

CITY OF JACKSONVILLE

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

**PREPARED BY THE
DEPARTMENT OF FINANCE
ACCOUNTING DIVISION**

117 W. Duval Street, Suite 325
Jacksonville, FL 32202



City of Jacksonville, Florida

Single Audit For the Fiscal Year Ended September 30, 2023

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SINGLE AUDIT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of JEA, whose statements reflect approximately 82%, 77%, and 87%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of Jacksonville Transportation Authority, whose statements reflect approximately 8%, 8%, and 8%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of Jacksonville Port Authority, whose statements reflect approximately 10%, 15%, and 5%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of Jacksonville Police and Fire Pension Fund, whose statements reflect approximately 33%, 41%, and 9%, respectively, of the assets, equity, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for JEA, Jacksonville Transportation Authority, Jacksonville Port Authority, and Jacksonville Police and Fire Pension Fund is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Certain Matters

Change in Accounting Principle

As described in Notes 15 and 18 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

Restatements

As described in Note 18 to the financial statements, the City's financial statements have been restated for prior period errors. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison information on pages 164 to 166, and other postemployment benefits and pension schedules on pages 167 to 198 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedules of expenditures

of federal awards and expenditures of state financial assistance, which are required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion the schedules of expenditures of federal awards and expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cam, Rigg & Ingram, L.L.C.

Jacksonville, Florida
June 28, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The City of Jacksonville's Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy-to-read overview of the City's financial activities focusing on significant financial issues, as well as identifying material deviations from the financial plan (the approved budget), changes in the City's financial position (its ability to address the next and subsequent year challenges), and individual fund issues or concerns. It focuses on the current year's activities, resulting changes and currently known facts. The information contained within this MD&A should be considered only as part of the City's Annual Comprehensive Financial Report (ACFR).

Financial Highlights

- The City's General Fund operations had total revenues of \$1.6 billion in fiscal year 2023.
- General Fund total increase in revenues was \$210.5 million in fiscal year 2023.
- Property tax revenues in the General Fund experienced a \$102.2 million, 12.6% increase, due primarily to rising home values and new construction.
- Other increases in General Fund revenues related primarily to utility and communications service taxes, sales and tourist taxes, licenses, permits and fees, intergovernmental revenues, charges for services, JEA contributions, and investment earnings.
- Decreases in revenues in the General Fund included \$0.2 million for local business tax revenues, and around \$0.1 million for fines and forfeitures revenues.
- General Fund total expenses increased by \$104.5 million, 8.2%, primarily due to increased spending in general government, human services, public safety, culture and recreation, transportation, economical and physical environment while capital outlay and debt service expenses decreased.
- Total citywide governmental activities revenues increased by \$338.8 million in fiscal year 2023, a 15.6% increase from fiscal year 2022.
- Total citywide governmental activity expenses increased \$433.7 million in fiscal year 2023, a 21.8% increase from fiscal year 2022.

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

City Highlights

Some of the impacts and improvements for the fiscal year ending September 30, 2023, were as follows:

- Maintained focus on fiscally responsible practices to ensure Jacksonville's financial stability and preparedness for today and beyond. The City continued to operate within debt policy targets and increase its unassigned reserves.
- Closely monitored the use of the combined \$343 million 2021 and 2022 tranches of ARPA funds to bolster the strength of the local government, address some of our community's pressing needs, and mitigate the financial impacts from the pandemic. Among the many items programmed to ensure full use of these Federal dollars were septic tank phaseout funding, premium pay and a portion of the raises for government employees, economic assistance to our county municipalities and Port, aid to affordable housing providers, assistance to our special events venues, and materials and supplies for public health and safety.
- Demonstrated a continued investment in public safety by building a new marine fire station, renovating multiple existing fire stations, on-boarding new classes of firefighters and police officers, investing in equipment and technology, and making further progress modernizing our fleet of first-responder vehicles. All vehicle purchases are funded in cash, with no borrowing used.
- Approved 13 new economic development projects with an estimated private capital investment of \$925.8 million and 1,110 new full-time equivalent jobs in Jacksonville.
- Budgeted approximately \$14.3 million for economic development incentives for projects that are on track to generate over \$26 million in ad valorem taxes in fiscal year 2023.
- Announced Cosentino Industrial USA, LLC plans to establish its first U.S. manufacturing facility at the Mega Site at Cecil Commerce Center in Jacksonville, with an estimated \$270 million of private capital investment and 180 new full-time equivalent jobs.

- Announced Exel, Inc (DHL Supply Chain) plans to construct a logistics and distribution facility in Jacksonville, with an estimated \$64 million in private capital investment and 100 new full-time equivalent jobs.
- Awarded a \$5.5 million Florida Department of Economic Opportunity Job Growth Grant for construction of a 3-mile, double-track rail spur to provide direct access to the 600-acre City-owned Mega Site at Cecil Commerce Center.
- Approved and facilitated a Historic Preservation Restoration and Rehabilitation loan package for the rehabilitation of the former YWCA Building (c. 1949) located at 325 East Duval Street. The historic project will include 120 residential units (including 57 affordable housing units and 27 workforce housing units). Construction commenced in March 2023 and substantial completion of this project is expected by June 2024.
- Approved and facilitated a Historic Preservation Restoration and Rehabilitation loan package for the rehabilitation of the former Greenleaf and Crosby Building (c. 1949) located at 208 North Laura Street. This project will provide for the renovation of 44,000 square feet of office space and 11,000 square feet retail/restaurant space.
- Closed on the sale of an approximately 1-acre parcel to Iguana for the fair market value price of \$3.2 million. The previously City-owned parcel will be added to the tax base as development on the site of a 150,000 + square foot Class A office building has commenced with private investment of \$53 million and an REV grant incentive of \$8.1 million.
- Continued construction on the \$23 million Northbank Community Redevelopment Area (CRA) infrastructure project installing bulkheads and underground utilities. This infrastructure will support four (4) acres of public riverfront parks along the Riverwalk as well as a private development investment of more than \$280 million.
- Completed the historic renovations of the Baptist Convention Building located at 218 West Church Street and the Federal Reserve Building located at 424 North Hogan Street.
- Realized combined Northbank CRA assessed value growth of 15.9% over FY 22.
- Allocated over \$45 million to the Kids Hope Alliance with an increased commitment to literacy initiatives and workforce development.
- Invested in the Jacksonville Zoo with \$5 million in capital improvements as part of a multi-year \$25 million campaign.
- Continued investment in UF Health as a critical community hospital by providing \$20 million for hospital improvements as part of a \$120 million six-year upgrade.
- Invested \$24.8 million in 121 Financial Ballpark capital improvements to meet Major League Baseball standards for the Jumbo Shrimp's triple A affiliation.

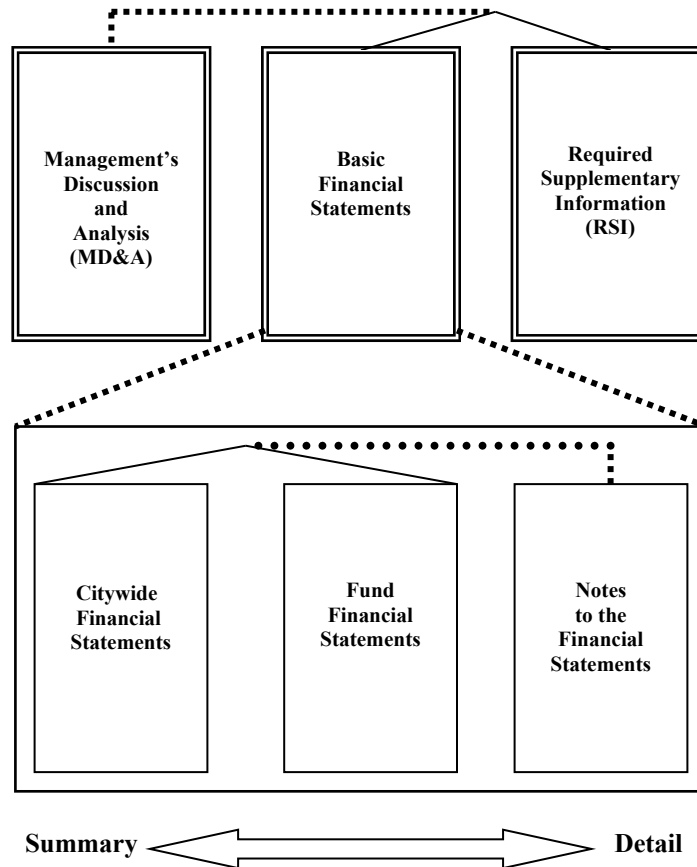
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OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Figure A-1

COMPONENTS OF THE ANNUAL FINANCIAL REPORT



Citywide Basic Financial Statements

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

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

Component Units are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidy. The City of Jacksonville's component units are as follows: JEA (formerly Jacksonville Electric Authority), Jacksonville Transportation Authority (JTA), Jacksonville Port Authority (JPA), and Jacksonville Housing Finance Authority (JHFA). Separate financial statements are published by JEA, JTA, and JPA. The focus of the statements is on the primary government and the presentation allows the user to review the City's relationship with the Component Units.

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

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the Fund Financial Statements presentation to be familiar. 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. The focus is on Major Funds, rather than fund types, to provide detailed information about the most significant funds. All the City's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

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

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

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

Proprietary Funds

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

The City of Jacksonville maintains two types of proprietary funds.

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

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

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

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

CITYWIDE FINANCIAL ANALYSIS

The net position may serve over time as a useful indicator of the government's financial position. The City's net position decreased by \$22.7 million in the fiscal year 2023. The negative \$2.8 billion unrestricted net position is primarily due to the \$4.1 billion Net Pension Liability (See Table A-1).

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Table A-1
Summary Statement of Net Position
(In Thousands)
for the fiscal year ended September 30, 2023 and September 30, 2022

	Governmental Activities		Business Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022 (as restated see Note 18)
Cash and Investments	\$ 1,901,239	\$ 1,764,174	\$ 210,112	\$ 162,839	\$ 2,111,351	\$ 1,927,013
Current and Other Assets	338,889	332,779	114,919	121,477	453,808	454,256
Capital Assets	2,842,132	2,694,383	545,875	543,963	3,388,007	3,238,346
Total assets	5,082,260	4,791,336	870,906	828,279	5,953,166	5,619,615
Deferred Outflow of Resources	1,355,425	659,682	44	49	1,355,469	659,731
Current Liabilities	528,848	472,787	80,874	76,370	609,722	549,157
Non-current Liabilities	2,681,778	2,764,472	366,991	342,663	3,048,769	3,107,135
Net Pension Liability	4,103,875	2,905,810	-	-	4,103,875	2,905,810
Total liabilities	7,314,501	6,143,069	447,865	419,033	7,762,366	6,562,102
Deferred Inflow of Resources	418,943	609,775	51,105	57,286	470,048	667,061
Net position						
Net investment in capital assets	1,224,542	1,131,602	216,416	227,218	1,440,958	1,358,820
Restricted for:						
Debt service	73,788	89,519	-	-	73,788	89,519
Housing & human serv grants	40,546	27,506	-	-	40,546	27,506
State and federal grants	19,076	15,270	-	-	19,076	15,270
Capital projects	6,541	7,274	-	-	6,541	7,274
Other participant's equity	529	2,594	-	-	529	2,594
Permanent Fund non-expendable	1,393	1,418	-	-	1,393	1,418
Other Purposes	115,165	85,598	-	-	115,165	85,598
Unrestricted (deficit)	(2,777,339)	(2,662,607)	155,564	124,791	(2,621,775)	(2,537,816)
Total net position	\$ (1,295,759)	\$ (1,301,826)	\$ 371,980	\$ 352,009	\$ (923,779)	\$ (949,817)

The largest portion of the City's net position reflects its substantial capital assets, net of related debt. This displays the City's commitment to investing in assets that have useful lives in excess of the life of the debt issues used to finance the assets. The net pension liability is expected to increase until the fiscal year 2030 when an additional dedicated ½ cent sales tax begins to fund the pension liability.

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

The City issued non-asset related debt:

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

On the following page, Table A-2 provides a summary comparison of the City's operations for the fiscal years ended 2023 and 2022.

Table A-2
Statement of Activities
as of September 30, 2023 and September 30, 2022
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
Revenues:	2023	2022	2023	2022	2023	2022
						(as restated see Note 18)
Program Revenues:						
Fines & charges for services	\$ 220,525	\$ 224,674	\$ 158,916	\$ 152,614	\$ 379,441	\$ 377,288
Operating grants/contributions	228,287	215,584	-	-	228,287	215,584
Capital grants/contributions	67,811	54,905	-	-	67,811	54,905
General revenues:						
Property taxes	950,745	842,218	-	-	950,745	842,218
Utility and Communications service taxes	129,923	129,727	-	-	129,923	129,727
Sales and tourist taxes	322,847	302,667	22,370	21,245	345,217	323,912
Local business taxes	6,779	6,975	-	-	6,779	6,975
Intergovernmental	252,953	241,027	-	-	252,953	241,027
Franchise Fees	47,349	47,601	-	-	47,349	47,601
JEA Contribution	122,424	121,212	-	-	122,424	121,212
Earnings on Investments	64,962	(68,595)	3,892	(4,342)	68,854	(72,937)
Miscellaneous	67,770	59,924	24,325	32,066	92,095	91,990
Total Revenues	2,482,375	2,177,919	209,503	201,583	2,691,878	2,379,502
Expenses						
General government	238,381	273,019	-	-	238,381	273,019
Human services	192,546	168,868	-	-	192,546	168,868
Public safety	1,321,889	903,833	-	-	1,321,889	903,833
Cultural and recreational	120,614	98,423	-	-	120,614	98,423
Transportation	336,417	299,917	-	-	336,417	299,917
Economic & physical environment	173,597	205,840	-	-	173,597	205,840
Interest on long term debt	40,599	40,443	-	-	40,599	40,443
Parking system	-	-	4,122	3,765	4,122	3,765
Motor vehicle inspections	-	-	379	311	379	311
Solid Waste	-	-	122,488	94,909	122,488	94,909
Stormwater services	-	-	23,799	24,136	23,799	24,136
City Venues	-	-	89,620	82,215	89,620	82,215
Sports Complex Capital Maintenance	-	-	25	24	25	24
Equestrian Center	-	-	1,364	1,284	1,364	1,284
Total Expenses	2,424,043	1,990,343	241,797	206,644	2,665,840	2,196,987
Increases (decreases) in net position before transfers	58,332	187,576	(32,294)	(5,061)	26,038	182,515
Transfers	(55,737)	(33,534)	55,737	33,534	-	-
Change in net position	2,595	154,042	23,443	28,473	26,038	182,515
Net position (deficit), beginning of year	(1,298,354)	(1,452,396)	348,537	320,064	(949,817)	(1,132,332)
Net position (deficit), end of year	\$ (1,295,759)	\$ (1,298,354)	\$ 371,980	\$ 348,537	\$ (923,779)	\$ (949,817)

Governmental activities:

The City's governmental activities revenues increased \$304.5 million from 2022 to 2023 (see Table A-2) and consists of:

- Property tax revenues reflected a \$108.5 million increase indicating a strong economy in Jacksonville.
- The \$0.2 million increase in utility and communications service taxes indicates an increasing population in Jacksonville.
- The increase of \$20.2 million in sales and tourist taxes reflects the positive economic rebound from the pandemic and growth in tourism revenues.
- The \$11.9 million increase in intergovernmental revenues is primarily due to increases in contributions from component units.
- The \$133.6 million increase in earnings on investments is the result of market performance of the pooled cash investments in fiscal year 2023.
- The capital grants/contributions increase of \$12.9 million.
- The increase of \$7.8 million in miscellaneous revenues.
- The decrease of \$4.1 million decrease in fines and charges for services.
- The \$0.2 million decrease in revenues in local business tax receipts and franchise fees.

Governmental activities expenses increased by \$433.7 million from fiscal year 2022 to fiscal year 2023 primarily due to the following:

- General government expenses decreased by \$35 thousand.
- Human services operating expenses increased by \$23.7 million.
- Public safety operating expenses increased by \$418.1 million.
- Cultural and recreational expenses increased by \$22.2 million.
- Transportation expenses increased by \$36.5 million.
- Interest on long-term debt increased by \$0.2 million.
- Economic and physical environment expenses decreased by \$32.2 million.

Business Type activities:

The City's business type revenues increased \$7.7 million in fiscal year 2023:

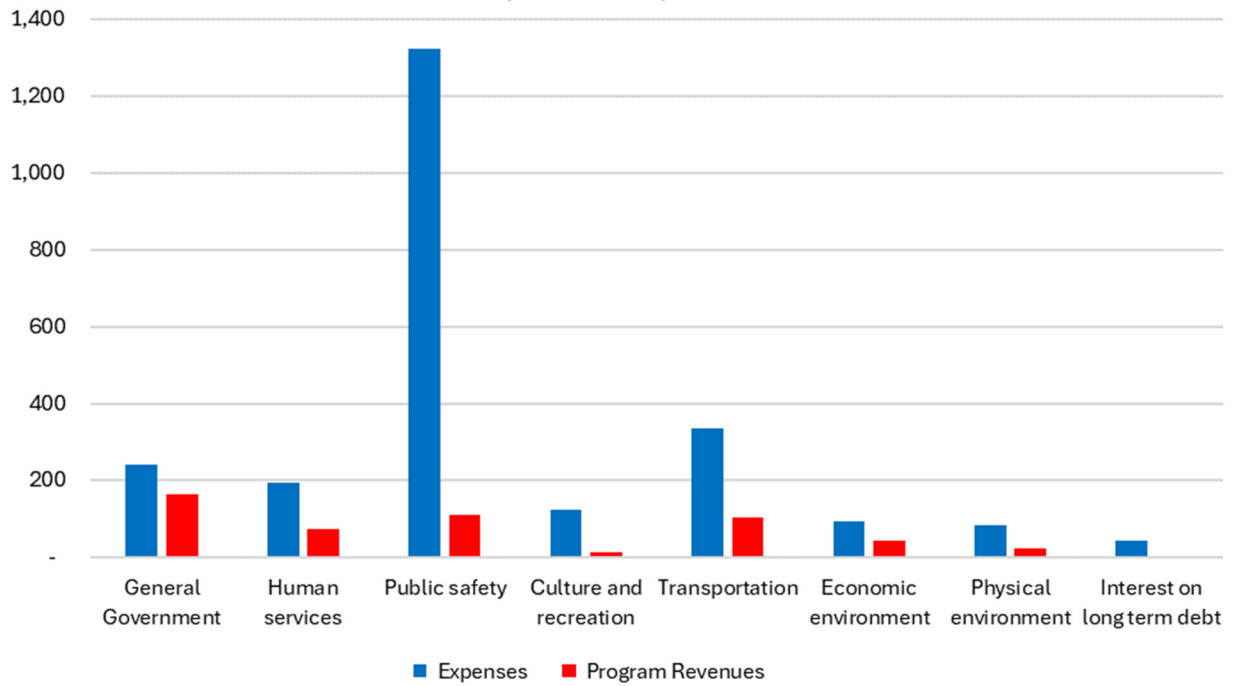
- Fines and charges for services increased by \$6.1 million.
- Sales and tourist taxes increased by \$1.1 million.
- Interest earnings increased \$8.2 million due to market performance of pooled cash investments.
- Miscellaneous revenues decreased by \$7.7 million.

Business type activities total expenses increased \$32.9 million in fiscal year 2023:

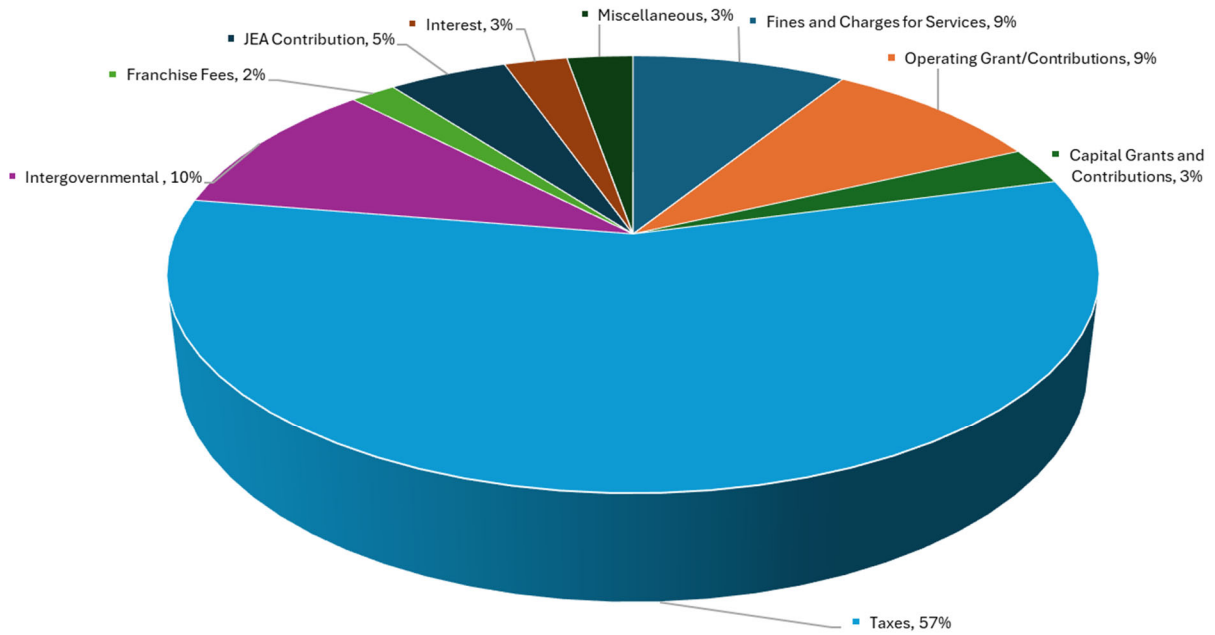
- Solid waste operating expenses increased by \$25.3 million.
- City venues operating activities expenses increased by \$7.4 million.
- Parking system operating expenses increased by \$0.4 million.
- Stormwater services activities operating expenses decreased by \$0.3 million.
- Equestrian center operating activities expenses increased by \$0.1 million.
- Motor vehicle inspection operating expenses increased by \$0.1 million.

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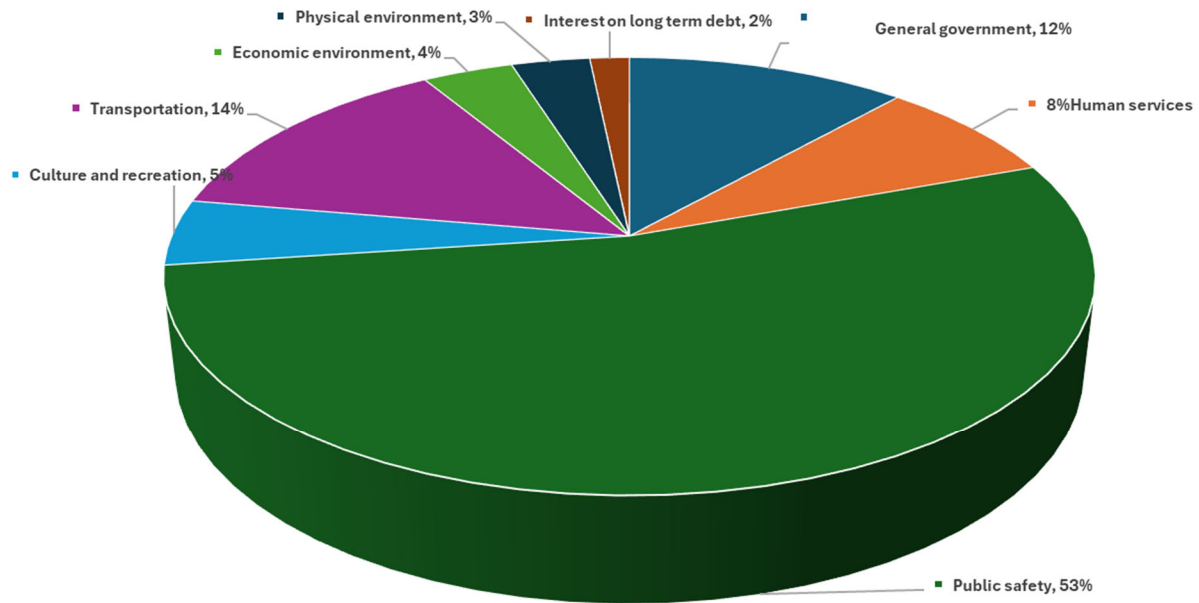
Expenses and Program Revenues - Governmental Activities (\$ millions)



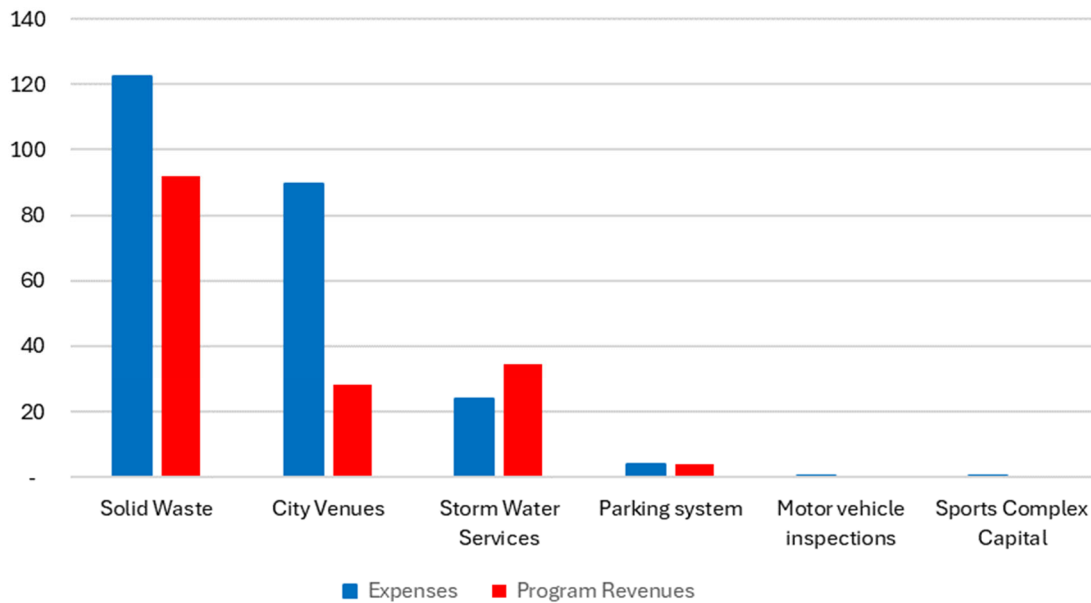
REVENUES - GOVERNMENTAL ACTIVITIES



EXPENSES - GOVERNMENTAL ACTIVITIES



Expenses and Program Revenues - Business Type Activities (\$ millions)



FINANCIAL ANALYSIS OF THE CITY GOVERNMENT'S FUNDS

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year 2023. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$416.6 million. The General Fund's total fund balance was \$567.2 million, with \$95.0 million committed by the City Council as an emergency reserve. The City's Reserve Policy for the General Fund is covered by Section 106.107 of the City's municipal code. The policy requires that the emergency reserve shall not be used except as initiated by the Mayor through written communication to the City Council, explaining the emergency, with subsequent approval by two-thirds votes of all City Council members. The Emergency Reserve can be used to address unanticipated non-reimbursed expenditures arising out of a hurricane, tornado, other major weather-related events, and/or other massive infrastructure failures or disasters, whether man-made or caused by nature. Under normal circumstances, the City would first elect to utilize the Operating Reserve before considering the use of its Emergency Reserve.

Key factors affecting changes in major funds and fund balances in fiscal year 2023 operations are as follows:

General Fund:

- Property taxes account for 48.5% of the General Fund revenue and increased by \$102.2 million, a 12.6% increase over the previous fiscal year. Interest revenue increased \$79.9 million due to GASB 87 Leases and GASB 96 SBITA implementations and higher market return in fiscal year 2023. General Fund revenues had an overall increase of \$210.5 million and an overall increase in expenditures of \$104.5 million as compared to fiscal year 2022. The millage rate for the City of Jacksonville remained the same from fiscal year 2022 to 2023 at 11.3169.

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

- Bonds payable on BJP Special Bonded Debt Obligations decreased by \$117.5 million in fiscal year 2023 due to refunding activities, cash defeasance activities and annual debt service paid. During fiscal year 2023, the City cash defeased a total of \$50.0 million in BJP bonds. Interest and other fiscal charges decreased by \$0.9 million due to refunding/defeasance activities and lower overall outstanding Special Bonded Debt - BJP obligations.

Special Bonded Debt – Obligations Fund:

- Bonds payable on Special Bonded Debt Obligations decreased by \$28.8 million in fiscal year 2023 due to refunding activities and annual debt service paid. Interest and other fiscal charges decreased by \$1.1 million due to refunding activities and lower overall outstanding Special Bond Debt obligations.

Other Federal, State and Local Grants Fund:

- This fund records all other miscellaneous grants administered by the City from federal, state, and local sources not specifically accounted for by other funds. These grant revenues increased in fiscal year 2023 by \$26.8 million or 22.5%. The City used these revenues accordingly, and expenditures increased by \$27.1 million or 21.8%. These grant funds enhanced programs for General Government, Human Services, Public Safety, Culture and Recreation, Transportation, Economic Development and Physical Environment, covering diverse programs such as day care, adult homemakers, beach erosion, base conversion and redevelopment, economic capital development, AIDS treatment care, senior services and nutrition, crime prevention and drug abuse, teenage pregnancy and childhood development, foster grandparents, and waste tire disposal.

General Projects Fund:

- This fund receives monies appropriated from the General Fund and other resources including proceeds from non-bonded debt for general capital improvements. During fiscal year 2023 General Projects Fund revenues were \$3.2 million, while the General Project Fund expenditures were \$239.7 million. The General Projects were funded by issuing \$219.1 million in long-term debt and \$19.0 million of transfers-in from the other funds.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide business-type activities financial statements, but in more detail. Solid Waste, Storm Water Services and City Venues are reported as major proprietary funds in the fiscal year 2023.

General Fund Budgetary Highlights:

- Total General Fund revenues for fiscal year 2023 were \$1.6 billion which exceeded budget by \$76.5 million. Property tax revenues exceeded budget by \$12.6 million, utility service taxes exceeded budget by \$2.8 million, sales and tourist taxes exceeded budget by \$0.1 million, and licenses, permits and fees exceeded budget by \$3.4 million. Intergovernmental revenues exceeded budget by \$23.9 million, and charges for services exceeded budget by \$0.7 million. Local business tax receipts revenues were under the budget by \$0.1 million. However, investment earnings were over the budget by \$29.3 million due to implementation of GASB 87 – Leases, GASB 96 – SBITA, and better than expected market performance. Other revenues were over budget by \$3.8 million.
- Total General Fund actual expenditures for fiscal year 2023 were \$1.4 billion which was under budget by \$165.4 million due to budgeted but unused emergency reserve. Additional savings were due to decreases in salary and benefit costs as well as departmental and non-departmental operating cost savings due to the administration's strong efforts toward cost reductions.
- Fire and Rescue and the Office of the Sheriff accounted for \$883.3 million or 64.4% of the General Fund expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Jacksonville's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$3.4 billion, net of accumulated depreciation. The investment in capital assets includes land, buildings and improvements, furniture and equipment, infrastructure, and construction in progress. Other assets include public art and purchased/internally developed software. (See Table A-3.)

The primary focus in fiscal year 2023 was on fleet additions, sports complex improvements and drainage projects. The business-type infrastructure decrease was due to the sale of a parking garage.

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

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**Net of Accumulated Depreciation
(In Thousands)
as of September 30, 2023 and September 30, 2022**

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
						(as restated see Note 18)
Land and easements	\$ 328,975	\$ 308,309	\$ 46,910	\$ 46,910	\$ 375,885	\$ 355,219
Buildings and improvements	876,853	814,811	741,873	741,485	1,618,726	1,556,296
Furniture and equipment	532,880	501,061	18,813	18,033	551,693	519,094
Construction and work in progress	17,154	38,581	95,421	78,746	112,575	117,327
Infrastructure	2,874,273	2,715,970	102,262	93,608	2,976,535	2,809,578
Right-to-use assets	28,904	28,985	220	220	29,124	29,205
Subscription based right-to-use assets	24,618	27,058	198	-	24,816	27,058
Other assets	47,379	47,322	-	-	47,379	47,322
Less accumulated depreciation	(1,888,904)	(1,787,712)	(459,821)	(435,040)	(2,348,725)	(2,222,752)
Total	\$ 2,842,132	\$ 2,694,385	\$ 545,876	\$ 543,962	\$ 3,388,008	\$ 3,238,347

Debt Administration

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

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

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

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

At the end of fiscal year 2023, the City of Jacksonville had \$2.3 billion in bonds and notes outstanding as shown in Table A-4. Additional information on the City's long-term debt can be found in the Notes to the Financial Statements, Note 8.

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Table A-4
Bonds and Notes Payable
Outstanding Debt as of September 30, 2023 and September 30, 2022
(in Thousands)

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
						<u>(as restated see Note 18)</u>
Special Obligation Bonds	\$ 354,443	\$ 383,275	\$ -	\$ -	\$ 354,443	\$ 383,275
Special Obligation Bonds - BJP	671,036	788,556	-	-	671,036	788,556
Revenue Bonds Payable	794,190	615,656	199,339	201,151	993,529	816,807
Notes Payable	41,300	26,600	-	-	41,300	26,600
Notes Payable - BJP	1,735	4,099	-	-	1,735	4,099
Deferred Amounts						
Loss on Adv Ref	(6,060)	(6,719)	(44)	(49)	(6,104)	(6,768)
Gain on Adv Ref	31,888	32,765	12,185	13,385	44,073	46,150
Issuance premiums	200,034	190,038	12,096	13,423	212,130	203,461
Issuance discounts	(1,090)	(1,250)	-	-	(1,090)	(1,250)
Total	\$ 2,087,476	\$ 2,033,020	\$ 223,576	\$ 227,910	\$ 2,311,052	\$ 2,260,930

New indebtedness of the City of Jacksonville consists of:

Closing Date	Par Amount	Source	Primary Use
Aug. 2023	\$ 50,000,000	BJP Infra. Sales Tax Bonds	Refinancing
Sep. 2023	255,925,000	Special Revenue Bonds	Project Funding and Refinancing
Sep. 2023	27,135,000	Special Revenue Bonds	Refinancing
Sep. 2023	41,300,000	Commercial Paper Notes	Project Funding

During fiscal year 2023, the City issued \$374.36 million of bonds and notes and refunded or retired a combined \$331.65 million in principal amount of bonds and notes, resulting in a \$42.71 million net increase in debt outstanding (par).

On August 1, 2023, the City closed on a \$50.00 million bank loan referred to as the Better Jacksonville Sales Tax Refunding Revenue Bond, Series 2023. The 2023 loan has a true interest cost of 4.11%, an average coupon rate of 4.11% and a final maturity date of October 1, 2026. The proceeds of the 2023 loan were used to partially refund Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2022 (\$50.08 million).

On September 14, 2023, the City closed on the sale of \$255.9 million Special Revenue and Refunding Bonds, Series 2023A. The 2023A bonds have a true interest cost of 4.25%, an average coupon rate of 5.21% and a final maturity date of October 1, 2053. The proceeds of the 2023A bonds provided \$208.4 million of new money for the capital improvement program plus refunded a portion of the City's Special Revenue and Refunding Bonds, Series 2013A (\$46.285 million par defeased) and fixed out a portion of the City's outstanding commercial paper (\$26.60 million). The refunding of Series 2013A resulted in net present value savings of \$5.18 million and a decrease in aggregate debt service in the amount of \$7.08 million.

On September 14, 2023, the City closed on the sale of \$27.14 million Special Revenue Refunding Bonds, Series 2023B. The 2023B bonds have a true interest cost of 3.33%, an average coupon rate of 5.00%, and a final maturity date of October 1, 2026. The proceeds of the 2023B bonds were used to refund and redeem Series 2013C (\$31.56 million par defeased) which resulted in net present value savings of \$2.66 million and a decrease in aggregate debt service in the amount of \$11.47 million.

On September 27, 2023, the City closed on the sale of Commercial Paper Notes in the amount of \$41.30 million for the purposes of funding short-term projects, and interim funding for long-term projects, with an initial interest rate of 4.20%.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

Other Economic Factors:

- The unemployment rate for the City of Jacksonville was 3.0% at the end of fiscal year 2023 according to U.S. Bureau of Labor Statistics.
- The population estimate of the City of Jacksonville at the end of fiscal year 2023 was 1,033,533.
- Jacksonville has the largest Empowerment Zone in the nation.
- Jacksonville has a major port, is home to the National Football League's (NFL) Jacksonville Jaguars, is the insurance and financial center of Florida and is the site of key U.S. Navy bases.

Budget Highlights for fiscal year 2024:

- The fiscal year 2024 budget is a continuation of prudent budgeting that addresses the needs of the community while also increasing reserves, which have grown to approximately \$416.6 million unassigned and roughly \$95 million in emergency reserves through fiscal year ending September 30, 2023.
- The City is benefiting from a growing economy, expanding population base, and strong economic activity.
- The \$1.75 billion dollar balanced general fund budget addresses the critical needs of the city such as infrastructure, economy, community outreach, public safety, health, art, culture and entertainment, youth and literacy and resilience.
- The adopted fiscal year 2024 five-year Capital Improvement Plan (CIP) totals approximately \$2.1 billion of authorizations for 297 projects. The CIP focuses efforts on repair and maintenance of City drainage, environmental improvements which increase quality of life (water treatment plants), parks, public facilities, public safety, roads, infrastructure, transportation, and economic development.
- Debt is down by \$324 million since July 1, 2015, allowing for the continued investment in public infrastructure while maintaining reasonable debt levels over time.
- Fiscal year 2024 will have pre-programmed raises for employees based on negotiated collective bargaining agreements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

CITYWIDE FINANCIAL STATEMENTS



CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET POSITION -
SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	PRIMARY GOVERNMENT					COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE	TOTALS		UNITS	
	ACTIVITIES	ACTIVITIES	2023	2022		
ASSETS:						
Cash and investments	\$ 1,637,274	\$ 167,567	\$ 1,804,841	\$ 1,618,037	\$ 1,069,894	
Cash in escrow and with fiscal agents	263,965	42,545	306,510	308,976	1,600	
Securities lending	39,105	-	39,105	32,727	-	
Receivables, net	145,892	113,658	259,550	253,129	283,410	
Internal Balances	1	(1)	-	-	-	
Due from independent agencies and other governments	142,680	205	142,885	156,829	41,876	
Inventories	6,507	7	6,514	6,937	164,900	
Prepaid expenses and other assets	4,704	1,050	5,754	4,634	89,683	
Hedging derivative instrument	-	-	-	-	93,219	
Costs to be recovered from future revenues	-	-	-	-	865,083	
CAPITAL ASSETS:						
Land, easements, art in public places, and construction in progress	347,270	142,331	489,601	473,686	1,955,454	
Other capital assets, net of depreciation	2,494,862	403,544	2,898,406	2,764,660	5,293,212	
TOTAL ASSETS	5,082,260	870,906	5,953,166	5,619,615	9,858,330	
DEFERRED OUTFLOW OF RESOURCES:						
Pension related	1,193,342	-	1,193,342	503,904	315,603	
Unamortized deferred loss on refunding and defeasance	6,060	44	6,104	6,768	78,587	
Accumulated decrease in fair value of hedging instrument	-	-	-	-	39,157	
Unrealized asset retirement obligation	-	-	-	-	36,276	
Other post employment benefit related	156,023	-	156,023	149,059	15,943	
TOTAL DEFERRED OUTFLOW OF RESOURCES	1,355,425	44	1,355,469	659,731	485,566	
LIABILITIES:						
Accounts payable and accrued liabilities	113,882	36,790	150,672	202,584	190,444	
Contracts payable	5,701	119	5,820	466	147,823	
Due to independent agencies and other governments	48	44	92	82	5,641	
Deposits	7,216	21,006	28,222	20,360	85,584	
Accrued interest payable	31,574	2,970	34,544	35,347	51,745	
Unearned revenue	141,580	765	142,345	257,591	700	
Securities lending	39,105	-	39,105	32,727	-	
Other current liabilities	-	-	-	-	19,259	
NONCURRENT LIABILITIES:						
Fair value of debt management instrument	-	-	-	-	18,368	
Due within one year	189,742	19,180	208,922	225,689	100,509	
Due in more than one year:	-	-	-	-	-	
Net pension liability	4,103,875	-	4,103,875	2,905,810	1,004,023	
Other	2,681,778	366,991	3,048,769	2,881,446	3,632,054	
TOTAL LIABILITIES	7,314,501	447,865	7,762,366	6,562,102	5,256,150	
DEFERRED INFLOW OF RESOURCES:						
Pension related	237,238	-	237,238	437,160	30,793	
Other post employment benefit related	137,697	-	137,697	125,210	16,384	
Revenue to be used for future costs	-	-	-	-	302,733	
Unamortized deferred gain on refunding	31,888	12,185	44,073	46,150	-	
Leases	12,120	38,920	51,040	58,541	-	
Accumulated increase in fair value of hedging derivatives	-	-	-	-	94,101	
TOTAL DEFERRED INFLOW OF RESOURCES	418,943	51,105	470,048	667,061	444,011	
NET POSITION:						
Net investment in capital assets	1,224,542	216,416	1,440,958	1,358,820	4,007,139	
Restricted for:						
Debt service	73,788	-	73,788	89,519	109,978	
Housing and human services grants	40,546	-	40,546	27,506	-	
Other state and federal grants	19,076	-	19,076	15,270	-	
Capital projects	6,541	-	6,541	7,274	138,245	
Other participant's equity	529	-	529	2,594	-	
Permanent funds, non-expendable	1,393	-	1,393	1,418	-	
Other purposes	115,165	-	115,165	85,598	63,470	
Unrestricted (deficit)	(2,777,339)	155,564	(2,621,775)	(2,537,816)	324,903	
TOTAL NET POSITION	\$ (1,295,759)	\$ 371,980	\$ (923,779)	\$ (949,817)	\$ 4,643,735	

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF ACTIVITIES -
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY GOVERNMENT				COMPONENT UNITS
	EXPENSES	FINES AND	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL		
		CHARGES					2023	2022	
		FOR SERVICES							
PRIMARY GOVERNMENT:									
Governmental activities:									
General government	\$ 238,381	\$ 75,603	\$ 87,419	\$ -	\$ (75,359)		\$ (75,359)	\$ (139,864)	
Human services	192,546	47,283	24,624	-	(120,639)		(120,639)	(97,585)	
Public safety	1,321,888	84,368	21,732	1,540	(1,214,248)		(1,214,248)	(783,034)	
Culture and recreation	120,614	5,434	4,050	1,198	(109,932)		(109,932)	(91,574)	
Transportation	336,417	71	37,205	64,145	(234,996)		(234,996)	(214,202)	
Economic environment	92,984	3	40,189	-	(52,792)		(52,792)	(100,356)	
Physical environment	80,613	7,763	13,068	928	(58,854)		(58,854)	(26,385)	
Interest on long term debt	40,599	-	-	-	(40,599)		(40,599)	(42,180)	
Total governmental activities	2,424,043	220,525	228,287	67,811	(1,907,420)		(1,907,420)	(1,495,180)	
Business-type activities:									
Parking system	4,122	3,885	-	-	-	(237)	(237)	35	
Motor vehicle inspections	379	333	-	-	-	(46)	(46)	28	
Solid Waste	122,488	91,848	-	-	-	(30,640)	(30,640)	(5,635)	
Storm Water Services	23,799	34,488	-	-	-	10,689	10,689	10,667	
City Venues	89,620	28,362	-	-	-	(61,258)	(61,258)	(57,817)	
Equestrian Center	1,364	-	-	-	-	(1,364)	(1,364)	(1,284)	
Sports Complex Capital	25	-	-	-	-	(25)	(25)	(24)	
Total business-type activities	241,797	158,916	-	-	-	(82,881)	(82,881)	(54,030)	
Total primary government	\$ 2,665,840	\$ 379,441	\$ 228,287	\$ 67,811	(1,907,420)	(82,881)	(1,990,301)	(1,549,210)	
COMPONENT UNITS:									
Governmental activities	\$ 32,456	\$ -	\$ -	\$ 23,305					(9,151)
Business-type activities	2,416,050	1,926,150	11,004	210,530					(268,366)
Total component units	\$ 2,448,506	\$ 1,926,150	\$ 11,004	\$ 233,835					(277,517)
General revenues and transfers:									
Property taxes					950,745	-	950,745	842,218	-
Utility and Communications service taxes					129,923	-	129,923	129,727	-
Sales and tourist taxes					322,847	22,370	345,217	323,912	4,010
Local business taxes					6,779	-	6,779	6,975	-
Intergovernmental - unrestricted					252,953	-	252,953	241,027	132,032
JEA Contribution					122,424	-	122,424	121,212	-
Unrestricted earnings on investments					64,962	3,892	68,854	(72,937)	59,987
Franchise Fees					47,349	-	47,349	47,601	-
Miscellaneous					67,770	24,325	92,095	91,990	67,720
Transfers					(55,737)	55,737	-	-	-
Total general revenues and transfers					1,910,015	106,324	2,016,339	1,731,725	263,749
Change in net position					2,595	23,443	26,038	182,515	(13,768)
Net position, beginning of year, as restated					(1,298,354)	348,537	(949,817)	(1,132,332)	4,657,503
Net position, end of year					\$ (1,295,759)	\$ 371,980	\$ (923,779)	\$ (949,817)	\$ 4,643,735

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.

SPECIAL REVENUE FUNDS

The **Other Federal, State and Local Grants Fund** records all other miscellaneous grants administered by the City from federal, state and local sources not specifically accounted for by other funds covering diverse programs as: day care, library aid, housing initiative partnerships, highway planning, construction and safety, beach erosion, disaster assistance, port security, military defense support task force and infrastructure development, AIDS treatment care, COVID-19 community development and emergency assistance and solutions, senior services and nutrition, crime prevention, violence protection, education and training to end violence and abuse against women with disabilities, criminal justice training, mental health, drug abuse, foster grandparents, hazardous materials planning and prevention, urban search and rescue sustainment and prevention, water quality restoration, waste disposal, cleanup and quality restoration.

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.

CAPITAL PROJECTS FUNDS

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

CITY OF JACKSONVILLE, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	OTHER FEDERAL, STATE AND LOCAL GRANTS
ASSETS:			
Equity in pooled cash and investments	\$ 432,686	\$ (2,718)	\$ 140,222
Cash in escrow and with fiscal agents	-	136,547	-
Securities lending collateral	39,105	-	-
Receivables (net, where applicable, of allowances for uncollectibles):			
Accounts	2,770	-	645
Loans	-	-	-
Other	783	-	-
Due from other funds	104,056	-	-
Due from independent agencies and other governments	70,517	-	5,507
Inventories	5,300	-	-
Prepaid items and other assets	18	-	-
TOTAL ASSETS	655,235	133,829	146,374
LIABILITIES:			
Accounts payable and accrued liabilities	37,990	122	8,111
Contracts payable	-	-	-
Due to other funds	44	-	1,455
Due to independent agencies and other governments	48	-	-
Bonds payable	-	49,924	-
Interest payable	-	11,180	-
Deposits	2,578	-	-
Unearned revenue	7,128	-	128,512
Securities lending obligations	39,105	-	-
TOTAL LIABILITIES	86,893	61,226	138,078
DEFERRED INFLOW OF RESOURCES			
Leases	1,009	-	-
Unavailable revenue	180	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	1,189	-	-
FUND BALANCES:			
Non Spendable			
Non Spendable	5,318	-	-
Spendable:			
Restricted	4,161	72,603	8,296
Committed	119,225	-	-
Assigned	21,800	-	-
Unassigned	416,649	-	-
TOTAL FUND BALANCES (Deficit)	567,153	72,603	8,296
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES	\$ 655,235	\$ 133,829	\$ 146,374

See accompanying notes.

BETTER JACKSONVILLE PLAN TRUST	GENERAL PROJECTS	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
			2023	2022
\$ 168,063	\$ 101,586	\$ 474,424	\$ 1,314,263	\$ 1,210,849
-	-	56,530	193,077	216,718
-	-	-	39,105	32,727
-	8	16,784	20,207	17,432
-	-	4,908	4,908	4,906
-	-	10,875	11,658	13,981
-	-	-	104,056	35,946
21,439	-	34,921	132,384	141,486
-	-	-	5,300	5,785
-	-	34	52	611
189,502	101,594	598,476	1,825,010	1,680,441
-	23,148	32,907	102,278	96,969
-	5,559	142	5,701	466
-	36,507	39,517	77,523	34,778
-	-	-	48	38
-	-	28,487	78,411	91,064
-	-	7,211	18,391	19,564
-	5	4,619	7,202	7,076
-	-	1,288	136,928	253,489
-	-	-	39,105	32,727
-	65,219	114,171	465,587	536,171
-	-	10,166	11,175	13,564
-	-	-	180	180
-	-	10,166	11,355	13,744
-	-	1,427	6,745	7,814
-	-	-	-	-
-	-	170,056	255,116	225,167
189,502	36,375	328,215	673,317	584,096
-	-	-	21,800	26,696
-	-	(25,559)	391,090	286,753
189,502	36,375	474,139	1,348,068	1,130,526
\$ 189,502	\$ 101,594	\$ 598,476	\$ 1,825,010	\$ 1,680,441



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City of Jacksonville, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2023
(in thousands)

Total fund balances - governmental funds	\$	1,348,068
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		2,842,132
---	--	-----------

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

Bonds and notes payable	\$	(1,862,704)	
Unamortized bond discounts		1,090	
Unamortized bond premium		(200,034)	
Unamortized loss on refunding of debt		6,060	
Unamortized gain on refunding of debt		(31,888)	

Total bonds and notes payable		(2,087,477)
-------------------------------	--	-------------

Net pension liability	(4,103,874)	
Pension related deferred inflow of resources	(237,238)	
Pension related deferred outflow of resources	1,193,343	
Pension receivable	3,198	(3,144,571)

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

Matured notes and bonds payable accrual at the fund level	78,411	
Compensated absences	(144,201)	
Interest payable	(75)	
Estimated liability for self insured losses	(160,878)	
Other post employment benefits (OPEB) liability	(355,795)	
OPEB related deferred inflow of resources	(137,697)	
OPEB related deferred outflow of resources	156,023	
Leases payable	(22,772)	
Leased assets deferred inflow of resources	(945)	
Software subscriptions payable	(14,807)	
Accrued liability for pollution remediation	(111,418)	
Amounts earned but not available	180	

Total		(713,974)
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Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and insurance, to individual funds. The Capital Assets and Long-term liabilities are consolidated with the governmental funds on an entity-wide basis. This amount represents the net of current assets and current liabilities of the Internal Service Funds.

Net position of governmental activities	\$	(1,295,759)
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* Exception - The City deposits amounts in debt service funds to pay unmatured payables early in the following year.

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	GENERAL FUND	SPECIAL BONDED DEBT BETTER JACKSONVILLE PLAN OBLIGATIONS	OTHER FEDERAL, STATE AND LOCAL GRANTS
REVENUES:			
Property taxes	\$ 909,762	\$ -	\$ -
Utility and Communications service taxes	129,923	-	-
Sales and tourist taxes	1,302	-	-
Local business taxes	6,779	-	-
Licenses, permits, and fees	47,656	-	-
Intergovernmental	252,953	44,751	145,818
Charges for services	87,080	-	135
Fines and forfeitures	2,281	-	-
JEA Contribution	122,424	-	-
Investment earnings	35,535	1,978	(227)
Other	23,919	-	138
Total Revenues	1,619,614	46,729	145,864
EXPENDITURES:			
Current:			
General government	192,337	-	43,550
Human services	81,567	-	23,481
Public safety	904,488	-	10,547
Culture and recreation	78,112	-	3,245
Transportation	34,315	-	269
Economic environment	31,006	-	3,674
Physical environment	26,640	-	11,648
Capital outlay	10,358	-	54,466
Debt Service:			
Principal	1,845	53,512	58
Interest	11,355	25,245	11
Other	-	377	-
Total Expenditures	1,372,023	79,134	150,949
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	247,591	(32,405)	(5,085)
OTHER FINANCING SOURCES (USES):			
Long term debt issued	-	-	-
Lease proceeds	-	-	-
Software subscription proceeds	270	-	562
Refunding bond issued	-	55,527	-
Premium on bonds payable	-	1,000	-
Payment to escrow agent - refunded debt	-	(106,846)	-
Transfers In	22,386	68,173	7,176
Transfers Out	(161,703)	-	-
Total Other Financing Sources (Uses)	(139,047)	17,854	7,738
NET CHANGE IN FUND BALANCES	108,544	(14,551)	2,653
FUND BALANCE, BEGINNING OF YEAR	458,609	87,154	5,643
FUND BALANCES (DEFICIT), END OF YEAR	\$ 567,153	\$ 72,603	\$ 8,296

See accompanying notes.

BETTER JACKSONVILLE PLAN TRUST	GENERAL PROJECTS	NON MAJOR GOVERNMENTAL FUNDS	TOTALS	
			2023	2022
\$ -	\$ -	\$ 40,983	\$ 950,745	\$ 842,218
-	-	-	129,923	129,727
124,019	-	197,526	322,847	302,667
-	-	-	6,779	6,975
-	-	80,067	127,723	135,750
-	-	105,530	549,052	511,516
-	329	47,024	134,568	131,303
-	-	3,303	5,584	5,862
-	-	-	122,424	121,212
4,042	941	11,502	53,771	(41,917)
-	2,001	35,324	61,382	41,096
128,061	3,271	521,259	2,464,798	2,186,409
-	3	32,722	268,612	243,362
-	-	87,807	192,855	186,445
-	-	40,233	955,268	898,842
-	64	9,943	91,364	81,056
-	7	191,035	225,626	214,997
-	16	52,748	87,444	113,482
-	3	10,351	48,642	37,933
-	239,619	56,945	361,388	280,662
-	-	28,715	84,130	92,783
-	-	14,397	51,008	53,308
-	-	68	445	279
-	239,712	524,964	2,366,782	2,203,149
128,061	(236,441)	(3,705)	98,016	(16,740)
-	219,132	36	219,168	149,326
-	-	-	-	5,662
-	-	15	847	5,641
-	-	23,922	79,449	217,931
-	-	2,747	3,747	11,111
-	-	(26,513)	(133,359)	(230,639)
-	18,975	94,658	211,368	166,318
(88,193)	-	(11,798)	(261,694)	(197,839)
(88,193)	238,107	83,067	119,526	127,511
39,868	1,666	79,362	217,542	110,771
149,634	34,709	394,777	1,130,526	1,019,755
\$ 189,502	\$ 36,375	\$ 474,139	\$ 1,348,068	\$ 1,130,526

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, 2023
(in thousands)

Net change in fund balances - total governmental funds: \$ 217,542

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

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

Capital assets acquired by use of financial resources	\$	217,786	
Current year depreciation		(64,975)	
			152,811

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

Amortization of bond discounts	\$	(161)	
Amortization of bond premium		14,589	
Premium from new debt issue		(6,235)	
Amortization - gain on refunding		1,306	
Amortization - loss on refunding		(658)	
		8,841	

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

Long-term debt issued		(284,670)	
Long-term debt retired		420,733	
Lease principal retired		2,070	
Software subscription principal retired		2,954	
		141,087	

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:

Increase in compensated absences payable		(27,282)	
Increase in other post employment benefits		(17,397)	
Change in deferred outflow and inflow of resources related to OPEB		(5,523)	
Increase in accrual for pollution remediation		(23,075)	
Net effect of internal loans		(183,388)	
Additional interest charges		(75)	
Decrease in pension receivable		(912)	
Increase in net pension liability		(1,198,063)	
Change in deferred outflow and inflow of resources related to pension		889,360	
			(416,426)

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

Operating gain (loss)		37,444	
Investment revenue (loss)		11,194	
Interest expense		(1,044)	
Other non-operating revenue		6,485	
Net transfers		(5,411)	
			48,668

Change in Net Position - Governmental Activities	\$	2,595	
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See accompanying notes.

MAJOR ENTERPRISE FUNDS

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	ENTERPRISE FUNDS						INTERNAL SERVICE FUNDS
	SOLID WASTE DISPOSAL	CITY VENUES	STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		
					2023	2022	
ASSETS							
CURRENT ASSETS:							
Equity in pooled cash and investment	\$ 45,994	\$ 39,930	\$ 68,410	\$ 13,233	\$ 167,567	\$ 138,527	\$ 323,011
Cash in escrow and with fiscal agents	-	33,838	-	159	33,997	12,227	70,887
Receivables (net, where applicable, of allowances for uncollectibles):							
Accounts	37,881	9,097	24,103	81	71,162	73,728	32
Loans	-	-	-	-	-	-	42,729
Other	2	42,160	-	334	42,496	46,096	1,826
Due from independent agencies and other governments	36	167	-	2	205	445	1,926
Inventories	-	-	-	7	7	8	1,207
Prepaid expenses and other assets	-	1,050	-	-	1,050	1,200	4,652
Total Current Assets	83,913	126,242	92,513	13,816	316,484	272,231	446,270
NONCURRENT ASSETS:							
Sinking fund cash and investments	8,548	-	-	-	8,548	8,613	-
Loans receivable	-	-	-	-	-	-	851,530
Other receivables	-	-	-	-	-	-	7,354
CAPITAL ASSETS:							
Land, easements and work in progress	44,380	46,785	39,556	11,610	142,331	125,656	17,356
Other capital assets, net of depreciation	4,537	338,907	52,004	8,096	403,544	418,307	127,559
Total Noncurrent Assets	57,465	385,692	91,560	19,706	554,423	552,576	1,003,799
TOTAL ASSETS	141,378	511,934	184,073	33,522	870,907	824,807	1,450,069
DEFERRED OUTFLOW OF RESOURCES:							
Unamortized deferred loss on refunding	-	-	-	44	44	49	

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	ENTERPRISE FUNDS						INTERNAL SERVICE FUNDS
	SOLID WASTE DISPOSAL	CITY VENUES	STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		
					2023	2022	
LIABILITIES							
CURRENT LIABILITIES:							
Accounts payable and accrued liabilities	9,826	24,799	1,054	1,155	36,834	60,877	11,604
Contracts payable	104	-	15	-	119	1	-
Due to other funds	-	-	-	1	1	-	18,163
Deposits	281	20,625	84	16	21,006	13,268	14
Accrued interest payable	-	2,926	2	42	2,970	1,492	13,108
Estimated liability for self insured losses, current portion	-	-	-	-	-	-	34,283
Unearned revenues	-	765	-	-	765	732	4,652
Accrued compensated absences current portion	634	-	97	66	797	547	1,550
Current portion of loans payable	2,256	900	433	-	3,589	2,676	9,027
Current portion of bonds payable	-	14,666	-	128	14,794	1,778	33,789
Total Current Liabilities	13,101	64,681	1,685	1,408	80,875	81,371	126,190
NONCURRENT LIABILITIES:							
Estimated liability for self-insured losses	-	-	-	-	-	-	126,596
Liability for landfill closure and post-closure care	67,178	-	-	-	67,178	41,339	-
Accrued compensated absences	1,480	-	227	155	1,862	1,275	3,620
Leases payable	-	-	-	177	177	194	1,646
Software subscriptions payable	-	-	99	-	99	-	13,223
Loans payable	54,992	41,111	4,932	-	101,035	82,166	60,751
Bond payable	-	194,818	-	1,822	196,640	212,688	884,232
Total Noncurrent Liabilities	123,650	235,929	5,258	2,154	366,991	337,662	1,090,068
TOTAL LIABILITIES	136,751	300,610	6,943	3,562	447,866	419,033	1,216,258
DEFERRED INFLOW OF RESOURCES:							
Leases	-	38,593	-	327	38,920	43,901	945
Unamortized deferred gain on refunding	-	12,185	-	-	12,185	13,385	7,083
Total Deferred Inflow of Resources	-	50,778	-	327	51,105	57,286	8,028
NET POSITION:							
Net investment in capital assets	(7,144)	120,339	85,598	17,623	216,416	227,218	100,021
Restricted - other participants equity	-	-	-	-	-	-	529
Unrestricted (deficit)	11,771	40,207	91,532	12,054	155,564	121,319	125,233
TOTAL NET POSITION (DEFICIT)	\$ 4,627	\$ 160,546	\$ 177,130	\$ 29,677	\$ 371,980	\$ 348,537	\$ 225,783

See accompanying notes.



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CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	ENTERPRISE FUNDS						
	SOLID WASTE DISPOSAL	CITY VENUES	STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
					2023	2022	
OPERATING REVENUE:							
Sales and tourist taxes	\$ -	\$ 12,663	\$ -	\$ 9,707	\$ 22,370	\$ 21,245	\$ -
Charges for services	91,848	28,362	34,488	4,218	158,916	153,761	376,420
Charges for services for independent authorities	-	-	-	-	-	-	9,112
Other	9	19,230	2	146	19,387	26,911	1,551
Total Operating Revenue	91,857	60,255	34,490	14,071	200,673	201,917	387,083
OPERATING EXPENSES:							
Personal services	11,314	9,021	6,923	2,233	29,491	26,747	38,300
Supplies and materials	132	655	369	57	1,213	1,181	25,288
Central service	5,567	354	3,851	684	10,456	9,313	27,961
Interdepartmental charges	431	3,739	67	215	4,452	3,604	-
Other services and charges	103,223	48,708	7,484	1,550	160,965	127,708	99,975
Depreciation and amortization	588	18,435	4,696	1,062	24,781	27,438	27,348
Court reporter services	-	-	-	-	-	-	40
Claims and losses	-	-	-	-	-	-	27,852
Insurance premiums and participant dividends	-	-	-	-	-	-	102,875
Total Operating Expenses	121,255	80,912	23,390	5,801	231,358	195,991	349,639
OPERATING (LOSS) INCOME	(29,398)	(20,657)	11,100	8,270	(30,685)	5,926	37,444
NON-OPERATING REVENUE (EXPENSES):							
Investment earnings (loss)	1,951	(287)	1,934	294	3,892	(4,342)	11,194
Interest expense	(1,233)	(8,708)	(409)	(89)	(10,439)	(10,558)	(1,044)
Other	1,408	3,461	45	24	4,938	3,913	6,485
Total Non-Operating Revenue (Expenses)	2,126	(5,534)	1,570	229	(1,609)	(10,987)	16,635
INCOME (LOSS) BEFORE TRANSFERS	(27,272)	(26,191)	12,670	8,499	(32,294)	(5,061)	54,079
TRANSFERS:							
Transfers In	24,895	50,664	-	1,173	76,732	53,916	1,127
Transfers Out	(15,681)	(59)	-	(5,255)	(20,995)	(20,382)	(6,538)
Net Transfers	9,214	50,605	-	(4,082)	55,737	33,534	(5,411)
CHANGES IN NET POSITION	(18,058)	24,414	12,670	4,417	23,443	28,473	48,668
NET POSITION (DEFICIT), BEGINNING OF THE YEAR, AS RESTATED	22,685	136,132	164,460	25,260	348,537	320,064	177,115
NET POSITION (DEFICIT), END OF YEAR	\$ 4,627	\$ 160,546	\$ 177,130	\$ 29,677	\$ 371,980	\$ 348,537	\$ 225,783
See accompanying notes.							

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	SOLID WASTE DISPOSAL	CITY VENUES
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 93,245	\$ 54,490
Receipts from interfund services provided	-	-
Payments to suppliers	(95,273)	(58,208)
Payments to employees	(10,576)	(9,021)
Internal activity-payments to other funds	(431)	(3,740)
Other cash receipts	9	19,229
Other operating cash payments	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(13,026)	2,750
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from other funds	24,895	50,664
Transfers to other funds	(15,681)	(59)
Cash received (used) from net non-operating revenue (expenses)	1,411	3,462
Cash paid to other funds	-	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	10,625	54,067
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(14,159)	(7,313)
Proceeds from sale of capital assets	-	-
Cash with fiscal agent	65	(21,781)
Decrease (increase) in other financing costs and charges	-	(6,148)
Proceeds from bonds payable	-	-
Payments on bonds payable	-	(2,890)
Proceeds from loans payable	21,896	-
Payments on loans payable	(1,449)	(800)
Proceeds from notes payable	-	-
Payments on notes payable	-	-
Interest paid on debts	(1,233)	(7,226)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	5,120	(46,158)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends on investments	1,951	(287)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,951	(287)
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	4,670	10,372
Equity in pooled cash and investments at October 1, 2022, as restated	41,324	29,558
Equity in pooled cash and investments at September 30, 2023	\$ 45,994	\$ 39,930

See accompanying notes.

STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
		2023	2022	
\$ 33,583	\$ 14,146	\$ 195,464	\$ 124,485	\$ 9,112
-	-	-	-	396,243
(15,567)	(1,438)	(170,486)	(112,352)	(292,979)
(6,845)	(2,211)	(28,653)	(26,930)	(37,675)
(67)	(215)	(4,453)	(3,604)	-
2	146	19,386	28,058	1,551
-	-	-	-	(235,064)
11,106	10,428	11,258	9,657	(158,812)
-	1,173	76,732	53,915	1,127
-	(5,255)	(20,995)	(20,384)	(6,538)
45	22	4,940	2,789	5,819
-	1	1	-	17,344
45	(4,059)	60,678	36,320	17,752
(1,627)	(3,597)	(26,696)	(35,440)	(30,795)
-	-	-	18	6,894
-	11	(21,705)	878	2,121
-	(28)	(6,176)	57,291	298
-	-	-	3,568	235,947
-	(141)	(3,031)	(37,673)	(40,783)
561	-	22,457	34,703	8,088
(427)	-	(2,676)	(32,398)	(11,706)
-	-	-	-	14,700
-	-	-	-	-
(407)	(95)	(8,961)	(13,531)	1,040
(1,900)	(3,850)	(46,788)	(22,583)	185,804
1,934	294	3,892	(4,341)	11,194
1,934	294	3,892	(4,341)	11,194
11,185	2,813	29,040	19,052	55,938
57,225	10,420	138,527	119,475	267,073
\$ 68,410	\$ 13,233	\$ 167,567	\$ 138,527	\$ 323,011

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands; continued)

	SOLID WASTE DISPOSAL	CITY VENUES
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS)	\$ (29,398)	\$ (20,657)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	588	18,435
(Increase) decrease in assets:		
Receivables and other current assets, net	1,315	1,931
Due from independent agencies and other governments	39	152
Inventories	-	-
Other receivables	-	3,568
Loan receivables	-	-
Prepaid expenses and other assets	-	150
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(12,293)	(8,643)
Estimated liability for self-insured losses	-	-
Contracts payable	104	-
Software subscriptions payable	-	-
Leases payable	-	-
Deposits	42	7,781
Unearned revenue	-	33
Liability for landfill closure and postclosure care	25,839	-
Accrued compensated absences	738	-
TOTAL ADJUSTMENTS	16,372	23,407
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (13,026)	\$ 2,750

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Change in the fair value of investments.	\$ (4,669)	\$ (10,372)
Capital assets transferred from governmental activities to proprietary funds of the city	-	-

See accompanying notes.

STORM WATER SERVICES	NON MAJOR ENTERPRISE	TOTALS		INTERNAL SERVICE FUNDS
		2023	2022	
\$ 11,100	\$ 8,270	\$ (30,685)	\$ 5,926	\$ 37,444
4,696	1,062	24,781	27,440	27,348
(905)	225	2,566	(4,800)	4,914
-	49	240	(147)	12,973
-	1	1	-	(63)
-	32	3,600	(45,053)	654
-	-	-	-	(200,099)
-	-	150	(235)	(1,282)
(3,976)	869	(24,043)	23,124	(35,407)
-	-	-	-	(7,073)
14	-	118	-	-
99	-	99	-	(38)
-	(16)	(16)	-	(93)
-	(85)	7,738	138	-
-	-	33	491	1,282
-	-	25,839	2,957	-
78	21	837	(184)	628
6	2,158	41,943	3,731	(196,256)
\$ 11,106	\$ 10,428	\$ 11,258	\$ 9,657	\$ (158,812)
\$ (11,185)	\$ (2,813)	\$ (29,039)	\$ 4,143	\$ (55,938)
-	-	-	18	



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

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

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

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	PENSION TRUST FUNDS		PRIVATE PURPOSE TRUST FUNDS		CUSTODIAL FUNDS	
	2023	2022	2023	2022	2023	2022
<u>ASSETS</u>						
Equity in pooled cash and investments	\$ 21,701	\$ 31,731	\$ 8	\$ 12	\$ 187	\$ 2,011
Cash in escrow and with fiscal agents	-	-	269	281	63,780	70,505
Receivables (net, where applicable, of allowances for uncollectibles):						
Interest and dividends	4,302	3,789	-	-	-	-
Accounts	81	82	-	-	3,022	3,010
Other	389	581	-	-	7	4
Due from independent agencies and other governments	1,901	3,675	-	-	-	-
Prepaid assets	82	82	-	-	-	-
Investments, at fair value:						
Bonds	860,631	609,771	-	-	-	-
Short-term investments	86,580	28,447	-	-	-	-
Domestic stocks	1,462,309	1,865,533	-	-	-	-
International stocks	1,030,751	524,455	-	-	-	-
Real estate	742,519	810,770	-	-	-	-
Alternative investments	256,921	205,289	-	-	-	-
Equity in pooled investments	245,800	168,562	-	-	-	-
Total investments	4,685,511	4,212,827	-	-	-	-
Capital assets:						
Other capital assets, net of depreciation	16	1	-	-	-	-
Total capital assets, net	16	1	-	-	-	-
Securities lending collateral	82,110	94,319	-	-	-	-
TOTAL ASSETS	4,796,093	4,347,087	277	293	66,996	75,530
DEFERRED OUTFLOW OF RESOURCES:						
Net differences between expected and actual investments earnings	861	70	-	-	-	-
<u>LIABILITIES</u>						
Obligations under securities lending agreement	82,110	94,319	-	-	-	-
Accounts payable and accrued liabilities	2,887	2,726	-	-	-	362
Due to other funds	2,708	322	20	28	-	-
Due to independent agencies and other governments	-	-	-	-	8,035	7,965
Due to individuals	-	-	-	-	826	3,902
Deposits held in escrow	-	-	-	-	19,218	19,592
Accrued compensated absences	167	141	-	-	-	-
Terminal leave - group care	8	7	-	-	-	-
Net pension liability - SSVRP	1,303	142	-	-	-	-
TOTAL LIABILITIES	89,183	97,657	20	28	28,079	31,821
DEFERRED INFLOW OF RESOURCES:						
Leases	332	522				
Net differences between expected and actual investments earnings	400	545	-	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	732	1,067	-	-	-	-
NET POSITION						
Restricted for pensions and other purposes	\$ 4,707,039	\$ 4,248,433	\$ 257	\$ 265	\$ 38,917	\$ 43,709

See accompanying notes.

CITY OF JACKSONVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
WITH COMPARATIVE TOTALS FOR 2022 (in thousands)

	<u>PENSION TRUST FUNDS</u>		<u>PRIVATE PURPOSE TRUST FUNDS</u>		<u>CUSTODIAL FUNDS</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>ADDITIONS</u>						
Contributions:						
Employer	\$ 299,888	\$ 295,043	\$ -	\$ -	\$ -	\$ -
Plan member	70,304	67,345	-	-	-	-
Total Contributions	<u>370,192</u>	<u>362,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other additions:						
State insurance contributions	18,423	15,798	-	-	-	-
Court fines and penalties	585	667	-	-	-	-
Miscellaneous	132	(1,298)	-	-	-	-
Collections due to individuals					136,682	76,817
Collections deposits held in escrow					6,635	44,686
Collections due to other governments					3,391,783	2,984,650
Plan transfers in (out)	<u>10,804</u>	<u>13,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other additions	<u>29,943</u>	<u>28,582</u>	<u>-</u>	<u>-</u>	<u>3,535,100</u>	<u>3,106,153</u>
Investment income:						
Net change in fair value of investments	537,051	-	-	(30)	-	-
Interest and other miscellaneous	15,031	17,632	-	4	-	-
Dividends	44,852	70,116	-	-	-	-
Rebate of commissions	45	48	-	-	-	-
Rental Income	<u>640</u>	<u>645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investment income (loss)	597,620	88,441	-	(26)	-	-
Less investment expense	(30,253)	(29,594)	-	-	-	-
Less rental expense	<u>(258)</u>	<u>(258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net investment income (loss)	<u>567,109</u>	<u>58,589</u>	<u>-</u>	<u>(26)</u>	<u>-</u>	<u>-</u>
Securities Lending Activities:						
Securities lending	236	325	-	-	-	-
Agent fees	<u>(8)</u>	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total securities lending activities	<u>228</u>	<u>317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ADDITIONS	<u>967,473</u>	<u>449,876</u>	<u>-</u>	<u>(26)</u>	<u>3,535,100</u>	<u>3,106,153</u>
<u>DEDUCTIONS</u>						
Benefit payments	426,239	409,674	-	-	-	-
DROP benefits	41,261	38,879	-	-	-	-
Refund of contributions	37,539	51,045	-	-	-	-
Net change in fair value of investments	-	926,393				
Administrative expenses	3,760	3,692	-	-	-	-
Miscellaneous expenses	68	24,182	8	1	-	-
Payments due to individuals					137,881	76,335
Payments deposits held in escrow					10,388	41,545
Payments due to other governments					3,391,623	2,985,297
Payments miscellaneous					-	-
TOTAL DEDUCTIONS	<u>508,867</u>	<u>1,453,865</u>	<u>8</u>	<u>1</u>	<u>3,539,892</u>	<u>3,103,177</u>
CHANGES IN NET POSITION	<u>458,606</u>	<u>(1,003,989)</u>	<u>(8)</u>	<u>(27)</u>	<u>(4,792)</u>	<u>2,976</u>
NET POSITION, BEGINNING OF THE YEAR	<u>4,248,433</u>	<u>5,252,422</u>	<u>265</u>	<u>292</u>	<u>43,709</u>	<u>40,733</u>
NET POSITION, END OF YEAR	<u>\$ 4,707,039</u>	<u>\$ 4,248,433</u>	<u>\$ 257</u>	<u>\$ 265</u>	<u>\$ 38,917</u>	<u>\$ 43,709</u>

See accompanying notes.



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COMPONENT UNITS

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

MAJOR COMPONENT UNITS

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

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

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

NON MAJOR COMPONENT UNIT

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

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF NET POSITION -
COMPONENT UNITS (in thousands)
SEPTEMBER 30, 2023

	MAJOR COMPONENT UNITS		
	JEA	JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE PORT AUTHORITY
ASSETS:			
Cash and cash equivalents	\$ 378,612	\$ 101,519	\$ 107,238
Cash in escrow with fiscal agent	-	-	-
Investments	394,833	69,177	-
Accounts and interest receivable	253,852	2,450	7,694
Loans receivable	-	-	-
Other receivables	-	2,467	9,283
Due from other governmental agencies	-	41,809	-
Inventories	159,188	3,434	2,278
Other assets	82,393	7,290	-
Hedging derivative instruments	93,219	-	-
Costs to be recovered from future revenues	865,083	-	-
Capital assets:			
Land, easements, and construction in progress	1,123,527	384,088	447,839
Buildings and improvements	-	185,270	763,209
Vehicles	-	174,372	-
Equipment	-	116,491	141,529
Utility plant in service	13,158,056	-	-
Less: accumulated depreciation	(8,392,623)	(331,164)	(521,928)
Total capital assets, net of depreciation	5,888,960	529,057	830,649
TOTAL ASSETS	8,116,140	757,203	957,142
DEFERRED OUTFLOW OF RESOURCES:			
Pension related	290,610	21,083	3,910
Unamortized deferred loss on refunding and defeasance	73,433	-	5,154
Accumulated decrease in fair value of hedging instrument	39,157	-	-
Unrealized asset retirement obligation	36,276	-	-
Other post employment benefit related	15,943	-	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	455,419	21,083	9,064
LIABILITIES:			
Accounts payable and accrued liabilities	155,783	31,121	3,537
Contracts payable	137,793	-	10,030
Due to independent agencies and other governments	-	-	-
Deposits	85,651	-	-
Interest payable	48,304	878	2,563
Unearned revenue	-	-	700
Other current liabilities	7,204	9,837	2,218
Noncurrent liabilities:			
Fair market value of debt management instrument	18,368	-	-
Due within one year:			
Estimated liability for claims payable	-	2,466	-
Bonds, notes payable, capital leases	89,375	-	8,668
Due in more than one year:			
Net pension liability	958,534	26,938	18,551
Estimated liability for claims payable	-	4,055	-
Bonds, notes payable, capital leases and commercial paper	2,855,013	123,252	197,210
Lease liability	89,463	-	-
Compensated absences	40,142	346	-
Custodial projects - due to other governments	-	204,663	-
Other post employment benefit	7,971	106	-
Unearned revenue noncurrent	-	-	13,892
Asset retirement obligation	33,653	-	-
Other noncurrent liabilities	50,409	450	11,429
TOTAL LIABILITIES	4,577,663	404,112	268,798
DEFERRED INFLOW OF RESOURCES:			
Pension related	22,391	6,946	1,456
Other post employment benefit related	16,343	41	-
Revenue to be used for future costs	300,455	2,278	-
Accumulated increase in fair value of hedging derivatives	93,218	883	-
TOTAL DEFERRED INFLOW OF RESOURCES	432,407	10,148	1,456
NET POSITION:			
Net investment in capital assets	3,042,666	323,768	640,705
Restricted for:			
Debt service	90,582	-	19,396
Capital projects	138,245	-	-
Other purposes	594	50,528	3,252
Unrestricted	289,402	(10,270)	32,599
TOTAL NET POSITION	\$ 3,561,489	\$ 364,026	\$ 695,952

See accompanying notes.

NON MAJOR COMPONENT UNIT			
JACKSONVILLE HOUSING FINANCE AUTHORITY		TOTAL	
\$	18,515	\$	605,884
	1,600		1,600
	-		464,010
	167		264,163
	7,497		7,497
	-		11,750
	67		41,876
	-		164,900
	-		89,683
	-		93,219
	-		865,083
	-		1,955,454
	-		948,479
	-		174,372
	-		258,020
	-		13,158,056
	-		(9,245,715)
	-		7,248,666
	27,845		9,858,330
	-		315,603
	-		78,587
	-		39,157
	-		36,276
	-		15,943
	-		485,566
	3		190,444
	-		147,823
	5,641		5,641
	(67)		85,584
	-		51,745
	-		700
	-		19,259
	-		18,368
	-		2,466
	-		98,043
	-		1,004,023
	-		4,055
	-		3,175,475
	-		89,463
	-		40,488
	-		204,663
	-		8,077
	-		13,892
	-		33,653
	-		62,288
	5,577		5,256,150
	-		30,793
	-		16,384
	-		302,733
	-		94,101
	-		444,011
	-		4,007,139
	-		109,978
	-		138,245
	9,096		63,470
	13,172		324,903
\$	22,268	\$	4,643,735

CITY OF JACKSONVILLE, FLORIDA
COMBINING STATEMENT OF ACTIVITIES -
COMPONENT UNITS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
Jacksonville Transportation Authority	\$ 27,863	\$ -	\$ -	\$ 23,305
Jacksonville Housing Finance Authority	4,593	-	-	-
Total governmental activities	32,456	-	-	23,305
Business-type activities:				
JEA	2,140,101	1,844,949	-	176,771
Jacksonville Transportation Authority	174,251	15,454	11,004	17,000
Jacksonville Port Authority	101,698	65,747	-	16,759
Total business-type activities	2,416,050	1,926,150	11,004	210,530
Total component units	\$ 2,448,506	\$ 1,926,150	\$ 11,004	\$ 233,835

General Revenues:

Sales and tourist taxes
Intergovernmental - unrestricted
Unrestricted earnings on investments
Proceeds on sale of surplus property
Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes.

GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES			TOTAL
MAJOR COMPONENT UNIT	NON MAJOR COMPONENT UNIT	MAJOR COMPONENT UNITS			GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE HOUSING FINANCE AUTHORITY	JEA	JACKSONVILLE TRANSPORTATION AUTHORITY	JACKSONVILLE PORT AUTHORITY	
\$ (4,558)	\$ -	\$ -	\$ -	\$ -	\$ (4,558)
-	(4,593)	-	-	-	(4,593)
(4,558)	(4,593)	-	-	-	(9,151)
-	-	(118,381)	-	-	(118,381)
-	-	-	(130,793)	-	(130,793)
-	-	-	-	(19,192)	(19,192)
-	-	(118,381)	(130,793)	(19,192)	(268,366)
\$ (4,558)	\$ (4,593)	\$ (118,381)	\$ (130,793)	\$ (19,192)	\$ (277,517)
4,010	-	-	-	-	4,010
-	-	-	121,617	10,415	132,032
4,614	392	51,390	122	3,469	59,987
-	-	-	240	-	240
321	1,130	43,588	-	22,441	67,480
(36,092)	-	-	36,092	-	-
(27,147)	1,522	94,978	158,071	36,325	263,749
(31,705)	(3,071)	(23,403)	27,278	17,133	(13,768)
33,476	25,339	3,584,892	334,977	678,819	4,657,503
\$ 1,771	\$ 22,268	\$ 3,561,489	\$ 362,255	\$ 695,952	\$ 4,643,735



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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Financial Reporting Entity

The City is a consolidated city/county political entity created by Chapter 67-1320 of the Laws of Florida. When consolidation occurred on October 1, 1968, all existing municipalities, authorities, and public agencies within Duval County, except for the Duval County School Board, were merged into a single new corporate and political entity also known as the City of Jacksonville. At the same time, however, the cities of Jacksonville Beach, Atlantic Beach, Neptune Beach, and the Town of Baldwin elected to retain local autonomy for certain municipal purposes and were reconstituted as separate and distinct urban service districts. The consolidated city government, which is comprised of an elected City Council (19 members) and mayor, provides, under the administration of the appointed chief administrative officer, services to 1,051,278 residents living in an 840.1 square-mile area.

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

This report includes all funds, departments, agencies, boards and commissions, and other organizational units that are administered by the mayor and/or controlled by or dependent upon the City Council as set forth in the City Charter. In GASB Codification Section 2100 - *Defining 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. Additionally, an entity may also meet the criteria for inclusion if the organization is fiscally dependent on the City and the potential financial benefit/burden relationship mentioned above exists.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity (continued)

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

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

Blended Component Units

Blended component units, which are legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City. The Community Redevelopment Agencies (CRAs) are reported as part of the City and blended into the governmental funds.

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

Component Unit Reported as a Fiduciary Fund

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 Board consists of five members, two of which are appointed by the City Council. The other three members include a police officer, a firefighter; and the last is chosen by a majority of the previous 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, FL 32202-3616. These transactions are recorded in the Pension Trust Funds within the Fiduciary Funds financial statements.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity (continued)

Discrete Component Units

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

Major Component Units

JEA (formerly known as the Jacksonville Electric Authority) was created by Chapter 67-1569 of the Laws of Florida to own, manage, and operate an electric utility system and a water and sewer utility system in Jacksonville and any or all counties adjacent thereto. The governing body of JEA consists of seven members, four nominated by the City Council President and confirmed by the City Council, and three appointed by the mayor and confirmed by the City Council. The City has the ability to impose its will on JEA, manifested principally through formal budgetary approval. The JEA engages only in business-type activities and issues separate financial statements, which may be obtained from its administrative office located at 325 West Adams Street, Jacksonville, FL 32202.

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

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, three of whom are appointed by the mayor and confirmed by the City Council, and the seventh member is the district two secretary of the Florida Department of Transportation. The JTA is empowered to construct, improve, operate, and lease the Jacksonville Expressway System. The JTA is, however, fiscally dependent upon the City under Section 14 of the City Charter through approval of its budgets, which ensures strong accountability to the local constituent citizenry. Additionally, a financial burden relationship exists through the provisions of an interlocal agreement. The JTA engages in both governmental and business-type activities and issues separate financial statements, which may be obtained from its administrative office at 100 LaVilla Center Drive, Jacksonville, FL 32202.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity (continued)

Non-major Component Units

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

The **Jacksonville Health Facilities Authority**, created under Chapter 490 of the Jacksonville Municipal Code pursuant to Chapter 154 Part III, Laws of Florida, provides appropriate additional means to assist in the development, improvement, and maintenance of the public health. The Health Facilities Authority provides a method for the financing and refinancing, on a tax-exempt basis, projects on behalf of private corporations and organized not-for-profits that are authorized by law to provide hospital or nursing home services, thus providing facilities at favorable interest costs with a resultant decrease in health care costs for the users of health facilities within the City. All five members are appointed by the City Council, and the City has the ability to impose its will on the Health Facilities Authority. The bonds issued by the Health Facilities Authority are special limited obligations of the Health Facilities Authority and the principal and interest are payable from rental payments. The principal and interest on the bonds shall never constitute an indebtedness of the City of Jacksonville, Duval County, the State of Florida or any municipality or political subdivision thereof. Accordingly, the bonds issued and outstanding are included in Note 8J Conduit Debt. During the fiscal year presented, the Health Facilities Authority had no financial transactions or assets and liabilities to report. Therefore, there are no separately issued financial statements.

Related Organizations

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity (continued)

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

Jointly Governed Organization

The **North Florida Transportation Planning Organization (TPO)** is an independent regional transportation planning agency for Duval, Clay, Nassau, and St. Johns counties. The mayor, three city council members, and various other leaders from affiliated communities and transportation agencies make up the board. There are currently 15 voting board members and five non-voting members. The City does not have an ongoing financial interest or responsibility to the TPO; however, since the board includes members from each of the governments that created it, the TPO is considered a jointly governed organization of the City.

C. Basic Financial Statements

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basic Financial Statements (continued)

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

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

D. Fund Structure

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

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

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

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

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

Special Revenue Funds

The Other Federal, State and Local Grants Fund records all other miscellaneous grants administered by the City from federal, state, and local sources not specifically accounted for by other funds.

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 Plan Construction Projects Fund.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure (continued)

Special Revenue Funds (continued)

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.

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

Non-major Governmental Funds – This is the aggregate of all the non-major governmental funds.

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

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

The City Venues Fund accounts for events held at EverBank Stadium, Daily's Place, VyStar Veterans Memorial Arena, 121 Financial Ballpark, Jacksonville Center for the Performing Arts, Prime F. Osborn III Convention Center, and the Ritz Theater and Museum.

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Structure (continued)

In addition, the City reports the following fund types:

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

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

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

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

E. Basis of Accounting

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting (continued)

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Major revenues that are determined to be susceptible to accrual include property taxes, taxpayer-assessed tax revenues including sales and utilities services taxes, state-shared revenue, intergovernmental revenue, charges for services and investment income. Generally, the City considers a 60-day availability period for revenue recognition. Federal and state grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made, and the City considers amounts received within one year as available. Ambulance billings also have a one-year availability period.

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

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

F. Cash, Cash Equivalents, and Investments

Cash, cash equivalents and investments, and related accrued investment earnings are reported in the financial statements as "Equity in cash and investments" under the City's "pooling" concept (See Note 3). All monies, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis by the City Treasurer. Cash in escrow with fiscal agents is not included in the Statement of Cash Flows ending balances as the funds have been sent to trustee entities to be held for payment of bond principal and interest. Investment earnings are distributed in accordance with the participating funds' relative percentage of investments. All fund types deposit monies into the equity in cash and investment pool of the City. The proprietary fund types use this pool as a demand deposit account, and accordingly all amounts in the pool are considered cash and cash equivalents for purposes of the Statement of Cash Flows. Operating and Pension Trust investments are stated at fair value, generally based on quoted market prices except as disclosed herein. Securities, traded on national or international exchanges, are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals or estimates of fair value as provided by third party fund managers. Investments that do not have an established market are reported at estimated fair value as provided by third party fund managers. Increases and decreases in the fair value of investments are reported as investment income.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City of Jacksonville's swap policy allows for the use of interest rate swaps and other financial instruments to manage the City's financial exposure. This policy went into effect on October 1, 2003, and was revised on August 9, 2011. While the City is authorized to utilize interest rate swaps to manage the interest rate risk associated with various assets, no investment interest rate swaps were used during the reporting period.

G. Receivables

Receivables are presented after deducting the estimated allowances for amounts deemed uncollectible. These allowances are calculated based on historical collection data and the prevailing economic conditions, resulting in the net realizable values. The receivables primarily consist of amounts due from the State of Florida for shared revenues, along with mortgage, loan, and other receivables that have been accrued in the normal course of business operations.

A portion of these receivables, including some mortgage receivables, are associated with loans extended for the purpose of economic development. The repayment of these loans is dependent on various economic factors beyond the City's control. Given the uncertainty surrounding the ultimate collectability of these amounts, allowances equivalent to the balances of these receivables have been established.

H. Inventories

Inventories of materials and supplies are determined by physical counts at the end of the fiscal year and balances are adjusted in accordance with the consumption method. The stated cost of these inventories, which closely mirrors market values, is predicated on the actual quantities of materials and supplies available.

I. Capital Assets

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

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

J. Contributions

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

K. Interfund Activity

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

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

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

L. Restricted Assets

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

M. Compensated Absences

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Risk Financing

Pursuant to Florida Statute 768.28 “Sovereign Immunity”, the City is self-insured for general and automobile liability for state tort claims in excess of \$200,000 per person, and \$300,000 per occurrence. The City has a package excess liability policy, which provides coverage for general liability at limits of \$2.5 million per occurrence with a policy aggregate limit of \$2.5 million and \$2.5 million per occurrence for automobile liability. These limits are subject to a \$2 million self-insured retention for the City and all other participating entities. The City continues to purchase a miscellaneous policy for out-of-state automobile liability for Jacksonville Sheriff’s Office (JSO), Jacksonville Fire and Rescue Department (JFRD), Jacksonville Aviation Authority (JAA), and Animal Care and Protective Services (ACPS) with \$1 million in coverage, without a self-insured retention, for those instances where vehicles from these insureds must cross state lines.

The City has an excess worker’s compensation policy with a self-insured retention of \$1.25 million per occurrence and includes unlimited statutory coverage for workers’ compensation benefits, with exception of a \$50 million aggregate limit for communicable disease and a \$1 million limit for employer’s liability. The liability for self-insured losses is based on individual case estimates for reported claims, historical loss data and valuations performed by independent actuaries as of September 30, 2023, 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.

Effective January 1, 2015, the City elected to move from a fully insured plan to a self-funded arrangement for its group health coverage. The City obtained stop-loss insurance with a \$550,000 specific deductible. The deductible increased to \$600,000 in 2017, \$650,000 in 2018, \$700,000 in 2019 and 2020, and \$800,000 from 2021 to 2023. In 2018, the City introduced a new health plan option with a separate administrator and stop-loss coverage. The stop-loss deductible under that option was \$250,000 in 2018 and \$325,000 from 2019 to 2022. As of 2023 that new plan was incorporated into the same administrator and stop-loss policy as all the other health plans. Once a claim exceeds the stop-loss threshold, the City is reimbursed for any excess expenses. The plan is funded by contributions from the City and employees. These funds reside in an internal service fund which is used exclusively for employee benefits. Florida statutes require a safe harbor threshold to be maintained in plan reserves. See Note 12 for additional risk financing disclosure.

O. Pension Costs

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Landfill Closure and Postclosure Care Costs

The City acknowledges the costs associated with the closure and postclosure care of municipal solid waste landfills, in compliance with the Solid Waste Management Act of 1988 enacted by the State of Florida, the regulations of the Federal Environmental Protection Agency (EPA), and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance contained in pre-November 30, 1989*, FASB and AICPA pronouncements.

For landfills that ceased accepting solid waste prior to the final implementation of the 1988 Act and EPA regulations, the total cost of municipal solid waste landfill (MSWLF) closure is recognized as a prepaid expense within the Solid Waste Disposal Enterprise Fund. The City has issued bonds to finance the closure costs of these landfills.

Postclosure care costs for closed landfills are recorded as a liability, based on estimates provided by engineers. The City Council has established rates designed to recover these costs, and it is considered reasonable to assume that such rates can be levied upon and collected from customers.

The City plans to recover these MSWLF costs through future operating revenues of the Solid Waste Disposal Enterprise Fund. Consequently, MSWLF costs are recognized as expenses each year to align with the flow of revenue and principal payments of bonds, thereby reducing the deferred charge.

Annual expenses for closure and postclosure care costs are recorded, and the liability is adjusted according to the engineer's estimate. MSWLF closure and postclosure care costs incurred for landfills that began accepting solid waste after the final implementation of the 1988 Act and EPA regulations are recognized as an expense. A liability is recorded based on the landfill capacity used during that year, applied to the engineer's estimate of closure and postclosure care costs. (See Note 13C.)

Q. Long-Term Obligations

In the citywide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Special obligation bonds, which are supported by certain pledged revenues (other than ad valorem taxes), do not constitute a debt of the City and the City is not obligated to pay the bonds except from revenues pledged for such debt payments. Each governmental fund that has long-term liabilities, such as compensated absences and pension liabilities, is responsible for liquidating the same.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Long-Term Obligations (continued)

Non asset bonds are created when the City issues debt and either (a) constructs an asset which will become the asset of another entity (e.g. State of Florida), (b) contributes proceeds to another entity (e.g. UF Health Jacksonville) 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 UF Health Jacksonville, a provider of health care for indigents, from debt proceeds. The City and/or its Community Redevelopment Agency (CRA) districts, to encourage targeted development, will enter into incentive agreements (including grants and loans) which are, in some instances, designed to be repaid by either the CRA's tax increment revenues and/or the developer.

R. Categories and Classification of Fund Balance

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance categories include non-spendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of constraint placed upon the fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note 19 Fund Balance Disclosure.

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 is reported as other financing uses. Issuance costs, whether or not withheld from the debt proceeds received, are reported as debt service expenditures.

In the citywide financial statements and for proprietary funds, material bond discounts and/or premiums are deferred and amortized as a component of interest expense over the term of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are expensed in the period in which they are incurred.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Deferred Loss on Debt Refundings

Losses resulting from advance refunding of debt in the citywide and proprietary fund statements are deferred and amortized, using a straight-line method, which approximates the effective interest method, over the shorter of the life of the new debt or the remaining life of the old debt. The amount deferred is reported as a component of deferred outflows in the accompanying financial statements and is expensed and reported as a component of interest expense.

U. Use of Estimates

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

V. Summarized Comparative Information and Reclassifications

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, 2022, from which the summarized information was derived.

Certain 2022 amounts have been reclassified to conform to the 2023 presentation. Additionally, amounts in the separately issued financial statements of component units have been reclassified to conform to the presentation of the primary government.

W. Prepaids

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

X. Leases

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

The City is a lessee for noncancelable leases of building, equipment, infrastructure, land, and land improvements. The City recognizes a lease liability and a right-to-use lease asset in the citywide and proprietary fund financial statements. Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. At the commencement of the lease term, the City recognizes a lease liability and a lease asset "intangible right-to-use lease asset", unless the lease is a short-term lease or transfers ownership of the underlying asset. The City initially measures the lease liability at the present value of lease payments expected to be made during the lease term. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Leases (continued)

made at or before the lease commencement date, plus certain initial costs. Subsequently, the lease liability is reduced by the principal portion of lease payments made and the lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

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

Y. Subscription-Based Information Technology Arrangements (SBITA)

GASB Statement No. 96 defines Subscription-Based Information Technology Arrangements (SBITA) as, a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange-like transaction. The City has entered into several noncancellable software subscriptions. The related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining subscription term. Assets are presented in Note 6 as right-to-use software subscriptions and liabilities are presented in Note 8C as software subscriptions payable.

SBITA terms include the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or the subscription vendor will exercise that option) or to terminate (if it is reasonably certain that the government or subscription vendor will not exercise that option). Short-term subscriptions have a maximum possible term under the subscription contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term contracts are recognized as outflows of resources.

The City recognizes a right-to-use software subscription asset, an intangible asset, and a corresponding software subscription liability. The City recognizes the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Y. Subscription-Based Information Technology Arrangements (SBITA) (continued)

The subscription asset is initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

Z. Accounting Pronouncements

In fiscal year 2023, the City adopted new statements of financial accounting standards issued by the GASB:

- GASB Statement No. 91, *Conduit Debt Obligations*
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription-based Information Technology Arrangements*
- GASB Statement No. 99, *Omnibus 2022*

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Z. Accounting Pronouncements (continued)

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Additionally, implementing this standard resulted in the restatement of beginning net position statements (see Note 18A).

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62
- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*

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

2. BUDGETARY DATA

The City presents a budgetary comparison schedule for the General Fund as required supplementary information. For this reporting period, the Other Federal, State and Local Grants Fund and the Better Jacksonville Plan Trust Fund special revenue funds met the criteria of a major fund but are not annually budgeted. No other special revenue funds met the major fund criteria. The City's budgetary comparison reporting and notes to required supplementary information containing descriptions of the City's budgetary policies and processes are included in the required supplementary information section of this report.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING

A. Cash on Deposit

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

At September 30, 2023, primary government deposits in financial institutions totaled \$610.3 million. Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the City’s public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, “Florida Security for Public Deposits Act”, and covered by federal depository insurance. For amounts in excess of such federal depository insurance, the Act provides that all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository’s collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository’s financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor is liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sales of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices

1. a. General Operating Investments

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

Other than operating cash invested overnight through the City's zero balance sweep accounts, all invested cash is managed by third-party money managers. Performance benchmarks for the portfolio are established in the Policy and performance benchmarks for each of the specific third-party managers are established by the investment committee. The Policy defines the average duration and compliance categories for investments. Compliance category limits are stated as a percentage of the fiscal year 2023 normal portfolio balance of \$1.73 billion, which is defined by Ordinance Code as the average total portfolio balance for the proceeding twelve months.

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

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices (continued)

1. a. General Operating Investments (continued)

Operating Fund
Compliance Guideline Characteristics
as of September 30, 2023

Compliance Guideline	Sector Guideline Exposures			
	Exposure to Specific Guideline	Year end Exposure %	% of Normal Portfolio Balance	
			Maximum	
			During Year	By Policy
Duration¹	2.87	NA	2.95	5.00
Liquidity	\$ 388,262,522	23.2%	36.5%	100.0%
Requirements				
USG + Agencies	583,325,750	34.9	41.5	100.0
US Govt (USG)	400,484,379	24.0	29.1	100.0
Constraints				
Agencies	182,841,371	10.9	13.0	45.0
MBS	150,771,014	9.0	10.2	35.0
Agency MBS	100,901,010	6.0	7.1	35.0
Non-Agency MBS	49,870,004	3.0	3.1	15.0
Asset Backed Securities	58,164,510	3.5	3.5	7.5
Corporates	329,517,944	19.7	20.9	60.0
Corporates > 1 Year	233,898,695	14.0	15.5	40.0
Municipal Bonds	12,660,911	0.8	0.8	10.0
Bond Funds	350,298,962	21.0	29.6	85.0
Money Market Funds	537,571,256	32.2	42.8	40.0
Certificates of Deposit	-	0.0	0.0	20.0
Repurchase agreements	-	0.0	0.0	20.0
Rule 144a Securities	65,206,750	3.9	3.9	10.0
Specialty Risk				
High Yield	19,860,046	1.2	1.4	9.0
International	51,390,164	3.1	3.1	7.5
International (non-hedged)	-	0.0	0.0	5.0
Emerging Market	759,096	0.0	0.2	5.0
Duration > 8.5	28,911,208	1.7	2.0	7.5
Normal Portfolio Balance	1,671,000,000			

¹Commingled Funds and Cash are excluded.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices (continued)

1. b. General Operating Investments - Fair Value Measurements

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

Operating Fund
Fair Value of Assets by Measurement Type
as of September 30, 2023

Investment Type	Total Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2) *	Significant Unobservable Inputs (Level 3)
Corporate Stock - Common	\$ -	\$ -	\$ -	\$ -
Corporate Stock - Preferred	753,024	-	753,024	-
Registered Investment Companies	893,832,613	893,832,613	-	-
U. S. Government Securities	510,770,993	425,351,214	85,419,779	-
Corporate Debt Instruments	351,331,208	-	351,331,208	-
Common/Collective Trust	122,983,196	-	-	122,983,196
**Other Investments	20,520,784	7,724,730	12,796,054	-
Total Investments	\$ 1,900,191,818	\$ 1,326,908,556	\$ 450,300,065	\$ 122,983,196

* Market approach valuation technique used.

** Composed of Taxable Municipals, Non-US Bonds, Other Short Term Bonds, and Cash/Interest/Pending trades as of September 30, 2023.

The City has the following recurring fair value measurements as of September 30, 2023:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices (continued)

2. a. Pension Plan Investments

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

Jacksonville Retirement System
Distribution by Asset Type
as of September 30, 2023

Asset Type	Equities	Bonds	Other	Cash	Total	Percentage
Equity (Domestic)	\$ 665,426,095	\$ -	\$ -	\$ 21,219,402	\$ 686,645,498	32%
Large Cap Value	245,244,958	-	-	14,343,884	259,588,842	13
Large Cap Growth	106,800,355	-	-	1,574	106,801,929	5
Large Cap Core	139,075,484	-	-	-	139,075,484	6
Small - Mid Cap Value	117,847,880	-	-	4,071,012	121,918,892	6
Small - Mid Cap Growth	56,457,418	-	-	2,802,933	59,260,351	3
Equity (International)	549,079,546	-	-	8	549,079,555	25
Value	278,959,344	-	-	8	278,959,352	13
Growth	143,614,896	-	-	-	143,614,896	6
Emerging	126,505,306	-	-	-	126,505,306	6
Bonds	-	412,463,304	-	2,538,736	415,002,040	19
Intermediate	-	-	-	-	-	-
Aggregate	-	301,408,504	-	2,538,727	303,947,231	14
Securitized Fixed Income	-	111,054,800	-	9	111,054,809	5
Cash Account	-	-	-	4,838,520	4,838,520	0
Other Real and Diversifying Assets	18,411,622	-	537,295,103	(1,499,168)	554,207,557	20
Real Estate Assets	-	-	436,135,431	(1,546,514)	434,588,917	20
Diversifying Assets	18,411,622	-	101,159,673	-	119,571,295	5
Other Assets	-	-	(1)	47,346	47,345	0
Total Investments	\$ 1,232,917,264	\$ 412,463,304	\$ 537,295,103	\$ 27,097,499	\$ 2,209,773,169	100

Less: Amount reported as receivables \$ (2,319,447)

Total Investments less receivables \$ 2,207,453,723

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices (continued)

2. a. Pension Plan Investments (continued)

Police and Fire Pension Fund
Distribution by Asset Type
as of September 30, 2023

Asset Type	Equities	Bonds	Other	Cash	Total	Percentage
Equity (Domestic)	\$ 833,185,673	\$ -	\$ -	\$ 15,132,362	\$ 848,318,036	38%
Large Cap Value	232,240,256	-	-	10,935,656	243,175,913	11
Large Cap Growth	236,501,351	-	-	1,671,470	238,172,821	11
Large Cap Core	233,822,194	-	-	24,388	233,846,582	10
Small Cap Value	61,775,211	-	-	2,495,771	64,270,982	3
SMID Cap Growth	68,846,661	-	-	5,077	68,851,738	3
Equity (International)	446,546,140	-	-	165,915	446,712,054	20
Value	163,005,712	-	-	162,950	163,168,662	7
Growth	143,573,174	-	-	2,835	143,576,009	6
Emerging Markets	139,967,254	-	-	129	139,967,383	6
Bonds	-	448,917,532	-	5,098,083	454,015,615	20
Intermediate	-	-	-	-	-	-
Aggregate	-	448,917,532	-	5,098,083	454,015,615	20
Cash Account	-	-	-	35,984,210	35,984,210	2
Other	-	-	437,479,362	4,857,538	442,336,900	20
Core Real Estate	-	-	279,764,903	-	279,764,903	13
Non-Core Real Estate	-	-	26,543,066	120,147	26,663,213	1
Private Credit	-	-	131,171,393	4,737,391	135,908,784	6
Total Investments	\$ 1,279,731,813	\$ 448,917,532	\$ 437,479,362	\$ 61,238,107	\$ 2,227,366,815	100%

2. b. Pension Plan Investments – Fair Value Measurements

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices (continued)

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

Jacksonville Retirement System
Fair Value of Assets by Measurement Type
as of September 30, 2023

Investment Type	Total Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)*	Significant Unobservable Inputs (Level 3)
Corporate Stock - Common	\$ 419,550,256	\$ 419,550,256	\$ -	\$ -
Corporate Stock - Preferred	-	-	-	-
Registered Investment Companies	29,713,402	29,713,402	-	-
U.S. Government Securities	89,961,551	40,930,003	49,031,548	-
Corporate Debt Instruments	106,461,055	-	106,461,055	-
Common/Collective Trust	752,891,362	-	-	752,891,362
Partnership/Joint Venture Interest	466,069,569	-	-	466,069,569
Pooled Separate Accounts	66,187,161	-	-	66,187,161
**Other Investments	278,938,812	(1,553,561)	1,533,030	278,959,344
Total Investments	\$ 2,209,773,169	\$ 488,640,100	\$ 157,025,633	\$ 1,564,107,436

* Market approach valuation technique used.

** Composed of 103-12 Investments, Other Short Term Bonds, Derivatives, and Cash/Dividends/Interest/Misc. Payables Pending trades as of September 30, 2023.

The City has the following recurring fair value measurements as of September 30, 2023:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices (continued)

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

Police and Fire Pension Fund
Fair Value of Assets by Measurement Type
as of September 30, 2023

Investment Type	Total Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)*	Significant Unobservable Inputs (Level 3)
Cash and Short Term Investments	\$ 61,804,075	\$ 61,804,075	\$ -	\$ -
Commercial Mortgage Backed Securities	871,275	-	871,275	-
Asset Backed Securities	19,667,690	-	19,667,690	-
Corporate Bonds	150,856,256	-	150,856,256	-
Funds - Other Fixed Income	23,205,698	-	23,205,698	-
Government Bonds	37,555,303	-	37,555,303	-
Government Mortgage Backed Securities	-	-	-	-
Common Stock	1,048,500,627	1,048,500,627	-	-
Preferred Equities	880,389	880,389	-	-
International Equities	446,546,140	446,546,140	-	-
Private Venture Capital	131,171,393	131,171,393	-	-
Real Estate	313,182,969	-	306,307,969	6,875,000
Total Investments	\$ 2,234,241,815	\$ 1,688,902,624	\$ 538,464,191	\$ 6,875,000

* Market approach valuation technique used

Separately issued financial statements for the Police and Fire Pension Plan are available from:

Police and Fire Pension Fund
One West Adams Street, Suite 100
Jacksonville, FL 32202

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices (continued)

3. Interest Rate Risk

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

4. Credit Quality

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

	Operating Portfolio	General Employee Pension Plan	Police and Fire Pension Fund
Quality Breakdown	Portfolio (%)	Portfolio (%)	Portfolio (%)
Aaa	10.0%	7.7%	12.4%
Aa1-Aa3	47.4	25.8	0.7
A1-A3	11.5	6.8	3.2
Baa1-Baa3	10.9	17.1	18.9
Ba1-Ba3	1.1	-	4.5
Other	6.8	12.4	60.3
Commingled	12.3	30.2	-
	100.0%	100.0%	100.0%

Ratings definitions:

Treasury – United States Treasury Securities (Included in Aaa)

Agency – Government Agency Securities (Included in Aaa)

Aaa (AAA) – Highest Investment Grade Quality Rating

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

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

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

B. Investments and Investment Practices (continued)

5. Custodial Credit Risk

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

6. Foreign Currency

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

Foreign Currency Exposure
September 30, 2023

	Operating Portfolio		Jacksonville Retirement System		Police and Fire Pension Fund	
	Exposure	Percentage	Exposure	Percentage	Exposure	Percentage
U.S. Dollar	\$ 1,899,661,156	99.97%	\$ 1,711,658,724	77.46%	\$ 2,225,627,655	99.92%
Argentine Peso	-	-	\$ -	-	0.01	0.00
Austrian Dollar	19,565	0.00	4,051,723	0.18	-	-
Bermuda Dollar	-	-	\$ -	0.00	-	-
Brazil Real	1,542	0.00	6,430,206	0.29	682,481.49	0.03
British Pound	(137,975)	(0.01)	45,450,795	2.06	-	-
Canadian Dollar	101,633	0.01	2,794,801	0.13	28,527.12	0.00
Chilean Peso	-	-	60,692	0.00	-	-
Chinese Yuan Renminbi	-	-	8,313,830	0.38	-	-
Columbian Peso	0	0.00	-	0.00	-	-
Czech Koruna	-	-	-	0.00	-	-
Danish Krone	-	-	10,649,395	0.48	-	-
Egyptian Pound	22	0.00	25,986	0.00	-	-
Euro Currency Unit	242,489	0.01	117,321,883	5.31	-	-
Hong Kong Dollar	-	-	53,427,419	2.42	-	-
Hungarian Forint	-	-	1,225,452	0.06	-	-
Indian Rupee	-	-	17,933,314	0.81	-	-
Indonesia Rupiah	-	-	3,430,246	0.16	351,650.06	0.02
Israel Shekel	-	-	-	0.00	-	-
Japanese Yen	-	-	101,674,857	4.60	-	-
Kuwaiti Dinar	-	-	195,023	0.01	-	-
Malaysian Ringgit	-	-	353,738	0.02	-	-
Mexican New Peso	156,394	0.01	518,429	0.02	352,994.24	0.02
New Taiwan Dollar	-	-	35,240,722	1.59	-	-
Norwegian Krone	-	-	1,613,047	0.07	-	-
Philippines Peso	-	-	54,504	0.00	-	-
Polish Zloty	886	0.00	1,580,929	0.07	1,968.48	0.00
Qatari Riyal	-	-	170,559	0.01	-	-
Saudi Riyal	-	-	6,049,906	0.27	-	-
Singapore Dollar	-	-	3,982,535	0.18	-	-
South African Rand	146,107	0.01	4,765,120	0.22	321,538.06	0.01
South Korean Won	-	-	24,962,799	1.13	-	-
Swedish Krona	-	-	9,033,606	0.41	-	-
Swiss Franc	-	-	25,373,113	1.15	-	-
Thai Baht	-	-	6,983,406	0.32	-	-
Turkish Lira	-	-	1,934,716	0.09	-	-
United Arab Emirates Dirham	-	-	2,511,695	0.11	-	-
Total	<u>\$ 1,900,191,818</u>	<u>100.0%</u>	<u>\$ 2,209,773,169</u>	<u>100.0%</u>	<u>\$ 2,227,366,815</u>	<u>100.0%</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

3. CASH, INVESTMENTS AND SECURITIES LENDING (continued)

C. Securities Lending

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

The securities loaned are on a rolling daily basis and the cash collateral can be deposited and/or withdrawn from the investment on a daily basis. The weighted average duration of the collateralized loans at September 30, 2023 was 62 days for the City's Operating Portfolio and 104 days for the Jacksonville Retirement System.

The net asset value of the collateral may fluctuate and potentially subject the City to credit risk if the above-mentioned 102% daily adjusted collateral were to fall below 100%. As of September 30, 2023, the City of Jacksonville maintained a sufficient 102% collateral on loaned securities. During the fiscal year ended September 30, 2023; securities lending net income was \$109,457; composed of \$84,657 for the Operating Portfolio and \$24,800 for the Jacksonville Retirement System.

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

4. ACCOUNTS, LOANS AND OTHER RECEIVABLES

The accounts, loans, and other receivable balances in the funds listed below, in thousands, are shown net of an allowance for doubtful accounts. No other funds had an allowance for doubtful accounts at September 30, 2023.

Funds	Accounts and Other Receivables	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
Major Governmental Funds			
General Fund	\$ 35,275	\$ (31,722)	\$ 3,553
Other Federal, State & Local Grants	693	(48)	645
General Projects	8	-	8
Non-Major Governmental Funds	27,659	-	27,659
Major Enterprise Funds			
Solid Waste	41,823	(3,940)	37,883
City Venues	51,288	(31)	51,257
Stormwater	29,075	(4,972)	24,103
Non-Major Enterprise Funds	415	-	415
Internal Service Funds	9,216	(4)	9,212
Fiduciary Funds			
Pension Trust Funds	492	(22)	470
Custodial Funds	3,029	-	3,029

Funds	Loans Receivable	Allowance for Doubtful Accounts	Net Amount Shown on Balance Sheet
Non-Major Governmental Funds	\$ 8,386	\$ (3,477)	\$ 4,908
Internal Service Funds	894,259	-	894,259

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

5. PROPERTY TAXES

A. Ad Valorem Property Taxes

Property tax collections are governed by Chapter 197, Florida Statutes. The Duval County Tax Collector bills and collects all property taxes levied within the consolidated city/county. Discounts of 4, 3, 2, and 1% are allowed for early payment in November, December, January, and February, respectively. The total millage rate levied by the City was 11.3169 for the fiscal year ended September 30, 2023.

The Florida Constitution, as amended under Article VII, Section 4, limits the increase in homestead property valuations for ad valorem tax purposes to a maximum of the lesser of (i) three percent (3%) of the assessment for the prior year, or (ii) the percent change in the Consumer Price Index for the preceding calendar year. The first tax year in which the limitations of these constitutional provisions applied was January 1, 1995. Calendar year 1995 is the base year upon which assessed just value of the homestead property is determined. For non-homesteaded property, increases are capped at 10% of the previous year's assessed value, regardless of market value changes. This process is referred to as "recapture" and was enacted into law in 2009. It does not apply to any millage levied by the School Board. (Section 193.1555 FS)

B. Property Tax Calendar

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

January 1	Property taxes are based on assessed value at this date as determined by the Duval County Property Appraiser.
July 1	Assessment roll approved by the State.
September	Millage resolution approved by the City Council. Usually the 2 nd Council meeting in September.
October 1	Beginning of fiscal year for which taxes have been levied.
November 30	Last day for 4% maximum discount.
April 1	Unpaid property taxes become delinquent.
May 31	Tax certificates are sold by the Duval County Tax Collector by this date. This is the first lien date on the properties.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

6. CAPITAL ASSETS ACTIVITY

Capital assets activity for the year ended September 30, 2023, was as follows (in thousands):

Primary Government

	Beginning Balance September 30, 2022	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 308,308	\$ 20,667	\$ -	\$ 328,975
Easements	-	-	-	-
Art In Public Places	1,141	-	-	1,141
Construction in progress	38,582	58,609	(80,037)	17,154
Total capital assets not being depreciated	348,031	79,276	(80,037)	347,270
Capital assets being depreciated:				
Buildings and improvements	814,810	62,148	(106)	876,852
Infrastructure	2,715,970	158,447	(144)	2,874,273
Furniture, equipment and library books	501,061	71,061	(39,242)	532,880
Intangible assets	46,181	57	-	46,238
Right-to-use asset - buildings	22,388	-	-	22,388
Right-to-use asset - equipment	689	36	-	725
Right-to-use asset - infrastructure	1,504	-	-	1,504
Right-to-use asset - land	868	-	-	868
Right-to-use asset - land improvements	-	26	-	26
Right-to-use asset - other leases	3,535	-	(142)	3,393
Right-to-use asset - software subscriptions	27,058	895	(3,335)	24,618
Total assets being depreciated	4,134,064	292,670	(42,969)	4,383,765
Less accumulated depreciation for:				
Buildings and improvements	282,982	16,951	-	299,933
Infrastructure	1,176,611	63,529	-	1,240,140
Furniture, equipment and library books	279,100	48,947	(34,079)	293,968
Intangible assets	39,325	518	-	39,843
Right-to-use asset - buildings	3,821	2,041	-	5,862
Right-to-use asset - equipment	284	250	-	534
Right-to-use asset - infrastructure	226	112	-	338
Right-to-use asset - land	242	121	-	363
Right-to-use asset - land improvements	-	1	-	1
Right-to-use asset - other leases	73	111	-	184
Right-to-use asset - software subscriptions	5,047	6,025	(3,335)	7,737
Total accumulated depreciation	1,787,711	138,606	(37,414)	1,888,903
Total capital assets being depreciated, net	2,346,353	154,064	(5,555)	2,494,862
Governmental activities capital assets, net	\$ 2,694,384	\$ 233,340	\$ (85,592)	\$ 2,842,132

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

6. CAPITAL ASSETS ACTIVITY (continued)

	Beginning Balance September 30, 2022	Additions	Dispositions/ Reclassifications	Ending Balance September 30, 2023
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 46,364	\$ -	\$ -	\$ 46,364
Easements	546	-	-	546
Construction in progress	78,745	82,840	(66,164)	95,421
Total capital assets not being depreciated	125,655	82,840	(66,164)	142,331
Capital assets being depreciated:				
Buildings and improvements	741,484	389	-	741,873
Infrastructure	93,608	8,654	-	102,262
Furniture and equipment	18,033	958	(178)	18,813
Right-to-use asset - land (JEA Bay Street)	220	-	-	220
Right-to-use asset - software subscriptions	-	198	-	198
Total assets being depreciated	853,345	10,199	(178)	863,366
Less accumulated depreciation for:				
Buildings and improvements	297,918	11,492	-	309,410
Infrastructure	122,973	12,027	-	135,000
Furniture and equipment	14,113	1,183	-	15,296
Right-to-use asset - land (JEA Bay Street)	37	18	-	55
Right-to-use asset - software subscriptions	-	61	-	61
Total accumulated depreciation	435,041	24,781	-	459,822
Total capital assets being depreciated, net	418,304	(14,582)	(178)	403,544
Business-type activities capital assets, net	\$ 543,959	\$ 68,258	\$ (66,342)	\$ 545,875

Governmental activities:

General government	\$ 56,096
Human services	1,969
Public safety	13,740
Culture and recreation	15,515
Transportation	6,027
Economic environment	1,681
Physical environment	43,578
Total depreciation expense - governmental activities	<u>\$ 138,606</u>

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

Business-type activities:

Public Parking System	\$ 326
Solid Waste	588
Stormwater Services	4,696
Equestrian Center	711
City Venues	18,435
Sports Complex Capital	25
Total depreciation expense - business-type activities	<u>\$ 24,781</u>



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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

7. INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS

	TRANSFERS OUT		
	MAJOR GOVERNMENT FUNDS		
	General Fund	Better Jacksonville Plan Trust	Non-Major Government Funds
TRANSFERS IN (in thousands)			
MAJOR FUNDS			
General Fund	\$ -	\$ -	\$ 403
Special Bonded Debt Better Jacksonville Plan	-	68,173	
Other Federal State and Local Grants	7,058	-	118
General Projects	11,849	-	7,126
Solid Waste	24,895	-	-
City Venues	27,159	18,250	-
NON-MAJOR FUNDS			
Non-Major Government	88,677	1,770	4,151
Non-Major Enterprise	938	-	-
Internal Service	1,127	-	-
	<u>\$ 161,703</u>	<u>\$ 88,193</u>	<u>\$ 11,798</u>

During the regular course of operations, fund transfers are executed to provide operational support to the recipient fund. In the fiscal year 2023, approximately 22% of the total transfers from the General Fund were allocated to service debt principal and interest. A significant portion of the outflows from the General Fund was directed towards the support of Non-Major Governmental funds, with Special Revenue funds receiving the largest share. The General Fund also facilitated transfers to Major Enterprise funds, which encompass City Venues and Solid Waste Disposal. Internal Service funds, which include Fleet, Information Technologies, and Self Insurance, received less than 1% of the support from the General Fund.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

TRANSFERS OUT					
ENTERPRISE FUNDS			SERVICE		
Solid Waste Disposal	City Venues	Non Major Enterprise	Internal Service	Total	
\$ 15,446	\$ -	\$ -	\$ 6,538	\$ 22,386	
-	-	-	-	68,173	
-	-	-	-	7,176	
-	-	-	-	18,975	
-	-	-	-	24,895	
-	-	5,255	-	50,664	
-	59	-	-	94,658	
235	-	-	-	1,173	
-	-	-	-	1,127	
\$ 15,681	\$ 59	\$ 5,255	\$ 6,538	\$ 289,228	

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

As of September 30, 2023, a few funds had negative cash balances. To adequately bolster these funds, a cash transfer was executed between the General Fund and the funds with negative cash balances. This transfer utilized 'due from / due to' account combinations, representing receivables and payables, respectively. The asset balance of the General Fund, due from other funds, is \$104 million. The liability balances due to other funds are presented below:

Due to (Liability)	Amount (in thousands)
Major Governmental Funds	
General Projects	\$ 36,507
Other Federal, State & Local Grants	1,455
Non-major Governmental Funds	
Capital Projects	10,418
Special Revenue	28,814
Permanent	286
Internal Service	18,163
Pension Trust	2,752
Private Purpose	20
Component Unit	5,641

In fiscal year 2003, the City passed an ordinance to enter into a redevelopment agreement with Vestcor Companies and its subsidiaries for the redevelopment of the Lynch Building as a City historic landmark. In fiscal year 2003, the City used internal self-insurance funds, in an amount of \$17.8 million to provide financing for the Lynch Building project. The Self-Insurance Fund will be repaid on an annual basis with funds from the Northbank Downtown Tax Increment District. The terms of repayment are a 30-year amortization, with a 20-year term at a fixed interest rate of 6% per year. Annual payments are \$800,000 which includes both principal and interest. The balance of the loan at September 30, 2023, was \$7.35 million which is recorded in the Self Insurance Fund as other receivables noncurrent.

Vestcor will repay the City an amount of \$17.8 million to the Downtown Economic Development fund as initially created by ordinance 2000-1079-E. The original terms of the repayment were a 40-year amortization, with a 20-year term at a fixed interest rate of 1.525% per year. Annual principal and interest payments were initially scheduled for \$595,248 but were reduced to interest-only payments for the three-year period beginning March 1, 2010. The deferred principal payments were added to the balloon payment. A second modification agreement (Ordinance 2014-280) allowing suspension of half of the principal payments for a period of three years from October 2013 to September 2016 was approved by Council. Deferred principal payments have been added to the balloon payment which is now \$11 million due on March 1, 2026. The balance of the loan at September 30, 2023, was \$12.1 million which is recorded in the Downtown Economic Development Fund.

The loan agreement was revised again through Resolution 2023-313-E to modify the interest rate from 1.525% to 3% beginning July 1, 2023, for the remainder of the term. The new due date will be March 1, 2026.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS

A. Bonds and Loans Outstanding

Bonds and loans outstanding at September 30, 2023, are comprised of the following (in thousands):

GOVERNMENTAL ACTIVITIES:	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost ⁽¹⁾
Revenue Bonds Supported by General Fund:				
Special Revenue Bonds				
* Series 2012C	\$ 183,058	\$ 9,855	5.000%	2.537%
Series 2012D	11,840	1,245	5.000	1.573
* Series 2014	61,401	52,083	5.000	3.284
Series 2016A	48,134	39,565	4.000 - 5.000	2.386
* Series 2017A	10,600	10,600	5.000	3.402
* Series 2019A	100,334	85,748	5.000	⁽³⁾ 2.005
Series 2020C	66,765	63,365	0.594-2.766	2.171
* Series 2022A	68,060	68,060	5.000	2.071
* Series 2023A	23,922	23,922	5.000 - 5.500	3.655
Total Revenue Bonds Supported by General Fund	<u>\$ 601,289</u>	<u>\$ 354,443</u>		

	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost ⁽¹⁾
Special Revenue (Covenant) Bonds Payable from Internal Service Operations:				
Special Revenue Bonds:				
Series 2013B	\$ 35,145	\$ 5,185	3.793-4.643% (taxable)	3.469%
* Series 2014	36,975	30,375	5.000	3.284
Series 2016A	44,081	26,650	3.000 - 5.000	2.386
* Series 2017A	80,330	66,625	5.000 - 5.250	3.402
Series 2018	72,540	40,570	5.000	3.212
* Series 2019A	50,960	43,600	5.000	2.534
Series 2020A	122,991	103,730	4.000 - 5.000	2.309
Series 2020C	38,720	33,575	0.594-2.766 (taxable)	2.203
* Series 2021A	87,670	84,020	3.000 - 5.000	1.963
Series 2022B	28,682	28,682	2.770	2.816
Series 2022C	99,175	99,175	5.000 - 5.250	3.692
* Series 2023A	232,003	232,003	5.000 - 5.500	3.329
Total Special Revenue Bonds Payable from Internal Service Operations	<u>\$ 929,272</u>	<u>\$ 794,190</u>		

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

A. Bonds and Loans Outstanding (continued) (in thousands)

	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost ⁽¹⁾
Notes Payable from Internal Service Operations:				
Amortizing Short Term Debt	\$ 67,900	\$ 41,300	Variable ⁽²⁾	N/A
Total Notes Payable from Internal Service Operations	\$ 67,900	\$ 41,300		
Total bonds and notes payable from Internal Service Funds	\$ 997,172	\$ 835,490		
Revenue Bonds Supported by BJP Revenues:				
Transportation Sales Tax Revenue Bonds:				
Series 2015	\$ 197,295	\$ 180,525	2.250-5.000%	3.211%
Series 2018	53,180	18,960	5.000	2.460
Series 2020	155,040	126,045	0.700-2.050	1.669
Infrastructure Sales Tax Revenue Bonds:				
* Series 2012A	41,095	4,335	5.000	3.773
Series 2016	67,070	49,140	3.000 - 5.000	2.433
Series 2021	16,530	8,285	0.425	0.611
* Series 2022	149,871	121,306	2.540	2.590
* Series 2023	28,520	28,520	4.110	4.112
* Series 2023B	27,135	27,135	5.000	4.230
Total Revenue Bonds Supported by BJP Revenues	\$ 735,736	\$ 564,251		
Special Revenue (Covenant) Bonds Supported by BJP Revenues:				
Special Obligation Bonds:				
Series 2016B	\$ 58,645	\$ 50,020	2.250 - 5.000%	2.043%
Series 2019B	45,535	45,535	5.000	2.162
Series 2020B	15,670	11,230	5.000	0.578
Total Special Revenue Bonds Supported by BJP Revenues	\$ 119,850	\$ 106,785		

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

A. Bonds and Loans Outstanding (continued) (in thousands)

	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost ⁽¹⁾
Notes Payable Supported by BJP Revenues:				
State of Florida Infrastructure Bank: Series 2005	\$ 40,000	\$ 1,735	2.000%	1.901%
Total Notes Payable Supported by BJP Revenues	\$ 40,000	\$ 1,735		
Total Bonds and Notes Supported by BJP Revenues	\$ 895,586	\$ 672,771		
Total Governmental Activities	\$ 2,494,047	\$ 1,862,704		

BUSINESS-TYPE ACTIVITIES:

	Amount Issued	Amount Outstanding	Remaining Coupon Rates	True Interest Cost ⁽¹⁾
Revenue Bonds Supported by Business-Type Activities:				
Infrastructure Sales Tax Revenue Bonds:				
* Series 2012A	\$ 73,795	\$ 4,310	5.000%	3.773%
Special Obligation Bonds:				
* Series 2014	1,784	1,512	5.000	3.284
* Series 2017A	21,935	18,675	5.000	3.402
* Series 2019A	331	277	5.000	2.004
* Series 2021A	10,230	9,400	3.000-5.000	1.963
* Series 2022	112,879	91,364	2.540	2.590
* Series 2022A	52,320	52,320	5.000	2.071
* Series 2023	21,480	21,480	4.110	4.112
Total Revenue Bonds Supported by Business-Type Activities	\$ 294,754	\$ 199,339		
Total bonds and notes payable from Business-Type Activities	\$ 294,754	\$ 199,339		

COMPONENT UNITS:

Bond and notes payable:	
JEA	\$ 2,794,885
JPA	203,963
JTA	105,325
Total Component Unit bonds and notes payable	\$ 3,104,173

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

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

(2) Variable Rate Debt - interest rate of 4.20% on September 30, 2023.

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

B. Debt Service Requirements to Maturity

The debt service requirements to maturity on long-term obligations at September 30, 2023, are as follows (in thousands). The amounts reported in the table below include designated maturities established by management (see discussion below) but does not reflect any accelerated amortizations that may result under term out provisions.

Fiscal Year Ending September 30	Bonds and Notes Payable from Governmental Activities				Bonds Payable from Business-type Activities		Principal and Interest- Primary Government	Component Units	
	Supported by General Revenues and Internal Service Funds		Supported by BJP Revenues		Enterprise Funds				
	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest
2024	\$ 60,540	\$ 48,583	\$ 51,659	\$ 21,503	\$ 14,795	\$ 6,942	\$ 204,022	\$ 103,988	\$ 134,820
2025	66,106	51,672	97,086	19,968	48,437	6,194	289,464	121,730	129,181
2026	63,627	48,688	105,908	16,449	44,868	4,646	284,185	134,723	123,470
2027	59,569	45,831	108,438	12,720	41,361	3,179	271,098	302,228	116,851
2028	58,713	43,088	51,865	9,849	8,730	2,276	174,520	178,022	101,604
2029-2033	338,453	170,956	223,070	20,714	33,321	5,014	791,527	852,110	390,521
2034-2038	286,129	93,258	34,745	3,065	7,827	1,013	426,037	937,522	191,469
2039-2043	146,192	41,888	-	-	-	-	188,080	428,875	42,726
2044-2048	52,405	22,082	-	-	-	-	74,487	38,135	4,507
2049-2053	47,885	9,429	-	-	-	-	57,314	3,920	98
2054-2058	10,315	284	-	-	-	-	10,599	-	-
Totals	\$ 1,189,933	\$ 575,758	\$ 672,771	\$ 104,269	\$ 199,339	\$ 29,263	\$ 2,771,333	\$ 3,101,253	\$ 1,235,247

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

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

B. Debt Service Requirements to Maturity (continued)

Fiscal Year Ending September 30	<i>by Stated Maturity</i>							
	Supported by General Revenue and Internal Service Funds			Supported by BJP Revenues				Total All Programs
	Special Revenue Series 2022C	Special Revenue Series 2023A	Total	Special Revenue Series 2023B	Sales Tax Series 2022	Sales Tax Series 2023	Total	
2023	-	-	-	-	-	-	-	-
2024	-	-	-	7,135	47,130	16,200	70,465	70,465
2025	-	-	-	10,000	37,570	16,600	64,170	64,170
2026	-	-	-	10,000	29,135	17,200	56,335	56,335
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	7,200	7,200	-	-	-	-	7,200
2032	-	7,200	7,200	-	-	-	-	7,200
2033	9,970	-	9,970	-	-	-	-	9,970
2034	9,970	-	9,970	-	-	-	-	9,970
2035	9,970	-	9,970	-	-	-	-	9,970
2036	9,970	-	9,970	-	-	-	-	9,970
2037	9,970	-	9,970	-	-	-	-	9,970
Total by Series	\$ 49,850	\$ 14,400	\$ 64,250	\$ 27,135	\$ 113,835	\$ 50,000	\$ 190,970	\$ 255,220

Fiscal Year Ending September 30	<i>by Designated Maturity</i>							
	Supported by General Revenue and Internal Service Funds			Supported by BJP Revenues				Total All Programs
	Special Revenue Series 2022C	Special Revenue Series 2023A	Total	Special Revenue Series 2023B	Sales Tax Series 2022	Sales Tax Series 2023	Total	
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	6,380	26,650	9,695	42,725	42,725
2028	-	-	-	6,645	27,820	10,075	44,540	44,540
2029	-	-	-	6,915	29,045	10,465	46,425	46,425
2030	-	-	-	7,195	30,320	19,765	57,280	57,280
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	2,515	-	2,515	-	-	-	-	2,515
2039	2,610	-	2,610	-	-	-	-	2,610
2040	2,710	-	2,710	-	-	-	-	2,710
2041	2,815	-	2,815	-	-	-	-	2,815
2042	2,925	-	2,925	-	-	-	-	2,925
2043	3,040	-	3,040	-	-	-	-	3,040
2044	3,155	3,030	6,185	-	-	-	-	6,185
2045	3,280	2,905	6,185	-	-	-	-	6,185
2046	3,405	2,865	6,270	-	-	-	-	6,270
2047	3,540	2,825	6,365	-	-	-	-	6,365
2048	3,675	2,775	6,450	-	-	-	-	6,450
2049	3,815	-	3,815	-	-	-	-	3,815
2050	3,965	-	3,965	-	-	-	-	3,965
2051	4,120	-	4,120	-	-	-	-	4,120
2052	4,280	-	4,280	-	-	-	-	4,280
Total by Series	\$ 49,850	\$ 14,400	\$ 64,250	\$ 27,135	\$ 113,835	\$ 50,000	\$ 190,970	\$ 255,220

The debt service requirements to maturity for the City's direct borrowings and direct placements are presented within the Supplementary Information section; these direct borrowings are comprised of (i) Better Jacksonville Sales Tax Revenue Refunding Bond, Series 2021, (ii) Taxable Special Revenue Bond, Series 2022B, (iii) Better Jacksonville Sales Tax Revenue Refunding Bond, Series 2022, and (iv) Better Jacksonville Sales Tax Revenue Refunding Bond, Series 2023.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

C. Changes in Long-Term Liabilities

Changes in long-term liabilities for the fiscal year ended September 30, 2023, are as follows (in thousands):

	Balance September 30, 2022	Additions	Reductions	Balance September 30, 2023	Due within one year
Governmental Activities:					
Debt activity supported by general revenues:					
Revenue bonds	\$ 383,275	\$ 23,922	\$ 52,754	\$ 354,443	\$ 26,751
Debt activity- general revenues	383,275	23,922	52,754	354,443	26,751
Bonds/notes payable - Debt Management Fund					
Special revenue (covenant) bonds	615,655	232,003	53,468	794,190	33,789
Notes payable	26,600	41,300	26,600	41,300	41,300
Debt activity - internal service funds	642,255	273,303	80,068	835,490	75,089
Debt activity - general revenues and internal service	1,025,530	297,225	132,822	1,189,933	101,840
Debt activity supported by BJP revenue:					
Revenue bonds - BJP	593,576	55,655	93,265	555,966	22,450
Revenue bonds - BJP from direct borrowing	16,530	-	8,245	8,285	8,285
Special revenue (covenant) bonds - BJP	178,450	-	71,665	106,785	2,745
Notes payable - BJP	4,099	-	2,364	1,735	1,735
Debt activity - BJP	792,655	55,655	175,539	672,771	35,215
Total governmental activities	1,818,185	352,880	308,361	1,862,704	137,055
Other related debt amounts:					
Issuance premiums	190,038	29,289	19,293	200,034	-
Issuance discounts	(1,251)	-	(161)	(1,090)	-
Total other related debt amounts	188,787	29,289	19,132	198,944	-
Accrued Compensated Absences	116,290	64,779	36,868	144,201	43,261
Estimated Liability for Self-Insured Losses	167,951	120,454	127,527	160,878	34,282
Pollution Remediation	88,343	23,075	-	111,418	-
Other Post - Employment Benefits	338,399	17,396	-	355,795	-
Leases payable	25,051	62	2,341	22,772	-
Software subscriptions payable	19,746	847	5,786	14,807	-
Net Pension liability	2,905,810	1,198,064	-	4,103,874	-
Governmental activity long-term obligations	\$ 5,668,562	\$ 1,806,846	\$ 500,015	\$ 6,975,393	\$ 214,598

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

C. Changes in Long-Term Liabilities (continued)

	Balance September 30, 2022	Additions	Reductions	Balance September 30, 2023	Due within one year
Business-Type Activities:					
Revenue Bonds	\$ 201,151	\$ 21,480	\$ 23,292	\$ 199,339	\$ 14,795
Issuance premiums	13,423	-	1,328	12,095	-
Total Revenue Bonds, less Unamortized Discount/(Premium)	214,574	21,480	24,620	211,434	14,795
Accrued Compensated Absences	1,822	1,060	222	2,660	798
Liability for Landfill Closure and Post Closure Care	41,339	25,839	-	67,178	-
Loans payable - Debt Management	84,842	26,714	6,933	104,623	3,588
Leases payable	194	1	18	177	-
Software subscriptions payable	-	198	99	99	-
Business-type activity long-term obligations	<u>\$ 342,771</u>	<u>\$ 75,292</u>	<u>\$ 31,892</u>	<u>\$ 386,171</u>	<u>\$ 19,181</u>
Component Unit Activities:					
JEA	\$ 2,733,955	\$ 135,000	\$ 74,070	\$ 2,794,885	\$ 89,375
JPA	214,103	-	8,225	205,878	8,668
JTA	112,541	-	7,216	105,325	5,945
Component unit activity long-term obligations	<u>\$ 3,060,599</u>	<u>\$ 135,000</u>	<u>\$ 89,511</u>	<u>\$ 3,106,088</u>	<u>\$ 103,988</u>

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

D. Reconciliation of Debt Issued with Financial Reporting Classifications

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

Bond Series	Original Amount Issued	Outstanding debt reported in		Total Amount Outstanding
		Governmental Activities	Business-type Activities	
BJP Infrastructure Sales Tax Revenue Bonds:				
Series 2012A	\$ 114,890	\$ 4,335	\$ 4,310	\$ 8,645
Series 2022	262,750	121,306	91,364	212,670
Series 2023	50,000	28,520	21,480	50,000
Special Revenue Bonds:				
Series 2014	100,160	88,695	1,512	90,207
Series 2017A	112,865	77,225	18,675	95,900
Series 2019A	151,625	129,348	277	129,625
Series 2021A	97,900	84,020	9,400	93,420
Series 2022A	120,380	68,060	52,320	120,380

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

E. Pledged Revenues

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

	Range of re maining term	Approximate future principal and interest	Current year revenue received	Current year principal and interest	Principal and interest as % of revenue
Better Jacksonville					
Transportation Sales Tax:	2024 - 2038	\$ 386,678,754	\$ 139,673,504	\$ 35,801,750	25.6%
Better Jacksonville					
Infrastructure Sales Tax:	2024 - 2031	234,220,664	124,018,825	37,359,339	30.1
with SIB Loans:	2024 - 2031	235,990,489	124,018,825	39,805,439	32.1

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

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

F. New Indebtedness Issued

On August 1, 2023, the City closed on a \$50.0 million bank loan referred to as the Better Jacksonville Sales Tax Refunding Revenue Bond, Series 2023. The 2023 loan has a true interest cost of 4.11%, an average coupon rate of 4.11% and a maturity date of October 1, 2026. The proceeds of the 2023 loan were used to refund the City's outstanding Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2022. The agreement provided net proceeds of \$50.0 million, which is inclusive of the cost of issuance totaling \$118,250.

On September 14, 2023, the City closed on the sale of \$255.925 million Special Revenue and Refunding Bonds, Series 2023A. The Series 2023A bonds have a true interest cost of 4.25%, an average coupon rates of 5.00% (refunding portion) and 5.23% (new-money portion) and maturity dates of October 1, 2040 (refunding portion) and October 1, 2053 (new-money portion). The proceeds of the 2023A bonds were used to fully refund the City's outstanding Series 2013A (\$46.285 million par defeased), to finance and refinance the acquisition and construction of certain capital equipment and improvements for the City (\$208.40 million), and to fix out a portion of the City's outstanding commercial paper debt (\$26.60 million). For the refunding portion, the issuance provided net proceeds of \$45.16 million, which is inclusive of underwriter's discount and cost of issuance totaling \$265,701; it also resulted in net present-value of savings of \$5.18 million and a reduction in debt service in the amount of \$7.08 million; for the new-money and fix-out portion, the issuance provided net proceeds of \$236.30 million, which is inclusive of underwriter's discount and cost of issuance totaling \$1.30 million.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

F. New Indebtedness Issued (continued)

On September 14, 2023, the City also closed on the sale of \$27.135 million Special Revenue Refunding Bonds, Series 2023B. The 2023B bonds have a true interest cost of 3.33%, an average coupon rate of 5.00% and a maturity date of October 1, 2026. The proceeds of the Series 2023B bonds were used to fully refund the City's outstanding Special Revenue Refunding Bonds, Series 2013C (\$31.565 million par defeased). The issuance provided net proceeds of \$28.13 million, which is inclusive of underwriter's discount and cost of issuance totaling \$178,072. The refunding of the Special Revenue Refunding Bonds, Series 2013C resulted in net present-value savings of \$2.66 million and a decrease in aggregate debt service in the amount of \$11.47 million.

On September 27, 2023, the City closed on the sale of Commercial Paper Notes in the amount of \$41.30 million for the purposes of funding short-term projects, and interim funding for long-term projects, with an initial interest rate of 4.20%.

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

The City has authorized the issuance of its commercial paper notes in the aggregate principal amount of up to \$150 million outstanding at any one time; however, such amount is limited to the capacity of an applicable credit facility. On September 8, 2023, the City amended and extended its existing letter of credit with Bank of America, N.A. (the "Credit Facility Provider"), the sole credit facility supporting its commercial paper program. The letter of credit supports the issuance of \$100 million in principal amount of commercial paper notes. The letter of credit has a stated expiration date of September 8, 2025, subject to reduction and earlier termination in accordance with its terms. The commercial paper notes are payable from certain excise taxes and the local government half cent sales taxes received by the City and are issued on a junior and subordinate basis to certain outstanding and future senior lien debt issued by the City and payable from excise taxes or local government half cent sales taxes.

As of September 30, 2023, \$41.3 million in commercial paper notes were outstanding. In the event of a default under the reimbursement agreement governing the letter of credit, the Credit Facility Provider may reduce the stated amount of the letter of credit to the amount then outstanding under the letter of credit, issue a final drawing notice which would terminate the letter of credit 15 days after receipt thereof, or seek enforcement under the authorizing ordinance by law or equity, by suit, action or mandamus, or other proceeding, including the right to appoint a receiver to enforce and compel performance under the ordinance.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

H. Non-Asset Debt

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

<u>Debt Type</u>	<u>Entity or Purpose</u>	<u>Amount</u>
<u>Special Revenue Bonds</u>		
Special Revenue Refunding Bonds, Series 2012C	Shands Jacksonville Medical Center	\$ 4,195
Special Revenue Series 2019A	Zoo Funding	4,528
Special Revenue Series 2020A	Non-asset portion	50,513
Special Revenue Series 2021A		19,381
Special Revenue Series 2022B		28,682
Special Revenue Series 2022C		348
Special Revenue Series 2023A		35,666
Total Special Revenue Bonds		<u>143,312.69</u>
<u>Better Jacksonville Plan (BJP) Transportation Bonds</u>		
Various Special Revenue and Refunding Bonds	Jacksonville Transportation Authority (JTA) road projects	9,125
<u>BJP State Infrastructure Bank Loan</u>		
Loan #1	JTA road projects - BJP	1,735
Total BJP State Infrastructure Bank Loan		
<u>Other Bond Issues</u>		
Various	Misc. projects – other	17,772
Total Other Bond Issues		
<u>Debt Management Fund Financed Projects</u>		
Various	Misc. projects – other	282,523
Commercial Paper (2023)	Misc. projects – other	7,459
GRAND TOTAL		<u>\$ 461,927</u>

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

I. Defeased Debt

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

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

<u>Issue</u>	<u>Refunded by</u>	<u>Principal Balance at September 30, 2023</u>	<u>Investment Balance with Escrow Agent at September 30, 2023 (a)</u>
Capital Improvement Refunding Revenue Bonds, Series 2012	Cash Defeasance	\$ 7,110	\$ 7,213
Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2013A	Taxable Special Revenue and Refunding Bonds, Series 2023A	40,745	47,299
Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2013C	Taxable Special Revenue and Refunding Bonds, Series 2023B	27,135	32,295
Capital Improvement Refunding Revenue Bonds, Series 2017B	Cash Defeasance	31,455	33,134
Transportation Refunding Revenue Bonds, Series 2020	Cash Defeasance	11,200	11,225
Transportation Refunding Revenue Bonds, Series 2020	Cash Defeasance	7,270	6,932
Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2022	Better Jacksonville Sales Tax Refunding Revenue Bonds, Series 2023	50,080	50,255

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

J. Conduit Debt

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

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

As of September 30, 2023, the City had \$46.8 million of IDBs and PABs total principal outstanding. From time to time, certain issues of such conduit debt may be in default or under investigation as to tax-exempt status of interest on such debt, however, this has no effect on the City's financial position.

As of September 30, 2023, the City had a total of \$492.7 million in conduit debt consisting of Jacksonville Housing Finance Authority, formerly Duval County Housing Finance Authority Single Family and Multi-Family bonds outstanding. The amount of Single-Family Housing bonds outstanding was \$42.6 million. The amount of Multi-Family Housing bonds outstanding was \$450 million. Multi-Family and Single-Family Refunding of previous issues makes up \$25.7 million of the total amount outstanding.

As of September 30, 2023, outstanding conduit debt includes \$439 million of Jacksonville Health Facilities Authority Bonds.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

8. LONG-TERM OBLIGATIONS (continued)

K. Interest Expense

Total interest expense for the fiscal year ended September 30, 2023, was \$40.5 million for governmental activities and \$12.2 million for business-type activities.

L. Component Unit Long-Term Debt

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

JEA
225 North Pearl Street
Jacksonville, Florida 32202

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

JTA
100 LaVilla Center Drive
Jacksonville, Florida 32204

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS

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

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

B. Plan Description and Administration

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

B. Plan Description and Administration (continued)

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

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

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

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

The Jacksonville Retirement System's defined benefit pension plans are administered by a nine (9) member board of trustees. The board is comprised of the following officers:

- i. The Chief Administrative Officer of the City or designee;
- ii. The Chief Financial Officer or designee;
- iii. The Chief Human Resources Officer;
- iv. The Chairperson of the General Employees' Pension Advisory Committee;
- v. The Chairperson of the Corrections Officers' Pension Advisory Committee;
- vi. A GERP retiree chosen by the Retired Employees' Association;
- vii. A retired corrections officer chosen by the Corrections Officers' Advisory Committee; and
- viii. Two citizens appointed by the City Council with professional experience in finance, investments, economics, pension management, pension administration and/or accounting.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

B. Plan Description and Administration (continued)

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

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

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

D. Plan Membership

Pension plan membership consisted of the following:

	Pension Membership		
	<u>Jacksonville Retirement System</u>		
	<u>General</u>	<u>Corrections</u>	<u>Police</u>
	<u>Employees'</u>	<u>Officers'</u>	<u>and Fire</u>
	<u>Pension Plan</u>	<u>Pension Plan</u>	<u>Pension Plan</u>
Membership:	As of 10/1/2022	As of 10/1/2022	As of 10/1/2022
Retirees and beneficiaries currently receiving benefits	5,339	405	2,899
Deferred retirement option (DROP) participants	-	64	425
Terminated employees vested, not yet receiving benefits	147	3	94
Active employment plan members	3,027	382	1,872
Total plan membership	<u>8,513</u>	<u>854</u>	<u>5,290</u>

E. Plan Benefits Provided

- 1)** The **General Employees' Retirement Plan** (defined benefit) was closed for new employees of the City of Jacksonville, JEA, JHA (Jacksonville Housing Authority) and NFTPO (North Florida Transportation Planning Organization) hired after October 1, 2017. Elected officials are members of the Florida Retirement System - Elected Officer Class. Participation in the Jacksonville Retirement System was mandatory for all full-time employees of the City who otherwise met the requirements for participation. Members of the GERP are eligible to retire with a normal pension benefit upon achieving one of the following:

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

E. Plan Benefits Provided (continued)

1) The General Employees' Retirement Plan (continued)

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

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

Each member and survivor is entitled to a cost-of-living adjustment (COLA). The COLA consists of a three (3) percent increase of the retiree's or survivor's pension benefits, which compounds annually. The COLA commences in the first full pay period of April occurring at least 4.5 years (and no more than 5.5 years) after retirement. In addition, there is a supplemental benefit. The supplemental benefit is equal to five dollars (\$5) multiplied by the number of years of credited service. This benefit may not exceed one-hundred and fifty dollars (\$150) per month.

2) The Corrections Officers' Retirement Plan was closed to all new hires after October 1, 2017. It consists solely of corrections officer employees of the City. Participation in the Jacksonville Retirement System was mandatory for all full time corrections officers of the City who otherwise meet the requirements for participation. Members of the Corrections Officers' Retirement Plan are eligible to retire with a full pension benefit upon achieving one of the following:

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

Upon reaching one of the conditions required for a time service retirement, a member's time service retirement benefit is calculated as follows:

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

E. Plan Benefits Provided (continued)

2) The Corrections Officers' Retirement Plan (continued)

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

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

The Deferred Retirement Option Program (DROP) is a program in which a member defers receipt of normal retirement benefits while continuing employment with the City. If a member elects to participate in the DROP, they must terminate their employment with the City of Jacksonville and retire from service no later than the end of the DROP participation period previously designated. Upon the effective date of participating in the DROP, a member's years of service and final monthly compensation become frozen for purposes of determining pension benefits. Additional service beyond the date of DROP participation no longer accrues any additional benefits under the Jacksonville Retirement System.

The deferred monthly retirement benefits accrue in the Corrections Officers' Pension Plan on behalf of the member, plus interest compounded monthly, for the time of DROP participation. The interest paid on the DROP balance accrues at the same rate as the investment portfolio held by the Jacksonville Retirement System. In addition, the Corrections Officers' Pension Plan will deduct two (2) percent from base pay and any service raise of DROP participants as their member contributions instead of the normal ten (10) percent deduction.

Upon termination of employment, the member will receive the total DROP benefits and begin to receive the previously determined normal retirement benefits. The money that accumulates during DROP participation may be distributed in accordance with the criteria set forth in Municipal Code Section 120. The balance of the DROP benefits held in trust for DROP participants totaled \$13.5 million as of September 30, 2023.

- 3) The Police and Fire Pension Fund** is a single-employer contributory defined benefit pension plan covering some full-time certified police officers and firefighters employed by the City of Jacksonville Sheriff's Office and Fire and Rescue Department, respectively. The defined benefit plan which provides retirement, disability and death benefits for police officers and firefighters was closed to new hires after October 1, 2017. Retirement benefits are calculated as 3 percent of the employee's final 2-year average salary times the employee's years of service up to 20 years and 2 percent thereafter (80 percent maximum benefit). Employees with 5 or more years of continuous service are eligible to retire at 20 years from the date of employment. Benefits increase 3 percent annually after retirement.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

E. Plan Benefits Provided (continued)

3) The Police and Fire Pension Fund (continued)

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

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

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

4) Florida Retirement System

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. FRS provides vesting of benefits after six to eight years of creditable service depending on enrollment date.

Members are eligible for normal retirement after they have met one of the following: (1) after 30 or 33 years of service regardless of age; (2) six to eight years of service and age 62 or age 65; or (3) 25 years special risk service (age 55 if not continuous). Early retirement may be taken any time after vesting; 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. FRS also provides death and disability benefits. Benefits are established by state statutes.

The funding methods and the determination of benefits payable are provided in various Acts of the State Legislature. These Acts require that employers make actuarially determined contributions at the rates in effect as of July 1, 2023, of 13.57% for regular members, 32.67% for special risk members, 58.68% for elected county officials, 34.52% for senior management, and 21.13% for DROP members.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

E. Plan Benefits Provided (continued)

4) Florida Retirement System (continued)

A full description of benefits and historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is presented in the FRS June 30, 2023, 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.

5) Jacksonville Beach Firefighters' Retirement Plan

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

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

The Jacksonville Beach Firefighters' Retirement Plan is supported by member contributions, Local Employers' contributions (from the cities of Jacksonville and Jacksonville Beach), and investment income from Jacksonville Beach Firefighter Retirement Plan assets.

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

A full description of benefits and historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is presented in the City of Jacksonville Beach's September 30, 2023, annual report. The report may be obtained from the City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, FL 32250.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

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

	Pension Contributions (in thousands)		
	Jacksonville Retirement System		
	General	Corrections	Police
	Employees' Pension Plan	Officers' Pension Plan	and Fire Pension Plan
Required Employee Contribution Rate	10%	10%	10%
Employee Contributions for Fiscal Year Ended 2023	\$26,654	\$3,333	\$17,791
Required Employer Contribution Rate	29.69%	68.07%	96.29%
Employer Contributions for Fiscal Year Ended 2023	\$82,517	\$17,196	\$156,848

G. Pension Investments

- 1) Investment Policy** – The purpose of the City of Jacksonville Retirement System Board and the Police and Fire Pension Board is to administer long-term benefits to the Plans’ participants and their beneficiaries. It is the Boards’ intention that the investment policies be sufficiently specific to be meaningful but adequately flexible to be practical. The investment objective is to preserve the purchasing power of assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing, to the extent reasonable, the short-term volatility of returns. After a thorough review of the expected risk and return of various asset mixes, the Boards of Trustees have established the following target asset allocations for all assets of the City of Jacksonville Retirement System and Police and Fire Pension Fund as indicated in the table below:

Asset Class	Jacksonville Retirement System Target	Police & Fire Pension Fund Target
Domestic equity	30%	37%
International equity	23	20
Fixed income	20	20
Real estate	15	15
Diversifying assets/private investments*	12	8
Total	100%	100%

*Inclusive of MLPs, Private Equity, and Private Credit

The investment policy statement for the Jacksonville Retirement System was ratified on July 1, 2021. The investment policy statement for the Jacksonville Police and Fire Pension Fund was ratified on May 21, 2021. There are no individual investments in JRS or PFPF that exceed 5% of plan assets on September 30, 2023.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

G. Pension Investments (continued)

- 2) Rate of Return** – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended September 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.99% for the JRS and 13.70% for the PFPF.

The long-term expected rate of return on pension plan investments is determined annually by the Board of Trustees of each plan. In determining the long-term expected rate of return, each Board considers the most up-to-date long-term capital markets assumptions of its investment consultant. The long-term capital market assumptions for each major asset class considered by both pension boards as of September 30, 2023, are summarized below:

Asset Class	Long-Term Expected Arithmetic Rate of Return
Large/Mid Cap Domestic Equity	6.75%
Small Cap Domestic Equity	7.25
Developed Large/Mid Cap International Equity	8.50
Emerging Markets Equity	11.25
Core Fixed Income	4.00
Global Fixed Income	3.25
High Yield Fixed Income	7.25
Emerging Market Debt (Hard Currency)	7.50
Core Real Estate	5.75
Non Core Real Estate	8.00
Private Equity	10.00
Private Credit	8.00

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

H. Net Pension Liability

- 1) The components of the net pension liability were as follows:

	Net Pension Liability (in millions)		
	Jacksonville Retirement System		
	General Employees' Pension Plan	Corrections Officers' Pension Plan	Police and Fire Pension Plan
Net Pension Liability :			
Total pension liability	\$ 3,653	\$ 553	\$ 4,933
Plan fiduciary net position	1,827	249	1,993
Net pension liability	\$ 1,826	\$ 304	\$ 2,940
Net position as a % of total pension liability	50.01%	45.12%	40.40%
Actuarial Methods and Assumptions:			
Date of last actuarial valuation	October 1, 2022	October 1, 2022	October 1, 2022
Experience period	5 years	5 years	N/A
Inflation	2.50%	2.50%	2.25%
Salary increases (Long-Term Payroll Inflation)	varied	varied	varied
Investment Rate of Return	6.500%	6.500%	6.500%
Discount Rate	6.500%	6.500%	6.500%
Mortality Tables in use	FRS Non-Special Risk Scale MP2018	FRS Special Risk Scale MP2018	PUB-2010 Headcount Weighted Safety Healthy Employee

- 2) **Discount Rate** – The projection of cash flows used to determine the discount rate assumes plan member contributions are made at their applicable contribution rates and that the employer's contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the Plans' fiduciary net positions are projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plans' investments was applied to all periods of projected benefit payments to determine the total pension liability.
- 3) **Sensitivity of the net pension liability to changes in the discount rate** – The following presents the net pension liabilities of the Plans, calculated using the discount rate and what the Plans' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	Net Pension Liability (in millions)					
	General Employees' Pension Plan		Corrections Officers' Pension Plan		Police and Fire Pension Plan	
	Discount Rate	Net Pension Liability*	Discount Rate	Net Pension Liability	Discount Rate	Net Pension Liability
1% Decrease	5.500%	\$ 1,050	5.500%	\$ 384	5.500%	\$ 3,677
Current Rate	6.500%	\$ 849	6.500%	\$ 304	6.500%	\$ 2,940
1% Increase	7.500%	\$ 681	7.500%	\$ 239	7.500%	\$ 2,348

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

I. City of Jacksonville Retirement System – Financial Information

- 1) The Statement of Net Position – Jacksonville Retirement System – General Employees’ and Corrections Officers’ Plan for the year ended September 30, 2023, is as follows (in thousands):

ASSETS

Equity in cash and investments	\$ 13,565
Receivables	2,606
Investments, at fair value	2,202,883
Securities lending collateral	7,732
TOTAL ASSETS	\$ 2,226,786

LIABILITIES

Obligations under securities lending agreement....	\$ 7,732
Accounts payable and accrued liabilities	27
Accrued compensated absences	48
TOTAL LIABILITIES	7,807

NET POSITION RESTRICTED FOR PENSIONS	\$ 2,218,979
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- 2) The Statement of Changes in Fiduciary Net Position – Jacksonville Retirement System for the year ended September 30, 2023, is as follows (in thousands):

ADDITIONS

Contributions:	
Employer	\$ 99,713
Plan member	29,987
Total contributions	129,700
Other additions	(805)
Net investment income	267,735
Securities lending	26
TOTAL ADDITIONS	396,656

DEDUCTIONS

Benefit payments	233,929
Refund of contributions	18,902
Administrative expenses	1,463
TOTAL DEDUCTIONS	254,294
CHANGE IN NET POSITION	142,362
NET POSITION, BEGINNING OF YEAR	2,076,617
NET POSITION, END OF YEAR	\$ 2,218,979

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

J. Pension Liability, Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

1) Pension Liability

As of September 30, 2023, the City of Jacksonville recorded a net pension liability of \$4,103.8 million. The pension plans providing the information and liability balances are reported below:

	Changes in Net Pension Liability <i>(in thousands)</i>		
	General Employees' Pension Plan	Corrections Officers' Pension Plan	Police and Firefighters' Pension Plan
Changes in Total Pension Liability			
Beginning Pension Liability Balance 10/1/2022	\$ 1,626,338	\$ 515,650	\$ 4,596,792
Service cost	18,565	7,782	71,817
Interest	106,320	33,940	301,237
Change of benefit term	-	-	-
Differences in actuarial experience	17,677	9,464	114,062
Change of assumption	22,669	8,805	81,000
Change in Proportionate Share	4,807	-	-
Benefit payments and refund of contributions	(107,737)	(22,269)	(229,231)
Distributions from Reserve Accounts	-	-	(18,013)
Other Adjustments	-	-	15,798
Net Change in total pension liability	62,301	37,721	336,670
Ending Total Pension Liability 9/30/23	\$ 1,688,639	\$ 553,372	\$ 4,933,462
Changes in Plan Fiduciary Net Position			
Beginning Plan fiduciary net position 10/1/2022	\$ 1,059,668	\$ 297,259	\$ 2,483,023
Contributions - employer	39,199	17,610	157,520
Contributions - employee	12,878	3,153	18,277
Net investment income	(163,161)	(45,934)	(432,100)
Chapter funds and other income	-	-	15,798
Benefit payments and refund of contributions	(107,737)	(22,269)	(229,231)
Administrative expense	(851)	(159)	(2,146)
Distribution from reserve accounts	-	-	(18,013)
Other	-	-	149
Net Change in Plan fiduciary net position	(219,672)	(47,599)	(489,745)
Ending Plan fiduciary net position 9/30/23	\$ 839,996	\$ 249,660	\$ 1,993,278
Net Pension Liability	\$ 848,644	\$ 303,712	\$ 2,940,184

Notes to Schedule:

Change of Assumptions:

Jacksonville Retirement System: As of September 30, 2022, the assumed investment return was lowered from 6.625% to 6.50%.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

**J. Pension Liability, Expense, Deferred Outflows and Deferred Inflows of Resources
Related to Pensions (continued)**

1) Pension Liability (continued)

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

Changes in Net Pension Liability

(in thousands)

	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters' Pension Plan
Changes in Total Pension Liability			
Beginning Pension Liability Balance 10/1/2022	\$ 30,559	\$ 583	\$ 19,390
Service Cost	364	10	394
Interest	1,881	18	1,323
Change of benefit term	175	264	-
Differences in actuarial experience	413	-	18
Change of assumption	-	(11)	694
Change in Proportionate Share	(344)	(59)	-
Benefit payments and refund of contributions	(1,681)	(25)	(836)
Net Change in total pension liability	808	197	1,593
Ending Total Pension Liability 9/30/23	\$ 31,366	\$ 780	\$ 20,983
Changes in Plan Fiduciary Net Position			
Beginning Plan fiduciary net position 10/1/2022	\$ 25,331	\$ 24	\$ 18,196
Contributions - employer	631	35	1,091
Contributions - employee	104	-	135
Net investment income	1,755	-	(2,881)
Benefit payments and refund of contributions	(1,681)	(25)	(836)
Administrative expense	(4)	-	(78)
Net Change in Plan fiduciary net position	805	10	(2,570)
Ending Plan fiduciary net position 9/30/23	\$ 26,137	\$ 34	\$ 15,627
Net Pension Liability	\$ 5,230	\$ 746	\$ 5,357

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

**J. Pension Liability, Expense, Deferred Outflows and Deferred Inflows of Resources
Related to Pensions (continued)**

2) Pension Expense

For the year ended September 30, 2023, the City recognized pension expense of \$309.4 million. The City reported pension expense, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pension Expense

(in thousands)

	Actuarial Pension Expense	Deferred Outflow Contribution Amortization	Reclass of Current Year Contributions to Deferred Outflow	Pension Expense as reported for Fiscal Year 2023
General Employees' Pension Plan	\$ 104,840	\$ -	\$ (38,190)	\$ 66,650
Corrections Officers' Pension Plan	43,075	-	(17,196)	25,879
Police and Firefighters' Pension Plan	373,276	-	(156,848)	216,428
Florida State Retirement Pension	435	-	(716)	(281)
Florida State Retiree Health Subsidy	224	-	(39)	185
Jacksonville Beach Firefighters' Pension Plan	1,201	-	(636)	565
Total Pension Expense	<u>\$ 523,051</u>	<u>\$ -</u>	<u>\$ (213,625)</u>	<u>\$ 309,426</u>

3) Contributions

Contributions of \$213.6 million were reported as deferred outflows of resources related to pensions resulting from City of Jacksonville contributions subsequent to the September 30, 2022, measurement date (FRS measurement date, June 30, 2023) and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023.

Current Year Employer Contributions

(in thousands)

General Employees' Pension Plan	\$ 38,190
Corrections Officers' Pension Plan	17,196
Police and Firefighters' Pension Plan	156,848
Florida State Retirement Pension	716
Florida State Retiree Health Subsidy	39
Jacksonville Beach Firefighters' Pension Plan	636
Total Contributions	<u>\$ 213,625</u>

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

J. Pension Liability, Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

4. Deferred Outflow/Inflow Amortization

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

Deferred Inflows of Resources

(in thousands)

	Differences in expected and actual experience	Changes in assumptions	Difference in projected and actual investment earnings	Changes in proportion
General Employees' Pension Plan	\$ -	\$ -	\$ -	\$ (2,402)
Corrections Officers' Pension Plan	-	-	-	-
Police and Firefighters' Pension Plan	-	-	-	-
Florida State Retirement Pension	-	-	-	(1,632)
Florida State Retiree Health Subsidy	-	(45)	-	(193)
Jacksonville Beach Firefighters' Pension Plan	(372)	-	-	-
Total	\$ (372)	\$ (45)	\$ -	\$ (4,227)

Deferred Outflows of Resources

(in thousands)

	Differences in expected and actual experience	Changes in assumptions	Difference in projected and actual investment earnings	Changes in proportion
General Employees' Pension Plan	\$ 20,561	\$ 36,444	\$ 121,353	\$ -
Corrections Officers' Pension Plan	17,773	15,992	30,441	-
Police and Firefighters' Pension Plan	85,551	144,415	271,752	-
Florida State Retirement Pension	491	341	218	-
Florida State Retiree Health Subsidy	9	-	-	-
Jacksonville Beach Firefighters' Pension Plan	-	532	2,150	-
Total	\$ 124,385	\$ 197,724	\$ 425,914	\$ -

Deferred Outflows and (Inflows) Amortization for Future Years

(in thousands)

	September 30, 2024	September 30, 2025	September 30, 2026	September 30, 2027	September 30, 2028	Thereafter
General Employees' Pension Plan	\$ 51,920	\$ 45,699	\$ 31,921	\$ 46,416	\$ -	\$ -
Corrections Officers' Pension Plan	22,664	16,431	11,996	13,115	-	-
Police and Firefighters' Pension Plan	182,110	135,265	65,405	118,938	-	-
Florida State Retirement Pension	(79)	31	(476)	(45)	(13)	-
Florida State Retiree Health Subsidy	(40)	(24)	(41)	(79)	(42)	(3)
Jacksonville Beach Firefighters' Pension Plan	600	279	599	832	-	-
Total	\$ 257,175	\$ 197,681	\$ 109,404	\$ 179,177	\$ (55)	\$ (3)

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

9. PENSION PLANS (continued)

**J. Pension Liability, Expense, Deferred Outflows and Deferred Inflows of Resources
Related to Pensions (continued)**

5) Defined Contribution Plans

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

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

Total contributions were \$65.9 million for the fiscal year ended September 30, 2023. Contributions totaling \$5.8 million were transferred into the defined contribution plan for participants that converted from defined benefit to defined contribution in addition to employer and employee contributions. Employer pension expense totaled \$44 million comprised of employer contributions and investment management fees net of participant forfeitures in the amount of \$2.1 million.

6) Unfunded Pension Liability

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

Police and Fire Pension and Corrections Pension are governmental fund activities, so their entries are recorded in the citywide governmental activities financial statements as well.

**CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

10. POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Implementation of GASB No. 75:

The Government Accounting Standards Board (GASB) issued GASB No. 75 in June 2015 to replace GASB No. 45, with an effective date for fiscal years beginning after June 15, 2017, thus the City's fiscal year 2018 reporting year.

Summary of GASB No. 75 versus GASB No. 45 key changes:

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

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

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

Retired members of the COJ Plan contributed \$4 million in premiums for fiscal year 2023, representing 31.3% of the total fiscal year 2023 COJ Plan OPEB cost. The following table displays the estimated retiree premiums for 20- year cash flow purposes (in thousands):

20 Year Cash Flow			
FY2024	\$	4,747	FY2034 \$ 6,923
FY2025		5,502	FY2035 7,127
FY2026		5,555	FY2036 7,228
FY2027		5,644	FY2037 7,562
FY2028		5,729	FY2038 7,810
FY2029		5,901	FY2039 8,086
FY2030		6,011	FY2040 8,401
FY2031		6,267	FY2041 8,809
FY2032		6,570	FY2042 9,033
FY2033		6,745	FY2043 9,356

Retired members of the JPOFFHIT Plan contributed \$7.3 million in premiums for fiscal year 2023, representing 34.2% of the total fiscal year 2023 JPOFFHIT Plan OPEB cost. The following table displays the estimated retiree premiums for 20-year cash flow purposes (in thousands):

20 Year Cash Flow			
FY2024	\$	8,628	FY2034 \$ 18,000
FY2025		10,663	FY2035 18,586
FY2026		11,777	FY2036 19,480
FY2027		12,826	FY2037 20,111
FY2028		13,747	FY2038 21,086
FY2029		14,366	FY2039 22,459
FY2030		15,265	FY2040 23,485
FY2031		16,252	FY2041 25,000
FY2032		16,753	FY2042 26,769
FY2033		17,267	FY2043 29,898

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

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

	<u>OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
FY2022	\$ 73,873	\$ 53,741	\$ 34,048
FY2023	106,728	73,952	30,239

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

	<u>OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
FY2022	\$ 264,526	\$ 95,318	\$ 91,162
FY2023	249,067	82,071	107,458

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

	<u>FY2023</u>	<u>FY2022</u>
Total OPEB Liability - Beginning of Year	\$ 73,873	\$ 88,963
Service cost	\$ 4,515	\$ 6,597
Interest cost	\$ 2,923	\$ 2,132
Differences between expected and actual experience	\$ 30,226	\$ -
Changes in assumptions and other inputs	\$ (792)	\$ (21,332)
Benefit payments	\$ (4,017)	\$ (2,487)
Net change in total OPEB liability	\$ 32,856	\$ (15,090)
Total OPEB Liability - End of Year	\$ 106,728	\$ 73,873

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

	<u>FY2023</u>	<u>FY2022</u>
Total OPEB Liability - Beginning of Year	\$ 264,526	\$ 327,457
Service cost	\$ 13,791	\$ 20,668
Interest cost	\$ 10,960	\$ 7,788
Differences between expected and actual experience	\$ (30,789)	\$ -
Changes in assumptions and other inputs	\$ (2,097)	\$ (84,344)
Benefit payments	\$ (7,324)	\$ (7,043)
Net change in total OPEB liability	\$ (15,459)	\$ (62,931)
Total OPEB Liability - End of Year	\$ 249,067	\$ 264,526

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

Deferred Inflows/Outflows for COJ Plan:

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

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 27,401	\$ (8,819)
Changes of assumptions/inputs	46,550	(21,420)
Net difference between projected and actual investments	-	-

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

FY2024	\$ 5,414
FY2025	5,414
FY2026	5,658
FY2027	6,666
FY2028	6,666
Thereafter	13,893

Deferred Inflows/Outflows for JPOFFHIT Plan:

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

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 46,443	\$ (31,597)
Changes of assumptions/inputs	35,628	(75,861)
Net difference between projected and actual investments	-	-

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

FY2024	\$ (3,343)
FY2025	(3,343)
FY2026	(2,760)
FY2027	(350)
FY2028	(350)
Thereafter	(15,243)

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

OPEB Expenses (in thousands):

	<u>FY2023</u>	<u>FY2022</u>
Total COJ Plan OPEB Expenses	\$12,853	\$11,392
Total JPOFFHIT Plan OPEB Expenses	21,409	28,767

Actuarial Assumptions and Methods:

- | | |
|-----------------------------------|---|
| 1) Measurement Date | September 30, 2023 |
| 2) Discount Rate | 4.02% - (BOY), 4.09% (EOY) – Bond Buyer 20-Bond GO Index. |
| 3) Salary Increase Rate | 3.5% per annum |
| 4) Valuation Date and Census Data | Valuation date of September 30, 2023, based on the census provided by the City as of September 2023. |
| 5) Marriage Rate | The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided. |
| 6) Spouse Age | Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses. |
| 7) Medicare Eligibility | All current and future retirees are assumed to be eligible for Medicare at age 65. |
| 8) Actuarial Cost Method | Entry Age Normal based on level percentage of projected salary. |
| 9) Amortization Method | Experience/Assumptions gains and losses are amortized over a closed period of 10.7 years for the COJ Plan and 9.0 years for the JPOFFHIT Plan, starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service). |
| 10) Plan Participation Percentage | 60% of future pre 65 retirees will participate in the pre-65 medical plan and 15% (30% for those hired prior to 1/1/1987) continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement. |

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

Actuarial Assumptions and Methods (continued):

11) Mortality Rates Pub-2010 generational table scaled using MP-21 and applied on a gender specific basis.

12) Health Care Cost Trend Rate

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25% each year until reaching the ultimate trend rate.

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-Medicare Medical and Rx Benefits	6.5%	4.0%
Medicare Benefits	5.5	4.0
Stop Loss Fees	6.5	4.0
Administrative Fees	4.0	4.0

13) Per Capita Health Care Cost Trend Rate

Expected annual claim costs were developed using 24 months of historical claim experience through October 2023. The age 60 and age 70 claim costs are as follows:

<u>Per Capita Cost</u>	<u>Age 60</u>	<u>Age 70 (Medicare)</u>	<u>(Non-Medicare)</u>
HMO	\$ 16,085	\$ 10,505	\$ 20,915
High HMO	9,337	6,230	12,145
PPO	19,889	11,939	25,883
Future Retirees	16,508	10,578	21,470

14) Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee as of 2023. The amounts are provided in the table below and are trended at the levels shown in the "Health Care Cost Trend Rate" table in (12) above.

<u>Expense Type</u>	<u>PEPM</u>
Administrative Fee	\$27.16
Stop Loss Fee	13.27

15) Plan Election Percentage

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

<u>Plan Name</u>	
HMO	75 %
High HMO	5
PPO	20

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

Actuarial Assumptions and Methods (continued):

16) Age-Based Morbidity

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

17) Termination and Retirement Age

For the COJ Plan, the rate of withdrawal for reasons other than death and retirement has been developed from the Florida Retirement System actuarial valuation as of July 1, 2023, City of Jacksonville Correctional Officer Retirement Plan valuation as of October 1, 2023, and the City of Jacksonville General Employees Retirement Plan valuation as of October 1, 2022. The annual termination probability is dependent on an employee's age, gender, and years of service.

For the JPOFFHIT Plan, the rate of withdrawal for reasons other than death and retirement has been developed from are based on the City of Jacksonville Police and Fire Pension Fund actuarial valuation as of October 1, 2022. The annual termination probability is dependent on an employee's age, gender, and years of service.

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

COJ Plan

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$91,847	\$106,728	\$125,031

JPOFFHIT Plan

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$218,290	\$249,067	\$296,955

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

COJ Plan

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$123,163	\$106,728	\$93,391

JPOFFHIT Plan

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$286,700	\$249,067	\$219,118

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

Notes to the OPEB RSI:

No assets are held in trust to pay OPEB benefits.

Trend rates were reset to 6.5% (5.5 % for Medicare) and graded down by 0.25% until reaching an ultimate of 4.0% based on current Healthcare Analytics (HCA) consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

11. DEFERRED COMPENSATION PROGRAM

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

12. RISK FINANCING

A. Public Liability and Workers Compensation

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

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

The City does transfer some of its risk through the purchase of insurance for its other exposures. The City purchases watercraft, wharfingers liability, out of state automobile liability, aviation, terrorism, crime, property, and other certain general liability policies (rails to trails, power lines easement, riverwalk, and voting precincts) to transfer risk. These policies are subject to sub limits, policy aggregates (where applicable) terms, conditions and exclusions as noted in the policies. Coverages are applicable to specific entities listed as named insureds. The schedule below indicates the major categories of coverage transferred to insurers.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

12. RISK FINANCING (continued)

A. Public Liability and Workers Compensation (continued)

Major Categories of Policies Purchased to Transfer Risk

Coverage's	Limits Occurrence and/or Aggregate	Retentions/Deductibles	
Excess Casualty Package -			
General Liability, Law Enforcement, Public Officials, Emp Practices	\$ 2,500,000	\$ 2,000,000	(1)
Automobile Liability	1,000,000	2,000,000	(1)
Workers' Compensation Benefits	Statutory	1,250,000	(1)
Worker's Compensation Employers' Liability	1,000,000	1,250,000	(1)
Worker's Compensation Communicable Disease (Coverage a & b)	50,000,000	1,250,000	(1)
Property (Real & Personal Property) -	400,000,000	100,000/250,000	(2)
Property Terrorism includes a \$50,000,000 Liability Limit	200,000,000	10,000	
Boiler and Machinery	250,000,000	50,000	
Fine Arts - Scheduled Value	11,913,504	1,000	
Employee Fidelity	5,000,000	75,000	(3)
Aircraft Liability (P&I)	20,000,000	-	
Aircraft Physical Damage (Schedule Value)	19,250,000	Various/Per Schedule	(4)
Watercraft Protection & Indemnity and Hull Coverage	1,000,000	2,000BI/2,000PD	
Watercraft Physical Damage (Scheduled Value)	11,101,089	Various/Per Schedule	(5)
Watercraft Excess Protection & Indemnity	9,000,000	-	
Wharfingers Liability	5,000,000	5,000	
Out of State Automobile Liability	1,000,000	-	
Rails to Trail General Liability	4,000,000	1,000	
Power Lines Easement General Liability	4,000,000	1,000	
Riverwalk General Liability	6,000,000	5,000	
Voting Precincts General Liability	2,000,000	5,000	
Special Events Policy - FL/GA Game, Jazz Fest, WON, Veterans Day	1,000,000	-	
Cyber, Security & Privacy Coverage	3,000,000	1,000,000	

(1) The Self-Insurance Program is comprised of three policies: An excess workers' compensation policy from Safety National Casualty Corporation, which includes a retention of \$1.5 million (except \$500,000 JPA & JHA). A buffer workers' compensation policy with Fortegra Specialty with a \$250,000 limit of coverage for the purpose of reducing the \$1.5 million Safety National retention by \$250,000 for the COJ. A casualty package provided by Ambridge Public Entity, which includes general liability, law enforcement liability, public officials/employment practices liability and automobile liability. The Self-Insurance Program covers the City government and its members (JEA, JPA, JHA and JAA). Ambridge also provides buffer workers' compensation coverage with a \$250,000 limit for the JHA/JPA only which effectively reduces their retention to \$250,000.

(2) The 3/1/2023 property policy has a \$100,000 "all other peril" deductible per occurrence. For loss associated with events that are "Named Windstorm", the deductible is equal to 5% of the total insured values and applied separately to building(s) and their associated contents subject to a minimum deductible of \$250,000 and maximum of \$25 million per occurrence. The policy also has \$25,000 deductibles that apply to JPA equipment floater (equipment valued \$1 million or less), property in transit and electronic data program equipment and media. Fine arts (excess over other collected insurance) is subject to \$1,000 deductible.

(3) Crime coverage affords a \$5 million Employee Theft/ Faithful Performance with a deductible of \$50,000 and \$75,000, respectively, all other Coverage limits are \$3 million each for forgery or alteration, inside the premises (theft of money and securities), inside premises (robbery or safe burglary of other property), outside the premises, computer fraud, funds transfer fraud and money orders and counterfeit money; all with a \$10,000 deductible applicable per loss.

(4) Aircraft physical damage deductibles are: (1) for aircrafts not in motion, \$1,000 for rotor wings; (2) for aircraft in motion, 2% of the hull scheduled value.

(5) Watercraft physical damage deductibles is 1-3% of the hull scheduled value and \$250 per occurrence for trailers.

In the past four (4) years, none of the listed commercial policies have incurred a loss that resulted in a settlement amount in excess of the policy limit.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

12. RISK FINANCING (continued)

A. Public Liability and Workers Compensation (continued)

Annually, as of September 30, the Program has a third-party actuary review the claim history for all open claim years. The actuary projects the ultimate claim payment obligation (including the incurred but not reported claims and claim development) for each year's claim experience and the probable loss fund cost for the new fiscal year. The City uses in-house defense counsel for general and automobile liability and outside defense counsel for workers' compensation. The City's self-insurance program liability is established at the expected confidence level on a four percent (4%) discounted basis in the amount of \$157.6 million for general liability, automobile liability and workers' compensation.

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

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

The City maintains separate fiscal year accounting, which allows any excess revenues available for return via a dividend formula in Ordinance Code Section 128.311, to the City itself and component units, and the accumulation of a self-insurance operating reserve authorized by the City of Jacksonville Ordinance Code Section 128.312. As of September 30, 2023, the City has a surplus in the self-insurance fund of \$17 million and a self-insurance operating reserve of \$14.1 million for a combined unrestricted net asset surplus of \$31.1 million. In the Supplemental Section of the City's Annual Comprehensive Financial Report is a trend information schedule for general/auto liability and workers' compensation, entitled "Schedule of Self-Insurance Ten Year Claims Development Information," which reflects the claims paid and liability projection development of each of the most recent ten years as of September 30, 2023.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

12. RISK FINANCING (continued)

A. Public Liability and Workers Compensation (continued)

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

SELF-INSURANCE FUND CHANGES IN AGGREGATE CLAIMS LIABILITIES FOR THE YEARS ENDING SEPTEMBER 30 (in thousands)						
	General/Auto Liability		Worker's Compensation		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Unpaid claims and claims adjustment expenses at beginning of fiscal year	\$ 17,878	\$ 18,772	\$ 147,193	\$ 126,022	\$ 165,071	\$ 144,794
Incurring claims and claim adjustment expenses:						
Provisions for insured events of the current fiscal year	4,240	3,995	14,548	14,427	18,788	18,422
Increases (decreases) in provision for insured events of prior fiscal years	6,436	4,315	2,628	31,230	9,064	35,545
Total incurred claims and claim adjustment expenses	10,676	8,310	17,176	45,657	27,852	53,967
Payments:						
Claims and claim adjustment expenses attributable to insured events of current fiscal year	1,311	1,218	7,169	6,100	8,480	7,318
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	9,037	7,987	17,760	18,385	26,797	26,372
Total Payments	10,348	9,205	24,929	24,485	35,277	33,690
Total unpaid claims and claim adjustment expenses at end of fiscal year	\$ 18,206	\$ 17,877	\$ 139,440	\$ 147,194	\$ 157,646	\$ 165,071

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

SELF-INSURANCE FUND CURRENT AND NONCURRENT CLAIMS LIABILITIES FOR THE YEARS ENDING SEPTEMBER 30 (in thousands)						
	General/Auto Liability		Worker's Compensation		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current Liability:						
Estimated Liability for self-insured losses	\$ 7,914	\$ 9,755	\$ 23,136	\$ 21,145	\$ 31,050	\$ 30,900
Noncurrent Liability:						
Estimated Liability for self-insured losses	10,292	8,123	116,304	126,048	126,596	134,171
Total Liability	\$ 18,206	\$ 17,878	\$ 139,440	\$ 147,193	\$ 157,646	\$ 165,071

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

12. RISK FINANCING (continued)

B. Self-Insured Health Plan

Effective January 1, 2015, the City elected to move from a fully insured plan to a self-funded arrangement for its group health coverage. The primary driver of this decision was the prohibitive cost of commercial health insurance. The City historically utilized Florida Blue as the third-party administrator which provides claims adjudication services, provider network contracting and maintenance, and other valuable services. Florida Blue pays claims as they are incurred and bills the City monthly. To better manage the risk, the City has contracted for stop-loss insurance, for all health plans, with an \$800,000 specific deductible in 2023. Once a claim exceeds this threshold, the City is reimbursed for any excess expenses.

The plan is funded by contributions from the City and employees. These funds reside in an internal service fund which is used exclusively for employee benefits. The beginning balance of this fund as of January 1, 2015, was \$6.48 million. The City received a pro-share settlement from Florida Blue of \$1.55 million. This was the result of superior claims performance that the City experienced in calendar year 2013 and calendar year 2014 as a fully insured health plan. The City received a pharmacy rebate, from Florida Blue, of \$1.96 million for calendar year 2017, \$2.44 million for calendar year 2018, \$3.79 million for calendar year 2019, \$2.08 million for calendar year 2020, \$3.50 million for calendar year 2021, and \$4.18 million for calendar year 2022.

Incurred but not reported (IBNR) claims were estimated at \$3.23 million as of September 30, 2023, and are recorded as a liability on the Statement of Net Position. Changes in the reported liability since January 1, 2015, resulted from the following (in thousands):

Fiscal Year Ended	Beginning Balance	Claims and Changes in Estimates	Claim and Expense Payments	Ending Balance
2015	\$ -	\$ 57,049	\$ 52,851	\$ 4,198
2016	4,198	74,958	74,913	4,243
2017	4,243	73,669	73,153	4,759
2018	4,759	80,380	80,210	4,929
2019	4,929	81,169	80,710	5,388
2020	5,388	74,996	77,078	3,306
2021	3,306	76,077	75,646	3,737
2022	3,737	71,195	72,053	2,879
2023	2,879	75,373	75,021	3,231

As of September 30, 2023, the operating gain was \$14,98 million. Florida statutes require a safe harbor threshold to be maintained in plan reserves. This threshold for fiscal year 2023 is \$9.07 million and the City has plan reserves of \$21,6 million.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

As of September 30, 2023, the following individual funds had a deficit (in thousands):

	<u>Fund Deficit</u>
Governmental Funds	
Public Safety	\$ 25,559
Internal Service Fund	
Legal	749
Debt Management	8,330

The Public Safety fund had a deficit fund balance as of September 30, 2023. This deficit resulted from the response to prior hurricanes and tropical storms. It is projected that the State and Federal governments will reimburse their respective shares of these expenditures through the public assistance program. This reimbursement is contingent upon the completion of all related work and the subsequent review and approval of the projects by the Federal Emergency Management Agency (FEMA) and the Florida Department of Emergency Management (FDEM).

The city monitors internal service billings, including rates, to ensure appropriate funding for operations. It is anticipated that future billings will cover expenses and eliminate the fund deficit in the Legal and Debt Management Internal Service Funds.

C. Landfill Closure and Long-Term Care Costs

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

C. Landfill Closure and Long-Term Care Costs (continued)

MSWLF costs, for open landfills, are recognized in accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post Closure Care Costs*. A liability of the Solid Waste Disposal Enterprise Fund is recorded based upon landfill capacity used at fiscal year-end and a current operating expense of the fund in the fiscal year in which the MSWLF costs are recovered through earned, operating revenue. Expenses for closure and long-term care costs are funded from future operating revenues of the Solid Waste Disposal fund and bond proceeds. As noted in Note 1. P, the application of SFAS No. 71 resulted in certain costs being capitalized and amortized to later periods. The City obtained bond proceeds to support closure and long-term care cost for North and East landfills and Picketville Waste Site. At September 30, 2023, the prepaid balance of the capitalized cost is \$0.

Active Landfill – Trail Ridge

The closure and long-term liability for Trail Ridge as of September 30, 2023, is \$41.3 million with an increase of \$43,138 compared to the preceding year. This increase resulted from adjustments for inflation and current annual closure and long-term care cost estimates. The percentage of landfill capacity used is estimated to be 96.88% based on the estimated life of 32 years for the constructed landfill disposal units 1-6.

Inactive Landfills – North and East

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

C. Landfill Closure and Long-Term Care Costs (continued)

Annually, the City is required by Chapter 62-701.630 of the Florida Administrative Code, to accumulate resources for payment of closure and long-term care costs. The City is in compliance with these requirements. Due to inflationary increases over the years for costs expended on closing the landfill, costs exceeded the revenue derived from tonnage filling the landfill. The revenue rate structure had not changed in many years and did not keep up with inflation. The City decided to implement a three-phase strategy to address the problem. In fiscal year 2017, the City’s General Fund initiated a \$9 million loan to the landfill closure/post closure sub fund as Phase 1. In fiscal year 2018, the City implemented Phase 2 and made permanent transfers of \$9 million to firm up the previous amount loaned.

Phase 3 will address a rate review for the landfill closure/post closure revenue projections vs. cost projections, in order to keep the sub fund compliant with the Florida Administrative Code. Ordinance 2021-592-E increased the host fee for the closure fund portion \$1.98 per ton to \$2.11 per ton in the closure escrow account. As of September 30, 2023, \$26.6 million, which includes \$7.4 million for accelerated payments, have been accumulated for payment of closure and long-term care cost (see summary below). Accelerated payments are payments in excess of the required financial assurance balances that are held in reserves for contingencies and are used to offset future operational cost.

	<u>Trail Ridge</u>
	(in thousands)
Current cost of closure	\$ 19,271
Annual cost of long-term care	-
Accelerated fund above state minimum	<u>7,349</u>
Total balance in escrow	<u>\$ 26,620</u>

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

14. LEASES

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

Lessor Leases

The City is a lessor for various noncancellable, long-term leases of buildings, land, and infrastructures. Lease terms for the leases vary from 24 months to 330 months. The discount rate used for the calculation of the lease receivable varies depending on the length of the respective leases and ranged from 0.218% to 2.760%.

As of September 30, 2023, the City's lease receivable is valued at \$12.6 million for governmental activities and \$42.4 million for business-type activities. Deferred inflow of resources associated with the leases that will be recognized as revenue over the term of the leases are \$12.1 million for governmental activities and \$38.9 million for business-type activities.

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

Fiscal Year Ending September 30	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,688	\$ 172	\$ 1,860	\$ 3,695	\$ 733	\$ 4,428
2025	1,117	159	1,276	4,250	670	4,920
2026	1,012	147	1,159	6,606	598	7,204
2027	979	135	1,113	6,527	485	7,012
2028	936	123	1,059	6,658	370	7,028
2029 - 2033	2,968	461	3,429	11,034	604	11,638
2034 - 2038	2,518	247	2,765	1,712	250	1,962
2039 - 2043	1,286	56	1,342	1,962	81	2,043
2044 - 2048	128	7	135	-	-	-
Total	\$ 12,633	\$ 1,506	\$ 14,139	\$ 42,444	\$ 3,791	\$ 46,235

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

14. LEASES (continued)

Lessee Leases

The City is a lessee for various leases for buildings, equipment, land, land improvements, and infrastructures. Lease terms for the leases vary from 29 months to 356 months. The discount rate used for the calculation of the lease liability varies depending on the length of the respective leases and ranged from 0.3490% to 3.8940%.

As of September 30, 2023, the City's right-to-use capital assets are \$29.1 million, including governmental activities of \$28.9 million and business-type activities of \$220,000. The associated accumulated amortization is \$7.3 million for governmental activities and \$55,000 for business-type activities. Lease asset information is also included in Note 6 Capital Asset Activity.

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

Fiscal Year Ending September 30	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,149	\$ 337	\$ 2,486	\$ 18	\$ 2	\$ 20
2025	1,867	315	2,181	18	2	20
2026	1,618	294	1,912	18	2	20
2027	1,411	274	1,685	18	1	20
2028	1,255	255	1,510	19	1	20
2029 - 2033	6,480	980	7,460	86	2	88
2034 - 2038	4,621	533	5,154	-	-	-
2039 - 2043	2,370	183	2,553	-	-	-
2044 - 2048	722	75	797	-	-	-
2049 - 2051	281	15	296	-	-	-
Total	\$ 22,772	\$ 3,262	\$ 26,035	\$ 177	\$ 9	\$ 187

Additional lease liability disclosures are also included in Note 8C Changes in Long-Term Liabilities.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

15. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City's financial statements reflect the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' software subscription activities. This statement establishes a single model for subscription accounting based on the principle that software subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a right-to-use software subscription asset, an intangible asset, and a corresponding software subscription liability. For additional information, refer to the disclosures below.

The City entered into various software subscription-based information technology arrangements. Subscription terms vary from 12 months to 132 months. The discount rate used for the calculation of the software subscription payable varies depending on the length of the respective subscriptions and ranged from 0.248% to 3.643%.

As of September 30, 2023, the City's software subscription payable is valued at \$14.9 million, \$14.8 million for governmental activities and \$99 thousand for business-type activities.

Future principal and interest related to the City's software subscription payables are estimated as follows (in thousands):

Fiscal Year Ending September 30	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 3,588	\$ 205	\$ 3,794	\$ 48	\$ 2	\$ 50
2025	4,203	174	4,377	52	2	54
2026	2,591	94	2,686	-	-	-
2027	907	64	970	-	-	-
2028	892	50	942	-	-	-
2029 - 2033	<u>2,626</u>	<u>81</u>	<u>2,707</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,807</u>	<u>\$ 668</u>	<u>\$ 15,476</u>	<u>\$ 99</u>	<u>\$ 4</u>	<u>\$ 104</u>

Additional software subscriptions payable disclosures are also included in Note 8C Changes in Long-Term Liabilities.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Litigation

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

The City self-insures through general liability and workers compensation programs for most claims asserted against the City. For all amounts that are probable of loss, the City records an estimated liability in the Self Insurance Internal Service Fund. For amounts where it is not possible at the present time to estimate the ultimate outcome or liability, if any, to the City, no accrual is recorded. It is the City's opinion that the ultimate liability in these litigation matters, if any, that has not been accrued, is not expected to have a material adverse effect on the City's financial position.

B. Grants and Contracts

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

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

C. Self-Insurance

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

D. Pollution Remediation

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

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

The City recorded a pollution remediation liability as of September 30, 2023, of approximately \$111.4 million (see Note 8. C for schedule) using the expected cash flow technique. Under this technique, the City estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. However, this liability could change over time due to changes in cost of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts. The following paragraphs provide further details on the more significant sites.

Whitehouse Waste Oil Pits Superfund Site

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

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

D. Pollution Remediation (continued)

The USEPA estimates \$20 million site costs, with the City paying approximately \$2 million over the life of the project (which includes a 30-year operations and maintenance period). Site work was substantially complete in October 2006 when operations and maintenance work began. The PRPs have more than \$1.21 million on deposit to fund operations and maintenance; however, until USEPA officially declares the remedial action complete, the prospect for additional work remains. In January 2008, the City met with adjacent property owners to negotiate the purchase of additional private property to account for the location of the remedial berm. The City and other PRPs settled with the USEPA which had sought reimbursement of its cost of a removal action in 1995 regarding the Bill Johns Waste Oil Site.

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

Ash Sites

The City has identified four sites that were used for incinerator ash waste. The common practice during the 1950s and 1960s was to incinerate garbage and then mix the residual ash waste with other soil and use it as fill dirt. The City and the USEPA signed an agreement in 1999 to develop a plan to remediate the four sites. In order to make the sites and surrounding areas safe from a variety of residual pollutants, the City has proposed to the USEPA a plan to clean up the areas by removing the top two feet of soil, placing a barrier, and then replacing the topsoil with untainted dirt. The project is estimated to take several years to complete once started and a cost estimate of \$21.6 million is anticipated to occur based on the City's estimate used in its five-year capital project plan. As of September 30, 2023, the ash sites accumulated approximately \$190.5 million of expenditures.

Other Sites

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

These projects, which are estimated to take several years to complete once started, have an estimated remaining cost of \$18 million, which has been accrued by the City and included in the City's five-year capital projects plan. Various other remediation sites exist within the City and \$71.8 million has been identified for their estimated liability based on their inclusion in the City's five-year capital projects plan. The increase is attributed to the addition of the Hollybrooke Park site where the assessment and the preliminary remedial action design plans have been completed to the point where a cost estimate was prepared.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

D. Pollution Remediation (continued)

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

E. Garage Development Agreement

In 2004, the City entered into an agreement to loan funds to Metropolitan Parking Solutions (MPS) for construction and operation of three downtown parking garages consisting of the Courthouse Garage, the Sports Complex Garage, and the Arena Garage. In the event MPS sustained operational expenses in excess of revenues received for any semi-annual period, the agreement also required the City to make a development loan to MPS in the total amount of such expenses in excess of revenues. In 2020, MPS and the City became parties to litigation with cross claims of breach of contract. Ordinance 2021-179-E authorized funding for the City to exercise an option in the agreement and buy-out MPS.

In 2022, the City, the Downtown Investment Authority (DIA) and MPS entered a mediated settlement agreement as provided in 2022-138-E which gave operational control of the garages to the DIA and stipulates an annual rental payment of \$150,000 from the City to MPS and annual loan forgiveness in the initial amount of \$2.5 million. The principal value of the forgivable loan is approximately \$92 million and will be reduced in tranches annually. The loan is carried as an uncollectible asset in the City's general ledger.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

F. Construction and other significant Commitments

At September 30, 2023, the City had significant commitments for the following projects:

	(in thousands)
General Government	
ADA Compliance-Curb Ramps Sidewalks	\$ 3,257
ADA Compliance-Public Buildings	1,870
Animal Care and Protective Services HVAC Replacement	1,438
Baseball Grounds - MLB Requirements	2,163
Ed Ball Hearing Room and Restroom Improvements	1,318
Enterprise Financial and Resource Management Solution - 1Cloud	7,560
Florida Theatre - Facility Improvements	1,001
Forest Trail Drainage Improvements	990
Hodges Blvd and Glen Kernan Blvd Improvements	2,830
Isle Of Palm Dredge-Special Dist. Match	618
Jacksonville Fair Grounds Relocation	3,318
Jax Ash Site Pollution Remediation	2,212
JFRD Fire Station Apron and Driveway Repairs	660
La Salle Street Outfall	1,908
McCoy's Creek Greenway - Jax Ash - McCoy's Creek Standard Remediation	1,616
McCoy's Creek Improvements - McCoy's Creek Improvements	4,646
Medical Examiner Facility - 04	61,227
Memorial Cemetery Assessment and Restoration	1,494
MOSH and Riverwalk at the Shipyards	800
Northbank Riverwalk - Northbank Artist Walk Extension	1,701
Northbank Riverwalk - Northbank Bulkhead	858
Old City Cemetery Assessment and Restoration	602
Pre Trial Detention Facility Generator Replacement	886
Radio Site Expansion - Montgomery Correctional	2,699
Shipyards West Park	522
Stormwater Pump Stations Generators	765
UF Health Capital Improvements	24,045
Water-Wastewater System Fund	25,246
Woolery Drive Drainage Study and Improvements	1,276
Public Safety	
Fire Station # 1 - Replacement	1,674
Fire Station #65	3,913
Fire Station #12 - Replacement	1,566
Fire Station #22 - New Construction	6,163

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

F. Construction and other significant Commitments (continued)

(in thousands)

Public Safety (continued)

Fire Station #64	\$ 590
Fire Station #47- Replacement	4,491
Met Park Marina Fire Station, Museum and Dock/Design (Replacement)	944
Port Security Grant Program - CBRNE Vessel Equipment	554

Physical Environment

Drainage System Rehabilitation	2,785
Ingleside Avenue (DSR) - Capital Improvement	800
Leachate Evaporator - Landfill Gas Fueled Leachate Evaporator	4,857
Myrtle Ave Stormwater Pump Replacement	616
Trail Ridge Landfill Construction and Expansion	3,878

Transportation

Arlington Road Bridge	657
Beverly Hills East Septic Tank Phase - Out	842
Brooklyn Area Drainage and Safety Improvement	1,568
Cecil Field ConandBrannan-Chaffee To Comm Ctr	561
Cedar Point Road Bridges	1,613
Cedar Point/Sawpit Road (New Berlin to Shark)	675
Chaffee Road	2,116
Collins Road/Blanding to Pine Verde	1,904
Countywide Intersection Imp Bridge	803
Drainage System Rehabilitation - DSR General Capital Projects	957
Eastport Road/Pulaski to Zoo Pkwy	2,387
Emerald Trail - Hogan Street Connector	2,699
Emerald Trail - S-Line to Stonewall Street Improvements	2,085
Jork Road - Jork Road Bridge	1,360
La Salle Street Outfall	19,196
Lone Star Road Extension	543
McCoy's Creek Greenway - McCoy's Creek Bank Bulkhead Restoration	1,379
McCoy's Creek Greenway - McCoy's Creek Channel Improve and Restore	2,090
McCoy's Creek Greenway - McCoy's Creek Rebuild and Raise Bridge - King	2,884
McCoy's Creek Greenway - Outfall Improvements with Riverwalk	34,314
Northbank Riverwalk - Northbank Bulkhead	1,169
Old Middleburg 103rd-Branan Field - 01	2,838
Orange Picker and Brady Road	2,950
Pavement Markings	916
Racetrack Road Widening	8,276

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

F. Construction and other significant Commitments (continued)

(in thousands)

Transportation (continued)

Roadway Resurfacing - Roadway Resurfacing	\$ 5,370
Roadway Sign Stripe and Signal	2,249
Sidewalk-Curb Construction and Repair	1,381
Silver Street Drainage Improvements	1,355
Tar Kiln Bridge	821
Traffic Signal - Baymeadows Rd E and Hampton	700
Traffic Signal - Baymeadows Rd E. and Stonebridge Village	531
Traffic Signal - New Berlin Rd and Cedar Point Rd	2,022
Traffic Signal - San Pablo Parkway	1,196
Urban Core Riverfront Revitalization Hart Expressway Improvement	1,181
Willowbranch Creek Bulkhead Replacement	727
Yacht Club Road Drainage Improvements	743

Economic Environment

Armsdale Rd-Duval Rd Improvements	1,506
Cecil Wetlands	2,492
Dunn Ave and Armsdale Rd Improvements	1,393
Duval Road Widening	1,751
Harts Road - Bridge Replacement	1,439
Riverfront Plaza Projection and Sound	529
Two Way Street Conversion	4,939

Culture and Recreation

9A/Baymeadows - Park	567
Artist Walk - Riverside Ave to Park Street	1,470
Countywide Community Center Improvements	1,631
Countywide Parks and Recreation Projects	880
Drew Park - Field Improvements	1,500
Jacksonville Zoo Improvements	17,459
James P. Small Park	1,711
Liberty Street Marina	817
Oceanway Center - Oceanway Library Replacement	1,119
Patton Park Youth Turf Soccer Field	1,180
Riverview Park Boat Ramp	1,049
Special Committee on Parks and Quality of Life	3,810
St Johns River Park	1,681

TOTAL

\$ 356,335

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

G. Encumbrances

At September 30, 2023, the City had encumbrances outstanding in the Governmental Funds as follows: (in thousands)

At September 30, 2023, the City had encumbrances outstanding in the Governmental Funds as follows: (in thousands)

MAJOR FUNDS

General Fund	\$	25,421
Other Federal, State and Local Grants		40,411
General Projects		286,771
Total Major Funds		352,603

NON-MAJOR FUNDS

Concurrency Management	826
Air Pollution Control and Monitoring	190
Tourism Development	343
Clerk of the Court	40
Transportation Fund	6,669
Budgeted General Government	5,708
Emergency 911	230
Tax Increment Districts	17,869
Kids Hope Alliance	11,252
Community Development Block Grant	5,574
Maintenance, Parks and Recreation	729
Public Safety	2,560
Housing and Neighborhoods	1,352
Non-Budgeted General Government	3,214
Better Jacksonville Plan Construction Project	1,895
Bond Projects	265
Grant Projects	18,779
Total Non-Major Funds	77,496

TOTAL ENCUMBRANCES	\$	430,099
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The encumbrances are recorded within fund balance based on the source of funds as restricted, committed, or assigned as appropriate.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

16. LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

H. Tax Abatements

The City administers the following tax abatement programs.

Name of Program	Programs Administered by City of Jacksonville	
	Recaptured Enhanced Value (REV) Grant	Qualified Target Industry
Purpose of program	Designed to bring new capital investment and development or redevelopment to a project site to support a new business or to expand an existing business, thus resulting in the creation of new full time jobs.	To attract greater private sector investment, to expand the opportunity for individuals to gain high wage employment, and to lower the overall unemployment rate in Duval County by providing jobs at above average wage levels in the county.
Tax being abated	Real and/or Tangible Personal Property Tax.	Corporate Income Tax, Sales Tax, Ad valorem Tax, Insurance Premium Tax, Intangible Personal Property Tax, Excise Tax, State Communication Service Tax.
Authority under which abatement agreements are entered into	Part 2, Chapter 26, City of Jacksonville Ordinance Code and Ordinance 2016-382-E (Public Investment Policy), Florida Statutes 125.045 County Economic Development Powers.	Florida Statute 288.106 Tax refund program for qualified target industry businesses.
Eligibility criteria	The company is required to be in a Targeted Industry Category. The company must create at least 10 new full time jobs with wages greater than or equal to 100% of the State of Florida average wage, or greater than or equal to 60% of Duval County's average annual wage. The company must commit a minimum of \$3 million private capital investment.	The company is required to be in a Targeted Industry Category. The company must create at least 10 new full time jobs with an average annual wage that is at least 115% of the State, Metropolitan Statistical Area, or local average wages.
How recipient taxes are reduced	As refunds on real and personal property taxes paid by the project above the base year.	As refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes.
How amount of abatements is determined	Utilizing a "base year" assessed property value for the project, a certain percentage of the City's portion of the incremental increase in ad valorem taxes on real and /or tangible personal property paid by the project above the base year amount is available. In general, the standard grants will be up to 50% of the increment up to 10 years. They are capped at a maximum amount. The percentage and length of time is negotiated between parties. Higher percentages or timeframes may be awarded for projects with high volumes of job creation and capital investment.	Pre-approved applicants receive tax refunds of \$3,000 per net new Florida full time equivalent job created. For businesses paying 150% of average annual wage, add \$1,000 per job; for businesses paying 200% of the average wage, add \$2,000 per job. For projects located in a designated Brownfield Area, add \$2,500 per job. For businesses that fall within a designated high impact sector, add \$2,000 per job. The agreement is between the State of Florida's Department of Economic Opportunity (DEO) and the company. The State agency reviews and audits information provided by the Company and sends an invoice to the City of Jacksonville. The City then sends 20% Local Financial Support to the State, who subsequently pays the Company.
Provision for recapturing abated taxes	N/A	N/A
Amount being abated for the year ended September 30, 2023	Office of Economic Development	Office of Economic Development
	\$9,232,468	\$472,493
	Downtown Investment Authority	Downtown Investment Authority
	\$2,839,997	N/A

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

17. MAJOR DISCRETELY PRESENTED COMPONENT UNITS – ADDITIONAL DISCLOSURE

During fiscal year 2023, the City had financial transactions with its discretely presented component units classified as follows for financial reporting purposes:

A. JEA

Contribution – On October 1, 1968, the City turned its electrical department over to the newly created JEA. Additionally, on June 1, 1997, the JEA assumed the operation and all related assets and liabilities of the water and sewer system from the City. JEA is required by the City Charter to contribute annually to the General Fund of the City an amount not to exceed 5.513 mills per kilowatt per hour sold and at a rate of 2.149 mills per cubic feet of water sold. For the fiscal year ended September 30, 2023, these contributions were \$122.4 million. Such contributions to the City's General Fund are for the use of the public right-of-way in connection with its electric distribution system and its water sewer distribution and collection system and are based on calculations contained within section 21.07 of the City Charter.

Franchise Fees – Effective April 1, 2008, the City enacted a 3% franchise fee from designated revenues of the electric and water and sewer utility systems. The ordinance authorizes JEA to pass through these fees to its electric and water and sewer funds. For the year ended September 30, 2023, the City received from JEA \$34.3 million and \$11.3 million of its electric and water and sewer funds, respectively.

B. Jacksonville Transportation Authority (JTA)

Local Option One-Half Cent Sales Tax - On August 11, 1989, Jacksonville citizens voted for the removal of all tolls from county/city bridges and certain roads and replaced the revenue with a local option one-half cent sales tax that provides a permanent funding source for the construction and maintenance of the City's roads and bridges; the operation and maintenance of the bus system and the refinancing of existing bonds issued for the construction of such bridges and roads. All collections from the one-half cent sales tax are statutorily required to be remitted to JTA. Accordingly, the City remitted all collections from the one-half cent sales tax to JTA in the amount of \$128 million in fiscal year 2023. 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. JTA reports the transfer from the City as sales tax revenue.

In fiscal year 2000, the City and the JTA entered into an interlocal agreement for the purpose of jointly exercising the separate powers of each to the maximum extent allowable by the law in the development, scheduling, financing, planning, permitting, design, construction, and implementation of a \$750 million road, bridge and drainage capital improvement work program. The term of the agreement commenced on October 1, 2000, and was to continue in effect until all of the bonds were paid in full or defeased in accordance with their terms. The City and JTA agreed to pledge the sales tax and the constitutional gas tax for the payment of bonds issued to implement the program.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

B. Jacksonville Transportation Authority (JTA) (continued)

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

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

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

C. Jacksonville Port Authority (JPA)

Interlocal Agreement - In connection with a major port and marine facilities capital improvement project (the Project), the City and the JPA entered into an Interlocal Agreement upon the issuance of \$43.6 million Excise Taxes Revenue Bonds, Series 1993 (the 1993 Bonds). Subsequent to this transaction, the parties entered into an Amended and Restated Interlocal Agreement in conjunction with the issuance of \$57.15 million Excise Taxes Revenue Bonds, Series 1996B (the 1996B Bonds). The 1996B Bonds were refunded by the Excise Taxes Revenue Refunding Bonds, Series 2001A (the 2001A Bonds). The 1993 Bonds were partially refunded by the Excise Taxes Revenue Refunding and Improvement Bonds, Series 2003C (the 2003C Bonds). The 2003C Bonds were partially refunded by the Special Revenue Refunding Bonds, Series 2012E (the 2012E Bonds, and together with the 1993 Bonds, 2001A Bonds and 2003C Bonds, the Bonds).

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

C. Jacksonville Port Authority (JPA) (continued)

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

The amended and restated Interlocal Agreement is not for the benefit of the holders of the Bonds and JPA has no obligation under that Amended and Restated Interlocal Agreement to any third-party bondholder. The revenues allocated to JPA are not pledged as security for the Bonds.

The Amended and Restated Interlocal Agreement provides for the allocation of three sources of revenue (collectively referred to as the Pledged Revenues) by the City to JPA. The first source of revenue relates to the allocation of half of the increased revenues in the Telecommunications Tax, which is 85% of the Communication Services Tax (the Authority Allocation No. 1). The second source of revenue relates to the amount calculated by multiplying one quarter (.25) mills by the gross kilowatt hours (as defined in Article 21 of the City Charter) sold by JEA during the twelve-month period ending May 31 of the prior fiscal year (the Authority Allocation No. 2).

The third source of revenues relates to the \$800,000 annual contribution remitted by the City to JPA as described in Section 5(a) of JPA act. Such Pledged Revenues are to be applied by the City to the payment of debt service on the Bonds for such fiscal year prior to being paid to the JPA. The final payments on the last remaining bonds were made on October 1, 2020, so debt service has not been, and will no longer be, deducted from the payment as of that date.

In previous years, the City expended \$43.1 million on the Project from proceeds of the 1993 Bonds for the benefit of JPA under the Amended and Restated Interlocal Agreement, which completed the 1993 Bond Program. In previous years, the City expended \$64 million on the Project from proceeds (inclusive of investment earnings) of the 1996B Bonds for the benefit of JPA under the Interlocal Agreement.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

18. NET POSITION

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – is intended to reflect the portion of net position that is associated with capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position – are assets that have third-party (statutory, bond covenant or granting agency) limitations on their use externally imposed by creditors or imposed by law through constitutional provision or enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

Unrestricted Net Position – have no third-party limitation on their use, and consists of all net positions that do not meet the definition of the other two components, and any net deficits that exist.

While the Unrestricted Net Position balance is a single number in accordance with GASB Statement No. 34 *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, the impact of non-asset debt will reduce the year-end discretionary balance available to the government.

A. Restatement

The fiscal year 2023 implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, resulted in a restatement of beginning net position due to a change in accounting principle for governmental type activities. The new rules require the recognition of right-to-use software subscription assets and liabilities that previously were classified as operating expenses. The implementation of GASB 96 resulted in a positive \$2.3 million restatement of net position for governmental type activities.

Corrections involving fixed assets and fixed asset retirement transactions resulted in a negative \$216.9 million restatement in net position for governmental type activities and a negative \$52.2 million restatement in net position for business type activities. Corrections involving long-term debt premiums resulted in a negative \$1.7 million restatement in net position for governmental type activities. Corrections involving long-term leases resulted in a positive \$43,000 restatement in net position for governmental type activities. Corrections involving accounts receivable resulted in a positive \$1.1 million restatement in net position for business type activities.

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CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

18. NET POSITION (continued)

A. Restatement (continued)

Net Position (in thousands)	<u>Total Governmental Activities</u>	<u>Total Business-Type Activities</u>
Beginning, as previously reported	\$ (1,082,041)	\$ 399,570
Restatement	(216,313)	(51,033)
Beginning, as previously reported	\$ (1,298,354)	\$ 348,537

The following schedule includes restatements by individual fund. (in thousands)

<u>Fund</u>	<u>Previously reported</u>	<u>Adjustments</u>	<u>As Restated</u>
Net Position Restatement by Fund			
Major Proprietary Funds			
Solid Waste Disposal	\$ 53,489	\$ (30,804)	\$ 22,685
City Venues	146,751	(10,619)	136,132
Storm Water Services	174,063	(9,603)	164,460
Non-major Proprietary Funds			
Public Parking System - Enterprise Fund	6,532	(94)	6,438
Sports Complex Capital - Enterprise Fund	14,978	87	15,065
Fleet Management - Internal Service Fund	126,200	(9,464)	116,736
Information Technologies - Internal Service Fund	67,687	(21,620)	46,067
Public Works - Internal Service Fund	4,050	(39)	4,011
Legal - Internal Service Fund	(1,427)	6	(1,421)
Self Insurance - Internal Service Fund	(15,205)	6	(15,199)

19. FUND BALANCE DISCLOSURE

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority, City Council, through the issuance of an ordinance. Commitments may only be changed through the same type of formal action that created the commitment.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

19. FUND BALANCE DISCLOSURE (continued)

- Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned through the following: 1) The Director of Finance is authorized by City Council to assign amounts for a specific purpose. (2) The City Council has authorized the Director of Finance, in coordination with the Council Auditor, to recapture excess fund balance that isn't restricted or committed and transfer the excess to the General Fund – General Service District. Excess fund balance that is not recaptured is classified as assigned by the Director of Finance to be used for the purpose of the subfund.
- Unassigned – includes residual positive fund balance within the General Fund that has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted or committed for those specific purposes.

The City uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made, with the exception of the emergency reserve established by the City Council. Under normal circumstances, the City would first elect to utilize the Operating Reserve (unassigned fund balance in the General Fund) before considering use of its Emergency Reserve.

The City Council established an emergency reserve policy and fund beginning with the fiscal year 2006 budget and amended with Ordinance 2010-852-E, which added, "The Emergency Reserve can be used to address unanticipated non-reimbursed expenditures arising out of a hurricane, tornado, other major weather related events, and/or other massive infrastructure failures or other disasters, whether man-made or caused by nature." The emergency reserve is contained as a separate subfund within the General Fund and is included in each annual budget. The emergency reserve shall not be used except as initiated by the mayor through written communication to the City Council, explaining the emergency, and requires approval by two-thirds vote of all City Council members. The emergency reserve will be classified as committed fund balance.

The City does not have a formal minimum fund balance policy. However, the City's Ordinance Code addresses various targeted reserve positions, and the Administration calculates targets and actuals to report the results annually to City Council.

A schedule of City fund balances is provided in the following pages.



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CITY OF JACKSONVILLE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

19. FUND BALANCE DISCLOSURE (continued)

A. FUND BALANCE CLASSIFICATION (in thousands)

	MAJOR FUNDS			
	GENERAL FUND	SPECIAL BONDED DEBT- BETTER JACKSONVILLE PLAN OBLIGATIONS	OTHER FEDERAL, STATE AND LOCAL GRANTS	BETTER JACKSONVILLE PLAN TRUST
FUND BALANCES:				
Non Spendable:				
Imprest cash and cash in escrow	\$ -	\$ -	\$ -	\$ -
Inventories	5,300	-	-	-
Other	18	-	-	-
Spendable:				
Restricted for:				
Debt Service Reserved by Debt Covenants	-	72,603	-	-
Parks and Recreation Projects	-	-	-	-
Physical Environment	-	-	-	-
Conservation and Resource Management	-	-	-	-
Transportation Projects	-	-	-	-
Human Services	-	-	-	-
Housing and Urban Development	-	-	-	-
Building	-	-	-	-
Public Safety	-	-	-	-
Industry Development	-	-	-	-
Other	4,161	-	8,296	-
Committed to:				
City Council Emergency Use	94,975	-	-	-
Drainage Projects	-	-	-	-
Parks and Recreation Projects	1,954	-	-	-
Planning Projects	4,118	-	-	-
Physical Environment	-	-	-	-
Conservation and Resource Management	-	-	-	-
Transportation Projects	-	-	-	-
Emergency and Disaster Relief	-	-	-	-
Court Projects and Operations	-	-	-	-
Public Safety	10,560	-	-	-
Industry Development	3,273	-	-	-
Other	4,345	-	-	189,502
Assigned to:				
Parks Projects	1,757	-	-	-
Planning Projects	3,702	-	-	-
Public Safety	9,493	-	-	-
Industry Development	2,943	-	-	-
Other	3,906	-	-	-
Unassigned	416,649	-	-	-
Total Fund Balances	\$ 567,153	\$ 72,603	\$ 8,296	\$ 189,502

(Continued)

GENERAL PROJECTS		NON MAJOR GOVERNMENTAL FUNDS		TOTAL ALL FUNDS	
				2023	2022
\$	-	\$	123	\$	123
	-		-		5,300
	-		1,304		1,322
	-		7,691		80,294
	-		35		35
	-		17		17
	-		-		-
	-		-		-
	-		16,253		16,253
	-		24,293		24,293
	-		-		-
	-		-		-
	-		111,004		111,004
	-		10,763		23,220
	-		-		94,975
	-		-		-
	-		26,645		28,599
	-		102,926		107,044
	-		-		-
	-		-		-
	-		50,479		50,479
	-		8,969		8,969
	-		9,036		9,036
	-		-		10,560
	-		5,637		8,910
	36,375		124,523		354,745
	-		-		1,757
	-		-		3,702
	-		-		9,493
	-		-		2,943
	-		-		3,906
	-		(25,559)		391,090
\$	36,375	\$	474,139	\$	1,348,068
				\$	1,130,526



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REQUIRED SUPPLEMENTAL INFORMATION



CITY OF JACKSONVILLE, FLORIDA
GENERAL FUND REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL BUDGETARY BASIS (in thousands)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	GENERAL FUND						VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	BUDGETED AMOUNTS				BUDGETARY		
	ORIGINAL	FINAL	ACTUAL	ENCUMBRANCES	ACTUAL		
REVENUE:							
Property taxes.....	\$ 894,961	\$ 897,199	\$ 909,762	\$ -	\$ 909,762	\$ 12,563	
Utility service taxes.....	127,116	127,116	129,923	-	129,923	2,807	
Sales and tourist taxes.....	1,250	1,250	1,302	-	1,302	52	
Local business tax.....	6,859	6,859	6,779	-	6,779	(80)	
Licenses, permits and fees.....	44,213	44,213	47,656	-	47,656	3,443	
Intergovernmental.....	229,000	229,027	252,953	-	252,953	23,926	
Charges for services.....	86,218	86,413	87,080	-	87,080	667	
Fines and forfeitures.....	2,233	2,233	2,281	-	2,281	48	
JEA contribution.....	122,424	122,424	122,424	-	122,424	-	
Investment Earning.....	5,766	6,268	35,535	-	35,535	29,267	
Other.....	18,960	20,159	23,919	-	23,919	3,760	
Total Revenue.....	1,539,000	1,543,161	1,619,614	-	1,619,614	76,453	
EXPENDITURES AND ENCUMBRANCES:							
City Council.....	13,051	13,547	11,932	201	12,133	1,414	
Clerk of the Courts.....	7,623	7,729	6,492	29	6,521	1,208	
Courts.....	5,871	6,025	5,965	35	6,000	25	
Downtown Investment Authority.....	1,101	17,111	11,470	386	11,856	5,255	
Employee Services.....	7,905	8,284	7,617	410	8,027	257	
Finance.....	24,073	25,112	23,718	548	24,266	846	
Fire/Rescue.....	343,609	345,591	345,129	928	346,057	(466)	
General Counsel.....	158	258	160	-	160	98	
Health Administrator.....	1,732	1,732	1,728	-	1,728	4	
Inspector General.....	1,536	1,537	1,327	1	1,328	209	
Jacksonville Human Rights Commission.....	786	820	865	29	894	(74)	
Mayor.....	4,144	4,333	4,598	5	4,603	(270)	
Advisory Boards and Commissions.....	551	555	516	5	521	34	
Medical Examiner.....	6,619	6,666	6,281	7	6,288	378	
Military Affairs, Vet & Disabled Svcs.....	1,464	1,518	1,374	2	1,376	142	
Office of Economic Development.....	1,807	10,955	2,227	2,866	5,093	5,862	
Office of Ethics.....	630	630	625	-	625	5	
Parks & Recreation.....	52,039	50,587	49,283	281	49,564	1,023	
Property Appraiser.....	12,296	12,315	11,667	18	11,685	630	
Public Defender.....	2,507	2,552	2,550	-	2,550	2	
Planning and Development.....	5,086	5,491	4,846	297	5,143	348	
Public Libraries.....	40,516	41,076	38,272	953	39,225	1,851	
Public Works.....	56,728	60,201	56,663	1,709	58,372	1,829	
Neighborhoods.....	22,822	23,115	21,857	335	22,192	923	
Sports & Entertainment.....	11,877	12,012	11,299	561	11,860	152	
State Attorney.....	2,925	2,926	2,939	3	2,942	(16)	
Supervisor of Elections.....	11,947	14,705	10,812	407	11,219	3,486	
Office of the Sheriff.....	539,655	569,452	550,790	9,115	559,905	9,547	
Tax Collector.....	23,761	24,757	23,369	221	23,590	1,167	
Federal Program Reserve.....	4,660	912	-	-	-	912	
Contribution to Shands-Jacksonville.....	30,276	30,276	30,276	-	30,276	-	
Cash Carryover Reserves.....	93,681	93,791	-	-	-	93,791	
Jacksonville Misc. Citywide Activities.....	138,246	166,264	125,376	6,069	131,445	34,819	
Total Expenditures.....	1,471,682	1,562,835	1,372,023	25,421	1,397,444	165,391	
EXCESS OF REVENUE OVER (UNDER)							
EXPENDITURES.....	67,318	(19,674)	247,591	(25,421)	222,170	241,844	
OTHER FINANCING SOURCES (USES):							
Long term debt issued.....	-	37,500	-	-	-	(37,500)	
Software subscription proceeds.....	-	-	270	-	270	270	
Transfers in.....	21,410	30,297	22,386	-	22,386	(7,911)	
Transfers out.....	(155,829)	(183,790)	(161,703)	-	(161,703)	22,087	
Total Other Financing Sources (Uses).....	(134,419)	(115,993)	(139,047)	-	(139,047)	(23,054)	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES							
	(67,101)	(135,667)	108,544	(25,421)	83,123	218,790	
FUND BALANCES - BEGINNING OF YEAR.....	(105,526)	(267,595)	458,609	-	402,240	-	
FUND BALANCES - ENDING.....	\$ (172,627)	\$ (403,262)	\$ 567,153	\$ (25,421)	\$ 485,363	\$ 218,790	

CITY OF JACKSONVILLE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. BUDGETARY DATA

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

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

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

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

The City presents a Budgetary Comparison Schedule as Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget. For the fiscal year 2023, the Other Federal, State, and Local Grants Fund and the Better Jacksonville Plan Trust Fund met the criteria to be reported as a major fund but are not annually budgeted. The City has opted to make this presentation in the format and classifications of the budget document. These schedules report actual expenditures using generally accepted accounting principles as well as expenditures on the budgetary basis, which include amounts encumbered for future spending.

B. The City adopts annual budgets for the General Fund, certain Special Revenue Funds, and Proprietary Funds. The City reports budgetary comparisons for its General Fund and Major Special Revenue Funds in the Required Supplementary Information section of the report. None of these funds had an excess of expenditures over appropriations for the year ended September 30, 2023. Proprietary Fund budgets are adopted for management control purposes. The City is not required to include Budgetary Comparisons for Proprietary Funds in this report. Project or program budgets, which may not coincide with the City's fiscal year, or which may exceed a single annual period, are adopted by separate ordinance for most Special Revenue Funds and Capital Project Funds. Budgets are not formally adopted for Debt Service Funds as internal spending controls are set by compliance with bond covenants. The Special Revenue Funds which are not annually budgeted include the following: Public Safety, Community Development Block Grant, Job Training Partnership Act Grant, Maintenance Parks and Recreation, Other Federal, State and Local Grants, Better Jacksonville Trust Fund, Housing and Neighborhoods, State Housing Initiative Partnership, Non-Budgeted General Government, and Clerk of Court.

CITY OF JACKSONVILLE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

1. BUDGETARY DATA (continued)

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

- (1)** The budget is adopted by ordinance which sets the legal level of control at the fund level by department.
- (2)** The City adopted more stringent administrative policies that control expenditures at the major category (personnel services, operating expense, capital outlay, debt service) level within divisions within individual funds.
- (3)** The City, additionally, adopted a Municipal Ordinance Code Policy that provides transfer authority to the Mayor, without City Council approval, within an individual fund to include unique chart of account combinations if the total transferred funds for a specific purpose, project or issue is under \$500,000 during the fiscal year. These transfers are reported to the Finance Committee on a quarterly basis.

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

In certain instances, the City may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2023 Annual Budget Ordinance were made throughout the year, the effects of which were not material.

- E.** All appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end or at the close of the authorizing project/program, unless specifically carried forward by ordinance.
- F.** Formal budgetary integration is used as a management control device for all funds of the City, except certain debt service funds as explained in Note to RSI 1.C.
- G.** The City's annual financial plan, or published budget document, may be obtained from the City's Budget Office located at 117 West Duval Street, Suite 325, Jacksonville, Florida 32202.
- H.** The Clerk of Court special revenue fund budget is not approved by the City. The Court fund is submitted and approved by the State and is based on the State's July 1st to June 30th fiscal year.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Actuarially Determined Contributions</u>	<u>City Cash Contributions</u>	<u>Contribution Deficiency/ (Excess)**</u>	<u>Covered Payroll*</u>	<u>Actual Contribution as a % of Covered Payroll</u>
General Employees Retirement Plan					
2023	\$ 83,607	\$ 82,517	\$ 1,090	\$ 227,912	36.21%
2022	83,697	84,354	(657)	233,266	36.16
2021	76,833	77,269	(436)	246,864	31.30
2020	71,250	72,193	(943)	249,983	28.88
2019	69,248	70,338	(1,090)	253,982	27.69
2018	70,166	71,024	(858)	257,850	27.54
2017	94,527	94,700	(173)	250,894	37.75
2016	89,059	84,898	4,161	254,034	33.42
2015	86,069	81,751	4,318	262,369	31.16
2014	81,531	71,000	10,531	265,405	26.75
Corrections Officers Retirement Plan					
2023	\$ 17,186	\$ 17,196	\$ (10)	\$ 25,261	68.07%
2022	17,592	17,610	(18)	25,903	67.98
2021	15,045	15,061	(16)	28,268	53.28
2020	15,043	15,045	(2)	28,726	52.37
2019	14,498	14,498	-	28,164	51.48
2018	13,973	13,973	-	27,548	50.72
2017	19,156	19,162	(6)	26,585	72.08
2016	18,864	18,864	-	28,091	67.15
2015	17,618	17,832	(214)	27,374	65.14
2014	14,885	13,522	1,363	27,871	48.52

* Pensionable payroll as of the valuation measurement date 10/1.

**The City contributed the percentage of payroll represented by the actuarially determined contributions in the corresponding actuarial valuation. Actual dollar contributions may be more or less than the actuarially determined contributions due to actual payroll being different than projected payroll.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS
CITY OF JACKSONVILLE BEACH FIREFIGHTERS' RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

<u>Plan Year Ending September 30</u>	<u>Actuarially Determined Contributions</u>	<u>City Cash Contributions</u>	<u>Contribution Deficiency/ (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
Jacksonville Beach Firefighters					
2023	\$ 997	\$ 997	\$ -	\$ 2,064	48.30%
2022	969	1,091	(122)	1,871	58.31
2021	983	842	141	1,874	44.92
2020	1,067	1,102	(35)	1,832	60.15
2019	658	658	-	2,444	26.92
2018	608	608	-	2,030	29.95
2017	501	501	-	2,123	23.60
2016	422	422	-	2,020	20.89
2015	368	390	(22)	1,848	21.10
2014	408	458	(50)	1,868	24.52

Notes to Schedule of Contributions

Valuation Date October 1, 2022 for period ended September 30, 2023

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar, Closed

Remaining Amortization Period: 9 Years

Asset Valuation Method: 4-Year Smoothed Market

Actuarial Assumptions:

Inflation 2.5% wage inflation, 2.5% price inflation

Investment Rate of Return 6.5%

Projected Salary Increases 2.7% to 6.3%

Retirement Age Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.

Mortality The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

Other Information: The employer contribution for September 30, 2020 was recalculated in the October 1, 2019 actuarial valuation report dated February 14, 2020 in accordance with the Interlocal Agreement with the City of Jacksonville.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS - LAST 10 FISCAL YEARS
FLORIDA RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

Plan Year Ending September 30	Actuarially Determined Contributions	City Cash Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
Pension Plan					
2023	\$ 631	\$ 631	\$ -	\$ 5,507	11.46%
2022	600	630	(30)	5,436	11.59
2021	630	641	(11)	1,473	43.52
2020	698	755	(57)	2,065	36.56
2019	706	732	(26)	1,897	38.59
2018	759	758	1	2,043	37.10
2017	712	710	2	2,048	34.65
2016	695	724	(29)	2,072	34.93
2015	769	774	(5)	2,175	35.60

Prior years information is unavailable

Health Insurance Subsidy

2023	\$ 31	\$ 31	\$ -	\$ 1,870	1.66%
2022	32	25	7	2,031	1.23
2021	35	33	2	1,473	2.24
2020	36	39	(3)	2,065	1.89
2019	39	38	1	1,897	1.98
2018	43	39	4	2,043	1.91
2017	43	36	7	2,048	1.78
2016	42	37	5	2,072	1.79
2015	35	40	(5)	2,175	1.83

Prior years information is unavailable

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2022		2021		2020	
	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan
Total pension liability						
Service cost*	\$ 39,951	\$ 7,782	\$ 40,608	\$ 8,106	\$ 39,960	\$ 7,675
Interest*	228,792	33,940	225,729	32,479	222,362	30,633
Changes of benefit terms	-	-	3,982	-	-	-
Differences between expected and actual experience	38,039	9,464	25,338	5,071	12,192	9,965
Changes of assumptions	48,782	8,805	65,605	11,440	36,145	6,109
Benefit payments, including refunds of contributions	(231,842)	(22,269)	(221,533)	(21,953)	(207,269)	(20,323)
Net change in total pension liability	123,722	37,722	139,729	35,143	103,390	34,059
Total pension liability - beginning balance	3,529,433	515,649	3,389,704	480,506	3,286,314	446,447
Total pension liability - ending balance (a)	\$ 3,653,155	\$ 553,371	\$ 3,529,433	\$ 515,649	\$ 3,389,704	\$ 480,506
Plan fiduciary net position						
Contributions - employer	\$ 84,353	\$ 17,610	\$ 77,269	\$ 15,061	\$ 72,194	\$ 15,058
Contributions - employee	27,713	3,153	29,116	3,341	26,014	3,401
Net investment income	(351,108)	(45,934)	410,544	61,123	125,958	9,840
Benefit payments including refunds of contributions	(231,842)	(22,269)	(221,533)	(21,953)	(207,269)	(20,323)
Administrative expense	(1,832)	(159)	(1,194)	(160)	(1,084)	(153)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	(472,716)	(47,599)	294,202	57,412	15,813	7,823
Plan fiduciary net position - beginning balance	2,299,661	297,259	2,005,459	239,847	1,989,646	232,024
Plan fiduciary net position - ending balance (b)	1,826,945	249,660	2,299,661	297,259	2,005,459	239,847
Net pension liability - ending balance (a) - (b)	\$ 1,826,210	\$ 303,711	\$ 1,229,772	\$ 218,390	\$ 1,384,245	\$ 240,659
Plan fiduciary net position as a % of total pension liability	50.01%	45.12%	65.16%	57.65%	59.16%	49.92%
Covered payroll (in thousands)	\$ 227,912	\$ 25,261	\$ 233,266	\$ 25,903	\$ 246,387	\$ 28,268
Net pension liability as % of covered payroll	801.28%	1202.29%	527.20%	843.11%	561.82%	851.35%

Notes to Schedule:

Change of Assumptions:

As of September 30, 2020 the assumed investment return was lowered from 6.90% to 6.80%.
As of September 30, 2021 the assumed investment return was lowered from 6.80% to 6.625%.
As of September 30, 2022 the assumed investment return was lowered from 6.625% to 6.50%.

Change of Benefits:

An early retirement window was offered April 1, 2021 through September 30, 2021.
During the window, normal retirement eligibility was changed from either: age 65 with five years of credited service, age 55 with 20 years of credited service, or any age with 30 years of credited service.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2019		2018		2017	
	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan
Total pension liability						
Service cost*	\$ 39,905	\$ 7,359	\$ 41,477	\$ 7,975	\$ 37,697	\$ 7,330
Interest*	219,284	29,931	215,034	28,318	210,509	27,284
Changes of benefit terms	-	-	17,317	-	1,149	74
Differences between expected and actual experience	33,435	5,491	(7,275)	719	16,294	(2,054)
Changes of assumptions	4,913	(7,304)	80,635	17,045	64,390	9,950
Benefit payments, including refunds of contributions	(207,904)	(18,506)	(191,229)	(19,819)	(192,662)	(17,438)
Net change in total pension liability	89,633	16,971	155,959	34,238	137,377	25,146
Total pension liability - beginning balance	3,196,681	429,474	3,040,721	395,236	2,903,344	370,090
Total pension liability - ending balance (a)	\$ 3,286,314	\$ 446,447	\$ 3,196,680	\$ 429,474	\$ 3,040,721	\$ 395,236
Plan fiduciary net position						
Contributions - employer	\$ 70,338	\$ 14,498	\$ 71,024	\$ 13,973	\$ 94,700	\$ 19,162
Contributions - employee	28,334	3,225	29,919	3,151	23,037	2,500
Net investment income	14,789	3,496	145,470	19,269	266,138	26,747
Benefit payments including refunds of contributions	(207,904)	(18,506)	(191,229)	(19,819)	(192,662)	(17,438)
Administrative expense	(967)	(158)	(1,193)	(128)	(787)	(75)
Other	-	-	11,397	-	-	-
Net change in plan fiduciary net position	(95,410)	2,555	65,388	16,446	190,426	30,896
Plan fiduciary net position - beginning balance	2,085,056	229,469	2,019,668	213,023	1,829,242	182,127
Plan fiduciary net position - ending balance (b)	1,989,646	232,024	2,085,056	229,469	2,019,668	213,023
Net pension liability - ending balance (a) - (b)	\$ 1,296,668	\$ 214,423	\$ 1,111,624	\$ 200,005	\$ 1,021,053	\$ 182,213
Plan fiduciary net position as a % of total pension liability	60.54%	51.97%	65.23%	53.43%	66.42%	53.90%
Covered payroll (in thousands)	\$ 249,983	\$ 28,726	\$ 253,982	\$ 28,164	\$ 257,850	\$ 26,585
Net pension liability as % of covered payroll	518.70%	746.44%	437.68%	710.14%	395.99%	685.40%

Notes to Schedule:

Change of Assumptions:

As of September 30, 2019 the assumed investment return was lowered from 7.00% to 6.90%.

As of September 30, 2019 the mortality assumptions were changed from being based on the FRS mortality tables used in the July 1, 2018 FRS actuarial valuation for the special risk personnel to the FRS mortality tables used in the July 1, 2019 FRS actuarial valuation for special risk personnel. The set forward used to adjust for the plan's experience was changed for healthy pre- and post-retirement lives was changed from 2.5 years to 2.0 years with the adoption of the new base table. The mortality improvement scale was changed from scale BB to scale MP2018 in conjunction with this change.

The employee contribution rate increased from 7.7% to 9.7% of pay effective.

October 1, 2017. For accounting purposes, this change is reflected on September 30, 2017.

The plan was closed to new entrants as of October 1, 2017. There was no immediate impact on the total pension liability.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2016		2015	
	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan
Total pension liability				
Service cost*	\$ 36,759	\$ 7,091	\$ 40,238	\$ 7,261
Interest*	199,659	25,391	194,312	23,652
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	60,437	(1,418)	(4,785)	1,699
Changes of assumptions	72,969	16,320	(18,044)	(1,243)
Benefit payments, including refunds of contributions	(183,692)	(17,487)	(170,674)	(13,081)
Net change in total pension liability	<u>186,132</u>	<u>29,897</u>	<u>41,047</u>	<u>18,288</u>
Total pension liability - beginning balance	<u>2,717,212</u>	<u>340,194</u>	<u>2,676,164</u>	<u>321,906</u>
Total pension liability - ending balance (a)	<u><u>\$ 2,903,344</u></u>	<u><u>\$ 370,091</u></u>	<u><u>\$ 2,717,211</u></u>	<u><u>\$ 340,194</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 84,898	\$ 18,864	\$ 81,751	\$ 17,832
Contributions - employee	21,840	2,410	20,893	2,466
Net investment income	167,067	11,548	(39,506)	(3,849)
Benefit payments including refunds of contributions	(183,692)	(17,486)	(170,674)	(13,081)
Administrative expense	(762)	(75)	(762)	(73)
Other	-	-	-	-
Net change in plan fiduciary net position	<u>89,351</u>	<u>15,261</u>	<u>(108,298)</u>	<u>3,295</u>
Plan fiduciary net position - beginning balance	<u>1,739,891</u>	<u>166,866</u>	<u>1,848,189</u>	<u>163,571</u>
Plan fiduciary net position - ending balance (b)	<u>1,829,242</u>	<u>182,127</u>	<u>1,739,891</u>	<u>166,866</u>
Net pension liability - ending balance (a) - (b)	<u><u>\$ 1,074,102</u></u>	<u><u>\$ 187,964</u></u>	<u><u>\$ 977,320</u></u>	<u><u>\$ 173,328</u></u>
Plan fiduciary net position as a % of total pension liability	63.00%	49.21%	64.03%	49.05%
Covered payroll (in thousands)	\$ 255,717	\$ 28,091	\$ 254,035	\$ 27,374
Net pension liability as % of covered payroll	420.04%	669.13%	384.72%	633.18%

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2014		2013	
	General Employees' Retirement Plan	Corrections Officers' Retirement Plan	General Employees' Retirement Plan	Corrections Officers' Retirement Plan
Total pension liability				
Service cost*	\$ 36,950	\$ 6,680	\$ 39,627	\$ 6,904
Interest*	189,064	21,997	183,151	20,476
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(5,356)	5,963	22,318	5,777
Changes of assumptions	101,525	10,765	-	-
Benefit payments, including refunds of contributions	(171,127)	(14,676)	(166,460)	(12,369)
Net change in total pension liability	<u>151,056</u>	<u>30,729</u>	<u>78,636</u>	<u>20,788</u>
Total pension liability - beginning balance	<u>2,525,107</u>	<u>291,177</u>	<u>2,446,471</u>	<u>270,389</u>
Total pension liability - ending balance (a)	<u><u>\$ 2,676,163</u></u>	<u><u>\$ 321,906</u></u>	<u><u>\$ 2,525,107</u></u>	<u><u>\$ 291,177</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 71,000	\$ 13,522	\$ 55,386	\$ 10,742
Contributions - employee	20,961	2,253	21,878	2,525
Net investment income	194,864	15,468	264,541	18,466
Benefit payments including refunds of contributions	(171,127)	(14,677)	(166,460)	(12,369)
Administrative expense	(828)	(65)	(671)	(50)
Other	-	-	-	392
Net change in plan fiduciary net position	<u>114,870</u>	<u>16,501</u>	<u>174,674</u>	<u>19,706</u>
Plan fiduciary net position - beginning balance	<u>1,733,319</u>	<u>147,070</u>	<u>1,558,645</u>	<u>127,364</u>
Plan fiduciary net position - ending balance (b)	<u>1,848,189</u>	<u>163,571</u>	<u>1,733,319</u>	<u>147,070</u>
Net pension liability - ending balance (a) - (b)	<u><u>\$ 827,974</u></u>	<u><u>\$ 158,335</u></u>	<u><u>\$ 791,788</u></u>	<u><u>\$ 144,107</u></u>
Plan fiduciary net position as a % of total pension liability	69.06%	50.81%	68.64%	50.51%
Covered payroll (in thousands)	\$ 262,369	\$ 27,871	\$ 265,405	\$ 28,944
Net pension liability as % of covered payroll	315.58%	578.42%	298.33%	497.88%

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - LAST 10 FISCAL YEARS
FLORIDA RETIREMENT SYSTEM & JACKSONVILLE BEACH FIREFIGHTERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2023			2022		
	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters
Total pension liability						
Service cost*	\$ 364	\$ 10	\$ 394	\$ 370	\$ 15	\$ 361
Interest*	1,881	18	1,323	1,969	14	1,363
Changes of benefit terms	175	264	-	14	-	-
Differences between expected and actual experience	413	-	18	175	(3)	(748)
Changes of assumptions	-	(11)	694	343	(83)	(462)
Change in Porportionate Share	(344)	(59)	-	-	-	-
Benefit payments, including refunds of contributions	(1,681)	(25)	(836)	(1,775)	(28)	(840)
Net change in total pension liability	808	197	1,593	1,096	(85)	(326)
Total pension liability - beginning balance	30,559	583	19,390	29,463	668	19,716
Total pension liability - ending balance (a)	\$ 31,367	\$ 780	\$ 20,983	\$ 30,559	\$ 583	\$ 19,390
Plan fiduciary net position						
Contributions - employer	\$ 631	\$ 35	\$ 1,091	\$ 600	\$ 32	\$ 842
Contributions - employee	104	-	135	108	-	159
Net investment income	1,755	-	(2,881)	(2,001)	-	2,835
Benefit payments including refunds of contributions	(1,681)	(25)	(836)	(1,775)	(28)	(840)
Administrative expense	(4)	-	(78)	(3)	-	(76)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	805	10	(2,569)	(3,071)	4	2,920
Plan fiduciary net position - beginning balance	25,331	24	18,196	28,402	24	15,276
Plan fiduciary net position - ending balance (b)	26,136	34	15,627	25,331	28	18,196
Net pension liability - ending balance (a) - (b)	\$ 5,231	\$ 746	\$ 5,356	\$ 5,228	\$ 555	\$ 1,194
Plan fiduciary net position as a % of total pension liability	83.32%	4.36%	74.47%	82.89%	4.80%	93.84%
Covered payroll (in thousands)	\$ 5,507	\$ 1,870	\$ 2,064	\$ 5,436	\$ 1,914	\$ 1,871
Net pension liability as % of covered payroll	94.99%	39.89%	259.50%	96.17%	29.00%	63.82%

Notes to Schedules:

An additional year will be added to this schedule annually until 10 years of data are presented.

FLORIDA RETIREMENT SYSTEM

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method.

Inflation increases for both plans is assumed at 2.40%.

Payroll growth, including inflation, for both plans is assumed at 3.25%.

Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%.

JACKSONVILLE BEACH FIREFIGHTERS

Inflation increase is assumed at 2.50%.

Payroll growth, including inflation, is assumed at 2.70% to 6.30%.

Both the discount rate and the long-term expected rate of return used for investments is 6.90% for the 2023 valuation and 7.00% for the 2022 valuation. The mortality tables were updated to Pub-2010 with projection scale MP-2018.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - LAST 10 FISCAL YEARS
FLORIDA RETIREMENT SYSTEM & JACKSONVILLE BEACH FIREFIGHTERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2021			2020		
	Florida Retirement System	FRS Health Insurance Supplement	Jacksonville Beach Firefighters	Florida Retirement System	Health Insurance Supplement	Jacksonville Beach Firefighters
Total pension liability						
Service cost*	\$ 438	\$ 17	\$ 346	\$ 556	\$ 17	\$ 378
Interest*	2,267	16	1,320	2,826	25	1,277
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	58	-	(63)	94	28	92
Changes of assumptions	-	5	-	365	30	1,161
Change in Porportionate Share	-	-	-	-	-	-
Benefit payments, including refunds of contributions	(1,981)	(30)	(1,149)	(2,393)	(32)	(968)
Net change in total pension liability	782	8	454	1,448	68	1,940
Total pension liability - beginning balance	33,867	742	19,262	41,580	722	17,322
Total pension liability - ending balance (a)	\$ 34,649	\$ 750	\$ 19,716	\$ 43,028	\$ 790	\$ 19,262
Plan fiduciary net position						
Contributions - employer	\$ 630	\$ 35	\$ 1,101	\$ 698	\$ 36	\$ 658
Contributions - employee	125	-	146	157	-	178
Net investment income	7,926	-	1,372	1,121	-	743
Benefit payments including refunds of contributions	(1,981)	(30)	(1,149)	(2,393)	(32)	(967)
Administrative expense	(4)	-	(80)	(5)	-	(70)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	6,696	5	1,390	(422)	4	542
Plan fiduciary net position - beginning balance	26,704	22	13,886	34,348	19	13,344
Plan fiduciary net position - ending balance (b)	33,400	27	15,276	33,926	23	13,886
Net pension liability - ending balance (a) - (b)	\$ 1,249	\$ 723	\$ 4,440	\$ 9,102	\$ 767	\$ 5,376
Plan fiduciary net position as a % of total pension liability	96.40%	3.60%	77.48%	78.85%	2.91%	72.09%
Covered payroll (in thousands)	\$ 1,473	\$ 1,473	\$ 1,871	\$ 2,065	\$ 2,065	\$ 2,244
Net pension liability as % of covered payroll	84.79%	49.08%	237.31%	440.77%	37.13%	239.52%

Notes to Schedules:

An additional year will be added to this schedule annually until 10 years of data are presented.

FLORIDA RETIREMENT SYSTEM

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method.

Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%.

Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.00% for the 2020 valuation and 6.80% for the 2021 valuation.

JACKSONVILLE BEACH FIREFIGHTERS

Inflation increase is assumed at 2.50%.

Payroll growth, including inflation, is assumed at 2.70% to 6.30%.

Both the discount rate and the long-term expected rate of return used for investments is 7.00% for the 2021 valuation and 7.50% for the 2020 valuation.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - LAST 10 FISCAL YEARS
FLORIDA RETIREMENT SYSTEM & JACKSONVILLE BEACH FIREFIGHTERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2019			2018	
	Florida Retirement System	Health Insurance Supplement	Jacksonville Beach Firefighters	Florida Retirement System	Jacksonville Beach Firefighters
Total pension liability					
Service cost*	\$ 575	\$ 16	\$ 306	\$ 666	\$ 302
Interest*	3,005	30	1,207	3,453	1,097
Changes of benefit terms	3	-	-	-	-
Differences between expected and actual experience	56	-	189	162	216
Changes of assumptions	361	36	879	564	717
Change in Porportionate Share	-	-	-	(240)	-
Benefit payments, including refunds of contributions	(2,475)	(35)	(774)	(2,803)	(750)
Net change in total pension liability	<u>1,525</u>	<u>47</u>	<u>1,807</u>	<u>1,802</u>	<u>1,582</u>
Total pension liability - beginning balance	<u>43,576</u>	<u>764</u>	<u>15,515</u>	<u>51,141</u>	<u>13,933</u>
Total pension liability - ending balance (a)	<u><u>\$ 45,101</u></u>	<u><u>\$ 811</u></u>	<u><u>\$ 17,322</u></u>	<u><u>\$ 52,943</u></u>	<u><u>\$ 15,515</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 706	\$ 39	\$ 608	\$ 802	\$ 501
Contributions - employee	171	-	161	199	169
Net investment income	2,143	-	1,112	3,718	1,322
Benefit payments including refunds of contributions	(2,475)	(35)	(774)	(2,803)	(750)
Administrative expense	(4)	-	(75)	(5)	(71)
Other	-	-	-	-	-
Net change in plan fiduciary net position	<u>541</u>	<u>4</u>	<u>1,032</u>	<u>1,911</u>	<u>1,171</u>
Plan fiduciary net position - beginning balance	<u>36,715</u>	<u>16</u>	<u>12,312</u>	<u>42,170</u>	<u>11,141</u>
Plan fiduciary net position - ending balance (b)	<u>37,256</u>	<u>20</u>	<u>13,344</u>	<u>44,081</u>	<u>12,312</u>
Net pension liability - ending balance (a) - (b)	<u><u>\$ 7,845</u></u>	<u><u>\$ 791</u></u>	<u><u>\$ 3,978</u></u>	<u><u>\$ 8,862</u></u>	<u><u>\$ 3,203</u></u>
Plan fiduciary net position as a % of total pension liability	82.61%	2.47%	77.03%	83.26%	79.36%
Covered payroll (in thousands)	\$ 1,897	\$ 1,897	\$ 2,230	\$ 2,043	\$ 2,030
Net pension liability as % of covered payroll	413.55%	41.69%	195.97%	433.77%	157.78%

Notes to Schedules:

An additional year will be added to this schedule annually until 10 years of data are presented.

FLORIDA RETIREMENT SYSTEM

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method.

Inflation increases for both plans is assumed at 2.40%.

Payroll growth, including inflation, for both plans is assumed at 3.25%.

Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%.

JACKSONVILLE BEACH FIREFIGHTERS

Inflation increase is assumed at 2.50%.

Payroll growth, including inflation, is assumed at 2.70% to 6.30%.

Both the discount rate and the long-term expected rate of return used for investments is 7.50%.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - LAST 10 FISCAL YEARS
FLORIDA RETIREMENT SYSTEM & JACKSONVILLE BEACH FIREFIGHTERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2017		2016		2015	
	Florida Retirement System	Jacksonville Beach Firefighters	Florida Retirement System	Jacksonville Beach Firefighters	Florida Retirement System	Jacksonville Beach Firefighters
Total pension liability						
Service cost*	\$ 592	\$ 282	\$ 592	\$ 245	\$ 629	\$ 246
Interest*	3,444	994	3,444	952	3,483	913
Changes of benefit terms	25	-	25	-	9	(1,652)
Differences between expected and actual experience	386	33	386	117	245	-
Changes of assumptions	2,758	812	2,758	-	369	-
Change in Porportionate Share	(6,329)	-	(6,329)	-	(533)	-
Benefit payments, including refunds of contributions	(2,736)	(933)	(2,736)	(683)	(3,070)	(664)
Net change in total pension liability	(1,860)	1,188	(1,860)	631	1,132	(1,157)
Total pension liability - beginning balance	53,001	12,745	53,001	12,114	51,869	13,271
Total pension liability - ending balance (a)	\$ 51,141	\$ 13,933	\$ 51,141	\$ 12,745	\$ 53,001	\$ 12,114
Plan fiduciary net position						
Contributions - employer	\$ 756	\$ 422	\$ 756	\$ 390	\$ 737	\$ 458
Contributions - employee	204	161	204	147	203	122
Net investment income	5,145	855	5,145	(34)	140	1,010
Benefit payments including refunds of contributions	(2,736)	(933)	(2,736)	(684)	(3,070)	(664)
Administrative expense	(5)	(63)	(5)	(66)	(5)	(78)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	3,364	442	3,364	(247)	(1,995)	848
Plan fiduciary net position - beginning balance	38,807	10,700	38,807	10,946	46,853	10,098
Plan fiduciary net position - ending balance (b)	42,171	11,142	42,171	10,699	44,858	10,946
Net pension liability - ending balance (a) - (b)	\$ 8,970	\$ 2,791	\$ 8,970	\$ 2,046	\$ 8,143	\$ 1,168
Plan fiduciary net position as a % of total pension liability	82.46%	79.97%	82.46%	83.95%	84.64%	90.36%
Covered payroll (in thousands)	\$ 2,048	\$ 2,123	\$ 2,072	\$ 2,123	\$ 2,175	\$ 1,868
Net pension liability as % of covered payroll	437.99%	150.85%	432.92%	150.85%	374.39%	62.52%

Notes to Schedules:

An additional year will be added to this schedule annually until 10 years of data are presented.

FLORIDA RETIREMENT SYSTEM

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method.

Inflation increases for both plans is assumed at 2.40%.

Payroll growth, including inflation, for both plans is assumed at 3.25%.

Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%.

JACKSONVILLE BEACH FIREFIGHTERS

Inflation increase is assumed at 2.50% for the 2017 valuation and 3.50% for 2016 and 2015 valuations.

Payroll growth, including inflation, is assumed at 2.50% to 6.30%.

Both the discount rate and the long-term expected rate of return used for investments is 7.90% for the 2017 valuation and 8.00% for 2016 and 2015 valuations.

The mortality tables were updated to the HB mandated FRS mortality tables.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN – LAST 10 FISCAL YEARS
CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(net of investment expense)

Fiscal Year Ended September 30	City of Jacksonville Retirement System
2023	12.99%
2022	-15.17
2021	21.32
2020	6.02
2019	0.88
2018	7.44
2017	14.71
2016	9.45
2015	-2.15
2014	11.52

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
GENERAL EMPLOYEES RETIREMENT PLAN**

Valuation date	October 1, 2022
Methods and used assumptions to determine contribution rates:	
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll, using 1.50% annual increases
Remaining amortization period	As of October 1, 2022, the effective amortization period is 24 years.
Asset valuation method	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.
Actuarial assumptions:	
Investment rate of return	6.80%, net of pension plan investment expense, including inflation..
Inflation rate	2.50%
Projected salary increases	3.00% - 7.50%, of which 2.50% is the Plan's long-term payroll inflation.
Cost-of-living adjustments	The Plan provisions contain a 3.00% COLA.
Mortality:	
<i>Pre-retirement</i>	FRS pre-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
<i>Healthy annuitants</i>	FRS healthy post-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
<i>Disabled annuitants</i>	FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018. The FRS tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for personnel other than special risk reasonably reflect the disabled annuitant mortality experience as of the measurement date.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
CORRECTIONS OFFICERS RETIREMENT PLAN**

Valuation date	October 1, 2022
Methods and used assumptions to determine contribution rates:	
Actuarial cost method	Entry Age Actuarial Cost Method.
Amortization method	Level percent of payroll, using 1.25% annual increases
Remaining amortization period	As of October 1, 2022 the effective amortization period is 24 years.
Asset valuation method	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.
Actuarial assumptions:	
Investment rate of return	6.80%, including inflation, net of pension plan investment expense
Inflation rate	2.50%
Projected salary increases	2.80% - 7.50%, of which 2.50% is the Plan's long-term payroll inflation assumption.
Cost of living adjustments	The Plan provisions contain a 3.00% COLA.
Mortality:	
Pre-Retirement	FRS pre-retirement mortality tables for special risk personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018
Healthy annuitants	FRS healthy post-retirement mortality tables for special risk personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
Disabled annuitants	FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018.
	The FRS tables for special risk personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for special risk personnel reasonably reflect the disabled annuitant mortality experience as of the measurement date.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
NET PENSION LIABILITY – LAST 10 FISCAL YEARS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

CITY OF JACKSONVILLE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

Fiscal Year	City's Proportional Share Percentage	City's Proportion of Net Pension Liability	City's Covered Payroll	City's Net Pension Liability as Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
2023	46.47%	\$ 848,644	\$ 95,951	884.46%	50.01%
2022	46.08	566,670	98,891	573.02	65.16
2021	45.27	626,624	108,965	575.07	59.16
2020	49.23	638,350	110,781	576.23	60.54
2019	47.35	526,354	113,773	462.64	65.23
2018	46.37	473,462	118,506	399.53	63.71
2017	47.61	511,380	118,973	429.83	63.00
2016	48.78	476,737	121,601	392.05	64.03
2015	49.72	411,669	128,869	319.45	69.06
2014	49.72	393,677	129,951	302.94	68.64

FLORIDA RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

Fiscal Year	City's Proportional Share Percentage	City's Proportion of Net Pension Liability	City's Covered Payroll	City's Net Pension Liability as Percentage of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
Pension Plan					
2023	0.01%	\$ 5,230	\$ 5,507	94.97%	82.38%
2022	0.01	5,229	5,436	96.19	82.89
2021	0.02	1,248	1,473	84.73	83.44
2020	0.02	9,101	2,065	440.73	78.85
2019	0.02	7,844	1,897	413.49	82.61
2018	0.03	8,023	2,043	392.71	84.26
2017	0.03	8,097	2,048	395.36	83.89
2016	0.03	7,197	2,072	347.35	84.88
2015	0.03	4,076	2,175	187.40	92.00

Prior years information is unavailable

Health Insurance Subsidy

2023	0.00%	\$ 749	\$ 1,870	40.05%	4.63%
2022	0.01	556	2,031	27.38	4.85
2021	0.01	723	1,473	49.08	3.56
2020	0.01	767	2,065	37.14	3.00
2019	0.01	790	1,897	41.64	2.63
2018	0.01	842	2,043	41.21	2.15
2017	0.01	876	2,048	42.77	1.64
2016	0.01	947	2,072	45.70	0.97
2015	0.01	939	2,175	43.17	0.50

Prior years information is unavailable

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS – FOR LAST 10 FISCAL YEARS
POLICE AND FIRE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

FYE	Actuarially required City contribution	Contribution in relation to the actuarially determined contribution	Contribution deficiency (excess) *	Covered payroll	Contribution as a percentage of covered payroll
2023	\$ 156,994	\$ 156,994	\$ -	\$ 162,885	96.38%
2022	157,352	157,352	-	161,836	97.23
2021	148,476	148,477	(1)	161,836	91.74
2020	140,293	140,293	-	174,186	80.54
2019	135,264	135,264	-	174,125	77.68
2018	135,648	135,691	(43)	162,004	83.73
2017	165,772	177,788	(12,016)	149,490	110.89
2016	154,540	154,540	-	135,600	113.97
2015	153,604	153,936	(332)	132,735	115.72
2014	142,433	149,159	(6,726)	134,521	105.88

* Contribution deficiency (excess) is assigned to the City Budget Stabilization Account

Valuation date: October 1, 2022

Methods used to determine contribution rates:

Actuarial Cost Method:	Entry Age Normal Cost
Amortization method:	Level Percent of Payroll, Closed
Remaining amortization period:	25 Years
Asset valuation method:	5-year smoothed market
Inflation:	2.25%
Salary increases:	A range of 2.75% to 11.50% depending on complete years of service, including inflation.
Investment rate of return:	6.500%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	MortalityPUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as mandated by Chapter 112.63, Florida Statutes.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS – FOR LAST 10 FISCAL YEARS
POLICE AND FIRE PENSION FUND – SENIOR STAFF VOLUNTARY RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

Plan Year Ending September 30	Annual Required City Contribution	Employer Contributions	Contribution Deficiency/ (excess)*	Covered employee payroll	Contribution as a % of covered payroll
2023	\$ 15	\$ 15	\$ -	\$ -	N/A
2022	49	49	-	-	N/A
2021*	-	-	-	-	N/A
2020*	-	-	-	-	N/A
2019*	-	-	-	-	N/A
2018*	-	-	-	-	N/A
2017*	-	-	-	-	N/A
2016*	-	-	-	-	N/A
2015	-	-	-	307	0.00%
2014	28	7	21	298	2.41%

* No contribution amount was required because the Plan has no active employees since FY 2016.

NOTES:

Valuation date: Actuarially determined contribution rates are calculated as of October 1, each year prior to the end of the fiscal year in which contributions are reported.

Methods used to determine contribution rates:

Actuarial cost method:	Individual entry age
Amortization method:	Aggregate method
Asset valuation method:	Market Value
Inflation:	2.25%
Investment rate of return:	6.50%
Cost of living adjustments:	3.00%
Mortality Table in use:	MortalityPUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and post-retirement mortality are based on the Below Median Healthy tables. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as mandated by Chapter 112.63, Florida Statutes.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS
POLICE AND FIRE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2022	2021	2020	2019	2018
Total pension liability					
Service Cost (BOY)	\$ 71,817	\$ 71,448	\$ 70,110	\$ 65,148	\$ 60,154
Interest on total pension liability	301,237	292,914	283,846	269,658	259,434
Changes in Benefit Terms	-	-	2,706	-	-
Experience deviations including buybacks	114,062	10,351	3,123	8,465	8,132
Changes of assumptions	81,000	162,093	56,025	-	-
Benefit payments, including refunds of member contributions	(229,231)	(209,515)	(193,115)	(189,126)	(184,257)
Distribution from Reserve Accounts	(18,013)	(15,238)	(24,557)	(55,472)	-
Other	15,798	556	(3,076)	110,375	-
Net change in total pension liability	336,670	312,609	195,062	209,048	143,464
Total pension liability -- beginning	4,596,792	4,284,183	4,089,121	3,880,073	3,736,609
Total pension liability -- ending(a)	\$ 4,933,462	\$ 4,596,792	\$ 4,284,183	\$ 4,089,121	\$ 3,880,073
Fiduciary net position Contributions--employer					
Contributions--employer	157,520	134,725	123,328	110,528	115,691
Contributions--member	18,277	19,118	19,035	17,746	16,637
Net investment income	(432,099)	490,418	159,428	54,130	156,443
Benefit payments, including refunds of member contributions	(229,231)	(209,515)	(193,114)	(189,126)	(184,257)
Administrative expense	(2,146)	(2,205)	(2,185)	(2,117)	(2,138)
Distribution from Reserve Accounts	(18,013)	(15,238)	(24,557)	(55,472)	-
Chapter 175/185	15,798	14,307	13,888	12,756	11,791
Court Fines	667	724	519	702	776
Other	(518)	(34)	673	(3,262)	82
Net change in fiduciary net position	(489,745)	432,300	97,015	(54,115)	115,025
Fiduciary net position -- beginning	2,483,023	2,050,722	1,953,707	2,007,822	1,892,797
Fiduciary net position -- ending	1,993,278	2,483,022	2,050,722	1,953,707	2,007,822
less Reserve Accounts and Sr. Staff Assets	-	-	-	-	(126,819)
Total fiduciary net position -- ending(b)	1,993,278	2,483,022	2,020,065	1,953,707	1,881,003
City's fiduciary net pension liability--ending(a)-(b)	\$ 2,940,184	\$ 2,113,770	\$ 2,264,118	\$ 2,135,414	\$ 1,999,070
 Fiduciary net position as a percentage of the total pension liability	 40.40%	 54.02%	 47.15%	 47.78%	 48.48%
 Covered payroll	 \$162,885	 \$161,836	 \$174,186	 \$174,125	 \$162,004
 City's fiduciary net pension liability as a percentage of covered- employee payroll	 1805.07%	 1306.12%	 1299.83%	 1226.37%	 1233.97%

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS
POLICE AND FIRE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2017	2016	2015	2014	2013
Total pension liability					
Service Cost (BOY)	\$ 45,257	\$ 44,087	\$ 46,663	\$ 47,915	\$ 46,109
Interest on total pension liability	233,338	217,546	210,943	203,577	195,520
Changes in Benefit Terms	26,818	-	(28,685)	-	-
Experience deviations including buybacks	24,031	3,566	24,831	22,671	(4,676)
Changes of assumptions	232,927	97,813	24,514	-	5,333
Benefit payments, including refunds of member contributions	(171,277)	(159,726)	(148,628)	(138,179)	(128,656)
Distribution from Reserve Accounts					
Other					
Net change in total pension liability	391,094	203,286	129,638	135,984	113,630
Total pension liability -- beginning	3,345,515	3,142,229	3,012,590	2,876,606	2,762,977
Total pension liability -- ending(a)	\$ 3,736,609	\$ 3,345,515	\$ 3,142,228	\$ 3,012,590	\$ 2,876,606
Fiduciary net position Contributions--employer					
Contributions--employer	184,526	157,494	154,665	150,520	121,822
Contributions--member	13,571	12,831	12,062	11,584	10,754
Net investment income	243,422	154,313	(62,884)	147,333	169,202
Benefit payments, including refunds of member contributions	(171,277)	(159,726)	(148,628)	(138,179)	(128,656)
Administrative expense	(2,174)	(3,519)	(2,228)	(2,224)	(2,506)
Distribution from Reserve Accounts	-	-	-	-	-
Chapter 175/185	10,875	10,681	10,578	10,110	9,667
Court Fines	759	833	921	881	758
Other	51	122	327	142	1,187
Net change in fiduciary net position	279,753	173,029	(35,187)	180,167	182,229
Fiduciary net position -- beginning	1,613,044	1,437,777	-	1,292,930	1,110,737
Fiduciary net position -- ending	1,892,797	1,613,044	(35,187)	1,473,097	1,292,966
less Reserve Accounts and Sr. Staff Assets	(127,638)	(99,646)	(83,502)	(83,349)	(64,835)
Total fiduciary net position -- ending(b)	1,765,159	1,513,398	(118,689)	1,389,748	1,228,131
City's fiduciary net pension liability--ending(a)-(b)	\$ 1,971,450	\$ 1,832,117	\$ 3,260,917	\$ 1,622,842	\$ 1,648,475
Fiduciary net position as a percentage of the total pension liability	47.24%	45.24%	-3.78%	46.13%	42.69%
Covered payroll	\$149,490	\$135,600	\$132,735	\$134,521	\$130,972
City's fiduciary net pension liability as a percentage of covered- employee payroll	1318.78%	1351.12%	2456.71%	1206.38%	1258.65%

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS
POLICE AND FIRE PENSION FUND - SENIOR STAFF VOLUNTARY RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2022	2021	2020	2019
Total pension liability				
Service Cost (BOY)	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	302	304	205	208
Changes in Benefit Terms	-	-	1,517	-
Experience deviations including buybacks	117	120	143	-
Changes of assumptions	51	112	272	-
Benefit payments, including refunds of member contributions	(376)	(375)	(614)	(258)
Net change in total pension liability	94	161	1,523	(50)
Total pension liability -- beginning	4,748	4,587	3,064	3,113
Total pension liability -- ending(a)	\$ 4,842	\$ 4,748	\$ 4,587	\$ 3,063
Fiduciary net position Contributions--employer				
Contributions--employer	49	-	-	-
Contributions--member	-	-	-	-
Net investment income	(740)	903	331	129
Benefit payments, including refunds of member contributions	(376)	(375)	(614)	(258)
Other				
Net change in fiduciary net position	(1,067)	528	(283)	(129)
Fiduciary net position -- beginning	4,606	4,077	4,360	4,489
Fiduciary net position -- ending (b)	3,540	4,606	4,077	4,360
Net Pension Liability -- ending (a) - (b)	\$ 1,302	\$ 142	\$ 510	\$ (1,297)
Fiduciary net position as a percentage of the total pension liability	73.12%	97.02%	88.89%	142.32%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -
City's fiduciary net pension liability as a percentage of covered- employee payroll	N/A	N/A	N/A	N/A

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY – LAST 10 FISCAL YEARS
POLICE AND FIRE PENSION FUND - SENIOR STAFF VOLUNTARY RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(in thousands)

	2018	2017*	2016	2015**
Total pension liability				
Service Cost (BOY)	\$ -	\$ -	\$ -	\$ (57)
Interest on total pension liability	209		298	282
Changes in Benefit Terms	-		89	-
Experience deviations including buybacks	39		27	-
Changes of assumptions	-		149	154
Benefit payments, including refunds of member contributions	(257)		(286)	(109)
Net change in total pension liability	(9)	2	278	270
Total pension liability -- beginning	3,122	4,684	4,406	4,136
Total pension liability -- ending (a)	\$ 3,113	\$ 3,122	\$ 4,684	\$ 4,406
Fiduciary net position Contributions--employer				
Contributions--employer	-	-	-	-
Contributions--member	-	-	-	22
Net investment income	342	567	386	(167)
Benefit payments, including refunds of member contributions	(257)	(265)	(286)	(109)
Other	-	-	-	-
Net change in fiduciary net position	85	302	100	(254)
Fiduciary net position -- beginning	4,405	4,102	4,002	4,257
Fiduciary net position -- ending (b)	4,489	4,404	4,102	4,002
Net Pension Liability -- ending (a) - (b)	\$ (1,376)	\$ (1,282)	\$ 582	\$ 404
Fiduciary net position as a percentage of the total pension liability	144.20%	141.09%	87.57%	90.83%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -
City's fiduciary net pension liability as a percentage of covered- employee payroll	N/A	N/A	N/A	N/A

* For Measurement Year Ended September 30, 2017, information on the change in Total Pension Liability was not available.

**Prior years information is unavailable.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN – LAST 10 FISCAL YEARS
POLICE AND FIRE RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(net of investment expense)

Fiscal Year Ended <u>September 30</u>	Police and Fire <u>Retirement System</u>
2023	13.70%
2022	-16.78
2021	23.15
2020	7.98
2019	2.96
2018	10.00
2017	14.27
2016	10.00
2015	-3.95
2014	10.73

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS – LAST SEVEN FISCAL YEARS
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) OTHER THAN POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in relation to the Determined Contribution</u>	<u>Contribution Deficiency or (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contribution as a percentage of covered payroll</u>
2017	\$ 18,347,728	\$ 5,231,223	\$ 13,116,505	\$ 366,392,949	1.4 %
2018	20,177,634	6,060,000	14,117,634	379,216,702	1.6
2019	16,926,496	5,588,925	11,337,571	446,587,932	1.3
2020	16,952,454	3,629,110	13,323,344	200,775,000	1.8
2021	11,180,763	2,207,089	8,973,674	153,166,800	1.4
2022	10,412,785	2,486,900	7,925,885	157,762,000	1.6
2023	8,360,672	4,016,542	4,344,130	222,007,275	1.8

Other: This schedule is presented for the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for the years for which information is available.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS – LAST FOUR FISCAL YEARS
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in relation to the Determined Contribution</u>	<u>Contribution Deficiency or (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contribution as a percentage of covered payroll</u>
2020	\$ 10,786,515	\$ 2,611,660	\$ 8,174,856	\$ 261,444,000	1.0 %
2021	30,704,888	6,250,523	24,454,365	433,771,559	1.4
2022	34,632,216	7,042,952	27,589,264	446,785,000	1.6
2023	27,465,326	7,324,336	20,140,990	303,809,859	2.4

Other: This schedule is presented for the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for the years for which information is available.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) OTHER THAN POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Total OPEB Liability							
Service cost	\$ 4,515,223	\$ 6,596,811	\$ 5,283,937	\$ 1,999,915	\$ 8,828,783	\$ 11,293,019	\$ 10,839,911
Interest	2,923,236	2,131,546	2,130,089	2,192,473	8,097,713	8,884,615	7,507,817
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	30,226,368	-	(9,947,871)	-	(10,029,066)	-	-
Changes in assumptions	(792,368)	(21,331,773)	1,500,025	62,365,376	41,622,149	(30,714,455)	(7,431,307)
Plan change (1/1/2020)	-	-	-	(201,346,437)	-	-	-
Benefit payments	(4,016,542)	(2,486,900)	(2,207,089)	(3,629,110)	(5,588,925)	(6,060,000)	(5,231,223)
Net change in total OPEB liability	32,855,917	(15,090,316)	(3,240,909)	(138,417,783)	42,930,654	(16,596,821)	5,685,198
Total OPEB liability - beginning	73,872,518	88,962,834	92,203,743	230,621,526	187,690,872	204,287,693	198,602,495
Total OPEB liability - ending (a)	106,728,435	73,872,518	88,962,834	92,203,743	230,621,526	187,690,872	204,287,693
Plan fiduciary net position							
Contributions - employer	4,016,542	2,486,900	2,207,089	3,629,110	5,588,925	6,060,000	5,231,223
Net investment income	-	-	-	-	-	-	-
Benefit payments	(4,016,542)	(2,486,900)	(2,207,089)	(3,629,110)	(5,588,925)	(6,060,000)	(5,231,223)
Administrative expense	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-	-	-	-
City's net OPEB liability - ending (a) - (b)	<u>\$106,728,435</u>	<u>\$ 73,872,518</u>	<u>\$ 88,962,834</u>	<u>\$ 92,203,743</u>	<u>\$230,621,526</u>	<u>\$187,690,872</u>	<u>\$204,287,693</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$222,007,275	\$157,762,000	\$153,166,800	\$200,775,000	\$446,587,932	\$379,216,702	\$366,392,949
City net OPEB liability as a percentage of covered employee payroll	48.1%	46.8%	58.1%	45.9%	51.6%	49.5%	55.8%

Other: This schedule is presented for the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for the years for which information is available.

Notes to Required Schedules:

- 1) The City does not accumulate assets in a trust to pay related benefits.
- 2) Significant changes in assumptions that affect trends in the amounts reported:
 - a) The discount rate remained 4.02%.
 - b) Trend rates were reset to 6.5% (5.5% for Medicare and graded down by 0.25% until reaching an ultimate of 4.0% based on current Healthcare Analytics (HCA) consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>
Total OPEB Liability				
Service cost	\$ 13,790,954	\$ 20,667,941	\$ 15,844,688	\$ 10,507,028
Interest	10,960,378	7,788,038	5,396,475	4,191,742
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(30,788,582)	-	69,664,625	-
Changes in assumptions	(2,097,205)	(84,344,318)	11,336,741	18,031,436
Plan change (1/1/2020)	-	-	-	201,346,437
Benefit payments	<u>(7,324,336)</u>	<u>(7,042,952)</u>	<u>(6,250,523)</u>	<u>(2,611,660)</u>
Net change in total OPEB liability	(15,458,791)	(62,931,291)	95,992,006	231,464,984
Total OPEB liability - beginning	<u>264,525,699</u>	<u>327,456,990</u>	<u>231,464,984</u>	-
Total OPEB liability - ending (a)	<u>249,066,908</u>	<u>264,525,699</u>	<u>327,456,990</u>	<u>231,464,984</u>
Plan fiduciary net position				
Contributions - employer	7,324,336	7,042,952	6,250,523	2,611,660
Net investment income	-	-	-	-
Benefit payments	(7,324,336)	(7,042,952)	(6,250,523)	(2,611,660)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-
City's net OPEB liability - ending (a) - (b)	<u>\$ 249,066,908</u>	<u>\$ 264,525,699</u>	<u>\$ 327,456,990</u>	<u>\$ 231,464,984</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 303,809,859	\$ 446,785,000	\$ 433,771,559	\$ 261,444,000
City net OPEB liability as a percentage of covered employee payroll	82.0%	59.2%	75.5%	88.5%

Other: This schedule is presented for the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for the years for which information is available.

Notes to Required Schedules:

- 1) The City does not accumulate assets in a trust to pay related benefits.
- 2) Significant changes in assumptions that affect trends in the amounts reported:
 - a) The discount rate remained 4.02%.
 - b) Trend rates were reset to 6.5% (5.5% for Medicare and graded down by 0.25% until reaching an ultimate of 4.0% based on current Healthcare Analytics (HCA) consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)
OTHER THAN POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Actuarial Assumptions and Methods:

- | | |
|-----------------------------------|--|
| 1) Measurement Date: | September 30, 2023. |
| 2) Discount Rate: | 4.02% (BOY), 4.09% (EOY) – Bond Buyer 20-Bond GO Index. |
| 3) Salary Increase Rate: | 3.5% per annum. |
| 4) Valuation Date and Census Data | Valuation date of September 30, 2023, based on the census provided by the City as of September 2023. |
| 5) Marriage Rate | The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided. |
| 6) Spouse Age | Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses. |
| 7) Medicare Eligibility | All current and future retirees are assumed to be eligible for Medicare at age 65. |
| 8) Actuarial Cost Method | Entry Age Normal based on level percentage of projected salary. |
| 9) Amortization Method | Experience/Assumptions gains and losses are amortized over a closed period of 10.7 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service). |
| 10) Plan Participation Percentage | That 60% of future pre-65 retirees will participate in the pre-65 medical plan and 15% (30% for those hired prior to 1/1/1987) continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement. |
| 11) Mortality Rates | Pub-2010 generational table scaled using MP-21 and applied on a gender specific and job class basis. |

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)
OTHER THAN POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Actuarial Assumptions and Methods (continued):

12) Health Care Cost Trend Rate

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25% each year until reaching the ultimate trend rate.

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-Medicare Medical and Rx Benefits	6.5%	4.0%
Medicare Benefits	5.5	4.0
Stop Loss Fees	6.5	4.0
Administrative Fees	4.0	4.0

13) Per Capita Health Care Cost Trend Rate

Expected annual claim costs were developed using 24 months of historical claim experience through October 2023. The age 60 and age 70 claim costs are as follows:

<u>Rate Tier</u>	<u>Age 60</u>	<u>Age 70 (Medicare)</u>	<u>(Non-Medicare)</u>
HMO	\$ 16,085	\$ 10,505	\$ 20,915
High HMO	9,337	6,230	12,145
PPO	19,889	11,939	25,883
Future Retirees	16,508	10,578	21,470

14) Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee as of 2023.

<u>Expense Type</u>	<u>PEPM</u>
Administrative Fee	\$ 27.16
Stop Loss Fee	13.27

15) Plan Election Percentage

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

<u>Plan Name</u>	
HMO	75 %
High HMO	5
PPO	20

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)
OTHER THAN POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Actuarial Assumptions and Methods (continued):

16) Age Based Morbidity

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

17) Termination and Retirement Age

The rate of withdrawal for reasons other than death and retirement has been developed from the Florida Retirement System actuarial valuation as of July 1, 2023, City of Jacksonville Correctional Officer Retirement Plan valuation as of October 1, 2022, and the City of Jacksonville General Employees Retirement Plan valuation as of October 1, 2022. The annual termination probability is dependent on an employee's age, gender, and years of service.

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Actuarial Assumptions and Methods:

- | | |
|-----------------------------------|--|
| 1) Measurement Date: | September 30, 2023. |
| 2) Discount Rate: | 4.02% (BOY), 4.09% (EOY) – Bond Buyer 20-Bond GO Index. |
| 3) Salary Increase Rate: | 3.5% per annum. |
| 4) Valuation Date and Census Data | Valuation date of September 30, 2023, based on the census provided by the City as of September 2023. |
| 5) Marriage Rate | The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided. |
| 6) Spouse Age | Spouse dates of birth were provided by the City. Where this information is missing, male spouses are assumed to be three years older than female spouses. |
| 7) Medicare Eligibility | All current and future retirees are assumed to be eligible for Medicare at age 65. |
| 8) Actuarial Cost Method | Entry Age Normal based on level percentage of projected salary. |
| 9) Amortization Method | Experience/Assumptions gains and losses are amortized over a closed period of 9.0 years starting October 1, 2023, equal to the average remaining service of active and inactive plan members (who have no future service). |
| 10) Plan Participation Percentage | That 60% of future pre 65 retirees will participate in the pre-65 medical plan and 15% (30% for those hired prior to 1/1/1987) continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement. |
| 11) Mortality Rates | Pub-2010 generational table scaled using MP-21 and applied on a gender-specific and job class basis. |

CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Actuarial Assumptions and Methods (continued):

12) Health Care Cost Trend Rate

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.25% each year until reaching the ultimate trend rate.

<u>Expense Type</u>	<u>Select</u>	<u>Ultimate</u>
Pre-Medicare Medical and Rx Benefits	6.5%	4.0%
Medicare Benefits	5.5	4.0
Stop Loss Fees	6.5	4.0
Administrative Fees	4.0	4.0

13) Per Capita Health Care Cost Trend Rate

Expected annual claim costs were developed using 24 months of historical claim experience through October 2023. The age 60 and age 70 claim costs are as follows:

<u>Per Capita Cost</u>	<u>Age 60</u>	<u>Age 70 (Medicare)</u>	<u>(Non-Medicare)</u>
HMO	\$ 16,085	\$ 10,505	\$ 20,915
High HMO	9,337	6,230	12,145
PPO	19,889	11,939	25,883
Future Retirees	16,508	10,578	21,470

14) Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee as of 2023.

<u>Expense Type</u>	<u>PEPM</u>
Administrative Fee	\$27.16
Stop Loss Fee	13.27

15) Plan Election Percentage

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

<u>Plan Name</u>	
HMO	75 %
High HMO	5
PPO	20

**CITY OF JACKSONVILLE, FLORIDA
REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
POST EMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) POLICE & FIRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Actuarial Assumptions and Methods (continued):

16) Age Based Morbidity

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

17) Termination and Retirement Age

The rate of withdrawal for reasons other than death and retirement has been developed from the City of Jacksonville Police and Fire Pension Fund Actuarial Valuation as of October 1, 2022. The annual termination probability is dependent on an employee's age, gender, and years of service.

SINGLE AUDIT





INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2024. Our report includes a reference to other auditors who audited the financial statements of JEA, Jacksonville Transportation Authority, Jacksonville Port Authority, and Jacksonville Police and Fire Pension Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control described in the accompanying *Schedule of Findings and Questioned Costs* as item 2023-001, which we consider to be a material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Jacksonville, Florida

June 28, 2024

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2023

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF COMMERCE</u>				
PASSED THROUGH NATIONAL FISH AND WILDLIFE FOUNDATION:				
Office for Coastal Management	11.473	0318.20.069679	\$ 2,359,063	\$ -
TOTAL DEPARTMENT OF COMMERCE			\$ 2,359,063	\$ -
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
DIRECT PROGRAMS:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-12-0017	\$ 7,779,720	\$ 2,191,650
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-12-0017	\$ 402,568	\$ 130,582
<i>Total CDBG - Entitlement Grants Cluster</i>			\$ 8,182,288	\$ 2,322,232
Emergency Solutions Grant Program	14.231	E-20-UW-12-0017	\$ 500,330	\$ 550,476
COVID-19 - Emergency Solutions Grant Program	14.231	E-20-UW-12-0017	\$ 2,141,972	\$ 1,780,202
			\$ 2,642,302	\$ 2,330,678
Home Investment Partnerships Program	14.239	M21-UC120209	\$ 2,333,972	\$ 1,950,436
Housing Opportunities for Persons with Aids	14.241	FLH21-F001	\$ 2,833,931	\$ 2,746,988
Fair Housing Assistance Program	14.401	*	\$ 143,795	\$ -
PASSED THROUGH STATE DEPARTMENT OF ECONOMIC OPPORTUNITY:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	HM004	\$ 1,321,642	\$ 1,553,387
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 17,457,930	\$ 10,903,720
<u>DEPARTMENT OF JUSTICE</u>				
DIRECT PROGRAMS:				
Justice Systems Response to Families	16.021	15JOVW-22-GG-00232-JFFX	\$ 126,408	\$ 125,035
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1709	\$ 568,787	\$ 516,135
Community-Based Violence Prevention Program	16.123	2020-MU-MU-0047	\$ 113,168	\$ 167,836
Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	2019-FW-AX-K007	\$ 69,384	\$ 69,384
Crime Victim Assistance/Discretionary Grants	16.582	O-OVC-2022-171328	\$ 36,363	\$ 36,363
State Criminal Alien Assistance Program	16.606	*	\$ 7,272	\$ -
State Criminal Alien Assistance Program	16.606	15PBJA-20RR-00190-SCAA	\$ 45,274	\$ -

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2023

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF JUSTICE (continued)</u>				
Public Safety Partnership and Community Policing Grants	16.710	2020ULWX0031	\$ 1,505,334	\$ -
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-02310-SPPS	\$ 33,612	\$ -
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2020-WH-AX-0002	\$ 124,338	\$ 121,719
Children Exposed to Violence	16.818	15PJDP-22-GK-03779-CEVJ	\$ 37,006	\$ 37,006
Equitable Sharing Program	16.922	*	\$ 159,825	\$ -
PASSED THROUGH STATE DEPARTMENT OF LEGAL AFFAIRS- OFFICE OF ATTORNEY GENERAL:				
Crime Victim Assistance	16.575	VOCA-2022-738	\$ 270,167	\$ -
Crime Victim Assistance	16.575	VOCA-2022-737	\$ 125,133	\$ -
National Sexual Assault Kit Initiative	16.833	2020-AK-BX-0003	\$ 251,379	\$ -
National Sexual Assault Kit Initiative	16.833	15PBJA-21-GG-04314-SAKI	\$ 148,606	\$ -
National Sexual Assault Kit Initiative	16.833	15PBJA-21-GG-04334-SAKI	\$ 305,479	\$ -
National Sexual Assault Kit Initiative	16.833	15PBJA-21GG-04305-SAKI	\$ 57,508	\$ -
PASSED THROUGH FLORIDA DEPARTMENT OF LAW ENFORCEMENT:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0731	\$ 177,252	\$ 20,137
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0866	\$ 180,410	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01310-JAGX	\$ 167,732	\$ 34,290
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02078-JAGX	\$ 30,327	\$ 30,327
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	15PBJA-22-GG-01948-COVE	\$ 3,510	\$ -
TOTAL DEPARTMENT OF JUSTICE			\$ 4,544,275	\$ 1,158,232
<u>DEPARTMENT OF LABOR</u>				
DIRECT PROGRAMS:				
Homeless Veterans Reintegration Program	17.805	HV-36536-21-60-5-12	\$ 241,980	\$ 15,000
Homeless Veterans Reintegration Program	17.805	23560SD00024-01-00	\$ 10,000	\$ -
TOTAL DEPARTMENT OF LABOR			\$ 251,980	\$ 15,000

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2023

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF TRANSPORTATION</u>				
Consolidated Rail Infrastructure and Safety Improvements	20.325	69A36523403850CRSFL	\$ 11,534	\$ -
PASSED THROUGH STATE DEPARTMENT OF TRANSPORTATION:				
Highway Planning and Construction	20.205	G1H12	\$ 1,290,000	\$ -
Highway Planning and Construction	20.205	G2A92	\$ 61,891	\$ -
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	G2D03	\$ 24,601	\$ -
State and Community Highway Safety	20.600	G2F28	\$ 79,241	\$ -
National Priority Safety Programs	20.616	G2F26	\$ 63,093	\$ -
<i>Total Highway Safety Cluster</i>			\$ 166,934	\$ -
TOTAL DEPARTMENT OF TRANSPORTATION			\$ 1,530,360	\$ -
<u>DEPARTMENT OF TREASURY</u>				
DIRECT PROGRAMS:				
COVID-19 - Coronavirus Relief Fund	21.019	*	\$ 640,363	\$ 323,577
COVID-19 - Emergency Rental Assistance Program	21.023	*	\$ 651,679	\$ 606,304
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	*	\$ 116,767,436	\$ 6,000,000
PASSED THROUGH FLORIDA DEPARTMENT OF JUSTICE:				
Equitable Sharing	21.016	*	\$ 11,430	\$ -
TOTAL DEPARTMENT OF TREASURY			\$ 118,070,909	\$ 6,929,881
<u>FEDERAL OFFICE OF LIBRARY SERVICES</u>				
PASSED THROUGH STATE DEPARTMENT OF STATE:				
Grants to States	45.310	22-LSTA-B-05	\$ 153,150	\$ -
COVID-19 - Grants to States	45.310	21-ARPA-14	\$ 4,400	\$ -
TOTAL FEDERAL OFFICE OF LIBRARY SERVICES			\$ 157,550	\$ -

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2023

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
DIRECT PROGRAMS:				
Air Pollution Control Program Support	66.001	00402520	\$ 420,280	\$ -
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	01D06020	\$ 29,429	\$ -
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	01D06020	\$ 31,009	\$ -
COVID-19 - Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	02D25422	\$ 74,600	\$ -
TOTAL ENVIRONMENTAL PROTECTION AGENCY			\$ 555,318	\$ -
<u>ELECTION ASSISTANCE COMMISSION</u>				
PASSED THROUGH STATE DEPARTMENT OF STATE:				
HAVA Election Security Grants	90.404	23.e.es.100.015	\$ 227,892	\$ -
TOTAL ELECTION ASSISTANCE COMMISSION			\$ 227,892	\$ -
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
DIRECT PROGRAMS:				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H79SM082201	\$ 877,577	\$ 877,577
Community Programs to Improve Minority Health Grant Program	93.137	1 CIMP211270-01-00	\$ 1,772,208	\$ 3,066,536
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79TI081064-04	\$ 91,454	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79TI081064-05	\$ 295,527	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5H79TI081937-04	\$ 303,708	\$ -
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM084915-01	\$ 995,816	\$ 956,433
HIV Emergency Relief Project Grants	93.914	6 H89HA00039-28-01	\$ 3,086,357	\$ 2,895,650
HIV Emergency Relief Project Grants	93.914	5 H89HA00039-29-00	\$ 3,105,877	\$ 2,813,113
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	6 UT8HA33942-02-01	\$ 1,307,507	\$ 1,015,918

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2023

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>				
PASSED THROUGH DEPARTMENT OF ELDER AFFAIRS:				
<i>Aging Cluster</i>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	A022-JSSP	\$ 88,527	\$ -
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	A023-JSSP	\$ 213,564	\$ -
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	A022-JSSP	\$ 347,897	\$ -
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	A023-JSSP	\$ 891,186	\$ -
Nutrition Services Incentive Program	93.053	A022-JSSP	\$ 99,048	\$ -
Nutrition Services Incentive Program	93.053	A023-JSSP	\$ 109,798	\$ -
<i>Total Aging Cluster</i>			<u>\$ 1,750,020</u>	<u>\$ -</u>
Low-Income Home Energy Assistance	93.568	PO21-COJ	\$ 175,785	\$ -
COVID-19 - Low-Income Home Energy Assistance	93.568	PP21-COJ	\$ 131,056	\$ -
COVID-19 - Low-Income Home Energy Assistance	93.568	RP21-JSSP	\$ 211,108	\$ -
PASSED THROUGH STATE OF FLORIDA, FL DEPT OF HEALTH:				
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	20-25-02	<u>\$ 575,137</u>	<u>\$ 440,430</u>
PASSED THROUGH STATE OF FLORIDA, DEPARTMENT OF REVENUE:				
Child Support Services	93.563	COC16	\$ 1,067,793	\$ -
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 15,746,929</u>	<u>\$ 12,065,658</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
DIRECT PROGRAMS:				
AmeriCorps Seniors Retired and Senior Volunteer Program	94.002	22SRHFL002	\$ 2,396	\$ -
<i>Total Retired Senior Volunteer</i>			<u>\$ 2,396</u>	<u>\$ -</u>
Foster Grandparent/Senior Companion Cluster				
AmeriCorps Seniors Foster Grandparent Program	94.011	21SFHFL003	\$ 348,036	\$ -
<i>Total Foster Grandparent</i>			<u>\$ 348,036</u>	<u>\$ -</u>

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2023

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (continued)</u>				
PASSED THROUGH DEPARTMENT OF ELDER AFFAIRS:				
AmeriCorps Seniors Senior Companion Program	94.016	21SC233128	\$ 151,196	\$ -
<i>Total Companion Program</i>			<u>\$ 151,196</u>	<u>\$ -</u>
Total Foster Grandparent/Senior Companion Cluster			<u>\$ 499,232</u>	<u>\$ -</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>\$ 501,628</u>	<u>\$ -</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
PASSED THROUGH DIVISION OF EMERGENCY MANAGEMENT:				
Flood Mitigation Assistance	97.029	EMA-2019-FM-E001	\$ 378,069	\$ -
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	17-PA-U5-04-26-01-085	\$ (589,747)	\$ -
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-00-04-26-01-024	\$ (526,955)	\$ -
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-00-04-26-01-026	\$ (175,561)	\$ -
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1994	\$ 7,928,375	\$ -
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			<u>\$ 7,014,181</u>	<u>\$ -</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
DIRECT PROGRAMS:				
Assistance to Firefighters Grant	97.044	EMW-2020-FG-10216	\$ 480,867	\$ -
Port Security Grant Program	97.056	EMW-2020-PU-00194	\$ 123,717	\$ -
Port Security Grant Program	97.056	EMW-2021-PU-00047	\$ 234,298	\$ -
Port Security Grant Program	97.056	EMW-2021-PU-00446	\$ 275,672	\$ -
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2018-FH-00180	\$ 359,847	\$ -
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2019-FF-01640	\$ 3,313,423	\$ -
Homeland Security Biowatch Program	97.091	06OHBIO00012-17-00	\$ 188,036	\$ -
Homeland Security Biowatch Program	97.091	06OHBIO00012-18-00	\$ 93,140	\$ -
Regional Catastrophic Preparedness Grant Program	97.111	EMA-2019-GR-00009	\$ 330,365	\$ -
PASSED THROUGH DIVISION OF EMERGENCY MANAGEMENT:				
Hazard Mitigation Grant	97.039	H0336	\$ 1,036,085	\$ -

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED SEPTEMBER 30, 2023

FEDERAL/STATE AGENCY, PASS-THROUGH ENTITY, FEDERAL PROGRAM/STATE PROJECT	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF HOMELAND SECURITY (continued)</u>				
Hazard Mitigation Grant	97.039	H0463	\$ 31,375	\$ -
Hazard Mitigation Grant	97.039	H0595	\$ 1,116,632	\$ -
Hazard Mitigation Grant	97.039	H0434	\$ 522,993	\$ -
Hazard Mitigation Grant	97.039	H0337	\$ 165,852	\$ -
Hazard Mitigation Grant	97.039	H0429	\$ 169,209	\$ -
Hazard Mitigation Grant	97.039	H0543	\$ 64,380	\$ -
Hazard Mitigation Grant	97.039	H0775	\$ 112,329	\$ -
Emergency Management Performance Grants	97.042	G0421	\$ 205,197	\$ -
Homeland Security Grant Program	97.067	R0502	\$ 88,273	\$ -
Homeland Security Grant Program	97.067	R0535	\$ 59,010	\$ -
Homeland Security Grant Program	97.067	R0613	\$ 1,120	\$ -
Homeland Security Grant Program	97.067	R0612	\$ 7,980	\$ -
PASSED THROUGH STATE DEPARTMENT OF FINANCIAL SERVICES:				
Homeland Security Grant Program	97.067	R0507	\$ 99,173	\$ -
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ 9,078,975	\$ -
TOTAL EXPENDITURE OF FEDERAL AWARDS			\$ 177,496,989	\$ 31,072,492

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR YEAR ENDED SEPTEMBER 30, 2023

STATE AGENCY	CSFA NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>EXECUTIVE OFFICE OF GOVERNOR</u>				
DIRECT PROGRAMS:				
Emergency Management Programs	31.063	A0286	\$ 105,720	\$ -
Emergency Management Programs	31.063	A0354	\$ 41,316	\$ -
Emergency Management Projects	31.067	T0191	\$ 14,948	\$ -
Emergency Management Projects	31.067	T0292	\$ 4,154	\$ -
Urban Search and Rescue Sustainment Program	31.078	T0230	\$ 1,037,633	\$ -
TOTAL EXECUTIVE OFFICE OF GOVERNOR			\$ 1,203,771	\$ -
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
DIRECT PROGRAMS:				
Local Government Cleanup Contracting	37.024	GC892-7	\$ 876,478	\$ -
Statewide Water Quality Restoration Projects	37.039	LPA0177	\$ 4,458,362	\$ -
TOTAL DEPARTMENT OF ENVIRONMENTAL PROTECTION			\$ 5,334,840	\$ -
<u>DEPARTMENT OF ECONOMIC OPPORTUNITY</u>				
DIRECT PROGRAMS:				
Economic Development Partnerships	40.040	S0186	\$ 500,000	\$ -
Economic Development Partnerships	40.040	DTF 23-301	\$ 220,368	\$ -
Regional Community Development and Infrastructure	40.042	S0171	\$ 48,268	\$ -
TOTAL DEPARTMENT OF ECONOMIC OPPORTUNITY			\$ 768,636	\$ -
<u>FLORIDA HOUSING FINANCE CORPORATON</u>				
DIRECT PROGRAMS:				
State Housing Initiatives Partnership Program (SHIP)	40.901	HFC01	\$ 5,413,357	\$ -
TOTAL FLORIDA HOUSING FINANCE CORPORATION			\$ 5,413,357	\$ -

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR YEAR ENDED SEPTEMBER 30, 2023

STATE AGENCY	CSFA NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF STATE AND SECRETARY OF STATE</u>				
DIRECT PROGRAMS:				
State Aid to Libraries	45.030	19-ST-22	\$ 19,355	\$ -
State Aid to Libraries	45.030	22-ST-22	\$ 700,220	\$ -
TOTAL DEPARTMENT OF STATE AND SECRETARY OF STATE			\$ 719,575	\$ -
<u>DEPARTMENT OF EDUCATION AND COMMISSIONER OF EDUCATION</u>				
DIRECT PROGRAMS:				
Coach Aaron Feis Guardian Program	48.140	96L-90210-3D001	\$ 36,527	\$ -
TOTAL DEPARTMENT OF EDUCATION AND COMMISSIONER OF EDUCATION			\$ 36,527	\$ -
<u>DEPARTMENT OF TRANSPORTATION</u>				
DIRECT PROGRAMS:				
State Highway Project Reimbursement	55.023	AR320	\$ 1,707,693	\$ -
TOTAL DEPARTMENT OF TRANSPORTATION			\$ 1,707,693	\$ -
<u>DEPARTMENT OF CHILDREN AND FAMILIES</u>				
DIRECT PROGRAMS:				
Criminal Justice, Mental Health, and Substance Abuse Reinvestment Grant Program	60.115	LH84	\$ 350,537	\$ -
TOTAL DEPARTMENT OF CHILDREN AND FAMILIES			\$ 350,537	\$ -
<u>DEPARTMENT OF HEALTH</u>				
DIRECT PROGRAMS:				
County Grant Awards	64.005	C0013	\$ 18,215	\$ -
County Grant Awards	64.005	C1016	\$ 102,962	\$ -
TOTAL DEPARTMENT OF HEALTH			\$ 121,177	\$ -

CITY OF JACKSONVILLE, FLORIDA
SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR YEAR ENDED SEPTEMBER 30, 2023

STATE AGENCY	CSFA NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES	TRANSFER TO SUB RECIPIENT
<u>DEPARTMENT OF ELDER AFFAIRS</u>				
DIRECT PROGRAMS:				
Respite for Elders Living in Everyday Families (RELIEF)	65.006	R022-JSSP	\$ 103,700	\$ -
Respite for Elders Living in Everyday Families (RELIEF)	65.006	R023-JSSP	\$ 39,790	\$ -
TOTAL DEPARTMENT OF ELDER AFFAIRS			\$ 143,489	\$ -
<u>DEPARTMENT OF LAW ENFORCEMENT</u>				
DIRECT PROGRAMS:				
Criminal Justice Training	71.001	CJSTC-310	\$ 235,840	\$ -
TOTAL DEPARTMENT OF LAW ENFORCEMENT			\$ 235,840	\$ -
<u>DEPARTMENT OF REVENUE</u>				
DIRECT PROGRAMS:				
Facilities for New Professional Sports, Retained Professional Sports, or Retained Spring Training	73.016	*	\$ 2,000,004	\$ -
TOTAL DEPARTMENT OF REVENUE			2,000,004	\$ -
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 18,035,446	\$ -

* not available

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



City of Jacksonville, Florida
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the fiscal year end September 30, 2023

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance includes certain federal and state grant activity of the City of Jacksonville, Florida (the “City”) for the year ended September 30, 2023. The schedules do not include the federal and state grant activity of the City’s discretely presented component units the JEA, Jacksonville Port Authority, and the Jacksonville Transportation Authority, which received approximately \$17 million, and \$29.5 million, respectively. Federal and state grant activity for the discretely presented component units is reported on separately. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position or cash flows of the City. The City’s reporting entity is defined in Note 1 of the City’s basic financial statements.

Note 2. Basis of Accounting

The schedules are presented using the modified accrual basis of accounting for grants which are accounted for in governmental funds and on the accrual basis of accounting for grants which are accounted for in proprietary funds. Such expenditures are recognized following the cost principles in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in these schedules is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.500, Rules of the Auditor General. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Program Clusters

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. Accordingly, federal programs and related CFDA numbers reported within the schedule of expenditures include the CDBG-Entitlement Cluster 14.218, Highway Planning & Construction Cluster 20.205, Highway Safety Cluster 20.600, Aging Cluster 93.044, 93.045 and 93.053, and the Foster Grandparent/Senior Companion Cluster 94.011 and 94.016.

Note 4. Indirect Cost

The City has not elected to use the 10% de minimis indirect cost rate.

Note 5. FEMA Expenditures

Expenditures for CFDA No. 97.036 Disaster Grants – Public Assistance, include (\$59,069,678.78) expenditures through fiscal year end 2023 that have not been obligated (approved) by the Federal Emergency Management Agency as of September 30, 2023. This includes the addition of Hurricanes Ian, Nicole, and Idalia disaster events occurring in Fiscal Year 2023.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on Compliance for Each Major Federal Program and Each Major State Project

Qualified and Unmodified Opinions

We have audited the City of Jacksonville, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements identified as subject to audit in the Florida Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and major state financial assistance projects for the year ended September 30, 2023. The City's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of JEA, Jacksonville Transportation Authority and Jacksonville Port Authority, for which any federal or state grant activity is not included in the schedules of federal awards and state financial assistance. Our audit, described below, did not include the operations of JEA, Jacksonville Transportation Authority and Jacksonville Port Authority which expended federal awards and state financial assistance of approximately \$6.8 million, \$29.5 million and \$17.1 million, respectively, because the component units engaged other auditors to perform audits in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Qualified Opinion on the Community Development Block Grant / Entitlement Grants ALN 14.218

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Community Development Block Grants / Entitlement Grants ALN 14.218 for the year ended September 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs and Each Major State Project

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs and each of its major state projects identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2023.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program and each major state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Community Development Block Grants / Entitlement Grants ALN 14.218

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the Community Development Block Grants / Entitlement Grants ALN 14.218 as described in finding number 2023-002 for Special Tests and Provisions – Wage Rate Requirements.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's

compliance with the requirements of each major federal program and each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of

compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

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

Jacksonville, Florida
June 28, 2024

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Part I – Summary of Auditor’s Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal and State Awards:

- | | |
|---|----------------------|
| 1. Type of auditor’s report issued on compliance for major programs/projects | Unmodified/Qualified |
| 3. Internal control over major programs/projects: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a) and Chapter 10.557, Rules of the Auditor General? | Yes |
| 4. Identification of major programs/projects: | |

<u>Federal Programs</u>	<u>ALN</u>
Community Development Block Grants/Entitlement Grants	14.218
Coronavirus State and Local Fiscal Recovery Funds	21.027
HIV Emergency Relief Project Grants	93.914
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
Hazard Mitigation Grant Program (HMGP)	97.039
Staffing for Adequate Fire and Emergency Response	97.083
 <u>State Projects</u>	 <u>CSFA #</u>
Urban Search and Rescue Sustainment Program	31.078
Statewide Water Quality Restoration Projects	37.039
State Housing Initiatives Partnership Program (SHIP)	40.901
State Highway Project Reimbursement	55.023

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

- | | |
|---|-------------|
| 5. Dollar threshold used to distinguish between type A and type B federal programs: | \$3,000,000 |
| 6. Dollar threshold used to distinguish between type A and type B state projects: | \$750,000 |
| 7. Auditee qualified as low risk auditee under 2 CFR 200.520? | No |

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Part II – Financial Statement Findings

2023-001 ACCOUNTING SYSTEM IMPLEMENTATION

Condition: During the audit we found that financial records for many classes of transactions and account balances were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made in the following areas:

- Cash in Escrow and with Fiscal Agents
- Accounts Receivable and Due from Independent Agencies and Other Governments
- Revenues
- Capital Assets
- Accounts Payable and Accrued Liabilities
- Beginning Fund Balance

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The new accounting system was not designed and implemented effectively such that it was not functioning sufficiently to maintain up-to-date and accurate financial records for most classes of transactions and account balances.

Effect: Multiple material errors were identified during the audit.

Recommendation: Continue to enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Ensure that sub-ledgers reconcile accurately to the general ledger and that the fiscal year end cutoff procedures are fully implemented and documented.

Management's Action Plan: The City of Jacksonville has made and continues to make extensive improvements to our ability to maintain up-to-date and accurate financial records since the simultaneous impacts in March 2020 of our ERP system conversion and the COVID-19 pandemic shut down. This year, for the first time since going live with our new system, we are submitting both our ACFR and our Single Audit by the June 30, 2024 statutory deadline.

We maintained our monthly and annual close processes on time throughout the fiscal year. We implemented and documented new processes designed to yield proper and timely fiscal year-end cutoff procedures and reconcile sub-ledgers accurately to the general ledger. We developed new procedures and financial reports to extract the financial information required by our auditors. Our bank balances were reconciled accurately and in a timely manner to an amount that matches the general ledger to bank statements.

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

We continued to enhance our understanding of and capabilities within our ERP system. In late 2023, we launched two overarching stabilization and optimization projects with Oracle Consulting Services (OCS), with twin objectives of not only finding solutions to system implementation and configuration issues that have plagued us since going live, but also tackling other system changes and enhancements which will help us work more effectively and efficiently. The City has also established an ERP Center of Excellence (COE) to further establish, document and govern best practices in supporting and extending the useful life of our significant ERP investment.

Our ERP Training Manager continued to increase collaboration citywide, addressing training needs and creating multimedia content on user roles and responsibilities, with updated documentation of standard operating procedures (SOPs) and live and online, on-demand webinars on how to successfully accomplish a variety of departmental tasks in the ERP System. In addition to the new work with OCS, we continue to work with Oracle Managed Care Solutions (MCS) to implement the regular quarterly Oracle “patches” and address system issues promptly as they arise.

We also note that the City had a change in leadership in 2023 which brought increased energy and focus to resolving our system implementation challenges including engaging directly with the highest levels of Oracle leadership. This change in Administration brought three additional certified public accountants (CPAs) to the Finance Department in the key positions of Chief Financial Officer, Chief of Technology Services, and Treasurer.

The procedural and operational improvements made by the City since embarking on the challenging journey of converting to a new modern ERP system have been part of an extensive effort to bring the City fully into the technology of the 21st Century. This massive effort will pay dividends for years to come in the areas of transparency, timeliness and quality of financial reporting.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Part III – Findings and Questioned Costs – Federal Programs

2023-002 – COVID 19: Community Development Block Grants/Entitlement Grants

Federal Awarding Agency – U.S. Department of Housing and Urban Development

Assistance Listing Number – 14.218

FAIN – B-20-UW-12-0017 & B-21-UC-12-0017

Award Year – 2021 & 2022

Questioned costs – none

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, period of performance, and special tests and provisions – wage rate requirements. The related compliance requirements are set in 24 CFR Part 570 Subpart D and sections 570.200 through .710, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the April 30, 2021 Quick Guide, CDBG-CV PPR Tieback Flexibilities, Title I of the Housing Community Development Act (HCDA) of 1974, as amended (Pub. L. No. 93-383) (42 USC 5301), 2 CFR Part 200, Subpart E, Appendices III-V11, and sections 200.330, .331, and .501(h), 31 USC 1552, Section III.B.7 of CDBG-CV Notice, Section 110(a) of the HCD Act, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of certain invoices, including construction payments and payments to subrecipients, did not have evidence of all required approvals necessary to ensure compliance with allowable costs, cost principles, and period of performance requirements or such approvals were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.

Cause: Internal controls over certain payments, including payments requiring review of contractor and subcontractor wage rates were not evidenced with clear documentation.

Effect: Allowable costs, cost principles, and period of performance compliance requirements may not be met due to lack of reperformable internal controls. Wage rate requirements were not complied with.

Recommendation: We recommend that the City ensure wage rate requirement compliance is prioritized when applicable. We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Management's Action Plan: Upon learning of this finding during the FY2022 audit, we worked with the Neighborhoods Department to ensure wage rate requirement compliance was prioritized going forward. Considering this finding was presented near the completion of the FY2023 year, we expect this finding to be resolved in FY2024. We will continue to work with our departments to ensure that all controls for grants are documented with written procedures. The procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, reperformable manner including the name of each responsible individual, the specific control they performed over compliance for the grant and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

2023-003 – COVID 19: Coronavirus State and Local Fiscal Recovery Funds

Federal Awarding Agency – U.S. Department of the Treasury

Assistance Listing Number – 21.027

FAIN – n/a

Award Year – 2021

Questioned costs – none

Criteria: 2 CFR Part 200 in general and 2 CFR sections 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, and earmarking. The related compliance requirements are set in 2 CFR Part 200 sections 200.514(c), 200.212, 200.318(h), 200.332, 180.300 and subpart E; 48 CFR section 52.209-6; 31 CFR section 19.300; sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 as codified at 42 USC 802 and 803 and 31 CFR Part 35, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported.

Cause: Base year calculation of revenue was performed using interim financial information and was not reconciled to final audited reports. Base year calculation of revenue was not clearly documented. Subsequent year revenue calculations were performed by a consultant who was not engaged to review the base year calculation. Controls over such calculations were not effective.

Effect: Calculation of lost revenue was incorrectly reported. Expenditures related to the provision of government services related to such lost revenue did not exceed the actual lost revenue.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

**Schedule of Findings and Questioned Costs
For the Fiscal year ended September 30, 2023**

Management's Action Plan: Upon learning of this finding during the FY2022 audit, we worked with our external consultant, our Council auditors and our external auditor to reperform and review the base year and subsequent year calculations of revenue, using financial information in our final audit reports. These corrected calculations of lost revenue have been clearly documented and will be reported going forward. We will continue to work to ensure that all controls for grants be documented with written procedures. The procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, reperformable manner including the name of each responsible individual, the specific control they performed over compliance for the grant and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

Part IV – Findings and Questioned Costs – State Projects

None

**Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2022**

Prior Year Financial Statement Findings

2022-001 – ACCOUNTING SYSTEM IMPLEMENTATION: During the audit we found that financial records for most classes of transactions and accounts were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made. (also previously reported as 2021-001)

- Not corrected, repeated as the substantially same finding in current year 2023-001.

2022-002 – BANK RECONCILIATIONS: During the audit we found that the bank reconciliation was not accurately or timely completed and there were transactions which were not properly recorded in the general ledger or the bank reconciliation. (also previously reported as 2021-002)

- Corrected in current year.

2022-003 – REPORTING OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE: During the audit we found material errors, omissions, and misclassifications on the Schedule of Expenditures of Federal Awards (SEFA) and the Schedule of Expenditures of State Financial Assistance (SESA), including incorrect reporting of amounts passed through to subrecipients. (also previously reported as 2021-003)

- Corrected in current year.

Prior Year Federal Programs Findings

2022-004 – COVID-19: Emergency Rental Assistance Program; ALN – 21.023; FAIN – n/a: Subrecipient monitoring controls related to monthly subrecipient reports and the final subrecipient expenditure reports were not documented in a manner that is reperformable. (also previously reported as 2021-004)

- Grant ended, finding not repeated in current year.

2022-005 – COVID 19: Coronavirus State and Local Fiscal Recovery Funds; ALN – 21.027; FAIN – n/a: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported. Controls related to reporting of other grant expenditures were not effective and certain amounts were missing from the financial reports. Controls related to ensuring contractors were not suspended, debarred, or otherwise excluded pursuant to 31 CFR section 19.300 were not documented in a manner that is reperformable.

- Partially corrected, repeated as the substantially same finding in current year 2023-003.

**Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2022**

2022-006 – COVID-19: Emergency Solutions Grant Program; ALN – 14.231; FAIN – E-20-UC-12-0017 & E-20-UW-12-0017: Internal controls related to review of monthly subrecipient reports to ensure compliance with allowable costs, cost principles, and matching requirements were not documented in a manner that is reperformable. Timesheet approvals were not documented in all instances to ensure compliance with allowable costs, cost principles. (also previously reported as 2021-006)

- Corrected in current year.

2022-007 – COVID-19: Community Development Block Grants/Entitlement Grants; ALN – 14.218; FAIN – B-20-UW-12-0017 & B-21-UC-12-0017: Internal controls related to review of financial reports to ensure compliance with allowable costs, cost principles, period of performance, and reporting requirements were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.

- Repeated as the substantially same finding in current year 2023-002

2022-008 – Public Safety Partnership and Community Policing Grants; ALN – 16.710; FAIN – 15JCOPS-21-GG-02310-SPPS; 2020ULWX0031-ORI-FL01602: Internal controls related to review of financial and drawdown reports to ensure compliance with reporting requirements which also covers allowable costs, cost principles, cash management, period of performance, and matching requirements were not documented in a manner that is reperformable. No internal controls were identified related to review of progress reports to ensure compliance with reporting requirements.

- Corrected in current year.

2022-009 – COVID 19: Staffing for Adequate Fire and Emergency Response (SAFER); ALN – 97.083; FAIN –EMW-2018-FH-00180 & EMW-2019-FF-01640: Internal controls related to review of drawdown reports to ensure compliance with reporting requirements which also covers allowable costs, cost principles, cash management, and matching requirements were not documented in a manner that is reperformable. No internal controls were identified related to review of progress reports to ensure compliance with reporting requirements. No internal controls were identified related to the level of effort requirement.

- Corrected in current year.

**Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2022**

Prior Year State Project Findings

2022-010 – COJ Northwest Jacksonville STEM Center for Teens – Fixed Capital Outlay Project; State; CSFA Number – 48.174; Project Number –16F-90220-2S001: Internal controls related to maintaining equipment records to ensure that equipment was used in the program for which it was acquired and that such equipment was maintained and safeguarded in accordance with grant award requirements were not documented in a manner that is reperformable.

- Corrected in current year.



MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL

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

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Florida (the “City”) as of and for the fiscal year ended September 30, 2023, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 28, 2024. Our report on the basic financial statements included reference to the reports of other auditors. This management letter does not include the findings and recommendations of the other auditors that are reported on separately by those auditors.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our report includes a reference to other auditors who audited the financial statements of JEA, Jacksonville Transportation Authority, and Jacksonville Port Authority, discretely presented component units of the City and the Police and Fire Pension Fund, a fiduciary fund included in the aggregate remaining fund information.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 28, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The table below details such for each finding reported.

Tabulation of Current and Prior Year Audit Findings		
Current Year Finding #	FY 2022 Finding #	FY 2021 Finding #
2023-001	2022-001	2021-001
Corrected in Current Year	2022-002	2021-002
Corrected in Current Year	2022-003	2021-003
Corrected in Current Year	2022-004	2021-004
Corrected in Prior Year	Corrected in 2022	2021-005
2023-003	2022-005	New in FY 2022 – n/a
Corrected in Current Year	2022-006	2021-006
2023-002	2022-007	New in FY 2022 – n/a
Corrected in Current Year	2022-008	New in FY 2022 – n/a
Corrected in Current Year	2022-009	New in FY 2022 – n/a
Corrected in Current Year	2022-010	New in FY 2022 – n/a

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City as of September 30, 2023. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we recommend that the City continue efforts to improve its tracking, reconciliation, and analysis related to capital assets.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. Specific information for the dependent special districts included in the City's financial statement audit are presented in the Management Letter in each of those districts' separately issued financial statement audits.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

In connection with our audit, we noted an opportunity for the City to improve its process for maintaining documentation of internal control processes over grant compliance, with special attention on subrecipient monitoring. We recommend the creation and regular update of written procedures for grant compliance including the identification of specific controls and the responsible individual for performing the controls for each grant received by the City. Each control over compliance should be evidenced by clear documentation of who performed the control, what the control was, and the date it was performed.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council, and applicable management, and appropriate audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 28, 2024



A NEW DAY.

City of Jacksonville, Florida

Donna Deegan, Mayor

Finance Department - General Accounting Division
117 West Duval Street, Suite 375
Jacksonville, FL 32202
(904) 255-5261
www.jacksonville.gov

June 28, 2024

Below are corrective action plans for Audit Findings 2023-001, 2023-002 and 2023-003.

Part II – Financial Statement Findings

2023-001 ACCOUNTING SYSTEM IMPLEMENTATION

Condition: During the audit we found that financial records for many classes of transactions and account balances were not accurately completed on a timely basis. Financial reports were not in place to extract the financial information required and the financial information provided to us required material correcting entries to be made in the following areas:

- Cash in Escrow and with Fiscal Agents
- Accounts Receivable and Due from Independent Agencies and Other Governments
- Revenues
- Capital Assets
- Accounts Payable and Accrued Liabilities
- Beginning Fund Balance

Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Cause: The new accounting system was not designed and implemented effectively such that it was not functioning sufficiently to maintain up-to-date and accurate financial records for most classes of transactions and account balances.

Effect: Multiple material errors were identified during the audit.

Recommendation: Continue to enhance the understanding and user abilities of the accounting system through further training and consultation with software providers. Ensure that sub-ledgers reconcile accurately to the general ledger and that the fiscal year end cutoff procedures are fully implemented and documented.

Action Plan: The City of Jacksonville has made and continues to make extensive improvements to our ability to maintain up-to-date and accurate financial records since the simultaneous impacts in March 2020 of our ERP system conversion and the COVID-19 pandemic shut down. This year, for the first time since going live with our new system, we are submitting both our ACFR and our Single Audit by the June 30, 2024 statutory deadline.

We maintained our monthly and annual close processes on time throughout the fiscal year. We implemented and documented new processes designed to yield proper and timely fiscal year-end cutoff procedures and reconcile sub-ledgers accurately to the general ledger. We developed new procedures and financial reports to extract the financial information

required by our auditors. Our bank balances were reconciled accurately and in a timely manner to an amount that matches the general ledger to bank statements.

We continued to enhance our understanding of and capabilities within our ERP system. In late 2023, we launched two overarching stabilization and optimization projects with Oracle Consulting Services (OCS), with twin objectives of not only finding solutions to system implementation and configuration issues that have plagued us since going live, but also tackling other system changes and enhancements which will help us work more effectively and efficiently. The City has also established an ERP Center of Excellence (COE) to further establish, document and govern best practices in supporting and extending the useful life of our significant ERP investment.

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We also note that the City had a change in leadership in 2023 which brought increased energy and focus to resolving our system implementation challenges including engaging directly with the highest levels of Oracle leadership. This change in Administration brought three additional certified public accountants (CPAs) to the Finance Department in the key positions of Chief Financial Officer, Chief of Technology Services, and Treasurer.

The procedural and operational improvements made by the City since embarking on the challenging journey of converting to a new modern ERP system have been part of an extensive effort to bring the City fully into the technology of the 21st Century. This massive effort will pay dividends for years to come in the areas of transparency, timeliness and quality of financial reporting.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

Part III – Findings and Questioned Costs – Federal Programs

2023-002 – COVID 19: Community Development Block Grants/Entitlement Grants

Questioned costs - none

Criteria: 2 CFR Part 200 in general and 2 CFR section 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, period of performance, and special tests and provisions – wage rate requirements. The related compliance requirements are set in 24 CFR Part 570 Subpart D and sections 570.200 through .710, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the April 30, 2021 Quick Guide, CDBG-CV PPR Tieback Flexibilities, Title I of the Housing Community Development Act (HCDA) of 1974, as amended (Pub. L. No. 93-383) (42 USC 5301), 2 CFR Part 200, Subpart E, Appendices III-V11, and sections 200.330, .331, and .501(h), 31 USC 1552, Section III.B.7 of CDBG-CV Notice, Section 110(a) of the HCD Act, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Internal controls related to review of certain invoices, including construction payments and payments to subrecipients, did not have evidence of all required approvals necessary to ensure compliance with allowable costs, cost principles, and period of performance requirements or such approvals were not documented in a manner that is reperformable. Weekly payroll reports were not reviewed as part of the special tests and provisions – wage rate requirements compliance requirement, resulting in material noncompliance.

Cause: Internal controls over certain payments, including payments requiring review of contractor and subcontractor wage rates were not evidenced with clear documentation.

Effect: Allowable costs, cost principles, and period of performance compliance requirements may not be met due to lack

of reperformable internal controls. Wage rate requirements were not complied with.

Recommendation: We recommend that the City ensure wage rate requirement compliance is prioritized when applicable. We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: Upon learning of this finding during the FY2022 audit, we worked with the Neighborhoods Department to ensure wage rate requirement compliance was prioritized going forward. Considering this finding was presented near the completion of the FY2023 year, we expect this finding to be resolved in FY2024. We will continue to work with our departments to ensure that all controls for grants are documented with written procedures. The procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, reperformable manner including the name of each responsible individual, the specific control they performed over compliance for the grant and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024

2023-003 – COVID 19: Coronavirus State and Local Fiscal Recovery Funds

Questioned costs - none

Criteria: 2 CFR Part 200 in general and 2 CFR sections 200.303(a) require non-Federal entities to establish and maintain effective internal controls over Federal awards, including the requirements for allowable costs, cost principles, and earmarking. The related compliance requirements are set in 2 CFR Part 200 sections 200.514(c), 200.212, 200.318(h), 200.332, 180.300 and subpart E; 48 CFR section 52.209-6; 31 CFR section 19.300; sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 as codified at 42 USC 802 and 803 and 31 CFR Part 35, federal awarding agency regulations, and the terms and conditions of the award.

Condition: Controls related to calculation and reporting of lost revenue were not effective and the amount calculated as base year revenue was incorrectly reported.

Cause: Base year calculation of revenue was performed using interim financial information and was not reconciled to final audited reports. Base year calculation of revenue was not clearly documented. Subsequent year revenue calculations were performed by a consultant who was not engaged to review the base year calculation. Controls over such calculations were not effective.

Effect: Calculation of lost revenue was incorrectly reported. Expenditures related to the provision of government services related to such lost revenue did not exceed the actual lost revenue.

Recommendation: We recommend that the City ensure that all controls for grants be documented in written procedures which should include the name or title of the positions responsible for each control (preparation, review, reconciliation, etc.) and that the performance of the controls be documented in a clear, reperformable manner including the name and date of each responsible individual and which specific control they performed over compliance for the grant.

Action Plan: Upon learning of this finding during the FY2022 audit, we worked with our external consultant, our Council auditors and our external auditor to reperform and review the base year and subsequent year calculations of revenue, using financial information in our final audit reports. These corrected calculations of lost revenue have been clearly documented and will be reported going forward. We will continue to work to ensure that all controls for grants be documented with written procedures. The procedures will include the title of the positions responsible for each control (preparation, review, reconciliation, etc.) and will require that the performance of the controls be documented in a clear, reperformable manner

including the name of each responsible individual, the specific control they performed over compliance for the grant and the date(s) the controls were performed.

Contact Names responsible for the plan – Marcia Saulo

Anticipated completion date of the plan – September 30, 2024



A New Day

City of Jacksonville, Florida

Finance and Administration

City Hall at St. James
117 W. Duval Street
Jacksonville, FL 32202
(904) 630-CITY
www.jacksonville.gov

MEMORANDUM

TO: Sherrill F. Norman, CPA
Florida Auditor General

FROM: Anna Brosche, CPA, MAcc
Chief Financial Officer

DATE: May 1, 2024

SUBJECT: Audit Report

This memo is to certify that the Jacksonville, Florida Code of Ordinances has, to the best of my knowledge, complied with the restrictions of Section 163.31801, Florida Statutes.

The foregoing instrument was acknowledged before me this 1st day of May 2024 by Anna Brosche, who is personally known to me.

5/1/2024



Yolanda Tillman
Notary Public
State of Florida
Comm# HH072167
Expires 4/11/2025

