,420,000	1,694,515			3,350,000	4,010,606
		1,490,000	1,621,765			3,530,000	3,825,706
		1,565,000	1,544,608			3,720,000	3,630,863
		1,645,000	1,462,547			3,920,000	3,425,537
		1,730,000	1,376,062			4,130,000	3,216,938
		1,815,000	1,285,222			4,335,000	3,005,312
		1,910,000	1,189,769			4,555,000	2,783,063
		2,010,000	1,089,319			4,780,000	2,549,687
		2,110,000	983,744			5,020,000	2,304,688
		2,220,000	872,787			5,270,000	2,047,438
		2,335,000	756,066			5,535,000	1,777,313
		2,450,000	633,450			5,810,000	1,491,375
		2,580,000	504,556			6,105,000	1,188,506
		2,710,000	369,000			6,415,000	869,756
		2,850,000	226,525			6,745,000	534,206
		2,995,000	76,747			7,090,000	181,050
\$ 28,585,000	\$ 3,062,375	\$ 45,885,000	\$ 38,013,268	\$ 42,155,000	\$ 8,192,075	\$ 109,085,000	\$ 89,435,112

5.00%

4.00% - 5.125%

5.00% - 5.50%

3.00% - 5.375%

(continued)

To Fund a Grant to Shands Jacksonville Medical Center, Inc		To Refund Commercial Paper Notes and to Fund Veterans Memorial Wall Plaza and Library Systems Improvements		To Refund a Portion of Excise Taxes Revenue Refunding Bonds, Series 1993A		To Refund Excise Taxes Revenue Bonds, Series 1993 (AMT)	
Excise Taxes Revenue Bonds Series 2002B		Local Government Sales Tax Refunding and Improvement Revenue Bonds, Series 2002		Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B		Excise Taxes Revenue Refunding Bonds, Series 2003C (AMT)	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 2,025,000	\$ 2,942,891	\$ 2,515,000	\$ 2,494,500	\$ 2,805,000	\$ 416,075	\$ 405,000	\$ 1,735,891
2,085,000	2,881,241	2,585,000	2,418,000	2,950,000	301,700	435,000	1,726,150
2,150,000	2,806,966	2,675,000	2,337,428	3,115,000	210,725	475,000	1,713,588
2,235,000	2,719,266	2,755,000	2,249,141	3,280,000	82,000	15,000	1,706,219
2,325,000	2,636,204	2,850,000	2,150,994			15,000	1,705,713
2,400,000	2,549,841	2,950,000	2,041,806			15,000	1,705,150
2,495,000	2,451,941	3,065,000	1,922,975			20,000	1,704,450
2,595,000	2,346,898	3,195,000	1,797,775			20,000	1,703,638
2,705,000	2,230,891	3,315,000	1,652,013			20,000	1,702,813
2,825,000	2,106,466	6,845,000	1,387,803			20,000	1,701,963
2,955,000	1,965,238	7,210,000	1,015,438			5,380,000	1,560,300
3,110,000	1,804,638	7,595,000	624,403			5,895,000	1,264,331
3,275,000	1,634,629	7,995,000	211,694			6,445,000	940,406
3,450,000	1,454,835					7,030,000	586,688
3,635,000	1,264,426					7,660,000	201,075
3,830,000	1,076,730						
4,010,000	891,488						
4,200,000	691,250						
4,410,000	476,000						
4,630,000	250,000						
2,685,000	67,125						
\$ 64,030,000	\$ 37,248,965	\$ 55,550,000	\$ 22,303,969	\$ 12,150,000	\$ 1,010,500	\$ 33,850,000	\$ 21,658,372
3.00% - 5.375%		3.00% - 5.375%		3.00% - 5.000%		2.125% - 5.250%	

(continued)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES
SEPTEMBER 30, 2006**

Fiscal Year	Drainage and General Capital Programs		To Fund a Grant to Shands Jacksonville Medical Center, Inc (Proton Beam)		Drainage and General Capital Programs	
	Principal	Interest	Principal	Interest	Principal	Interest
2007		\$ 1,896,000		\$ 722,670		\$ 4,097,250
2008		1,897,732	\$ 300,000	718,170		4,097,250
2009		1,894,268	880,000	700,470		4,101,022
2010		1,896,000	905,000	673,695		4,093,478
2011	\$ 200,000	1,881,499	935,000	646,095		4,097,250
2012	500,000	1,845,628	960,000	616,470		4,097,250
2013	800,000	1,781,057	990,000	583,545		4,101,022
2014	700,000	1,726,745	1,025,000	547,770		4,093,478
2015	800,000	1,664,195	1,065,000	509,618		4,097,250
2016	700,000	1,609,710	1,105,000	468,920		4,097,250
2017	600,000	1,558,764	1,145,000	425,598		4,101,022
2018	600,000	1,512,796	1,190,000	379,470		4,093,478
2019	500,000	1,472,647	1,235,000	330,353		4,097,250
2020	400,000	1,441,710	1,285,000	278,050		4,097,250
2021	300,000	1,414,751	1,340,000	222,590		4,101,022
2022	200,000	1,399,599	1,400,000	163,490		4,093,478
2023		1,398,300	1,460,000	100,745		4,097,250
2024	5,700,000	985,877	1,525,000	34,313		4,097,250
2025	5,900,000	519,665				4,101,022
2026	6,100,000	39,608				4,093,478
2027					\$ 5,200,000	4,097,250
2028					5,400,000	3,702,700
2029					5,600,000	3,296,007
2030					5,800,000	2,865,434
2031					6,000,000	2,428,000
2032					6,200,000	1,972,750
2033					6,400,000	1,503,708
2034					6,600,000	1,015,789
2035					6,800,000	515,950
2036						
	<u>\$ 24,000,000</u>	<u>\$ 29,836,549</u>	<u>\$ 18,745,000</u>	<u>\$ 8,122,030</u>	<u>\$ 54,000,000</u>	<u>\$ 103,342,589</u>

Interest Rates: Variable Rate 3.00% - 4.5% Variable Rate
Maximum Assumed at 7.90% Maximum Assumed at 7.5875%

**To Fund City-Wide
Capital Improvements and
River City Marketplace
Road and Utility Improvements**

**To Refund the Sunshine State
Governmental Finance Commission
Bonds, Series 1995A
and various Capital Improvements**

**To Refund the Sunshine State
Governmental Finance Commission
Bonds, Series 1995B (AMT)**

Excise Taxes Revenue Bonds Series 2005A		Excise Taxes Revenue Refunding Bonds Series 2006A		Excise Taxes Revenue Refunding Bonds Series 2006B (AMT)	
Principal	Interest	Principal	Interest	Principal	Interest
	\$ 2,081,913		\$ 1,693,644		\$ 360,038
	2,081,913		1,693,644		360,038
	2,081,913		1,693,644		360,038
\$ 510,000	2,072,988		1,693,644		360,038
525,000	2,054,875	\$ 1,370,000	1,670,525		360,038
545,000	2,035,809	1,420,000	1,622,556	\$ 1,490,000	333,031
565,000	2,015,338	1,465,000	1,571,153	1,830,000	271,713
585,000	1,993,775	1,520,000	1,516,100	1,895,000	199,500
605,000	1,970,706	1,575,000	1,456,100	1,975,000	122,100
630,000	1,946,006	-	1,424,600	2,065,000	41,300
655,000	1,920,306	-	1,424,600		
685,000	1,893,078	-	1,424,600		
710,000	1,863,863	-	1,424,600		
740,000	1,833,050	1,660,000	1,383,100		
2,535,000	1,763,456	1,740,000	1,298,100		
2,645,000	1,643,463	1,830,000	1,208,850		
2,775,000	1,507,963	1,920,000	1,115,100		
2,915,000	1,365,713	2,015,000	1,016,725		
3,060,000	1,225,900	2,115,000	913,475		
3,195,000	1,079,088	2,225,000	810,538		
3,355,000	915,338	2,325,000	708,163		
3,520,000	752,263	2,430,000	601,175		
2,565,000	613,747	2,535,000	483,125		
2,680,000	492,456	2,665,000	353,125		
2,805,000	365,616	2,795,000	216,625		
2,935,000	227,375	2,935,000	73,375		
3,080,000	77,000				
\$ 44,820,000	\$ 39,874,906	\$ 36,540,000	\$ 30,490,884	\$ 9,255,000	\$ 2,767,831

3.50% - 5.00%

3.375% - 5.00%

3.625% - 4.00%

(continued)

**CITY OF JACKSONVILLE, FLORIDA
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
 SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
 OTHER THAN AD VALOREM TAXES
 SEPTEMBER 30, 2006**

**To Fund the Renovation
 of the Carling, Ed Ball and
 Laura Street Trio, and
 Dredging of Privately Owned Canals**

Excise Taxes Revenue Bonds Taxable Series 2006C		Total Principal and Interest
Principal	Interest	
	\$ 1,199,585	\$ 93,420,612
	1,199,585	92,276,552
	1,199,585	93,372,348
	1,199,585	90,335,074
	1,199,585	80,654,453
\$ 2,135,000	1,147,491	84,355,546
2,240,000	1,039,733	81,730,965
2,350,000	924,849	81,641,635
2,470,000	803,138	78,524,672
2,590,000	674,990	76,817,772
2,725,000	539,574	74,737,721
2,865,000	395,753	74,728,967
3,010,000	243,584	74,627,553
3,170,000	82,737	59,169,372
		55,350,509
		47,192,385
		46,772,867
		46,492,341
		44,646,593
		44,090,300
		40,993,975
		38,030,392
		36,690,454
		36,434,453
		36,156,747
		24,699,231
		21,403,505
		7,615,789
		7,315,950
		-
\$ 23,555,000	\$ 11,849,769	\$ 1,670,278,731

34.88% - 5.22%

(Taxable)



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**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
SPECIAL OBLIGATION BONDS PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN
SEPTEMBER 30, 2006**

Fiscal Year	Better Jacksonville Infrastructure Projects		Better Jacksonville Transportation Projects		Total Principal and Interest
	Better Jacksonville Sales Tax Revenue Bonds Series 2004		Transportation Revenue Bonds Series 2004 (Auction Rate Securities)		
	Principal	Interest	Principal	Interest	
2007	\$ 5,290,000	\$ 8,302,295	\$ -	\$ 2,752,771	\$ 64,436,495
2008	5,400,000	8,181,395	400,000	2,738,951	66,222,648
2009	5,530,000	8,045,095	2,775,000	2,684,103	68,555,996
2010	5,665,000	7,909,648	2,825,000	2,587,363	65,713,220
2011	5,795,000	7,772,063	2,950,000	2,487,600	65,730,415
2012	5,945,000	7,617,881	3,050,000	2,383,950	74,544,881
2013	6,105,000	7,444,563	3,175,000	2,276,413	65,229,186
2014	6,290,000	7,250,775	3,300,000	2,164,558	65,544,855
2015	6,495,000	7,038,959	3,400,000	2,048,815	70,133,640
2016	6,710,000	6,811,931	3,525,000	1,929,186	70,105,901
2017	6,950,000	6,568,538	3,650,000	1,805,238	71,407,188
2018	7,205,000	6,298,469	3,800,000	1,676,539	71,235,081
2019	7,490,000	6,004,569	3,925,000	1,543,089	71,209,214
2020	7,790,000	5,698,969	4,075,000	1,404,889	71,131,376
2021	8,100,000	5,381,169	4,225,000	1,261,507	71,016,958
2022	8,430,000	5,045,300	4,375,000	1,112,942	70,906,156
2023	8,770,000	4,685,069	4,550,000	958,763	70,810,770
2024	9,145,000	4,304,375	4,700,000	798,969	77,679,696
2025	9,530,000	3,895,619	4,900,000	633,129	77,549,435
2026	9,960,000	3,450,869	5,075,000	460,811	77,381,438
2027	10,425,000	2,979,466	5,300,000	281,583	77,188,628
2028	10,910,000	2,486,094	5,500,000	95,013	76,989,244
2029	11,410,000	1,977,075			77,317,108
2030	11,920,000	1,452,150			77,125,994
2031	26,310,000	591,975			116,419,620
2032					36,113,143
2033					21,325,841
2034					
	<u>\$ 213,570,000</u>	<u>\$ 137,194,308</u>	<u>\$ 79,475,000</u>	<u>\$ 36,086,179</u>	<u>\$ 1,889,024,128</u>

Interest Rates: 2.00 - 5.00%

Auction Rate Securities
Assumed at 3.455%



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

Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003B		Total Principal And Interest
Principal	Interest	
\$ 1,195,000	\$ 300,925	\$ 8,993,919
1,245,000	252,375	10,188,524
1,215,000	210,475	10,109,069
1,195,000	157,375	10,037,100
1,245,000	96,375	6,834,748
1,305,000	32,625	6,824,465
		5,479,715
		5,476,478
		5,470,475
		5,468,085
		5,448,380
<u>\$ 7,400,000</u>	<u>\$ 1,050,150</u>	<u>\$ 80,330,958</u>

3.00 - 5.00%

HUD Section 108 Program Loan for HTV Associates Project		HUD Section 108 Program Loan for Armor Holdings		HUD Section 108 Program Loan for Hampton Inns		Total Principal And Interest
U.S. Government Guaranteed Note Payable, Series 1997		U.S. Government Guaranteed Note Payable, Series 1997		U.S. Government Guaranteed Note Payable, Series 1997		
Principal	Interest	Principal	Interest	Principal	Interest	
\$ 50,000	\$ 19,017	\$ 35,000	\$ 42,299	\$ 25,000	\$ 29,429	\$ 1,114,634
55,000	15,771	40,000	40,027	40,000	27,806	1,175,165
85,000	12,136	45,000	37,384	40,000	25,163	1,244,353
95,000	6,441	55,000	34,368	45,000	22,482	1,301,045
		60,000	30,640	45,000	19,432	1,245,484
		65,000	26,541	50,000	16,358	1,269,508
		75,000	22,070	55,000	12,918	1,217,724
		80,000	16,872	65,000	9,106	1,175,248
		80,000	11,288	65,000	4,570	630,291
		80,000	5,664			224,868
\$ 285,000	\$ 53,365	\$ 615,000	\$ 267,153	\$ 430,000	\$ 167,264	\$ 10,598,318

6.49 - 6.78%
(Taxable)

6.49 - 7.08%
(Taxable)

6.49 - 7.03%
(Taxable)

**CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES
OTHER THAN AD VALOREM TAXES - BETTER JACKSONVILLE PLAN
SEPTEMBER 30, 2006**

Purpose	Better Jacksonville Infrastructure Projects		Total Principal And Interest
	State Infrastructure Bank Loan, Due 10/1/2014		
Fiscal Year	Principal	Interest	
2007	\$ 2,128,691	\$ 318,409	\$ 2,447,100
2008	2,172,665	275,835	2,448,500
2009	2,211,818	232,382	2,444,200
2010	2,256,155	188,145	2,444,300
2011	2,305,678	143,022	2,448,700
2012	2,350,391	96,909	2,447,300
2013	2,395,299	49,901	2,445,200
2014	99,738	1,995	101,732
2015			-
2016			-
2017			-
2018			
	<u>\$ 15,920,436</u>	<u>\$ 1,306,597</u>	<u>\$ 17,227,032</u>

Interest Rates: 2.00%

**CITY OF JACKSONVILLE, FLORIDA
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY -
 NOTES PAYABLE FROM SPECIFIC REVENUE SOURCES
 OTHER THAN AD VALOREM TAXES - LOAN POOL PROGRAM
 SEPTEMBER 30, 2006**

Purpose **To Fund the
 Banking Fund Program**

Fiscal Year	Commercial Paper		Total Principal And Interest
	Principal	Interest	
2007	\$ 14,441,000	\$ 2,339,442	\$ 16,780,442
2008	14,441,000	1,819,566	16,260,566
2009	14,441,000	1,299,690	15,740,690
2010	14,441,000	779,814	15,220,814
2011	14,441,000	259,938	14,700,938
2012			-
2013			-
2014			-
2015			-
2016			-
2017			-
2018			-
	<u>\$ 72,205,000</u>	<u>\$ 6,498,450</u>	<u>\$ 78,703,450</u>

Interest Rates: Variable Rate
 Assumed at 3.60%

CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION
SEPTEMBER 30, 2006

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Local Government 1/2 Cent Sales Tax:			
Local Government 1/2 Cent Sales Tax (1)	\$ 71,688,673	\$ 73,677,299	\$ 76,446,161
7th Cent Gasoline Tax:			
7th Cent Gasoline Tax	\$ 3,585,283	\$ 3,688,755	\$ 3,870,166
Excise Taxes:			
Utilities Service Taxes:			
City Water Department	\$ 5,393,416	\$ 5,659,797	\$ 6,161,879
Peoples Gas	593,671	677,108	654,224
Telecommunications Tax (3)	2,165,646	145,230	-
Communications Services Taxes (3)	34,588,391	35,186,308	34,895,973
JEA (2)	42,857,680	45,981,688	45,740,236
Miscellaneous	2,111,122	1,954,161	1,911,435
Total Utilities Service Tax	\$ 87,709,926	\$ 89,604,292	\$ 89,363,747
Fuel Oil Tax	164,199	162,835	107,075
Occupational License Taxes	7,089,446	7,492,991	7,319,694
Total Excise Tax Pledged Revenues	\$ 94,963,571	\$ 97,260,118	\$ 96,790,516
Junior Lien Excise Taxes:			
Total Excise Taxes	\$ 94,963,571	\$ 97,260,118	\$ 96,790,516
Total Junior Lien Excise Tax Revenues	\$ 94,963,571	\$ 97,260,118	\$ 96,790,516
Sports Facilities Capital Improvements:			
Franchise Fees:			
Peoples Gas	\$ 553,140	\$ 620,741	\$ 1,050,527
Southern Bell	1,180,053	-	-
Cable Television	1,029,768	-	-
Other Franchise Fees	-	304,963	101,083
Total Franchise Fees	\$ 2,762,961	\$ 925,704	\$ 1,151,610
Communications Services Taxes (4)	6,103,834	6,209,348	6,158,113
Sports Facility Sales Tax Rebate	2,000,004	2,000,004	2,000,004
Convention Development Tax (2%)	3,524,332	3,610,819	3,846,824
Sports Facility Tourist Development Tax (2%)	3,780,078	3,895,264	4,154,654
Total Sports Facility Capital Improvements Pledged Revenues	\$ 18,171,209	\$ 16,641,139	\$ 17,311,205
Infrastructure Improvements (Better Jacksonville Infrastructure):			
Infrastructure Sales Tax (5)	\$ 55,324,038	\$ 57,970,655	\$ 60,132,294
Transportation Improvements (Better Jacksonville Transportation):			
Transportation Sales Tax (1)	\$ 57,471,472	\$ 60,379,055	\$ 61,649,656
Gas Tax (Constitutional Fuel Tax) (1)	8,174,201	8,446,937	8,860,938
Total Transportation Improvements Pledged Revenues	\$ 65,645,673	\$ 68,825,992	\$ 70,510,594

<u>2005</u>	<u>2006</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 81,354,543	\$ 86,762,785	\$ 17,399,950	4.99 x	1.35 x
\$ 4,037,918	\$ 4,048,829	\$ 1,145,320	3.54 x	1.50 x
\$ 6,384,105	\$ 7,748,261			
675,423	1,229,654			
-	-			
36,844,325	38,229,496			
46,851,288	48,130,818			
2,093,148	1,945,751			
\$ 92,848,289	\$ 97,283,980			
112,633	228,856			
8,143,011	8,143,011			
\$ 101,103,934	\$ 105,655,847	\$ 54,867,306	1.93 x	1.40 x
\$ 101,103,934	\$ 105,655,847	\$ 54,867,306	1.93 x	1.25 x
\$ 101,103,934	\$ 105,655,847	\$ 54,867,306	1.93 x	1.25 x
\$ 1,247,168	\$ 1,679,743			
-	-			
-	-			
28,803	29,784			
\$ 1,275,971	\$ 1,709,527			
6,501,940	6,746,382			
2,000,004	2,000,004			
4,799,870	5,200,849			
5,107,721	5,530,444			
\$ 19,685,506	\$ 21,187,206	\$ 11,705,488	1.81 x	1.35 x
\$ 69,336,706	\$ 73,226,823	\$ 41,561,759	1.76 x	1.35 x
\$ 71,717,115	\$ 76,136,231			
9,279,565	9,279,565			
\$ 80,996,680	\$ 85,415,796	\$ 37,238,650	2.29 x	1.35 x

continued

CITY OF JACKSONVILLE, FLORIDA
SUMMARY OF PLEDGED REVENUES AND BOND COVERAGE
DISCLOSURE OBLIGATION (continued)
SEPTEMBER 30, 2006

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Guaranteed Entitlement Revenues:			
County Revenue Sharing:			
Cigarette Tax	\$ 579,774	\$ 566,791	\$ 723,084
Intangible Tax (1)	-	-	-
Sales Tax (1)	16,698,273	17,072,235	18,666,179
County Total	<u>\$ 17,278,047</u>	<u>\$ 17,639,026</u>	<u>\$ 19,389,263</u>
County Guaranteed	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>	<u>\$ 1,999,042</u>
County Coverage	<u>8.65 x</u>	<u>8.83 x</u>	<u>9.70 x</u>
City Revenue Sharing:			
Cigarette Tax (2)	\$ -	\$ -	\$ -
Sales and Use Tax (2)	10,663,344	11,091,977	13,421,241
City Total	<u>\$ 10,663,344</u>	<u>\$ 11,091,977</u>	<u>\$ 13,421,241</u>
City Guaranteed	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>	<u>\$ 5,826,077</u>
City Coverage	<u>1.83 x</u>	<u>1.91 x</u>	<u>2.30 x</u>
Aggregate City / County Guaranteed	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>
Statewide Revenue Sharing - Counties:			
Intangible Tax (1)	\$ -	\$ -	\$ -
Cigarette Tax	11,229,107	11,046,778	11,118,432
Sales Tax (1)	309,765,152	318,054,685	346,145,856
Total Receipts	<u>\$ 320,994,259</u>	<u>\$ 329,101,463</u>	<u>\$ 357,264,288</u>
Guaranteed Entitlement for all Florida Counties	<u>\$ 95,086,330</u>	<u>\$ 95,086,330</u>	<u>\$ 95,086,330</u>
Average Coverage - All Florida Counties	<u>3.38 x</u>	<u>3.47 x</u>	<u>3.76 x</u>
State Revenue Sharing - Municipalities:			
Cigarette Tax	\$ -	\$ -	\$ -
8th Cent Motor Fuel Tax	82,184,764	84,519,288	88,531,815
Special Tax and Alternative Fuel User Decal Fee	953,804	1,135,259	1,393,234
Sales and Use Tax (2)	147,517,049	151,462,709	164,842,349
Total Receipts	<u>\$ 230,655,617</u>	<u>\$ 237,117,256</u>	<u>\$ 254,767,398</u>
Guaranteed Entitlement for all Florida	<u>\$ 117,046,851</u>	<u>\$ 113,749,426</u>	<u>\$ 114,793,146</u>
Average Coverage - All Florida Municipalities	<u>1.97 x</u>	<u>2.09 x</u>	<u>2.22 x</u>
JEA Contribution:			
JEA Contribution - Electric Services	\$ 65,489,557	\$ 67,039,278	\$ 70,039,278
JEA Contribution - Water and Sewer	11,116,676	11,456,781	13,148,260
Total JEA Contribution	<u>\$ 76,606,233</u>	<u>\$ 78,496,059</u>	<u>\$ 83,187,538</u>

<u>2005</u>	<u>2006</u>	<u>Maximum Annual Debt Service</u>	<u>Pledged Revenue Coverage</u>	<u>Additional Bonds Test</u>
\$ 639,046	\$ 634,648			
-	-			
19,453,717	20,647,084			
<u>\$ 20,092,763</u>	<u>\$ 21,281,732</u>			
\$ 1,999,042	\$ 1,999,042			
<u>10.05 x</u>	<u>10.65 x</u>			
\$ -	\$ -			
19,234,478	18,930,690			
<u>\$ 19,234,478</u>	<u>\$ 18,930,690</u>			
\$ 5,826,077	\$ 5,826,077			
<u>3.30 x</u>	<u>3.25 x</u>			
<u>\$ 7,825,119</u>	<u>\$ 7,825,119</u>	\$ 7,452,100	1.05 x	1.05 x
\$ -	\$ -			
11,707,985	11,401,876			
354,704,849	385,989,832			
<u>\$ 366,412,834</u>	<u>\$ 397,391,708</u>			
\$ 95,086,330	\$ 95,086,330			
<u>3.85 x</u>	<u>4.18 x</u>			
\$ -	\$ -			
92,375,629	94,054,299			
1,240,339	1,155,667			
234,068,559	253,216,128			
<u>\$ 327,684,527</u>	<u>\$ 348,426,094</u>			
\$ 117,644,655	\$ 121,827,094			
<u>2.79 x</u>	<u>2.86 x</u>			
\$ 68,676,624	\$ 71,030,760			
17,260,920	17,656,788			
<u>\$ 85,937,544</u>	<u>\$ 88,687,548</u>	\$ 13,922,886	6.37 x	8.26 x

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

	For the Year Ended September 30				
	1997	1998	1999	2000	2001
Revenue	\$ 18,925	\$ 20,999	\$ 15,615	\$ 16,900	\$ 15,486
Interest Revenue	4,380	4,684	2,802	3,491	2,725
Total Revenue	<u>\$ 23,305</u>	<u>\$ 25,683</u>	<u>\$ 18,417</u>	<u>\$ 20,391</u>	<u>\$ 18,211</u>
Unallocated Expenses	<u>\$ 1,725</u>	<u>\$ 3,997</u>	<u>\$ 3,207</u>	<u>\$ 3,413</u>	<u>\$ 3,616</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 11,520</u>	<u>\$ 10,630</u>	<u>\$ 10,200</u>	<u>\$ 9,574</u>	<u>\$ 10,882</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 1,529	\$ 1,414	\$ 1,434	\$ 1,795	\$ 2,122
One Year Later	2,900	2,448	2,603	3,199	4,455
Two Years Later	4,247	2,843	3,251	4,074	5,649
Three Years Later	4,760	3,461	3,549	4,515	6,697
Four Years Later	5,326	3,832	4,037	4,988	7,666
Five Years Later	5,528	4,206	4,295	5,246	8099
Six Years Later	5,848	4,479	4,642	5469	
Seven Years Later	6,375	4,844	4857		
Eight Years Later	6,657	4998			
Nine Years Later	7,164				
Reestimated incurred Claims and Expense:					
End of Policy Year	\$ 11,520	\$ 10,630	\$ 10,200	\$ 9,574	\$ 10,882
One Year Later	10,400	9,330	7,607	9,153	10,685
Two Years Later	10,335	7,043	7,102	8,123	11,075
Three Years Later	8,763	6,499	6,547	7,743	11,707
Four Years Later	9,034	6,245	6,571	7,673	11,824
Five Years Later	7,976	6,341	6,712	7,358	11651
Six Years Later	7,729	6,336	6,949	8473	
Seven Years Later	8,152	6,757	7866		
Eight Years Later	7,635	7018			
Nine Years Later	8,045				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (3,475)</u>	<u>\$ (3,612)</u>	<u>\$ (2,334)</u>	<u>\$ (1,101)</u>	<u>\$ 769</u>
Available Funding	\$ 23,305	\$ 25,683	\$ 18,417	\$ 20,391	\$ 18,211
Current Reestimated Incurred Claims and Expense	<u>(8,045)</u>	<u>(7,018)</u>	<u>(7,866)</u>	<u>(8,473)</u>	<u>(11,651)</u>
Excess (Deficit) Funding	<u>\$ 15,260</u>	<u>\$ 18,665</u>	<u>\$ 10,551</u>	<u>\$ 11,918</u>	<u>\$ 6,560</u>

For the Year Ended September 30

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 16,225	\$ 15,543	\$ 17,658	\$ 23,797	\$ 21,723
2,854	1,349	1,437	1,782	2,095
<u>\$ 19,079</u>	<u>\$ 16,892</u>	<u>\$ 19,095</u>	<u>\$ 25,579</u>	<u>\$ 23,818</u>
<u>\$ 4,079</u>	<u>\$ 4,094</u>	<u>\$ 4,411</u>	<u>\$ 4,389</u>	<u>\$ 4,441</u>
<u>\$ 11,180</u>	<u>\$ 11,725</u>	<u>\$ 10,766</u>	<u>\$ 12,824</u>	<u>\$ 11,799</u>
\$ 2,756	\$ 2,938	\$ 2,335	\$ 3,186	\$ 2,339
5,568	5,644	3,945	5098	
7,028	7,122	4405		
8,039	7675			
8421				
\$ 11,180	\$ 11,725	\$ 10,766	\$ 12,824	\$ 11,799
11,668	13,459	9,701	11609	
12,356	13,162	8482		
11,988	12543			
12560				
<u>\$ 1,380</u>	<u>\$ 818</u>	<u>\$ (2,284)</u>	<u>\$ (1,215)</u>	<u>\$ -</u>
\$ 19,079	\$ 16,892	\$ 19,095	\$ 25,579	\$ 23,818
(12,560)	(12,543)	(8,482)	(11,609)	(11,799)
<u>\$ 6,519</u>	<u>\$ 4,349</u>	<u>\$ 10,613</u>	<u>\$ 13,970</u>	<u>\$ 12,019</u>

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

\$ 110,424

continued

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

	For the Year Ended September 30				
	1997	1998	1999	2000	2001
Revenue	\$ 4,440	\$ 5,012	\$ 4,423	\$ 4,587	\$ 5,217
Interest Revenue	1,030	1,228	874	1,122	933
Total Revenue	<u>\$ 5,470</u>	<u>\$ 6,240</u>	<u>\$ 5,297</u>	<u>\$ 5,709</u>	<u>\$ 6,150</u>
Unallocated Expenses	<u>\$ 965</u>	<u>\$ 860</u>	<u>\$ 1,220</u>	<u>\$ 1,169</u>	<u>\$ 1,567</u>
Estimated Incurred Claims and Expense, End of Policy Year	<u>\$ 3,379</u>	<u>\$ 3,504</u>	<u>\$ 3,117</u>	<u>\$ 3,079</u>	<u>4,096</u>
Paid (Cumulative) as of:					
End of Policy Year	\$ 581	\$ 665	\$ 625	\$ 683	\$ 968
One Year Later	1,011	980	868	928	1,359
Two Years Later	1,950	1,134	1,662	1,613	1,943
Three Years Later	1,987	2,005	2,372	2,152	2,394
Four Years Later	2,305	2,266	2,489	2,561	3,145
Five Years Later	2,391	2,384	2,576	2,808	3,209
Six Years Later	2,449	2,642	2,620	2,929	
Seven Years Later	2,476	2,726	2,621		
Eight Years Later	2,530	2,726			
Nine Years Later	2,530				
Reestimated incurred Claims and Expense:					
End of Policy Year	\$ 3,379	\$ 3,504	\$ 3,117	\$ 3,079	\$ 4,096
One Year Later	2,664	2,968	2,751	2,690	3,337
Two Years Later	2,699	2,713	3,094	2,768	3,414
Three Years Later	2,640	2,770	2,945	3,146	3,466
Four Years Later	2,514	2,780	2,881	3,263	3,388
Five Years Later	2,531	2,735	2,816	3,058	3,112
Six Years Later	2,501	2,811	2,865	3,773	
Seven Years Later	2,509	2,733	2,502		
Eight Years Later	2,541	3,070			
Nine Years Later	2,522				
Increase (Decrease) in Estimated Incurred Claims and Expense from End of Policy Year	<u>\$ (857)</u>	<u>\$ (434)</u>	<u>\$ (615)</u>	<u>\$ 694</u>	<u>(984)</u>
Available Funding	\$ 5,470	\$ 6,240	\$ 5,297	\$ 5,709	\$ 6,150
Current Reestimated Incurred Claims and Expense	<u>(2,522)</u>	<u>(3,070)</u>	<u>(2,502)</u>	<u>(3,773)</u>	<u>(3,112)</u>
Excess (Deficit) Funding	<u>\$ 2,948</u>	<u>\$ 3,170</u>	<u>\$ 2,795</u>	<u>\$ 1,936</u>	<u>\$ 3,038</u>

For the Year Ended September 30

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 5,473	\$ 5,541	\$ 6,748	\$ 7,880	\$ 6,496
1,025	547	592	601	666
<u>\$ 6,498</u>	<u>\$ 6,088</u>	<u>\$ 7,340</u>	<u>\$ 8,481</u>	<u>\$ 7,162</u>
<u>\$ 1,549</u>	<u>\$ 1,461</u>	<u>\$ 1,422</u>	<u>\$ 1,562</u>	<u>\$ 1,667</u>
<u>\$ 3,619</u>	<u>\$ 2,989</u>	<u>\$ 3,587</u>	<u>\$ 5,186</u>	<u>\$ 4,651</u>
\$ 984	\$ 720	\$ 737	\$ 1,166	\$ 1,063
1,249	956	1,318	2,024	
1,672	1,808	2,349		
2,306	2,276			
2,631				
\$ 3,619	\$ 2,989	\$ 3,587	\$ 5,186	\$ 4,651
3,055	2,826	3,568	5,487	
2,912	3,128	3,533		
3,100	2,834			
3,011				
<u>\$ (608)</u>	<u>\$ (155)</u>	<u>\$ (54)</u>	<u>\$ 301</u>	<u>\$ -</u>
\$ 6,498	\$ 6,088	\$ 7,340	\$ 8,481	\$ 7,162
<u>(3,011)</u>	<u>(2,834)</u>	<u>(3,533)</u>	<u>(5,487)</u>	<u>(4,651)</u>
<u>\$ 3,487</u>	<u>\$ 3,254</u>	<u>\$ 3,807</u>	<u>\$ 2,994</u>	<u>\$ 2,511</u>

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

\$ 29,940

continued



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STATISTICAL SECTION

This part of the City of Jacksonville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

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These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB statement 34 in 2002; schedules presenting government-wide information includes information beginning in that year.

STATISTICAL SECTION – FINANCIAL TRENDS

CITY OF JACKSONVILLE, FLORIDA
NET ASSETS BY COMPONENTS (in thousands)
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Activities:					
Invested in capital assets, net of related debt....	\$ 900,373	\$ 786,614	\$ 725,464	\$ 529,265 (2)	\$ (320,321) (1)
Restricted	103,733	120,823	118,224	154,165	43,894
Unrestricted.....	<u>(127,555)</u>	<u>(163,353)</u>	<u>(110,337)</u>	<u>22,856</u>	<u>287,606</u>
Total governmental Activities net assets	\$ 876,551	\$ 744,084	\$ 733,351	\$ 706,286	\$ 11,179
Business type Activities					
Invested in capital assets, net of related debt....	\$ 13,375	\$ 13,742	\$ 12,289	\$ 14,258 (2)	\$ 234,802
Restricted	13,045	15,497	13,591	12,714	11,929
Unrestricted.....	<u>(118,120)</u>	<u>(104,700)</u>	<u>539</u>	<u>17,701</u>	<u>24,346</u>
Total business type activities net assets	\$ (91,700)	\$ (75,461)	\$ 26,419	\$ 44,673	\$ 271,077
Primary Government					
Invested in capital assets, net of related debt....	\$ 913,748	\$ 800,356	\$ 737,753	\$ 543,523	\$ (85,519) (1)
Restricted	116,778	136,320	131,815	166,879	55,823
Unrestricted.....	<u>(245,675)</u>	<u>(268,053)</u>	<u>(109,798)</u>	<u>40,557</u>	<u>311,952</u>
Total primary government net assets	\$ 784,851	\$ 668,623	\$ 759,770	\$ 750,959	\$ 282,256

Notes:

Net assets were reallocated in 2002 and 2005 to adjust for the consideration of outstanding non-asset backed bonds

(1) Retroactive infrastructure assets of \$541,960 were not included in 2002 Governmental Activities and Total Primary Government Net Assets, but were recorded beginning 2003.

(2) Transferred capital assets for Alltel stadium from an Enterprise Fund (Business Type activity) to General Government (Governmental Activities).

CITY OF JACKSONVILLE, FLORIDA
CHANGES IN NET ASSETS (in thousands)
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	2006	2005	2004	2003	2002
Expenses					
Government Activities					
General government.....	\$ 194,406	\$ 160,341	\$ 191,705	\$ 168,844	\$ 112,505
Human services.....	106,755	107,588	100,120	101,974	95,609
Public safety.....	429,207	414,490	367,308	334,977	332,829
Culture and recreation.....	84,527	88,875	60,955	73,523	47,832
Transportation.....	216,674	236,998	129,734	299,785	91,594
Economic environment.....	74,030	83,832	74,889	77,375	81,615
Physical environment.....	55,605	52,097	44,732	9,460	13,400
Payments to component units.....	-	-	-	-	58,585
Interest on long term debt.....	92,682	90,738	92,477	68,656	55,745
Total governmental activities expenses.....	\$ 1,253,886	\$ 1,234,959	\$ 1,061,920	\$ 1,134,594	\$ 889,714
Business-type activities:					
Parking system.....	\$ 4,975	\$ 5,116	\$ 4,298	\$ 3,621	\$ 3,497
Sports complex.....	25,964	25,088	21,995	15,528	20,471
Motor vehicle inspections.....	439	555	451	577	706
Solid Waste.....	92,935	83,506	77,588	69,098	65,323
Ferry.....	2,346	1,943	2,063	2,040	1,871
Total Business type activities expenses.....	\$ 126,659	\$ 116,208	\$ 106,395	\$ 90,864	\$ 91,868
Total primary government expenses.....	\$ 1,380,545	\$ 1,351,167	\$ 1,168,315	\$ 1,225,458	\$ 981,582
Program Revenues					
Government Activities					
Charges for services:					
General government.....	\$ 95,672	\$ 87,297	\$ 55,329	\$ 54,715	\$ 54,848
Public safety.....	45,670	40,517	42,398	39,087	8,592
Other activities	11,491	8,459	7,357	10,313	5,866
Operating grants and Contributions	158,673	175,722	83,649	85,013	86,833
Capital grants and contributions	76,072	50,241	67,970	31,210	26,453
Total governmental activities programs revenues	\$ 387,578	\$ 362,236	\$ 256,703	\$ 220,338	\$ 182,592
Business type activities:					
Charges for services:					
Sports complex.....	\$ 16,004	\$ 16,605	\$ 13,515	\$ 8,183	\$ 9,578
Solid Waste.....	44,093	41,120	39,903	37,421	35,987
Other Activities.....	5,570	4,441	4,054	4,335	4,448
Operating grants and Contributions	-	-	220	49	229
Capital grants and contributions	-	-	-	-	1,371
Total business type activities revenue	\$ 65,667	\$ 62,166	\$ 57,692	\$ 49,988	\$ 51,613
Total primary government program revenues	\$ 453,245	\$ 424,402	\$ 314,395	\$ 270,326	\$ 234,205

CITY OF JACKSONVILLE, FLORIDA
CHANGES IN NET ASSETS (in thousands)
LAST FIVE FISCAL YEARS
(accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net (expense)revenue					
Government Activities	\$ (866,308)	\$ (872,723)	\$ (805,217)	\$ (914,256)	\$ (707,122)
Business Type activities	(60,992)	(54,042)	(48,703)	(40,876)	(40,255)
Total primary government net expense	<u>\$ (927,300)</u>	<u>\$ (926,765)</u>	<u>\$ (853,920)</u>	<u>\$ (955,132)</u>	<u>\$ (747,377)</u>
General revenues and other changes in net assets					
Government Activities:					
Property taxes.....	\$ 408,942	\$ 365,456	\$ 343,870	\$ 327,388	\$ 312,551
Utility service taxes.....	104,259	99,463	95,629	95,976	93,978
Sales and tourist taxes.....	196,257	184,172	163,107	157,925	151,561
Intergovernmental - unrestricted.....	228,237	202,510	190,917	163,551	122,145
Payments from component units.....	-	-	-	-	111,054
Payment in lieu of taxes.....	-	-	83,188	81,376	2,984
Unrestricted earnings on investments.....	44,380	23,759	33,741	22,894	26,743
Miscellaneous.....	52,912	43,610	26,771	28,109	20,275
Special item - refunded state bonds.....	-	-	(79,218)	-	-
Transfers.....	(36,212)	(35,301)	(25,723)	190,184	(27,215)
Total general revenues, special items, and transfers.....	<u>\$ 998,775</u>	<u>\$ 883,669</u>	<u>\$ 832,282</u>	<u>\$ 1,067,403</u>	<u>\$ 814,076</u>
Business type activities					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 117
Unrestricted earnings on investments.....	4,765	3,368	2,594	2,729	2,787
Miscellaneous.....	3,776	1,488	2,132	1,927	2,542
Special item - refunded state bonds.....	-	(87,995)	-	-	-
Transfers.....	36,212	35,301	25,723	(190,184)	27,215
Total business type activities.....	<u>\$ 44,753</u>	<u>\$ (47,838)</u>	<u>\$ 30,449</u>	<u>\$ (185,528)</u>	<u>\$ 32,661</u>
Total primary government	<u>\$1,043,528</u>	<u>\$835,831</u>	<u>\$862,731</u>	<u>\$84,798</u>	<u>\$266,866</u>
Changes in net assets:					
Governmental activities	\$ 132,467	\$ 10,946	\$ 27,065	\$ 153,147	\$ 106,954
Business type activities	(16,239)	(101,880)	(18,254)	(226,404)	(7,594)
Total primary government	<u>\$ 116,228</u>	<u>\$ (90,934)</u>	<u>\$ 8,811</u>	<u>\$ (73,257)</u>	<u>\$ 99,360</u>

CITY OF JACKSONVILLE, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)
LAST FIVE FISCAL YEARS
(modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund					
Reserved	\$ 53,935	\$ 14,728	\$ 18,736	\$ 11,640	\$ 14,745
Unreserved	<u>23,974</u>	<u>48,267</u>	<u>70,373</u>	<u>46,104</u>	<u>46,835</u>
Total General Fund	<u>\$ 77,909</u>	<u>\$ 62,995</u>	<u>\$ 89,109</u>	<u>\$ 57,744</u>	<u>\$ 61,580</u>
All other Governmental funds					
Reserved	\$ 388,723	\$ 448,536	\$ 696,431	\$ 542,300	\$ 490,181
Unreserved, reported in:					
Special revenue funds	176,468	148,054	113,134	95,859	73,762
Capital Projects funds	17,731	48,064	1,127	106,756	140,785
Permanent fund	<u>188</u>	<u>178</u>	<u>176</u>	<u>174</u>	<u>170</u>
Total all other governmental funds	<u>\$ 583,110</u>	<u>\$ 644,832</u>	<u>\$ 810,868</u>	<u>\$ 745,089</u>	<u>\$ 704,898</u>

CITY OF JACKSONVILLE, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)
LAST FIVE FISCAL YEARS
(modified basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenue					
Property taxes.....	\$ 408,942	\$ 365,456	\$ 343,870	\$ 327,388	\$ 312,551
Utility Service taxes.....	104,259	99,463	95,629	95,976	93,978
Sales and tourist taxes.....	196,257	184,172	163,107	157,925	151,561
Licenses and permits.....	10,509	9,045	8,524	8,473	10,238
Intergovernmental.....	314,959	302,213	297,639	264,146	327,358
Charges for services.....	134,977	121,036	85,789	84,424	74,309
Fines and forfeitures.....	7,347	6,192	10,771	11,218	10,946
Payment in lieu of taxes.....	88,688	85,938	83,188	81,376	2,984
Interest.....	41,384	21,676	34,489	20,404	23,118
Other.....	52,912	43,609	26,771	28,109	20,275
Total Revenue.....	\$ 1,360,234	\$ 1,238,800	\$ 1,149,777	\$ 1,079,439	\$ 1,027,318
Expenditures					
General government.....	\$ 136,815	\$ 139,092	\$ 117,428	\$ 109,494	\$ 102,169
Human services.....	105,979	107,104	100,212	99,206	94,375
Public safety.....	427,478	412,054	358,964	341,473	327,634
Culture and recreation.....	72,924	78,066	78,392	59,538	49,592
Transportation.....	148,107	141,195	130,473	118,073	128,928
Economic environment.....	72,270	78,323	68,675	74,242	78,241
Physical environment.....	19,307	21,215	19,271	18,435	25,608
Capital outlay.....	302,583	259,078	337,896	557,727	259,486
Debt service:					
Principal.....	64,774	53,320	47,415	31,210	35,960
Interest and fiscal charges.....	95,365	93,074	79,183	59,445	52,675
Other - cost of issuance.....	1,085	1,773	4,033	7,935	4,415
Total Expenditures.....	\$ 1,446,687	\$ 1,384,294	\$ 1,341,942	\$ 1,476,778	\$ 1,159,083
Excess of Revenue Over					
(Under) Expenditures.....	\$ (86,453)	\$ (145,494)	\$ (192,165)	\$ (397,339)	\$ (131,765)
Other Financing Sources (Uses):					
Long term debt issued.....	\$ 114,170	\$ 18,319	\$ 371,775	\$ 620,496	\$ 341,910
Premium on special obligation bonds payable.....	1,693	-	-	12,136	5,833
Discount on special obligation bonds payable.....	-	-	(2,778)	-	(1,409)
Payment to escrow agent - refunded bonds.....	(41,457)	(40,668)	-	(172,346)	(123,854)
Transfers in.....	214,270	208,115	232,249	185,557	168,233
Transfers out.....	(249,031)	(232,209)	(232,721)	(211,895)	(190,906)
Total Other Financing Sources(Uses):	\$ 39,645	\$ (46,443)	\$ 368,525	\$ 433,948	\$ 199,807
Special Item:					
Payment to escrow agent - refunded state bonds.....	-	-	(79,218)	-	-
Net Changes in Fund Balances	\$ (46,808)	\$ (191,937)	\$ 97,142	\$ 36,609	\$ 68,042
Debt Service as Percentage of NonCapital					
Expenditures	14.09%	13.17%	13.01%	10.73%	10.34%

STATISTICAL SECTION – REVENUE CAPACITY

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

<u>Year</u>	<u>Real Property (1)</u>	<u>Personal Property (2)</u>	<u>Centrally Assessed Property (3)</u>	<u>Total Taxable Assessed Value (net of tax exempt) (5)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Values (4)</u>	<u>Assessed as a Percentage of Actual Values</u>
1997	19,864,756	4,581,700	121,604	24,568,060	11.1158	37,869,560	64.88%
1998	21,670,377	4,772,427	110,301	26,553,105	11.0158	40,153,551	66.13%
1999	23,006,705	4,971,561	114,981	28,093,247	10.9158	43,049,107	65.26%
2000	25,111,711	5,141,892	139,229	30,392,832	10.7861	45,911,503	66.20%
2001	27,377,261	5,006,119	130,200	32,513,580	10.5723	49,301,249	65.95%
2002	29,711,042	5,219,215	136,971	35,067,228	10.3675	52,707,516	66.53%
2003	32,531,312	4,925,078	187,099	37,643,489	10.1842	57,041,509	65.99%
2004	35,752,946	4,690,592	207,378	40,650,916	9.8398	61,676,160	65.91%
2005	40,684,503	4,790,934	148,554	45,623,991	9.6879	68,661,525	66.45%
2006	47,333,137	5,181,388	168,318	52,682,843	9.6500	78,317,336	67.27%

- (1) Prior to fiscal year 1981, State Homestead Exemption Laws exempted from taxation the first \$5,000 of assessed value for qualified homeowners. For 1981, the homestead exemption was increased to \$15,000; for 1982, it was increased to \$20,000; and for 1983 and subsequent years, it was increased to \$25,000. Real property is assessed on January 1 of each year according to its just value. Assessed value includes both residential and commercial property. A breakdown of those components was not available.
- (2) Personal property values are also net of certain allowable exemptions - primarily for inventories (which have not been assessed since 1982) and government property.
- (3) Centrally assessed property is primarily railroad property and private car line property, which must be separately assessed.
- (4) Estimated actual values are the total "just" values or property subject to taxation, as defined by Section 193.011 of the Florida Statutes.
- (5) Presented net of tax exempt property.

Source: Property Appraiser's Office

Unaudited - see accompanying independent auditors' report.

**CITY OF JACKSONVILLE, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (Per \$1,000 of Assessed Value)**

Year	City of Jacksonville			Other Taxing Authorities			Combined Millage Total	
	District (Note 1)	Operations	Debt Service	Total	Schools	Water Management District		FIND (Note 3)
1997	GSD(2)	11.0866	0.0292	11.1158	10.0670	0.4820	0.0380	21.7028
	USD	11.6417	0.0460	11.6877	10.0670	0.4820	0.0380	22.2747
1998	GSD(2)	10.9883	0.0275	11.0158	9.8750	0.4820	0.0500	21.4228
	USD	11.5602	0.0275	11.5877	9.8750	0.4820	0.0500	21.9947
1999	GSD (4)	10.8901	0.0257	10.9158	9.8560	0.4820	0.0470	21.3008
2000	GSD (4)	10.7618	0.0243	10.7861	9.3660	0.4820	0.0440	20.6781
2001	GSD (4)	10.5498	0.0225	10.5723	9.2580	0.4720	0.0410	20.3433
2002	GSD (4)	10.3465	0.0210	10.3675	8.8720	0.4620	0.0386	19.7401
2003	GSD (4)	10.1650	0.0192	10.1842	8.9200	0.4620	0.0385	19.6047
2004	GSD (4)	9.8398	0.0000	9.8398	9.0510	0.4620	0.0385	19.3913
2005	GSD (4)	9.6879	0.0000	9.6879	8.5650	0.4620	0.0385	18.7534
2006	GSD (4)	9.6500	0.0000	9.6500	8.4250	0.4620	0.0385	18.5755

(1) The GSD (General Services District) millage rate is a county-wide rate which applies to most taxpayers in the City of Jacksonville, Due to the existence of six other taxing districts, a total of seven combined millage rates apply to taxpayers in the City of Jacksonville. The two most prevalent millage rates are shown here.

The USD (Urban Services District 1) millage rates apply to the area of the preconsolidation City of Jacksonville. The millage rates shown include the GSD rate.

(2) Beginning in 1981, as the result of a double-taxation suit settlement, the four independent Urban Services Districts within Duval County began paying 18.8% less than the GSD millage rate, subject to a limit of 10.0000 mils plus debt service. Each of the four levies additional taxes for its own municipal services.

(3) Florida Inland Navigational District

(4) Beginning in 1999, the same rates apply to the consolidated City of Jacksonville.

Source: Property Appraiser's Office



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**CITY OF JACKSONVILLE, FLORIDA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT AND NINE YEARS AGO**

Taxpayer	Type of Business	2006		
		Valuation	Rank	Percentage
Bell South/Jacksonville MSA Limited	Communications	\$406,459,530	1	0.77%
Anheuser-Busch/Metal Container Corp	Manufacturing	308,597,388	2	0.59%
Vistakon/Johnson & Johnson Vision	Manufacturing	246,775,775	3	0.47%
Flagler Development Company	Real Estate Mngmt/Development	235,454,572	4	0.45%
Blue Cross & Blue Shield	Insurance	206,435,773	5	0.39%
Wal-Mart Properties/Stores	Retail	162,620,178	6	0.31%
Cedar Bay Generating Co.	Utilities	162,354,525	7	0.31%
Liberty Property Limited Partnership	Real Estate Mngmt/Development	143,248,555	8	0.27%
First States Investors	Investment/Banking	142,336,200	9	0.27%
Mid America Apartments	Apartments	137,493,824	10	0.26%
Barnett Bank	Banking			
AT&T/American TransTech	Telemarketing			
Prudential Insurance Co	Insurance			
Florida Power & Light Company	Utilities			
Gate Petroleum/Maritime/Lands	Oil/Development			
Total Taxable Assessed Value of 10 Largest Taxpayers		\$2,151,776,320		4.10%
Total Taxable Assessed Value of Other Taxpayers		50,309,637,309		95.90%
Total Taxable Assessed Value of All Taxpayers		\$52,461,413,629		100.00%

Source: Tax Collector's Office

1997		
Valuation	Rank	Percentage
\$653,888,009	1	2.88%
282,663,637	4	1.25%
204,600,867	6	0.90%
202,444,568	7	0.89%
115,775,091	10	0.51%
313,744,080	2	1.38%
284,636,712	3	1.26%
209,268,240	5	0.92%
156,262,078	8	0.69%
130,833,621	9	0.58%
\$2,554,116,903		11.26%
20,128,535,097		88.74%
<u>\$22,682,652,000</u>		<u>100.00%</u>

(continued)

**CITY OF JACKSONVILLE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended Sept. 30		Taxes Levied for the Fiscal year (1)	Collected within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
1997	General Fund - General Services District	\$ 244,346,056	\$ 234,578,690	96.0%
	General Fund - Urban Services District	2,022,502	1,893,107	93.6%
	Totals	\$ 246,368,558	\$ 236,471,797	96.0%
1998	General Fund - General Services District	\$ 257,656,758	\$ 244,965,131	95.1%
	General Fund - Urban Services District	2,075,611	1,919,421	92.5%
	Totals	\$ 259,732,369	\$ 246,884,552	95.1%
1999	General Fund - General Services District	\$ 275,432,033	\$ 261,480,331	94.9%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 275,432,033	\$ 261,480,331	94.9%
2000	General Fund - General Services District	\$ 287,849,421	\$ 274,189,507	95.3%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 287,849,421	\$ 274,189,507	95.3%
2001	General Fund - General Services District	\$ 303,152,394	\$ 290,003,150	95.7%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 303,152,394	\$ 290,003,150	95.7%
2002	General Fund - General Services District	\$ 317,428,233	\$ 302,003,381	95.1%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 317,428,233	\$ 302,003,381	95.1%
2003	General Fund - General Services District	\$ 336,340,414	\$ 317,513,090	94.4%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 336,340,414	\$ 317,513,090	94.4%
2004	General Fund - General Services District	\$ 348,345,910	\$ 333,725,304	95.8%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 348,345,910	\$ 333,725,304	95.8%
2005	General Fund - General Services District	\$ 367,688,578	\$ 353,334,061	96.1%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 367,688,578	\$ 353,334,061	
2006	General Fund - General Services District	\$ 426,353,472	\$ 399,600,840	93.7%
	General Fund - Urban Services District (2)	-	-	0.0%
	Totals	\$ 426,353,472	\$ 399,600,840	

(1) Tax levies are final certified amounts net of discounts allowed. The discount schedule is as follows:

For taxes paid in:

- November - 4%
- December - 3%
- January - 2%
- February - 1%

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

(3) Figures have been updated to reflect 2003 tax roll.

Source: Tax Collector's Office

Collections in Subsequent Years	Total Collections to date	
	Amount	Percentage of Levy
\$ 7,839,598	\$ 242,418,109	99.2%
97,423	1,990,530	98.4%
\$ 7,937,021	\$ 244,408,639	99.2%
\$ 8,950,810	\$ 253,915,941	98.5%
97,861	2,017,282	97.2%
\$ 9,048,671	\$ 255,933,223	98.5%
\$ 10,916,310	\$ 272,396,641	98.9%
108,071	108,071	0.0%
\$ 11,024,381	\$ 272,504,712	98.9%
\$ 8,866,740	\$ 283,056,247	98.3%
12,057	12,057	0.0%
\$ 8,878,797	\$ 283,068,304	98.3%
\$ 10,588,622	\$ 300,591,772	99.2%
6,418	6,418	0.0%
\$ 10,595,040	\$ 300,598,190	99.2%
\$ 11,858,005	\$ 313,861,386	98.9%
6,409	6,409	0.0%
\$ 11,864,414	\$ 313,867,795	98.9%
\$ 11,008,851	\$ 328,521,942	97.7%
5,844	5,844	0.0%
\$ 11,014,695	\$ 328,527,786	97.7%
\$ 11,071,028	\$ 344,796,332	99.0%
3,857	3,857	0.0%
\$ 11,074,885	\$ 344,800,189	99.0%
\$ 12,353,630	\$ 365,687,691	99.5%
\$ 1,583	\$ 1,583	0.0%
\$ 12,355,213	\$ 365,689,273	
\$ 12,239,594	\$ 411,840,434	96.6%
-	-	0.0%
\$ 12,239,594	\$ 411,840,434	

Unaudited - see accompanying independent auditors' report.



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STATISTICAL SECTION – DEBT CAPACITY

CITY OF JACKSONVILLE, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
TO PERSONAL INCOME AND PER CAPITA
LAST TEN YEARS
(outstanding debt presented in thousands)

Government Activities					
Fiscal Year	General Obligation Bonds	Special Obligation Bonds	Special Obligation Bonds - BJP	Notes Payable	Notes Payable - BJP
1997	\$ 3,260	\$ 662,976	\$ -	\$ 22,055	\$ -
1998	2,785	678,686	-	22,010	-
1999	2,285	697,915	-	19,425	-
2000	1,755	718,300	-	16,565	-
2001	1,195	689,010	397,710	13,025	-
2002	605	881,440	395,395	11,165	-
2003	-	998,466	804,425	9,375	-
2004	-	1,035,101	1,093,855	8,980	-
2005	-	955,206	1,081,805	8,520	18,319
2006	-	985,840	1,064,210	7,995	15,920

Notes:

See Demographic and Economic Statistics for personal income and population data

(1) Source: Bureau of Economic Analysis: Regional Economic Accounts.

(2) Population figures are noted for Duval County as of April 1st of each year.
Source: University of Florida, Bureau of Economic and Business Research

Government Activities (continued)

Commercial Notes Payable	Loan Pool Program Notes Payable	Capitalized Lease Obligations	Accrued Compensating Absences	Due to Component Units
\$ 60,000	\$ -	\$ 1,857	\$ 57,079	\$ 2,000
60,000	-	1,135	56,004	1,600
60,000	-	466	52,132	1,200
60,000	-	239	53,017	800
60,000	-	-	54,264	400
60,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	58,565	-	-	-
-	72,205	-	-	-

(continued)

**CITY OF JACKSONVILLE, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
TO PERSONAL INCOME AND PER CAPITA
LAST TEN YEARS**

(outstanding debt presented in thousands; continued)

Fiscal Year	Business-Type Activities				Total Primary Government	Debt as a Percentage of Personal Income (1)	Debt Per Capita (2)
	Revenue Bonds	Accrued Compensating Absences	Liability for Landfill Post-closure	Capitalized Lease Obligations			
1997	\$ 66,425	\$ 3,845	\$ -	\$ 479	\$ 881,973	0.05 %	1,169.65
1998	64,595	3,499	-	38	892,350	0.05	1,163.88
1999	85,100	3,097	-	-	923,619	0.04	1,186.65
2000	82,985	3,016	-	777	939,454	0.04	1,186.92
2001	79,670	3,234	-	1,332	1,301,841	0.06	1,639.81
2002	79,670	708	22,556	-	1,453,541	0.06	1,801.14
2003	76,234	723	24,724	-	1,915,950	0.08	2,316.88
2004	72,109	751	31,104	-	2,243,904	0.09	2,680.77
2005	67,990	767	44,003	-	2,237,180	0.08	2,661.81
2006	63,465	705	43,050	-	2,255,396	0.08	2,530.76

Notes:

See Demographic and Economic Statistics for personal income and population data

(1) Source: Bureau of Economic Analysis: Regional Economic Accounts.

(2) Population figures are noted for Duval County as of April 1st of each year.
Source: University of Florida, Bureau of Economic and Business Research



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**CITY OF JACKSONVILLE, FLORIDA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
TO ACTUAL TAXABLE VALUE OF PROPERTY AND PER CAPITA
LAST TEN YEARS**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Redevelopment Bonds	Total		
1997	\$ 3,260,000	\$ -	\$ 3,260,000	0.09 %	\$ 4.32
1998	2,785,000	-	2,785,000	0.07	3.63
1999	2,285,000	-	2,285,000	0.05	2.94
2000	1,755,000	-	1,755,000	0.04	2.22
2001	1,195,000	-	1,195,000	0.02	1.51
2002	605,000	-	605,000	0.01	0.75
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-

Notes:

See Demographic and Economic Statistics for population data

(1) Source: Property Appraiser's Office.

(2) Population figures are noted for Duval County as of April 1st of each year.
Source: University of Florida, Bureau of Economic and Business Research

**CITY OF JACKSONVILLE, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 SEPTEMBER 30, 2006**

Governmental Unit	Net General Obligation Bonds (1)	Estimated Percentage Applicable (2)	Share of Overlapping Debt
Debt Repaid with Property Taxes			
Duval County School Board	\$ 22,353,919	100.000%	\$ 22,353,919
Other Debt	-	-	-
Subtotal, Overlapping Debt			22,353,919
City Direct Debt			-
Total Direct and Overlapping Debt			<u>\$ 22,353,919</u>

(1) The net general obligation debt outstanding includes debt which is secured by the District to levy taxes on real estate less amounts available in debt service funds.

(2) The applicable percentage is based on the District's geographical boundaries within Duval County.

Source: Duval County Public Schools - Business Services

**CITY OF JACKSONVILLE, FLORIDA
 LEGAL DEBT MARGIN INFORMATION
 SEPTEMBER 30, 2006**

Neither the City of Jacksonville charter or code nor the Florida State Statutes limits the amount of debt the City of Jacksonville can issue.

CITY OF JACKSONVILLE, FLORIDA
PLEGGED REVENUE COVERAGE
LAST TEN YEARS
(dollars in thousands)

Excise Tax Revenue Bonds

Fiscal Year	Utility Service Taxes	Fuel Oil Taxes	Occupational License Taxes	Gross Available Revenues	Debt Service		Coverage
					Principal	Interest	
1997	\$ 63,017	\$ 213	\$ 6,394	\$ 69,624	\$ 8,599	\$ 18,278	2.59
1998	68,104	238	6,523	74,864	13,565	17,404	2.42
1999	71,584	232	6,675	78,490	13,602	16,585	2.60
2000	73,341	245	6,721	80,307	16,320	16,476	2.45
2001	78,486	287	6,910	85,683	17,860	16,248	2.51
2002	87,710	164	7,089	94,964	19,155	14,586	2.81
2003	89,604	163	7,493	97,260	16,845	16,185	2.94
2004	89,364	107	7,320	96,791	23,080	17,072	2.41
2005	92,848	113	8,143	101,104	26,120	17,320	2.33
2006	97,284	229	8,143	105,656	28,570	17,388	2.30

Capital Improvement Revenue Bonds

Franchise Fees	Communication Services Taxes	Sports Facility Sales Tax Rebate	Convention Development Tax (2%)	Sports Facility		Gross Available Revenues	Debt Service		Coverage
				Tourist Development Tax (2%)			Principal	Interest	
\$ 6,059	\$ -	\$ 2,167	\$ 2,543	\$ 2,739	\$ 13,508	\$ 205	\$ 5,874	2.22	
6,459	-	2,000	2,884	3,094	14,437	260	6,332	2.19	
6,469	-	2,000	3,059	3,285	14,813	1,245	5,556	2.18	
7,199	-	2,000	3,134	3,365	15,698	630	6,103	2.33	
7,846	-	1,833	3,475	3,738	16,892	725	6,073	2.48	
2,763	6,104	2,000	3,524	3,780	18,171	1,360	6,024	2.46	
926	6,209	2,000	3,611	3,895	16,641	1,475	9,189	1.56	
1,152	6,158	2,000	3,847	4,155	17,311	1,610	11,642	1.31	
1,276	6,502	2,000	4,800	5,108	19,686	1,750	10,441	1.61	
1,710	6,746	2,000	5,201	5,530	21,187	2,215	8,530	1.97	

(continued)

CITY OF JACKSONVILLE, FLORIDA
PLEGGED REVENUE COVERAGE
LAST TEN YEARS
(dollars in thousands; continued)

Fiscal Year	Capital Project Revenue Bonds						
	JEA Contribution - Electric Services	JEA Contribution - Water and Sewer	Gross Available Revenues	Debt Service		Coverage	
	Principal	Interest					
1997	\$ 52,801	\$ -	\$ 52,801	205	5,874	8.69	
1998	52,039	9,529	61,568	260	6,332	9.34	
1999	57,056	9,438	66,494	1,245	5,556	9.78	
2000	60,898	10,536	71,434	630	6,103	10.61	
2001	62,590	11,049	73,638	725	6,073	10.83	
2002	65,490	11,117	76,606	1,955	1,062	25.39	
2003	67,039	11,457	78,496	2,000	783	28.21	
2004	70,039	13,148	83,188	2,055	903	28.12	
2005	68,677	17,261	85,938	2,205	2,875	16.92	
2006	71,031	17,657	88,688	2,265	4,478	13.15	

Guaranteed Entitlement Bonds

County Revenue Sharing	City Revenue Sharing	Gross Available Revenues	Debt Service		Coverage
			Principal	Interest	
\$ 1,999	\$ 5,826	\$ 7,825	\$ 595	\$ 4,158	1.65
1,999	5,826	7,825	675	4,128	1.63
1,999	5,826	7,825	3,500	4,038	1.04
1,999	5,826	7,825	3,650	3,883	1.04
1,999	5,826	7,825	3,810	3,716	1.04
1,999	5,826	7,825	3,990	3,538	1.04
1,999	5,826	7,825	-	4,058	1.93
1,999	5,826	7,825	2,000	5,421	1.05
1,999	5,826	7,825	2,060	5,360	1.05
1,999	5,826	7,825	2,120	5,298	1.05

(continued)

**CITY OF JACKSONVILLE, FLORIDA
 PLEDGED REVENUE COVERAGE
 LAST TEN YEARS
 (dollars in thousands; continued)**

Fiscal Year	Local Government Sales Tax Revenue Bonds				Better Jacksonville Infrastructure Sales Tax Bonds			
	Local Government 1/2 Cent Sales Tax	Debt Service		Coverage	Infrastructure Sales Tax	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
1997	\$ 53,190	\$ -	\$ 9,661	5.51				
1998	57,610	-	10,919	5.28				
1999	61,775	4,505	10,465	4.13				
2000	67,373	4,740	10,683	4.37				
2001	67,487	4,985	10,609	4.33	\$ 38,496			
2002	71,689	5,325	8,374	5.23	55,324	\$ 2,315	\$ 9,994	4.49
2003	73,677	5,680	7,985	5.18	57,971	3,310	10,822	4.10
2004	76,155	8,675	8,923	4.33	60,132	6,020	21,269	2.20
2005	81,355	8,675	8,517	4.73	69,337	7,865	29,042	1.88
2006	86,763	9,085	8,114	5.04	73,227	13,310	28,071	1.77

Transportation Revenue Bonds (Better Jax)

<u>Transportation Sales Tax</u>	<u>Gas Tax (Constitutional Fuel Tax)</u>	<u>Gross Available Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>
			<u>Principal</u>	<u>Interest</u>	
\$ 45,236	\$ 7,084	\$ 52,320			
48,241	7,435	55,675			
51,977	7,554	59,531			
56,746	8,558	65,304			
57,496	8,475	65,972			
57,471	8,174	65,646	\$ -	\$ 8,153	8.05
60,379	8,447	68,826	110	8,971	7.58
61,650	8,861	70,511	3,580	12,492	4.39
71,717	9,280	80,997	4,185	18,148	3.63
76,136	9,280	85,416	6,684	22,039	2.97

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STATISTICAL SECTION – DEMOGRAPHIC AND ECONOMIC INFORMATION

**CITY OF JACKSONVILLE, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Total Personal Income(1) (thousands)	Per Capita Personal Income (1)	Median Age (2)	Education level in Years of Schooling (3)	School Enrollment (4)	Unemployment rate (5)
1997	754,048	\$ 18,299,740	\$ 24,147	N/A	N/A	127,405	3.55%
1998	766,705	\$ 19,822,257	\$ 25,869	N/A	N/A	127,405	3.40%
1999	778,341	\$ 20,616,898	\$ 26,666	N/A	N/A	126,354	3.20%
2000	791,507	\$ 22,548,896	\$ 28,920	34.1	12.97	125,832	3.30%
2001	793,898	\$ 22,828,124	\$ 28,879	34.1	N/A	126,919	4.20%
2002	807,012	\$ 23,651,670	\$ 29,498	34.2	13.01	128,118	5.70%
2003	826,951	\$ 24,788,824	\$ 30,546	34.6	13.16	129,553	5.50%
2004	837,037	\$ 26,371,290	\$ 32,175	35.0	13.22	127,469	5.20%
2005	859,361	\$ 27,689,855	\$ 32,221	35.4	13.26	126,535	4.20%
2006	891,192	\$ 29,074,347	\$ 32,624	35.5	13.35	125,171	3.00%

Source:

- (1) 1997-2004 Bureau of Economic Analysis: Regional Economic Accounts
- (2) COJ Planning & Development
- (3) USCensus Bureau
- (4) Florida Department of Education (FDOE) Survey 2 Data.
- (5) USDA Economic Research Service

Notes:

N/A = Statistical information is not available
 2005 and 2006 population, total personal income, and per capita personal income, estimate only
 2006 education level in years of schooling, estimate only

**CITY OF JACKSONVILLE, FLORIDA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR**

EMPLOYER	2006		
	Employees	Rank	% of total City Employment
Naval Air Station Jacksonville	25,245	1	4.00%
Naval Air Station Mayport	15,293	2	2.42%
Duval County Public Schools	14,284	3	2.26%
City of Jacksonville	8,828	4	1.40%
Baptist Health	7,000	5	1.11%
Blue Cross & Blue Shield	7,000	5	1.11%
Publix Distribution Center	6,615	6	1.05%
Winn-Dixie	6,200	7	0.98%
Mayo Clinic	5,000	8	0.79%
CSX	4,400	9	0.70%
CitiBank(Citi-Cards)	4,200	10	0.67%

Notes:

- (1) Information current as of December 2006
- (2) Prior year information from nine years ago is not available.

Source: Jacksonville Cornerstone Regional Development Partnership

STATISTICAL SECTION – OPERATING INFORMATION

**CITY OF JACKSONVILLE, FLORIDA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
 BY FUNCTION/PROGRAM
 LAST 10 YEARS**

Function/Program	Full-time Equivalent Employees as of September 30									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Government	1,545	1,451	1,608	1,575	1,596	1,554	1,507	1,465	1,474	1,547
Human Services	421	275	283	256	207	201	202	213	236	305
Public Safety	4,522	4,505	4,093	4,069	3,953	3,897	3,832	3,723	3,697	3,667
Culture and Recreation	809	706	693	556	482	452	432	421	410	405
Transportation	445	478	471	470	472	466	467	484	493	537
Economic Environment	97	104	96	94	94	91	86	92	82	47
Physical Environment	161	137	133	124	122	151	144	148	132	637
Parking System	47	31	32	76	29	29	28	29	29	29
Motor Vehicle Inspection	9	10	9	11	12	11	12	12	12	12
Solid Waste	203	160	163	163	162	175	174	174	181	186
Total	8,259	7,857	7,581	7,394	7,129	7,027	6,884	6,761	6,746	7,372

Source: City of Jacksonville Annual Financial Plan

Note: Number of positions based on approved budget

**CITY OF JACKSONVILLE, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR					
	2006	2005	2004	2003	2002	2001
Police						
Average Daily Police Calls for service	4,605	4,660	4,450	4,208	4,277	3,964
Parking Violations	60,736	86,864	104,014	92,765	92,554	82,185
Traffic citations issued	208,825	208,292	212,726	234,591	240,364	248,001
Total sworn officers	1,591	1,609	1,622	1,622	1,584	1,579
Total sworn civilians	1,236	1,125	1,175	1,118	1,107	1,095
Average daily population by institution:						
John E Goode Pretrial Detention Facility	2,322	2,247	2,206	2,139	1,986	1,955
James I. Montgomery Correctional Center	747	744	698	602	548	570
Community Corrections Division	312	337	306	333	313	294
Fire/Rescue						
Fire incidents	19,604	19,336	22,538	18,221	19,607	20,198
Rescue incidents	89,260	88,041	83,841	78,649	75,332	72,648
Rescue transports	45,110	44,533	42,280	38,635	36,834	35,484
Fire /Rescue Communication(9-1-1)						
No. of calls for emergency assistance	108,864	107,377	106,379	96,870	94,939	92,844
Fire prevention						
No. of inspection	10,351	14,106	12,457	7,459	N/A	N/A
No. of public education participants	48,722	35,278	26,421	15,221	N/A	N/A
Solid Waste						
Refuse collections (tons per day)	3,173	3,252	3,046	2,849	2,015	2,693
Recyclables collected(tons per day)	493	586	568	490	348	476
Motor Vehicle						
Number of vehicles inspected	11,196	11,229	10,430	13,872	17,703	17,970
Animal Care and Control						
Complaints received	34,398	32,520	30,987	36,523	26,011	19,892
Animals impounded	25,870	20,497	17,586	18,518	17,422	20,000
License tags dispensed	64,648	89,646	72,354	97,258	87,614	74,100
Housing						
Community Development Block Grant(CDBG)						
Limited Repair Program	53	37	44	55	66	77
Utility Tap In Program	81	96	N/A	N/A	N/A	88
Façade program	20	10	8	13	18	19
Home Ownership Made Easy(HOME)						
Head Start Homeownership	46	78	174	165	144	183
Home-American Dream	33	36	N/A	N/A	N/A	N/A
Elderly Relocation/New Construction	4	4	1	N/A	1	N/A
State Housing Initiative Partnership(SHIP)						
Home Owner Rehabilitation	26	156	310	17	27	35

Source: City of Jax. Annual Financial plan
Various City Departments

Notes: N/A=Statistical Information is not available

FISCAL YEAR			
2000	1999	1998	1997
3,964	3,700	1,231	3,500
72,337	N/A	N/A	N/A
233,071	194,595	158,941	151,168
1,579	1,552	1,500	1,381
1,095	1,082	1,060	960
1,955	1,920	1,937	1,905
570	559	545	559
294	280	268	253
19,333	18,448	18,753	18,201
70,144	66,421	61,721	54,912
34,097	N/A	N/A	N/A
89,477	84,869	80,474	73,113
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
2,489	2,151	1,921	1,698
438	494	399	409
18,498	18,451	18,642	18,881
19,892	38,220	27,139	36,921
20,000	19,640	16,962	19,502
74,100	70,000	60,334	69,720
70	108	108	56
74	N/A	36	18
N/A	N/A	N/A	N/A
191	220	275	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
73	94	44	57

(continued)

**CITY OF JACKSONVILLE, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (continued)**

Function/Program	FISCAL YEAR					
	2006	2005	2004	2003	2002	2001
Parks and Receptions						
Pool Attendance	466,321	462,817	592,622	615,392	500,229	493,131
Camp Attendance	4,956	5,013	6,487	5,998	5,716	N/A
Swimming lesson(children)	4,458	4,447	4,687	4,129	4,054	4,558
Permits issued(Athletic, special use, picnic)	3,322	1,694	189	N/A	N/A	N/A
Cecil Attendance	211,320	173,144	164,603	N/A	N/A	N/A
Athletic volunteers	1,082,695	668,260	469,872	N/A	N/A	N/A
Jacksonville Children's Commission						
Early Learning Coalition-Child Care Service	13,547	13,394	13,881	15,649	13,113	9,350
Team UP Programs	3,987	5,267	5,002	4,300	5,128	2,418
Community Based After school programs	2,365	2,596	2,142	2,649	7,201	21,744
Healthy Kids and Kidcare*	7,042	10,931	14,435	13,635	11,396	9,007
Summer Camperships	4,972	6,861	6,216	5,430	7,832	4,916
Summer Lunch Program						
Lunches served daily	323,571	289,627	447,238	468,019	481,259	482,570
Snacks served daily	272,656	233,040	381,061	407,918	422,129	438,851
Number of Sites	175	157	231	236	239	232
Number of days served	47	43	46	44	40	44
Homework Zone	1,300	500	N/A	N/A	N/A	N/A
Early Literacy						
Mayor Peyton Book Club	8,399	8,365	4,000	N/A	N/A	N/A
Others	7,851	5,329	1,000	N/A	N/A	N/A
Brewer Center Child Care Facility	97	95	N/A	N/A	N/A	N/A
Workforce Dev Training Institute	1,142	2,718	3,699	2,600	N/A	N/A
Library						
Programs	9,243	6,874	4,827	4,824	3,024	3,024
Gate count	4,365,463	3,768,611	3,461,025	3,102,184	2,885,356	2,542,511
Circulation	7,948,860	6,145,880	5,460,107	5,212,422	4,773,855	4,315,518

Source: City of Jax. Annual Financial plan
Various City Departments

Notes: N/A=Statistical Information is not available
*Healthy Kid and kidcare stat as of June 30,2006

FISCAL YEAR			
2000	1999	1998	1997
523,837	488,023	522,509	437,689
N/A	N/A	N/A	N/A
5,491	5,139	6,179	5,320
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
9,447	9,910	13,457	10,521
4,825	2,600	N/A	N/A
25,480	34,035	33,328	21,794
858	2,500	N/A	N/A
5,116	3,439	1,666	899
476,094	463,758	N/A	297,539
426,252	417,174	N/A	297,539
200	200	N/A	200
39	44	N/A	42
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
2,919	3,533	N/A	N/A
2,324,911	2,222,142	1,818,391	1,775,091
4,021,675	3,738,166	3,577,969	3,673,812

(continued)

**CITY OF JACKSONVILLE, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year					
	2006	2005	2004	2003	2002	2001
Police						
Vehicular Patrol units						
Patrol Cars	1,418	1,418	1,208	1,164	1,144	1,122
Motorcycles	16	16	16	16	17	17
Other Vehicles	160	222	241	184	178	150
Unmarked	255	255	345	381	352	357
Horse Patrol	6	6	6	6	7	7
Fire Protection						
Stations	52	50	50	47	47	47
Marine Based stations	2	2	2	2	2	2
Rescue Units	30	30	24	24	17	21
Parks and Recreation						
Boat ramps	32	29	21	21	23	23
Community Center	53	53	30	30	30	30
Softball and Baseball Diamonds	287	277	267	267	209	209
Swimming pools	36	35	33	33	33	33
Tennis Courts	156	158	149	149	127	127
Soccer Fields	78	76	57	57	27	27
Street						
Miles of the streets	3,534	3,489	3,449	3,403	3,403	3,351
Street - paved (miles)	3,530	3,485	3,445	3,396	3,396	3,347
Street - unpaved (miles)	4	4	4	7	7	4
Street Maintained Primary (miles)	372	371	371	373	373	363
Interstate (miles)	95	95	95	95	95	95
Parking						
Downtown parking garages capacity	2,280	2,280	2,240	2,240	2,330	2,330
Downtown parking lots capacity	1,530	1,530	1,554	1,554	1,830	1,830
On Street meters	1,600	1,600	1,546	1,506	1,750	1,750
Solid Waste						
No. of city landfills in operation	1	1	1	1	1	1
No. of city yard waste recycling	2	2	2	2	2	2
Community Services						
Senior Citizen Centers	26	26	24	24	23	24
Passenger busses	18	18	19	21	21	21
Library						
Facilities	20	20	18	14	14	14
Square footage	785,046	785,046	417,061	362,061	356,721	356,721
No. of items held(books, DVD's, CD's, etc)	2,856,089	2,682,984	3,057,024	2,407,711	2,386,165	2,325,780

Source: City of Jacksonville Annual Financial plan
Various City Departments

Notes: N/A=Statistical Information is not available

	Fiscal Year			
	2000	1999	1998	1997
	1,115	1,060	1,041	1,041
	15	15	14	14
	150	148	148	143
	341	328	314	306
	5	5	5	5
	50	50	47	46
	2	2	2	2
	21	21	17	16
	21	21	19	19
	55	55	27	27
	223	223	226	226
	31	31	32	32
	144	144	141	135
	28	N/A	N/A	N/A
	3,351	3,324	3,305	3,282
	3,347	3,320	3,301	3,278
	4	4	4	4
	363	520	487	487
	95	99	99	97
	2,318	2,238	2,767	2,767
	1,742	1,670	1,595	1,595
	1,652	2,000	1,800	1,800
	1	1	1	1
	2	2	2	2
	23	22	19	18
	21	21	21	21
	14	14	14	14
	356,721	356,721	356,721	356,721
	2,308,039	2,370,531	2,743,905	2,721,590

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