

RESOLUTION NO. 2002-178

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 92-103 ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, ON JUNE 23, 1992; PROVIDING FOR THE REFUNDING OF THE COUNTY'S OUTSTANDING TRANSPORTATION IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 1992; AUTHORIZING THE ISSUANCE BY THE COUNTY OF NOT EXCEEDING \$5,500,000 AGGREGATE PRINCIPAL AMOUNT OF TRANSPORTATION IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2002, TO FINANCE THE COST THEREOF; PLEDGING TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2002 BONDS THE COUNTY'S PORTION OF THE PROCEEDS OF THE SIX-CENT LOCAL OPTION GAS TAX DISTRIBUTED TO THE COUNTY AND ITS MUNICIPALITIES; AUTHORIZING A NEGOTIATED SALE AND THE AWARD OF THE SALE OF THE SERIES 2002 BONDS, AND APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT WITH RESPECT TO THE SERIES 2002 BONDS; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2002 BONDS; APPOINTING THE REGISTRAR AND PAYING AGENT FOR THE SERIES 2002 BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A REGISTRAR AND PAYING AGENCY AGREEMENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; RATIFYING THE COUNTY'S ACCEPTANCE OF THE INSURER'S COMMITMENT RELATING TO A FINANCIAL GUARANTY INSURANCE POLICY WITH RESPECT TO THE SERIES 2002 BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDERS OF THE SERIES 2002 BONDS; AND PROVIDING AN EFFECTIVE DATE.

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BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA:

ARTICLE 1

GENERAL

Section 1.1 Definitions.

When used in this Supplemental Resolution, the terms defined in the Original Resolution shall have the respective meanings assigned to such terms in the Original Resolution and the following terms shall have the following meanings, unless the context clearly otherwise requires:

“Act” shall mean Section 125, Part I, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, St. Johns County Ordinance 86-89, as amended, and other applicable provisions of law.

“Bonds” shall mean the Series 2002 Bonds and any Additional Bonds.

“Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate of the Issuer with respect to the Series 2002 Bonds, substantially in the form on file with the Clerk as Exhibit E and incorporated herein by reference.

“County Administrator” shall mean the County Administrator of the Issuer.

“Depository” shall mean any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of beneficial interests in Series 2002 Bonds, and to effect transfers of Series 2000 Bonds, in Book Entry Form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Draft Preliminary Official Statement” shall mean the preliminary official statement relating to the Series 2002 Bonds, substantially in the form on file with the Clerk as Exhibit C and incorporated herein by reference.

“Financial Advisor” shall mean Public Financial Management, Inc.

“Financial Guaranty Insurance Policy” shall mean the financial guaranty insurance policy to be issued by the Insurer insuring the payment when due of the principal of and interest on the Series 2002 Bonds as provided therein.

“Insurer” shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

“Original Resolution” shall mean Resolution No. 92-103 adopted by the Governing Body on June 23, 1992, as supplemented.

“Purchase Contract” shall mean the Bond Purchase Agreement to be executed by the Issuer and the Underwriter, substantially in the form on file with the Clerk as Exhibit B and incorporated herein by reference.

“Registrar and Paying Agency Agreement” shall mean, with respect to the Series 2002 Bonds, the Registrar and Paying Agency Agreement, between the Issuer and the Registrar and Paying Agent, substantially in the form on file with the Clerk as Exhibit D and incorporated herein by reference.

“Refunded Obligations” shall mean the Issuer’s outstanding Transportation Improvement Revenue Refunding Bonds, Series 1992.

“Registrar and Paying Agent” shall mean, with respect to the Series 2002 Bonds, the Person designated as such pursuant to Section 4.3 hereof and its successors and assigns.

“Resolution” shall mean the Original Resolution, as supplemented by this Supplemental Resolution, and as the same may from time to time be amended, modified or supplemented by any and all Supplemental Resolutions adopted hereafter.

“Series 2002 Bonds” shall mean the Issuer’s Transportation Improvement Revenue Refunding Bonds, Series 2002, authorized to be issued pursuant to Section 2.1 hereof.

“Underwriter” shall mean William R. Hough & Co.

“Vice Chairman” shall mean the Vice Chairman of the Governing Body.

The terms “herein,” “hereinafter,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms, shall refer to this Supplemental Resolution; the term “heretofore” shall mean before the date of adoption of this Supplemental Resolution; and the term “hereafter” shall mean after the date of adoption of this Supplemental Resolution.

Words importing the singular number include the plural number, and vice versa.

Section 1.2 Authority for Supplemental Resolution.

This Supplemental Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law and supplements the Original Resolution.

Section 1.3 Supplemental Resolution to Constitute Contract.

In consideration of the purchase and acceptance of any or all of the Series 2002 Bonds by those who shall hold the same from time to time, the provisions of this Supplemental Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Series 2002 Bonds and shall be a part of the contract of the Issuer with any Insurer for the Series 2002 Bonds. The pledge made in this Supplemental

Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the Series 2002 Bonds and for the benefit, protection and security of any Insurer for the Series 2002 Bonds. All of the Series 2002 Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2002 Bonds over any other thereof except as expressly provided in or pursuant to this Supplemental Resolution.

Section 1.4 Findings.

It is hereby ascertained, determined and declared as follows:

(A) The Issuer has heretofore issued and has presently outstanding and unpaid the Refunded Obligations.

(B) The Issuer deems it necessary, desirable and in the best financial interest of the Issuer that the Refunded Obligations be refunded in order to effectuate interest cost savings and a reduction in the debt service applicable to bonded indebtedness. Simultaneously with the issuance of the Series 2002 Bonds, a sufficient portion of the proceeds of the Series 2002 Bonds and other funds available will be paid by the Issuer to the registrar and paying agent for the Refunded Obligations to effectuate the payment in full of the outstanding principal of, premium, if any, and accrued interest on the Refunded Obligations on the redemption date.

(C) The Issuer deems it necessary, desirable and in the best interests of the Issuer that the issuance of the Series 2002 Bonds be authorized as provided herein for the purpose of financing the refunding of the Refunded Obligations.

(D) The Issuer deems it necessary, desirable and in the best interest of the Issuer that the Pledged Funds be pledged to the payment of the principal of and interest on the Series 2002 Bonds. No part of the Pledged Funds has been pledged or encumbered in any manner except pursuant to the Resolution.

(E) The Original Resolution, in Section 5.02 thereof, provides for the issuance of Additional Bonds payable from the Pledged Funds under the terms, limitations and conditions provided therein. The Issuer will issue the Series 2002 Bonds as Additional Bonds within the authorization contained in Section 5.02 of the Original Resolution.

(F) The estimated Pledged Funds will be sufficient to pay the principal of and interest on the Series 2002 Bonds, as the same become due, and all other payments provided for in the Resolution.

(G) The principal of and interest on the Series 2002 Bonds and all other payments provided for in the Resolution will be paid solely from the sources provided in the Resolution in accordance with the terms thereof; and no ad valorem taxing power of the Issuer will ever be exercised nor will any Holder of any Series 2002 Bond or any Insurer have the right to compel the exercise of such ad valorem taxing power to pay the principal of or interest on the Series 2002 Bonds or to make any other payments provided for in the Resolution, and the Series

2002 Bonds shall not constitute a lien upon any property of the Issuer or any property situated within its corporate territorial limits, except the Pledged Funds.

(H) The Issuer is advised that due to the present volatility of the market for public obligations such as the Series 2002 Bonds, it is in the best interest of the Issuer to sell the Series 2002 Bonds by a negotiated sale, allowing the Issuer to enter into the market at the most advantageous time, rather than any specified advertised future date, thereby permitting the Issuer to obtain the best possible price, interest rates and other terms for the Series 2002 Bonds and, accordingly, the Issuer does hereby find and determine that it is in the best financial interest of the Issuer that a negotiated sale of the Series 2002 Bonds be authorized.

(I) The Underwriter has orally agreed to use its best efforts to submit to the Issuer an offer to purchase the Series 2002 Bonds in the form of the Purchase Contract upon terms acceptable to the Issuer as hereinafter authorized, and it is in the best financial interest of the Issuer to accept the offer of the Underwriter to purchase the Series 2002 Bonds at a negotiated sale and to authorize the execution and delivery of the Purchase Contract in the manner and upon the terms hereinafter provided; and upon the execution of the Purchase Contract by the Issuer and the Underwriter, the Series 2002 Bonds shall be sold to the Underwriter pursuant to the terms and provisions of the Purchase Contract.

(J) The Issuer is advised that because the terms of the Series 2002 Bonds cannot be determined on the date of adoption of this Resolution, it is in the best interest of the Issuer to delegate to the Chairman or the County Administrator in the manner hereinafter provided, the authority to determine the terms of the Series 2002 Bonds not specified herein, including but not limited to their date, amortization schedule, maturity date and interest rates.

(K) It is appropriate that the Issuer approve the Draft Preliminary Official Statement for the purpose of acquainting potential investors with pertinent information with respect to the Issuer and the Series 2002 Bonds and that the Issuer approve and authorize the distribution of a preliminary official statement and a final official statement prior to or contemporaneously with the issuance and delivery of the Series 2002 Bonds. For this purpose, it is appropriate that the Draft Preliminary Official Statement be approved and that preparation and distribution of a preliminary official statement and a final official statement in the manner hereinafter provided be authorized in substantially the form of the Draft Preliminary Official Statement on file with the Clerk as Exhibit C and incorporated herein by reference, the final form thereof to be approved by the Chairman at any time at or prior to the issuance of the Series 2002 Bonds.

(L) It is necessary and appropriate that the Issuer appoint a Registrar and Paying Agent for the Series 2002 Bonds. In order to provide for the services of a Registrar and Paying Agent for the Series 2002 Bonds, it is necessary and appropriate that the Issuer authorize the execution and delivery of the Registrar and Paying Agency Agreement between the Issuer and the Registrar and Paying Agent in the manner hereinafter provided.

(M) In order to provide for compliance with the requirements of Securities and Exchange Commission Rule 15c2-12, it is necessary and appropriate that the Issuer authorize the

execution and delivery of the Continuing Disclosure Certificate in the manner hereinafter provided.

(N) In connection with the issuance of the Refunded Obligations, the Issuer deposited into the Reserve Account a Reserve Account Insurance Policy issued by Financial Guaranty Insurance Corporation to meet the Reserve Account Requirement, which Reserve Account Insurance Policy will remain on deposit in the Reserve Account to meet the Reserve Account Requirement in connection with the issuance of the Series 2002 Bonds.

(O) The Issuer has received from the Insurer its commitment to provide a Financial Guaranty Insurance Policy to secure payment of the Series 2002 Bonds. On behalf of the Issuer, Ben W. Adams, Jr., its County Administrator, accepted the Insurer's commitment; and it is in the best financial interest of the Issuer that the Issuer ratify such acceptance of said commitment.

Section 1.5 Authorization of Refunding.

The refunding of the Refunded Obligations in the manner herein provided is hereby authorized.

Section 1.6 Ratification of Acceptance of Insurance Commitment.

The Issuer hereby ratifies the acceptance of the Insurer's commitment to provide the Financial Guaranty Insurance Policy, a copy of which commitment is attached hereto as Exhibit A.

ARTICLE 2

AUTHORIZATION AND TERMS OF SERIES 2002 BONDS

Section 2.1 Authorization of Series 2002 Bonds.

A Series of Bonds entitled to the benefit, protection and security of the Resolution is hereby authorized to be issued in an aggregate principal amount not to exceed \$5,500,000 for the purpose of refunding the Refunded Obligations and paying certain costs of issuance incurred with respect to such Series. Such Series shall be designated as, and shall be distinguished from the Bonds of all other Series by the title "St. Johns County, Florida, Transportation Improvement Revenue Refunding Bonds, Series 2002," provided that the Issuer may change such designation in the event the Series 2002 Bonds are not issued in calendar year 2002.

Section 2.2 Description of Series 2002 Bonds.

The Series 2002 Bonds shall be dated as of the first day of the month in which occurs the delivery of the Series 2002 Bonds to the purchaser or purchasers thereof; shall be issued as fully registered Bonds; and shall be numbered consecutively from one upward in order of maturity preceded by the letter "R;" shall be in denominations of \$5,000 and integral multiples thereof; shall bear interest at a rate or rates not exceeding the maximum rate per annum permitted

by law (calculated on the basis of a 360-day year of twelve 30-day months); shall be payable in such manner and on such dates; shall consist of such amounts of Serial Bonds, Term Bonds and Capital Appreciation Bonds, maturing in such amounts and in such years; shall not be subject to redemption prior to their stated maturities; and shall have such other terms as provided in the form of Series 2002 Bonds set forth in Section 2.6 hereof and as set forth in the Purchase Contract.

Section 2.3 Payment of Series 2002 Bonds.

The principal of the Series 2002 Bonds is payable upon presentation and surrender of the Series 2002 Bonds at the office of the Paying Agent. Interest payable on any Series 2002 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Series 2002 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any Series 2002 Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Series 2002 Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten (10) days preceding such special record date. All payments of principal of and interest on the Series 2002 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

From and after any maturity date (deposit of moneys for the payment of the principal and interest on such Series 2002 Bonds having been made by the Issuer), notwithstanding that any of such Series 2002 Bonds shall not have been surrendered for payment and cancellation, no further interest shall accrue upon the principal of such Series 2002 Bonds after such date, no interest shall accrue upon the interest which shall have accrued and shall then be due on such date, and such Series 2002 Bonds shall cease to be entitled to any lien, benefit or security under this Resolution.

Any moneys deposited with the Paying Agent for the payment of the principal of or interest on any Series 2002 Bond and remaining unclaimed for three years after the date on which such payment have become due shall be treated as abandoned property pursuant to applicable provisions of State law and the Paying Agent shall report and remit this property to the State escheat fund, and thereafter the Holder shall look only to the State escheat fund for payment and then only to the extent of the amounts so received, without any interest thereon and the Paying Agent and Issuer shall have no responsibility with respect to such moneys.

Section 2.4 Book-Entry Only.

A Depository may act as securities depository for the Series 2002 Bonds. The ownership of one fully-registered, certificated Series 2002 Bond for each maturity, each in the aggregate principal amount of such maturity, may be registered in the name of a Depository or its nominee.

The Series 2002 Bonds in a Book-Entry System registered in the name of a Depository or its nominee shall be payable in lawful money of the United States of America in immediately available funds (i) in the case of principal of such Series 2002 Bonds, delivered or transmitted to the Depository or its authorized representative when due, and (ii) in the case of interest on the Series 2002 Bonds, delivered or transmitted on any date interest is due to the Depository or nominee that was the Holder of that Series 2002 Bond (or one or more predecessor Series 2002 Bonds) at the close of business on the record date applicable to that interest payment date.

The Issuer will recognize the Depository or its nominee as the Holder for all purposes, including notices. Conveyance of notices and other communications by the Depository to participants, by participants to indirect participants, and by participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

In the event that (i) the Depository determines to discontinue providing its service with respect to the Series 2002 Bonds by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law, and the Issuer fails to appoint a successor Depository for the Series 2002 Bonds, or (ii) the Issuer determines to discontinue the Book-Entry System through a Depository, then bond certificates are required to be delivered as described in the Series 2002 Bonds. The purchasers of beneficial ownership interests in the Series 2002 Bonds (the "Beneficial Owners"), upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Series 2002 Bonds.

Neither the Issuer, the Registrar nor the Paying Agent will have any responsibility or obligation to any Beneficial Owner or any other person with respect to (i) the accuracy of any records maintained by the Depository or any persons participating by or through the Depository; (ii) the payment by the Depository or any persons participating by or through the Depository of any amount with respect to the principal or interest on the Bonds; (iii) any notice which is permitted or required to be given to Holders pursuant to this Supplemental Resolution; or (iv) any consent given or other action taken by the Depository as Holder.

Section 2.5 Application of Series 2002 Bond Proceeds.

The proceeds derived from the sale of the Series 2002 Bonds, including accrued interest, if any, shall, simultaneously with the delivery of the Series 2002 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

(A) Accrued interest shall be deposited in the Interest Account.

(B) A sum which, together with the other available funds deposited with the registrar and paying agent for the Refunded Obligations, shall be sufficient to pay the redemption price and accrued interest on the Refunded Obligations on the redemption date, shall be transferred to the registrar and paying agent for the Refunded Obligations.

(C) The Issuer covenants and agrees to establish a separate account with an Authorized Depository to be known as the "St. Johns County, Florida, Transportation Improvement Revenue Refunding Bonds, Series 2002, Costs of Issuance Account" (the "Costs of

Issuance Account”), which shall be used only for the payment of costs and expenses described in this subsection. A sum sufficient to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2002 Bonds, including fees of financial advisors, consulting fees, legal fees, bond insurance premiums, printing fees, rating agency fees and other similar costs shall be deposited to the credit of the Costs of Issuance Account, and all such costs and expenses shall be promptly paid by the Issuer to the persons respectively entitled to receive the same. When all moneys on deposit to the credit of the Costs of Issuance Account shall have been disbursed by the Issuer for the payment of such costs and expenses, the Costs of Issuance Account shall be closed; provided, however, that if any balance shall remain in the Costs of Issuance Account six months after issuance of the Series 2002 Bonds, such moneys shall be transferred by the Issuer to the Interest Account and the Costs of Issuance Account shall be closed.

Section 2.6 Form of Series 2002 Bonds.

Except for Capital Appreciation Bonds, the form of which shall be provided by Supplemental Resolution, the Bonds shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be evidenced conclusively by the Issuer’s delivery of the Bonds to the purchaser or purchasers thereof):

[The remainder of this page is intentionally left blank.]

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF ST. JOHNS
TRANSPORTATION IMPROVEMENT REVENUE REFUNDING BOND, SERIES 2002

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	_____, ____	_____, 2002	_____

REGISTERED HOLDER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS, that St. Johns County, a political subdivision of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the sources of payment hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, the Principal Amount identified above on the Maturity Date identified above and interest (calculated on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above on April 1 and October 1 of each year, commencing April 1, 2003, until such Principal Amount shall have been paid or provided for.

Such Principal Amount and interest on this bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount on this bond, are payable, upon presentation and surrender hereof, at the principal office of The Bank of New York Trust Company of Florida, N.A., Jacksonville, Florida, as paying agent, or such other paying agent as the Issuer shall hereafter duly appoint (the "Paying Agent"). Payment of each installment of interest shall be made to the person in whose name this bond shall be registered on the registration books of the Issuer maintained by The Bank of New York Trust Company of Florida, N.A., Jacksonville, Florida, as registrar, or such other registrar as the Issuer shall hereafter duly appoint (the "Registrar"), at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of the Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the option of the Paying Agent, and at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder. In the event interest payable on this bond is not punctually paid or duly provided for by the Issuer on such interest payment date, payment of each installment of such defaulted interest shall be made to the person in whose name this bond shall be registered at the close of

business on a special record date for the payment of such defaulted interest as established by notice to such Registered Holder, not less than ten (10) days preceding such special record date.

This bond is one of an authorized issue of bonds of the Issuer in the aggregate principal amount of \$ _____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to finance the cost of refunding the Issuer's Transportation Improvement Revenue Refunding Bonds, Series 1992 and paying certain costs of issuance in connection with the issuance of the Bonds. The Bonds are issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. 92-103 duly adopted by the Board of County Commissioners of the Issuer on June 23, 1992, as amended and supplemented, particularly as supplemented by Resolution No. 2002-__ duly adopted by the Board of County Commissioners of the Issuer on _____, 2002 (collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution.

The principal of and interest on this bond are payable solely from and secured by a prior lien upon and a pledge of the Issuer's portion of the six-cent local option gas tax distributed to the Issuer and the municipalities of St. Johns County by the Florida Department of Revenue from the state Local Option Gas Tax Trust Fund pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended, and, until applied in accordance with the provisions of the Resolution, the proceeds of the Bonds and all moneys, including investments thereof, and certain of the funds and accounts established pursuant to the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). It is expressly agreed by the Registered Holder of this bond that the full faith and credit of the Issuer is not pledged to the payment of the principal of or interest on this bond and that the Registered Holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer to the payment of such principal and interest. This bond and the obligation evidenced hereby shall not constitute a lien upon any other property of the Issuer, except the Pledged Funds, and shall be payable solely from the Pledged Funds in accordance with the terms of the Resolution.

Neither the members of the Board of County Commissioners of the Issuer nor any person executing this bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This bond is not subject to redemption prior to maturity.

This bond is and has all the qualities of a negotiable instrument under the laws of the State of Florida, but may be transferred only in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, prescribed in the Resolution. Each of the Bonds is issuable in fully registered form in the

denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the Bonds having the same maturity. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this bond as the absolute owner hereof for all purposes, whether or not this bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of Bonds during the fifteen (15) days next preceding an interest payment date.

The Bonds when issued will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the initial securities depository for the Bonds. Individual purchases of the Bonds may be made in book entry form only, and such purchasers will not receive certificates representing their interests in the Bonds. While the Bonds are registered in the name of a securities depository (a "Depository") or its nominee the Issuer will recognize the Depository or its nominee as the Holder of the Bonds for all purposes, including notices. Conveyance of notices and other communications by the Depository to participants, by participants to indirect participants, and by participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

The Bonds are issuable only as fully-registered bonds and, except as hereinafter provided, in printed or typewritten form, registered in the name of Cede & Co., as nominee of DTC, which shall be considered to be the Registered Holder for all purposes of the Resolution, including without limitation, payment by the Issuer of principal of and interest on the Bonds, and receipt of notices and exercise of rights of holders of the Bonds. There shall be a single Bond that shall be immobilized in the custody of DTC with the beneficial owners having no right to receive the Bonds in the form of physical securities or certificates. Ownership of beneficial interest in the Bonds shall be shown by book entry on the system maintained and operated by DTC and its participants, and transfers of ownership or beneficial interests shall be made only by DTC and its participants, by book entry, the Issuer having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the Bonds, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the Bonds. The Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the Issuer.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a book entry system, the Issuer may attempt to have established a securities depository/book entry system relationship with another qualified Depository under the Resolution. If the Issuer does not or is unable to do so, the Issuer and the Registrar, after the Registrar has made provision for notification of the beneficial owners by the then Depository, shall permit withdrawal of the Bonds from the Depository, and authenticate and deliver Bond certificates in fully registered form (in denominations of \$5,000 or multiples thereof) to the assigns of the Depository or its nominee.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in connection with the issuance of this bond, exist, have happened and have been performed, in regular and due form and time as

required by the Constitution and laws of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

This bond shall not be valid or become obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication.

IN WITNESS WHEREOF, St. Johns County, Florida, has issued this bond and has caused the same to be executed by the manual or facsimile signature of its Chairman and attested and countersigned by the manual or facsimile signature of its Clerk and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the 9th day of September, 2002.

ST. JOHNS COUNTY, FLORIDA

(SEAL)

By: James D. Bryant
Chairman, Board of County
Commissioners

ATTESTED AND COUNTERSIGNED

Cheryl Strickland
Clerk, Board of County Commissioners

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Registrar

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Insert Social Security or Other
Identifying Number of Assignee

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint _____

as attorneys to register the transfer of the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

ARTICLE 3

COVENANTS AND SECURITY FOR SERIES 2002 BONDS

Section 3.1 Series 2002 Bonds not to be Indebtedness of Issuer.

The Series 2002 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with the terms of this Supplemental Resolution and the Original Resolution. No Holder of any Series 2002 Bond or any Insurer shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay such Series 2002 Bond or shall be entitled to payment of such Series 2002 Bond from any moneys of the Issuer except the Pledged Funds, in the manner provided herein and in the Original Resolution.

Section 3.2 Security for Series 2002 Bonds.

The payment of the principal of and interest on the Series 2002 Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds. The Pledged Funds shall be subject to the lien of this pledge immediately upon the issuance and delivery of the Series 2002 Bonds, without any physical delivery by the Issuer of the Pledged Funds or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind against the Issuer, in tort, contract or otherwise. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Series 2002 Bonds in the manner provided by this Supplemental Resolution and the Original Resolution.

Section 3.3 Application of Provisions of Original Resolution.

This Supplemental Resolution is supplemental to the Original Resolution. The terms and provisions of the Original Resolution, as supplemented hereby, shall remain in full force and effect and be applicable with respect to the Series 2002 Bonds. The Series 2002 Bonds shall for all purposes be considered to be Additional Bonds issued under the authority of Section 5.02 of the Original Resolution and shall be entitled to all the protection, security, rights and privileges provided in and by the Original Resolution for Outstanding Bonds.

Section 3.4 Financial Guaranty Insurance.

Notwithstanding any provision to the contrary contained herein, the following provisions shall apply so long as the Financial Guaranty Insurance Policy with respect to the Series 2002 Bonds issued by the Insurer shall be in full force and effect:

(A) Any provision of this Resolution expressly recognizing or granting rights in or to the Insurer may not be amended in any manner which affects the rights of the Insurer hereunder without the prior written consent of the Insurer.

(B) Unless otherwise provided in this Section, the Insurer's consent shall be required in addition to Holder consent, when required, for the following purposes: (i) execution and delivery of any supplemental resolution or any amendment, supplement or change to or modification of the Resolution (ii) removal of the Registrar or Paying Agent and selection and appointment of any successor registrar or paying agent required in those transactions in which the Resolution provides for a registrar or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Holder consent.

(C) Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Insurer. In the event of any reorganization or liquidation, the Insurer shall have the right to vote on behalf of all Holders who hold the Insurer-insured Series 2002 Bonds absent a default by the Insurer under the applicable Financial Guaranty Insurance Policy insuring such Series 2002 Bonds.

(D) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders for the benefit of the Holders under the Resolution.

(E) The Issuer shall furnish to the Insurer (to the attention of the Surveillance Department of the Insurer, unless otherwise indicated):

(1) as soon as practicable after the filing thereof, a copy of any financial statement of the Issuer and a copy of any audit and annual report of the Issuer;

(2) such additional information it may reasonably request;

(3) a copy of any notice to be given to the registered owners of the Series 2002 Bonds, including, without limitation, notice of any redemption of or defeasance of Series 2002 Bonds, and any certificate rendered pursuant to this Resolution relating to the security for the Series 2002 Bonds; and

(4) all notices to be provided pursuant to the Continuing Disclosure Certificate relating to the Series 2002 Bonds.

(F) The Issuer shall furnish to the Insurer (to the attention of the General Counsel Office of the Insurer, unless otherwise indicated):

(1) notice of any failure by the Issuer to provide any notices certificates or filings required to be provided pursuant to this Resolution; and

(2) notwithstanding any other provision of this Resolution, the Issuer shall immediately notify the Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as

required and immediately upon the occurrence of any event of default hereunder.

(G) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Series 2002 Bonds with appropriate officers of the Issuer. The Issuer will permit the Insurer to have access to and to make copies of all books and records relating to the Series 2002 Bonds at any reasonable time.

(H) The Insurer shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2002 Bonds.

(I) Moneys in the funds and accounts established by the Resolution may be invested in the investments described below, to the extent the same shall be permitted from time to time by applicable laws of the State;

(1) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America including: U.S. treasury obligations; all direct or fully guaranteed obligations; Farmers Home Administration; General Services Administration; Guaranteed Title XI financing; Government National Mortgage Association (GNMA); and State and Local Government Series.

(2) Obligations of Government – Sponsored Agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Mortgage Corp. (FHLMC) Debt obligations; Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives); Federal Home Loan Banks (FHL Banks); Federal National Mortgage Association (FNMA) Debt obligations; Financing Corp. (FICO) Debt obligations; Resolution Funding Corp. (REFCORP) Debt obligations; and U.S. Agency for International Development (U.S. A.I.D) Guaranteed notes (U.S.A.I.D. securities must mature at least four business days before the appropriate payment date).

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including: Export-Import Bank; Rural Economic Community Development Administration; U.S. Maritime Administration; Small Business Administration; U.S. Department of Housing & Urban

Development (PHAs); Federal Housing Administration; and Federal Financing Bank.

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC); Obligations of the Resolution Funding Corporation (REFCORP); Senior debt obligations of the Federal Home Loan Bank System; and Senior debt obligations of other Government Sponsored Agencies approved by the Insurer.

(5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (Ratings on holding companies are not considered as the rating of the bank);

(6) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(8) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on

the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(9) Municipal obligations rated “Aaa/AAA” or general obligations of states with a rating of “A2/A” or higher by both Moody’s and S&P;

(10) Investment agreements approved in writing by the Insurer (supported by appropriate opinions of counsel);

(11) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to IV, Chapter 218, Florida Statutes, as amended, for any similar common trust fund which is established pursuant to State law as a legal depository of public moneys; and

(12) Other forms of investments (including repurchase agreements) approved in writing by the Insurer.

The value of the above investments shall be determined as follows:

(1) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Issuer shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers;

(2) As to certificates of deposit and bankers’ acceptances: the face amount thereof, plus accrued interest thereon; and

(3) As to any investment not specified above: the value thereof established by prior agreement between the Issuer and the Insurer.

(J) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Series 2002 Bonds shall be paid by the Insurer pursuant to the Financial Guaranty Insurance Policy, the Series 2002 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners.

(K) As long as the Financial Guaranty Insurance Policy shall be in full force and effect, the Issuer and the Registrar and Paying Agent agree to comply with the following provisions:

(1) At least one (1) day prior to all Interest Dates the Paying Agent will determine whether there will be sufficient funds in the funds and

accounts to pay the principal of or interest on the Series 2002 Bonds on such Interest Date. If the Paying Agent determines that there will be insufficient funds in such funds or accounts, the Paying Agent shall so notify the Insurer. Such notice shall specify the amount of the anticipated deficiency, the Series 2002 Bonds to which such deficiency is applicable and whether such Series 2002 Bonds will be deficient as to principal or interest, or both. If the Paying Agent has not so notified the Insurer at least one (1) day prior to an Interest Date, the Insurer will make payments of principal or interest due on the Series 2002 Bonds on or before the first (1st) day next following the date on which the Insurer shall have received notice of nonpayment from the Paying Agent.

(2) The Issuer, the Registrar and Paying Agent shall, after giving notice to the Insurer as provided in (1) above, make available to the Insurer and, at the Insurer's direction, to The Bank of New York, in New York, New York, as insurance trustee for the Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuer maintained by the Registrar, if any, and all records relating to the Funds and Accounts maintained under this Resolution.

(3) The Issuer, the Registrar and the Paying Agent shall provide the Insurer and the Insurance Trustee with a list of registered owners of Series 2002 Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2002 Bonds entitled to receive full or partial interest payments from the Insurer and (ii) to pay principal upon Series 2002 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2002 Bonds entitled to receive full or partial principal payments from the Insurer.

(4) The Issuer, the Registrar and the Paying Agent shall, at the time it provides notice to the Insurer pursuant to (a) above, notify registered owners of Series 2002 Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to the fact of such entitlement, (ii) that the Insurer will remit to them all or a part of the interest payments next coming due upon proof of Holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their Series 2002 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2002 Bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Registrar and Paying Agent, and (iv) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their Series 2002 Bonds for payment thereon first to the Paying Agent who shall

note on such Series 2002 Bonds the portion of the principal paid by the Paying Agent and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(5) In the event that the Registrar and Paying Agent has notice that any payment of principal of or interest on an Series 2002 Bonds which has become Due for Payment (as defined in the Financial Guaranty Insurance Policy) and which is made to a Holder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Registrar and Paying Agent shall, at the time the Insurer is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Registrar and Paying Agent shall furnish to the Insurer its records evidencing the payments of principal of and interest on the Series 2002 Bonds which have been made by the Registrar and Paying Agent and subsequently recovered from registered owners and the dates on which such payments were made.

(6) In addition to those rights granted the Insurer under this Resolution, the Insurer shall, to the extent it makes payment of principal of or interest on Series 2002 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Registrar and Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar and Paying Agent upon receipt from the Insurer of proof of the payment of interest thereon to the registered owners of the Series 2002 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Registrar and Paying Agent shall note the Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar and Paying Agent upon surrender of the Series 2002 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(L) Notwithstanding any other provision of this Resolution, in determining whether the rights of the Holders will be adversely affected by any action taken pursuant to the terms and provisions of this Resolution, the Registrar and Paying Agent shall consider the effect on the Holders as if there were no Financial Guaranty Insurance Policy.

(M) The Paying Agent may be removed at any time, at the request of the Insurer, for any breach of its duties set forth herein. The Insurer shall receive prior written notice of any Paying Agent resignation; provided, however, notwithstanding any other provision of this

Resolution, no removal, resignation or termination of the Paying Agent shall take effect until a successor, approved by the Insurer in writing, shall be appointed.

(N) To the extent that this Resolution confers upon or gives or grants to the Insurer any right, remedy or claim under or by reason of this Resolution, the Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

(O) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Issuer, the Insurer, the Registrar, the Paying Agent and the registered owners of the Series 2002 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Insurer, the Registrar, the Paying Agent and the registered owners of the Series 2002 Bonds.

ARTICLE 4

SALE OF 2002 BONDS; APPROVAL OF DOCUMENTS

Section 4.1 Sale of the Series 2002 Bonds; Authorization of Execution of Purchase Contract.

A negotiated sale of the Series 2002 Bonds is hereby authorized. The Chairman or the County Administrator is hereby authorized and directed to award the sale of the Series 2002 Bonds to the Underwriter in an aggregate principal amount not to exceed \$5,500,000, at an aggregate purchase price of not less than 98% of the original principal amount of such Series 2002 Bonds, as approved by the Chairman or the County Administrator (the "Minimum Purchase Price"), and with final terms, as approved by the Chairman or the County Administrator provided that the following parameters (the "Parameters") are met: the net present value of the savings, after payment of all issuance expenses and costs, which shall result from the issuance of the Series 2002 Bonds shall not be less than 3.0% of the principal amount of the Refunded Obligations; the arbitrage yield of the Series 2002 Bonds shall not exceed 5.0%; the final maturity of the Series 2002 Bonds shall not be later than October 1, 2007; the Series 2002 Bonds shall not be subject to redemption prior to their stated maturities; the costs of issuance shall be comparable to or less than the current average issuance costs for bonds of similar tenor and amount; and the Insurer's commitment to provide the Financial Guaranty Insurance Policy with respect to the Series 2002 Bonds shall be in effect.

The proposed form of the Purchase Contract presented by the Underwriter is hereby approved, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the County Administrator prior to the execution and delivery thereof, such necessity and/or desirability and approval to be presumed by the execution thereof by the Chairman or the County Administrator; the Chairman or the County Administrator is hereby authorized to accept the offer of the Underwriter to purchase the Series 2002 Bonds in an aggregate principal amount not to exceed \$5,500,000, at a purchase price of not less than the Minimum Purchase Price plus accrued interest thereon to the date of delivery, upon the terms

and conditions set forth in the Purchase Contract; and the Chairman or the County Administrator is hereby authorized to execute and approve the Purchase Contract for and on behalf of the Issuer pursuant to the terms hereof provided that the Chairman or the County Administrator shall first receive a report of the Financial Advisor stating that the aggregate purchase price set forth in the Purchase Contract is not less than the Minimum Purchase Price and that the final terms and conditions of the sale of the Series 2002 Bonds meet and are within the Parameters.

The Series 2002 Bonds shall be in denominations of \$5,000 or integral multiples thereof, shall be dated such dates, shall bear interest at such rates, payable on such dates, mature on such dates, have such Amortization Installments and have such other terms as are set forth in the Purchase Contract and approved by the Chairman or the County Administrator, and the authority to approve such matters is hereby expressly delegated to the Chairman or the County Administrator, with such approval to be conclusively evidenced by the Chairman's or the County Administrator's execution of any documents including such terms.

Prior to the execution and delivery of the Purchase Contract, the Underwriter shall file with the Issuer the disclosure statement required by Section 218.385(6), Florida Statutes, as amended. The Chairman, the County Administrator and the other officers, agents and employees of the Issuer are hereby authorized and directed to conclude the issuance and delivery of the Series 2002 Bonds in accordance with the provisions of the Original Resolution, this Resolution and the Purchase Contract.

The authority for the issuance of such aggregate principal amount of the Series 2002 Bonds herein authorized which shall not be delivered to the Underwriter pursuant to the provisions of the Purchase Contract is hereby canceled and rescinded.

Notwithstanding the foregoing, in the event the Purchase Contract is not executed and delivered by the Issuer and the Underwriter on or before December 31, 2002, the Chairman's and the County Administrator's authority to award the sale of the Series 2002 Bonds to the Underwriter and to execute the Purchase Contract for and on behalf of the Issuer pursuant to the terms hereof shall be automatically terminated on December 31, 2002.

Section 4.2 Approval of Draft Preliminary Official Statement and Authorization of Official Statement.

The form of the Draft Preliminary Official Statement is hereby approved, and a preliminary official statement and a final official statement substantially in the form of the Draft Preliminary Official Statement on file with the Clerk as Exhibit C and incorporated herein by reference, with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the Vice Chairman prior to the release thereof, are hereby approved, and each is authorized to be delivered by the Issuer to the Underwriter at or prior to the execution and delivery of the Purchase Contract; and the Chairman or the Vice Chairman is hereby authorized to deem the preliminary official statement final as of its date on behalf of the Issuer for purposes of Rule 15c2-12 of the Securities and Exchange Commission (except for such omissions permitted by such Rule 15c2-12), and to execute a certificate to that effect to be delivered to the Underwriter. A final official statement in substantially the form of the "deemed final" preliminary official statement, with such omissions, insertions and variations as may be

necessary and/or desirable and approved by the Chairman or the Vice Chairman prior to the release thereof, is hereby authorized to be delivered by the Issuer to the Underwriter for distribution at or prior to the issuance and delivery of the Series 2002 Bonds. The Chairman or the Vice Chairman is hereby authorized to evidence the Issuer's approval of the final official statement by his or her endorsement thereof upon one or more copies, and approval of all such omissions, insertions and variations may be presumed from such endorsement upon any copy of such final official statement. Bond Counsel is hereby directed to furnish to the Division of Bond Finance of the Department of General Services of the State of Florida a copy of the final official statement, a notice of the impending sale of the Series 2002 Bonds and the other information required by Section 218.38, Florida Statutes, as amended, within the appropriate time periods specified by such section.

Section 4.3 Registrar and Paying Agent; Authorization of Execution and Delivery of Registrar and Paying Agency Agreement.

The Bank of New York Trust Company of Florida, N.A., Jacksonville, Florida, is hereby appointed Registrar and Paying Agent for the Series 2002 Bonds. The Registrar and Paying Agency Agreement, with such omissions, insertions and variations as may be approved on behalf of the Issuer by the Chairman, such approval to be evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman to execute the Registrar and Paying Agency Agreement and to deliver the same to the Registrar and Paying Agent for the Series 2002 Bonds. All of the provisions of the Registrar and Paying Agency Agreement, when executed, dated and delivered by or on behalf of the Issuer as authorized herein and by or on behalf of the Registrar and Paying Agent for the Series 2002 Bonds, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

Section 4.4 Authorization of Execution and Delivery of Continuing Disclosure Certificate.

The Continuing Disclosure Certificate, with such omissions, insertions and variations as may be approved on behalf of the Issuer by the Chairman, such approval to be evidenced conclusively by the Chairman's execution thereof, is hereby approved and authorized. The Issuer hereby authorizes and directs the Chairman to execute and deliver the Continuing Disclosure Certificate. All of the provisions of the Continuing Disclosure Certificate, when executed, dated and delivered by or on behalf of the Issuer as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

The Issuer agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance of the Series 2002 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Bondholder or Beneficial Owner (as hereinafter defined) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section 4.4. For purposes of this Section 4.4, "Beneficial Owner" means any person which (a) has the

power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2002 Bonds (including persons holding Series 2002 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2002 Bonds for federal income tax purposes.

Section 4.5 Authorization of Execution of Certificates and Other Instruments.

The Chairman is hereby authorized and directed, under the official seal of the Issuer, to execute and deliver certificates of the Issuer certifying such facts as the Issuer's attorney or Bond Counsel shall require in connection with the issuance, sale and delivery of the Series 2002 Bonds, and to execute and deliver such other instruments as shall be necessary or desirable to perform the Issuer's obligations under the Original Resolution, this Resolution and the Purchase Contract and to consummate the transactions contemplated hereby and thereby. The Chairman is authorized to execute such other agreements as may be required by the Insurer, Moody's Investors Service, Inc., Standard & Poor's Ratings Group or Fitch which are necessary to obtain any financial guaranty insurance policy, any reserve account insurance policy or letter of credit, or rating required by the Purchase Contract.

ARTICLE 5

MISCELLANEOUS

Section 5.1 General Authority.

The members of the Governing Body and the Issuer's officers, attorneys and other agents and employees are hereby authorized to do all acts and things required of them by this Supplemental Resolution or desirable or consistent with the requirements hereof or thereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2002 Bonds, and this Supplemental Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Series 2002 Bonds to effectuate the sale of the Series 2002 Bonds to said initial purchasers.

Section 5.2 No Personal Liability.

No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Series 2002 Bonds, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the Series 2002 Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the Governing Body, officer, attorney, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the Series 2002 Bonds, or any certificate or other instrument to be executed in connection with the issuance of the Series 2002 Bonds, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 5.3 No Third Party Beneficiaries.

Except such other Persons as may be expressly described herein or in the Series 2002 Bonds, nothing in this Supplemental Resolution, or in the Series 2002 Bonds, expressed or implied, is intended or shall be construed to confer upon any Person other than the Issuer and the Holders any right, remedy or claim, legal or equitable, under and by reason of this Supplemental Resolution or any provision hereof, or of the Series 2002 Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders.

Section 5.4 Severability of Invalid Provisions.

If any one or more of the covenants, agreements or provisions of this Supplemental Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Supplemental Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Series 2002 Bonds issued hereunder.

Section 5.5 Table of Contents and Headings not Part Hereof.

The Table of Contents preceding the body of this Supplemental Resolution and the headings preceding the several articles and sections hereof shall be solely for convenience of reference and shall not constitute a part of this Supplemental Resolution or affect its meaning, construction or effect.

Section 5.6 Effective Date.

This Supplemental Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 3rd day of September, 2002.

BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA

(OFFICIAL SEAL)

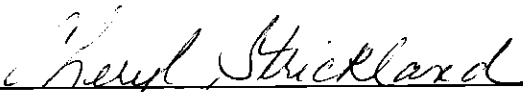
ATTEST:


Cheryl Strickland
Its Clerk

James E. Bryant
Its Chairman

I, Cheryl Strickland, Clerk of the Board of County Commissioners of St. Johns County, Florida, hereby certify that the foregoing is a true and correct copy of Resolution No. 2002-178 of said County passed and adopted on September 30th, 2002.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said County this 9 day of September, 2002.



Clerk, Board of County Commissioners

(OFFICIAL SEAL)

LIST OF EXHIBITS ON FILE WITH CLERK

- Exhibit A -- Insurer's Commitment
- Exhibit B -- Purchase Contract
- Exhibit C -- Draft Preliminary Official Statement
- Exhibit D -- Registrar and Paying Agency Agreement
- Exhibit E -- Continuing Disclosure Certificate

EXHIBIT A

INSURER'S COMMITMENT

COMMITMENT FOR FINANCIAL GUARANTY INSURANCE

Obligor: **ST. JOHNS COUNTY, FLORIDA**

Commitment Number: 23503

Commitment Date: August 22, 2002

Expiration Date: November 20, 2002

Obligations: \$5,210,000^{*} Transportation Improvement Revenue Refunding Bonds, Series 2002, dated October 1, 2002 maturing on October 1st in the years 2003 through 2007, both inclusive.

Insurance premium: 0.344% of the total principal and interest due on the Obligations (Fitch, Inc., Moody's Investors Service and Standard & Poor's Credit Markets Services assess separate rating fees which are payable directly to them. Each rating agency will bill separately and all questions regarding the payment of such fees must be addressed to the applicable agency.)

Ambac Assurance Corporation ("Ambac"), a Wisconsin Stock Insurance Corporation,

hereby commits to issue a Financial Guaranty Insurance Policy (the "Policy") relating to the above-described debt obligations (the "Obligations"), substantially in the form imprinted in this Commitment, subject to the terms and conditions contained herein or added hereto (see conditions set forth herein).

To keep this Commitment in effect after the expiration date set forth above, a request for renewal must be submitted to Ambac prior to such expiration date. Ambac reserves the right to refuse wholly or in part to grant a renewal.

The Financial Guaranty Insurance Policy shall be issued if the following conditions are satisfied:

1. The documents to be executed and delivered in connection with the issuance and sale of the Obligations shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any purchaser of the Obligations, otherwise required, not to be required to purchase the Obligations on the date scheduled for the issuance and delivery thereof.
3. There shall be no material change in or affecting the Obligations (including, without limitation, the security for the Obligations or the proposed debt service structure for the Obligations) or the financing documents or the official statement (or any similar disclosure document) to be executed and delivered in connection with the issuance and sale of the Obligations from the descriptions or schedules thereof heretofore provided to Ambac.
4. The Obligations shall contain no reference to Ambac, the Policy or the financial guaranty insurance evidenced thereby except as may be approved by Ambac.

^{*} Subject to change, with Ambac's approval.

5. Ambac shall be provided with:
 - (a) Executed copies of all financing documents, the official statement (or any similar disclosure document) and the various legal opinions delivered in connection with the issuance and sale of the Obligations, including, without limitation, the unqualified approving opinion of bond counsel rendered by a law firm acceptable to Ambac. The form of Bond Counsel's approving opinion shall also indicate, if applicable, that the Obligations are exempt from federal income taxation, that the Obligor must comply with certain covenants under and pursuant to the new tax law and that the Obligor has the legal power to comply with such covenants. Such opinion of bond counsel shall be addressed to Ambac or, in lieu thereof, a letter shall be provided to Ambac to the effect that Ambac may rely on such opinion as if it were addressed to Ambac.
 - (b) Evidence of a wire transfer in an amount equal to the insurance premium at the time of the issuance and delivery of the Obligations.
6. Unless expressly waived in whole or in part by Ambac, the financing documents and the Official Statement shall contain (a) the terms and provisions provided in Ambac's STANDARD PACKAGE transmitted herewith, and (b) any additional oral or written provisions or comments submitted by Ambac.
7. Ambac shall receive a copy of any insurance policy, surety bond, guaranty or indemnification or any other policy, contract or agreement which provides for payment of all or any portion of the debt, the costs of reconstruction, the loss of business income or in any way secures, ensures or enhances the income stream anticipated to pay the Obligations.
8. Any provisions or requirements of the Purchase Contract or Bond Purchase Agreement referencing Ambac must be sent to the attention of Danielle Brackett not less than five (5) business days prior to closing. If such provisions or requirements are not received within that time, compliance may not be possible.
9. Review and approval by Ambac at least 5 days prior to the closing of the Escrow Agreement for the defeasance of the applicable Obligations (the "Prior Obligations").
10. Prior to closing, Ambac must receive certification by an accounting firm acceptable to Ambac that the securities invested are sufficient to pay the Prior Obligations. Upon receipt of this commitment Ambac should be notified which firm will be providing certification.
11. Receipt of an acceptable opinion of counsel addressed to Ambac that the Prior Obligations have been legally defeased.
12. Receipt of an acceptable opinion of counsel addressed to Ambac with regard to the validity and enforceability of the Escrow Agreement.
13. If a forward supply contract is used:
 - (a) Securities delivered to the escrow agreement must be non-callable U.S. Government obligations, which do not mature later than the date needed to pay debt service on the refunded Obligations.
 - (b) The CPA verification must be in form and substance satisfactory to Ambac and must opine that the escrow is sufficient to defease the refunded Obligations whether or not the forward supply contract provider delivers securities to the escrow.
 - (c) The forward supply contract must specify that (i) the purchase price of the securities delivered to the escrow must not exceed the amount of cash received from maturing securities in the escrow, as specified in the verification, and (ii) the maturity value of the securities delivered to the escrow must not be less than the purchase price paid for such securities.

- (d) The forward supply contract provider shall have no resource to the escrow upon any failure of the Obligor or escrow agent to perform its obligations under the forward supply contract. Other than the payment of the purchase price for the securities to be delivered pursuant to the forward supply contract, no payments of any other kind may be made from the escrow in respect of the forward supply contract.
- (e) The forward supply contract provider must be rated at least A by a nationally recognized rating agency.
- (f) The forward supply contract shall be in form and substance satisfactory to Ambac.



Authorized Officer

COMMITMENT FOR FINANCIAL GUARANTY INSURANCE

Obligor: **ST. JOHNS COUNTY, FLORIDA**

Commitment Number: 23503

Commitment Date: August 22, 2002

Expiration Date: November 20, 2002

Obligations: \$5,210,000^{*} Transportation Improvement Revenue Refunding Bonds, Series 2002, dated October 1, 2002 maturing on October 1st in the years 2003 through 2007, both inclusive.

Insurance premium: 0.344% of the total principal and interest due on the Obligations (Fitch, Inc., Moody's Investors Service and Standard & Poor's Credit Markets Services assess separate rating fees which are payable directly to them. Each rating agency will bill separately and all questions regarding the payment of such fees must be addressed to the applicable agency.)

Ambac Assurance Corporation ("Ambac"), a Wisconsin Stock Insurance Corporation,

hereby commits to issue a Financial Guaranty Insurance Policy (the "Policy") relating to the above-described debt obligations (the "Obligations"), substantially in the form imprinted in this Commitment, subject to the terms and conditions contained herein or added hereto (see conditions set forth herein).

To keep this Commitment in effect after the expiration date set forth above, a request for renewal must be submitted to Ambac prior to such expiration date. Ambac reserves the right to refuse wholly or in part to grant a renewal.

The Financial Guaranty Insurance Policy shall be issued if the following conditions are satisfied:

1. The documents to be executed and delivered in connection with the issuance and sale of the Obligations shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any purchaser of the Obligations, otherwise required, not to be required to purchase the Obligations on the date scheduled for the issuance and delivery thereof.
3. There shall be no material change in or affecting the Obligations (including, without limitation, the security for the Obligations or the proposed debt service structure for the Obligations) or the financing documents or the official statement (or any similar disclosure document) to be executed and delivered in connection with the issuance and sale of the Obligations from the descriptions or schedules thereof heretofore provided to Ambac.
4. The Obligations shall contain no reference to Ambac, the Policy or the financial guaranty insurance evidenced thereby except as may be approved by Ambac.

^{*} Subject to change, with Ambac's approval.

5. Ambac shall be provided with:
 - (a) Executed copies of all financing documents, the official statement (or any similar disclosure document) and the various legal opinions delivered in connection with the issuance and sale of the Obligations, including, without limitation, the unqualified approving opinion of bond counsel rendered by a law firm acceptable to Ambac. The form of Bond Counsel's approving opinion shall also indicate, if applicable, that the Obligations are exempt from federal income taxation, that the Obligor must comply with certain covenants under and pursuant to the new tax law and that the Obligor has the legal power to comply with such covenants. Such opinion of bond counsel shall be addressed to Ambac or, in lieu thereof, a letter shall be provided to Ambac to the effect that Ambac may rely on such opinion as if it were addressed to Ambac.
 - (b) Evidence of a wire transfer in an amount equal to the insurance premium at the time of the issuance and delivery of the Obligations.
6. Unless expressly waived in whole or in part by Ambac, the financing documents and the Official Statement shall contain (a) the terms and provisions provided in Ambac's STANDARD PACKAGE transmitted herewith, and (b) any additional oral or written provisions or comments submitted by Ambac.
7. Ambac shall receive a copy of any insurance policy, surety bond, guaranty or indemnification or any other policy, contract or agreement which provides for payment of all or any portion of the debt, the costs of reconstruction, the loss of business income or in any way secures, ensures or enhances the income stream anticipated to pay the Obligations.
8. Any provisions or requirements of the Purchase Contract or Bond Purchase Agreement referencing Ambac must be sent to the attention of Danielle Brackett not less than five (5) business days prior to closing. If such provisions or requirements are not received within that time, compliance may not be possible.
9. Review and approval by Ambac at least 5 days prior to the closing of the Escrow Agreement for the defeasance of the applicable Obligations (the "Prior Obligations").
10. Prior to closing, Ambac must receive certification by an accounting firm acceptable to Ambac that the securities invested are sufficient to pay the Prior Obligations. Upon receipt of this commitment Ambac should be notified which firm will be providing certification.
11. Receipt of an acceptable opinion of counsel addressed to Ambac that the Prior Obligations have been legally defeased.
12. Receipt of an acceptable opinion of counsel addressed to Ambac with regard to the validity and enforceability of the Escrow Agreement.
13. If a forward supply contract is used:
 - (a) Securities delivered to the escrow agreement must be non-callable U.S. Government obligations, which do not mature later than the date needed to pay debt service on the refunded Obligations.
 - (b) The CPA verification must be in form and substance satisfactory to Ambac and must opine that the escrow is sufficient to defease the refunded Obligations whether or not the forward supply contract provider delivers securities to the escrow.
 - (c) The forward supply contract must specify that (i) the purchase price of the securities delivered to the escrow must not exceed the amount of cash received from maturing securities in the escrow, as specified in the verification, and (ii) the maturity value of the securities delivered to the escrow must not be less than the purchase price paid for such securities.

- (d) The forward supply contract provider shall have no resource to the escrow upon any failure of the Obligor or escrow agent to perform its obligations under the forward supply contract. Other than the payment of the purchase price for the securities to be delivered pursuant to the forward supply contract, no payments of any other kind may be made from the escrow in respect of the forward supply contract.
- (e) The forward supply contract provider must be rated at least A by a nationally recognized rating agency.
- (f) The forward supply contract shall be in form and substance satisfactory to Ambac.



Authorized Officer

AMBAC ASSURANCE CORPORATION WIRING INSTRUCTIONS

Citibank N.A.
ABA NO. 021000089
For: Ambac Assurance Corporation
A/C No. **40609486**
Attention: [Closing Coordinator], 212-208-3---

*** Please indicate Policy Number on wire and call your closing coordinator with your wire reference number on the morning of closing***

Financial Guaranty Insurance Policy

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

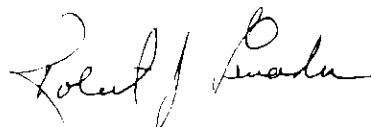
In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

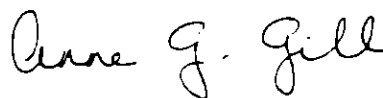
As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.



President



Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.



Authorized Officer or Insurance Trustee

Form No.: 2B-0012 (1.01)

Endorsement

Policy for:

Attached to and forming part of Policy No.:

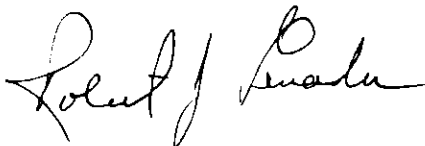
Effective Date of Endorsement:

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association.

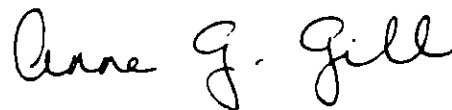
Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

In Witness Whereof, Ambac has caused this Endorsement to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

Ambac Assurance Corporation



President



Secretary

Authorized Representative

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August 19, 2002

**AMBAC ASSURANCE STANDARD PACKAGE FOR AMBAC-INSURED TRANSACTIONS
[NOT FOR USE WITH GENERAL OBLIGATION/LIMITED OR
UNLIMITED TAX TRANSACTIONS]**

TO: Obligor, Obligor's Counsel, Managing Underwriter, Obligation Counsel and Underwriter's Counsel

RE: Preparation of Financing Documents for Ambac Assurance Insured Issues

Ambac The attached materials have been prepared to assist you in the preparation of documents for your Ambac Assurance Corporation ("Ambac Assurance") insured issue. Please modify the attached exhibits where appropriate and notify us as to any proposed modifications. If desired, these provisions can be incorporated into one section entitled "Financial Guaranty Insurance" within the applicable Indenture, Resolution, Ordinance, Order or any other operative financing document (such applicable financing document will be referred to herein as the "Financing Document"). Please be advised that the provisions contained in this package are in addition to the conditions listed in the Commitment for Financial Guaranty Insurance and any other comments or changes that may be required by the Ambac Assurance personnel working on this financing. If you have any questions, please call one of the following persons: David N. Abramowitz, Jeffrey R. Fried, Eileen L. Kirchoff or Stephen M. Ksenak (Public Finance) and Kevin J. Doyle, Lee Ann Duffy, Jean Kim, Juan B. Roman or Nicola J. Ryan (Specialized Finance).

- Definitions (Exhibit A).
- Ambac Assurance consent required for changes to underlying documentation and exercise of remedies upon default (Exhibit B).
- Notices/information to be given to Ambac Assurance (Exhibit C).
- Permitted Investments and Valuation Provisions (Exhibit D).
- Defeasance Language (Exhibit E).
- Description of Ambac Assurance Payment Procedure (Exhibit F).
- Trustee-related provisions (Exhibit G).
- Ambac Assurance as a third-party beneficiary (Exhibit H).
- Suggested language for (i) Ambac Assurance Official Statement Disclosure, (ii) Notice of Sale, (iii) Bond Legend, and (iv) Cover page of Official Statement (Exhibit I).
- Form of Ambac Assurance Legal Opinion (Exhibit J).
- Form of Ambac Assurance Certificate of Insurer (Exhibit K).
- Ambac Assurance Wiring Instructions (Exhibit L).
- Representations, Warranties and Covenants for Revised Article 9 Collateral (Exhibit M)

EXHIBIT A

DEFINITIONS

The following definitions are those which Ambac recommends for the Financing Document:

"Ambac Assurance" shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

"Financial Guaranty Insurance Policy" shall mean the financial guaranty insurance policy issued by Ambac Assurance insuring the payment when due of the principal of and interest on the Obligations as provided therein.

EXHIBIT B

AMBAC CONSENT LANGUAGE

Ambac requires that the Financing Document include the following consent provisions:

A. Consent of Ambac Assurance.

Any provision of this [Financing Document] expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance.

B. Consent of Ambac Assurance in Addition to Holder Consent.

Unless otherwise provided in this Section, Ambac Assurance's consent shall be required in addition to Holder consent, when required, for the following purposes: (i) execution and delivery of any supplemental [Financing Document] or any amendment, supplement or change to or modification of the [Loan Agreement, Lease Agreement, etc.] (ii) removal of the Trustee or Paying Agent and selection and appointment of any successor trustee or paying agent [required in those transactions in which the Financing Document provides for a trustee or paying agent]; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Holder consent.

C. Consent of Ambac Assurance in the Event of Insolvency

Any reorganization or liquidation plan with respect to the [Obligor or obligor] must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all Holders who hold Ambac Assurance-insured Obligations absent a default by Ambac Assurance under the applicable Financial Guaranty Insurance Policy insuring such Obligations.

[In transactions for which acceleration is not a remedy for an event of default, the following provision is to be included in the Financing Document.]

D. Consent of Ambac Assurance Upon Default.

Anything in this [Financing Document] to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under this [Financing Document].

[In transactions for which acceleration is a remedy for an event of default the following two provisions must be included in the Financing Document in lieu of paragraph D above.]

D. Consent of Ambac Assurance Upon Default.

Anything in this [Financing Document] to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under this [Financing Document], including, without limitation: (i) the right to accelerate the principal of the Obligations as described in this [Financing Document], and (ii) the right to annul any declaration of acceleration, and Ambac Assurance shall also be entitled to approve all waivers of events of default.

E. Acceleration Rights

Upon the occurrence of an event of default, the Trustee may, with the consent of Ambac Assurance, and shall, at the direction of Ambac Assurance or ___% of the Holders with the consent of Ambac Assurance, by written notice to the Obligor and Ambac Assurance, declare the principal of the Obligations to be immediately due and payable, whereupon that portion of the principal of the Obligations thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this [Financing Document] or in the Obligations to the contrary notwithstanding.

EXHIBIT C

NOTICES/INFORMATION TO BE GIVEN TO AMBAC

Ambac requires that the following notice provisions be incorporated in the Financing Document:

Notices to be sent to the attention of the SURVEILLANCE DEPARTMENT:

- A. While the Financial Guaranty Insurance Policy is in effect, the Obligor* or the Trustee [as appropriate] shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated):
 - (a) as soon as practicable after the filing thereof, a copy of any financial statement of the Obligor* and a copy of any audit and annual report of the Obligor*;
 - (b) such additional information it may reasonably request.
- B. a copy of any notice to be given to the registered owners of the Obligations, including, without limitation, notice of any redemption of or defeasance of Obligations, and any certificate rendered pursuant to this [Financing Document] relating to the security for the Obligations.
- C. To the extent that the Obligor has entered into a continuing disclosure agreement with respect to the Obligations, Ambac Assurance shall be included as party to be notified.

Notices to be sent to the attention of the GENERAL COUNSEL OFFICE:

- A. The Trustee or Obligor* [as appropriate] shall notify Ambac Assurance of any failure of the Obligor* to provide relevant notices, certificates, etc.
- B. Notwithstanding any other provision of this [Financing Document], the Trustee or Obligor* [as appropriate] shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

Other Information to be given to Ambac Assurance:

The Obligor* will permit Ambac Assurance to discuss the affairs, finances and accounts of the Obligor* or any information Ambac Assurance may reasonably request regarding the security for the Obligations with appropriate officers of the Obligor*. The Trustee or Obligor* [as appropriate] will permit Ambac Assurance to [have access to the Project and] have access to and to make copies of all books and records relating to the Obligations at any reasonable time.

*or appropriate obligor on the Obligations

Ambac Assurance shall have the right to direct an accounting at the Obligor's expense, and the Obligor's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Obligations.

[FOR CALIFORNIA AND INDIANA (ABATEMENT STYLE) LEASES] The Trustee or Obligor [as appropriate] shall annually certify to Ambac that the insurance policies required by Section ____ of the [Lease/Indenture] are in full force and effect, and will provide Ambac with copies of such policies upon request.

EXHIBIT D

AMBAC ASSURANCE CORPORATION

Permitted Investment Guidelines:

Permitted Investments

- A. Ambac Assurance will allow the following obligations to be used as Permitted Investments for all purposes, including defeasance investments in refunding escrow accounts.

(Ambac Assurance does not give a premium credit for the investment of accrued and/or capitalized interest).

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation),
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
 - U.S. treasury obligations
 - All direct or fully guaranteed obligations
 - Farmers Home Administration
 - General Services Administration
 - Guaranteed Title XI financing
 - Government National Mortgage Association (GNMA)
 - State and Local Government Series
- (3) Obligations of Government – Sponsored Agencies that are not backed by the full faith and credit of the U.S. Government:
 - Federal Home Loan Mortgage Corp. (FHLMC) Debt obligations
 - Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives)
 - Federal Home Loan Banks (FHL Banks)
 - Federal National Mortgage Association (FNMA) Debt obligations
 - Financing Corp. (FICO) Debt obligations
 - Resolution Funding Corp. (REFCORP) Debt obligations
 - U.S. Agency for International Development (U.S. A.I.D) Guaranteed notes

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

B. Ambac will allow the following Obligations to be used as Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts.

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank

(2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by Ambac

(3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; **[Pre-refunded Municipal Obligations meeting the requirements of subsection (B) hereof may be used as Permitted Investments for annual appropriation lease transactions.]**

- (7) Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher from both Moody's and S&P;
- (8) Investment agreements approved in writing by Ambac Assurance Corporation (supported by appropriate opinions of counsel); and
- (9) Other forms of investments (including repurchase agreements) approved in writing by Ambac.

C. The value of the above investments shall be determined as follows:

- a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers.
- b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and
- c) As to any investment not specified above: the value thereof established by prior agreement among the Issuer, the Trustee, and Ambac.

EXHIBIT E

DEFEASANCE LANGUAGE

- A. The definition of "Outstanding" Obligations or obligations, or any like concept, should specifically include Obligations or obligations which fall into the category described below.
- B. The defeasance section of the Financing Document should include the following language:

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Obligations shall be paid by Ambac Assurance Corporation pursuant to the Financial Guaranty Insurance Policy, the Obligations shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Obligor, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Obligor to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

EXHIBIT F

PAYMENT PROCEDURE PURSUANT TO THE FINANCIAL GUARANTY INSURANCE POLICY

The following language sets out the applicable procedure for payments under the Financial Guaranty Insurance Policy and should be incorporated into the Financing Document:

As long as the Obligation insurance shall be in full force and effect, the Obligor, the Trustee and any Paying Agent agree to comply with the following provisions:

- (a) At least one (1) day prior to all Interest Payment Dates the Trustee or Paying Agent, if any, will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Obligations on such Interest Payment Date. If the Trustee or Paying Agent, if any, determines that there will be insufficient funds in such Funds or Accounts, the Trustee or Paying Agent, if any, shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Obligations to which such deficiency is applicable and whether such Obligations will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified Ambac Assurance at least one (1) day prior to an Interest Payment Date, Ambac Assurance will make

payments of principal or interest due on the Obligations on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Trustee or Paying Agent, if any.

(b) the Trustee or Paying Agent, if any, shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, and all records relating to the Funds and Accounts maintained under this [Financing Document].

(c) the Trustee or Paying Agent, if any, shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Obligations entitled to receive principal or interest payments from Ambac Assurance under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Obligations entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal upon Obligations surrendered to the Insurance Trustee by the registered owners of Obligations entitled to receive full or partial principal payments from Ambac Assurance.

(d) the Trustee or Paying Agent, if any, shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Obligations entitled to receive the payment of principal or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of Holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Obligations (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Obligations to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Obligations for payment thereon first to the Trustee or Paying Agent, if any, who shall note on such Obligations the portion of the principal paid by the Trustee or Paying Agent, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) in the event that the Trustee or Paying Agent, if any, has notice that any payment of principal or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee or Paying Agent, if any, shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee or Paying Agent, if any, shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Obligations which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from registered owners and the dates on which such payments were made.

(f) in addition to those rights granted Ambac Assurance under this [Financing Document], Ambac Assurance shall, to the extent it makes payment of principal or interest on Obligations, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee or Paying Agent, if any, shall note Ambac Assurance's rights as subrogee on the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Obligations, and (ii) in the case of subrogation as to claims for past due principal, the Trustee or Paying Agent, if any, shall note Ambac Assurance's rights as subrogee on the registration books of the

Obligor maintained by the Trustee or Paying Agent, if any, upon surrender of the Obligations by the registered owners thereof together with proof of the payment of principal hereof.

EXHIBIT G

TRUSTEE-RELATED PROVISIONS

With respect to transactions involving a trustee or paying agent, Ambac requires that the following provisions be incorporated into the Financing Document. Please note that unless otherwise required by Ambac, if the financing at hand does not contemplate a trustee or paying agent, these provisions may be disregarded.

1. The Trustee (or Paying Agent) may be removed at any time, at the request of Ambac Assurance, for any breach of the Trust set forth herein.
2. Ambac Assurance shall receive prior written notice of any Trustee (or Paying Agent) resignation.
3. Every successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac Assurance. Any successor Paying Agent, if applicable, shall not be appointed unless Ambac approves such successor in writing.
4. Notwithstanding any other provision of this [Financing Document], in determining whether the rights of the Holders will be adversely affected by any action taken pursuant to the terms and provisions of this [Financing Document], the Trustee (or Paying Agent) shall consider the effect on the Holders as if there were no Financial Guaranty Insurance Policy.
5. Notwithstanding any other provision of this [Financing Document], no removal, resignation or termination of the Trustee (or Paying Agent) shall take effect until a successor, acceptable to Ambac, shall be appointed.

EXHIBIT H

INTERESTED PARTIES

In addition to the provisions listed above, Ambac also requires the following provision be incorporated into the Financing Document:

A. Ambac As Third Party Beneficiary.

To the extent that this [Financing Document] confers upon or gives or grants to Ambac any right, remedy or claim under or by reason of this [Financing Document], Ambac is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

B. Parties Interested Herein.

Nothing in this [Financing Document] expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Obligor, the Trustee, Ambac Assurance, the Paying Agent, if any, and the registered owners of the Obligations, any right, remedy or claim under or by reason of this [Financing Document] or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this [Financing Document] contained by and on behalf of the Obligor shall be for the sole and exclusive benefit of the Obligor, the Trustee, Ambac Assurance, the Paying Agent, if any, and the registered owners of the Obligations.

EXHIBIT I

AMBAC ASSURANCE OFFICIAL STATEMENT DISCLOSURE AND SUGGESTED LANGUAGE FOR THE NOTICE OF SALE, OBLIGATION LEGEND, COVER PAGE OF OFFICIAL STATEMENT

AMBAC ASSURANCE OFFICIAL STATEMENT DISCLOSURE

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") relating to the Obligations effective as of the date of issuance of the Obligations. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Obligations which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the [Trustee/Paying Agent/Bond Registrar]. The insurance will extend for the term of the Obligations and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Obligations become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Obligations, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Obligations on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Obligations, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the [Trustee/Paying Agent/Bond Registrar] has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of Obligations to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Obligations to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac Assurance.

Upon payment of the insurance by its, Ambac Assurance will become the owner of the Obligation, appurtenant coupon, if any, or right to payment of principal or interest on such Obligation and will be fully subrogated to the surrendering Holder's rights to payment.

FOR TRANSACTIONS INVOLVING AUCTION RATE SECURITIES:

The Financial Guaranty Insurance Policy does not insure against loss relating to payments made in connection with the sale of Obligations at Auctions or losses suffered as a result of a Holder's inability to sell Obligations.

FOR TRANSACTIONS INVOLVING VARIABLE RATE OBLIGATIONS:

The Financial Guaranty Insurance Policy does not insure against loss relating to payments of the purchase price of Obligations upon tender by a registered owner thereof or any preferential transfer relating to payments of the purchase price of Obligations upon tender by a registered owner thereof.

ADDITIONAL PARAGRAPH FOR CALIFORNIA TRANSACTIONS:

In the event that Ambac Assurance were to become insolvent, any claims arising under the Policy would be excluded from coverage by the California Insurance Guaranty Association, established pursuant to the laws of the State of California.

ADDITIONAL PARAGRAPH FOR NEW YORK TRANSACTIONS:

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the property/casualty insurance security fund specified by the insurance laws of the State of New York.

ADDITIONAL PARAGRAPH FOR FLORIDA TRANSACTIONS:

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the Florida Insurance Guaranty Association.

ADDITIONAL PARAGRAPH FOR CONNECTICUT TRANSACTIONS:

In the event that Ambac were to become insolvent, any claims arising under the Financial Guaranty Insurance Policy would be excluded from coverage by the Connecticut Insurance Guaranty Association.

ADDITIONAL PARAGRAPH FOR OKLAHOMA TRANSACTIONS:

WARNING: Any person who knowingly, and with intent to injure, defrauds or deceives any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

ADDITIONAL PARAGRAPH FOR VIRGINIA TRANSACTIONS:

The Policy shall not be deemed invalid due to the absence of the required signature or countersignature.

Ambac Assurance Corporation

Ambac Assurance Corporation ("Ambac Assurance") is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam and the Commonwealth of Puerto Rico, with admitted assets of approximately \$5,587,000,000 (unaudited) and statutory capital of

\$3,453,000,000 (unaudited) as of **June 30, 2002**. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch, Inc. have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its Financial Guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Obligor of the Obligations. **[THE FOLLOWING MUST BE INCLUDED IN ANNUAL APPROPRIATION LEASE TRANSACTIONS: No representation is made by Ambac Assurance regarding the federal income tax treatment of payments that are made by Ambac Assurance under the terms of the Policy due to nonappropriation of funds by the Lessee.]**

Ambac Assurance makes no representation regarding the Obligations or the advisability of investing in the Obligations and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "_____".

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 17th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

- 1) The Company's Current Report on Form 8-K dated January 23, 2002 and filed on January 25, 2002;
- 2) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 and filed on March 26, 2002;
- 3) The Company's Current Report on Form 8-K dated April 17, 2002 and filed on April 18, 2002;
- 4) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2002 and filed on May 13, 2002;

- 5) The Company's Current Report on Form 8-K dated July 17, 2002 and filed on July 19, 2002;
- 6) The Company's Current Report on Form 8-K dated August 14, 2002 and filed on August 14, 2002;
and
- 7) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2002 and filed on August 14, 2002.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information".

NOTICE OF SALE

Ambac Assurance Corporation ("Ambac Assurance") has issued a commitment for a financial guaranty insurance policy relating to the Obligations. All bids may be conditioned upon the issuance, effective as of the date on which the Obligations are issued, of a policy of insurance by Ambac Assurance, insuring the payment when due of principal of and interest on the Obligations. Each Obligation will bear a legend referring to the insurance. The purchaser, holder or owner is not authorized to make any statements concerning the insurance beyond those set out here and in the Bond Legend without the approval of Ambac Assurance.

BOND LEGEND

Financial Guaranty Insurance Policy No. __ (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Obligation acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

COVER PAGE OF OFFICIAL STATEMENT

Payment of the principal of and interest on the Obligations when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Obligations.

EXHIBIT J

FORM OF THE AMBAC LEGAL OPINION

> , 200_

Ladies and Gentlemen:

This opinion has been requested of the undersigned, a Vice President and an Assistant General Counsel of Ambac Assurance Corporation, a Wisconsin stock insurance company ("Ambac Assurance"), in connection with the issuance by Ambac Assurance of a certain Financial Guaranty Insurance Policy and endorsement thereto, effective as of the date hereof (the "Policy"), insuring \$> in aggregate principal amount of the > (the "Obligor"), > dated > (the "Obligations").

In connection with my opinion herein, I have examined the Policy, such statutes, documents and proceedings as I have considered necessary or appropriate under the circumstances to render the following opinion, including, without limiting the generality of the foregoing, certain statements contained in the Official Statement of the Obligor dated >, relating to the Obligations (the "Official Statement") under the headings ">" and ">".

Based upon the foregoing and having regard to legal considerations I deem relevant, I am of the opinion that:

1. Ambac Assurance is a stock insurance company duly organized and validly existing under the laws of the State of Wisconsin and duly qualified to conduct an insurance business in the State of >.
2. Ambac Assurance has full corporate power and authority to execute and deliver the Policy and the Policy has been duly authorized, executed and delivered by Ambac Assurance and constitutes a legal, valid and binding obligation of Ambac Assurance enforceable in accordance with its terms except to the extent that the enforceability (but not the validity) of such obligation may be limited by any applicable bankruptcy, insolvency, liquidation, rehabilitation or other similar law or enactment now or hereafter enacted affecting the enforcement of creditors' rights.
3. The execution and delivery by Ambac Assurance of the Policy will not, and the consummation of the transactions contemplated thereby and the satisfaction of the terms thereof will not, conflict with or result in a breach of any of the terms, conditions or provisions of the Certificate of Authority, Articles of Incorporation or By-Laws of Ambac Assurance, or any restriction contained in any contract, agreement or instrument to which Ambac Assurance is a party or by which it is bound or constitute a default under any of the foregoing.
4. Proceedings legally required for the issuance of the Policy have been taken by Ambac Assurance and licenses, orders, consents or other authorizations or approvals of any governmental boards or bodies legally required for the enforceability of the Policy have been obtained; any proceedings not taken and any licenses, authorizations or approvals not obtained are not material to the enforceability of the Policy.
5. The statements contained in the Official Statement under the heading ">," insofar as such statements constitute summaries of the matters referred to therein, accurately reflect and fairly present the information purported to be shown and, insofar as such statements describe Ambac Assurance, fairly and accurately describe Ambac Assurance.

6. The form of Policy contained in the Official Statement under the heading ">" is a true and complete copy of the form of Policy.

The opinions expressed herein are solely for your benefit, and may not be relied upon by any other person.

Very truly yours,

Vice President and
Assistant General Counsel

EXHIBIT K

CERTIFICATE OF OBLIGATION INSURER

In connection with the issuance of > in aggregate principal amount of (the "Obligor") > (the "Obligations"), Ambac Assurance Corporation ("Ambac") is issuing a Financial Guaranty insurance policy (the "Insurance Policy") guaranteeing the payment of principal and interest when due on the Obligations, all as more fully set out in the Insurance Policy.

On behalf of Ambac, the undersigned hereby certifies that:

(i) the Insurance Policy is an unconditional and recourse obligation of Ambac (enforceable by or on behalf of the holders of the Obligations) to pay the scheduled payments of interest and principal on the Obligations in the event of a Nonpayment as defined in the Insurance Policy;

(ii) the insurance premium of \$ _____ was determined in arm's length negotiations in accordance with our standard procedures, is required to be paid as a condition to the issuance of the Insurance Policy and represents a reasonable charge for the transfer of credit risk;

(iii) no portion of such premium represents a payment for any direct or indirect services other than the transfer of credit risk, including costs of underwriting or remarketing the Obligations or the cost of insurance for casualty of Obligation financed property;

(iv) we are not co-obligors on the Obligations and do not reasonably expect that we will be called upon to make any payment under the Insurance Policy;

(v) the Obligor is not entitled to a refund for the Insurance Policy in the event that the Obligations are retired prior to their stated maturity; and

(vi) we would not have issued the Insurance Policy in the absence of a debt service reserve fund of the size and type established by the documents pursuant to which the Obligations are being issued, and it is normal and customary to require a debt service reserve fund of such a size and type in similar transactions.

IN WITNESS WHEREOF, Ambac Assurance Corporation has caused this certificate to be executed in its name on this > day of >, 200_ by one of its officers duly authorized as of such date.

AMBAC ASSURANCE CORPORATION

By: _____
Vice President and Assistant
General Counsel

EXHIBIT L

AMBAC ASSURANCE CORPORATION WIRING INSTRUCTIONS

Citibank N.A.
ABA NO. 021000089
For: Ambac Assurance Corporation
A/C No. 40609486
Attention: [Closing Coordinator], 212-208-3---

*** Please indicate Policy Number on wire and call your closing coordinator with your wire reference number on the morning of closing***

EXHIBIT M

REPRESENTATIONS, WARRANTIES AND COVENANTS FOR REVISED ARTICLE 9 COLLATERAL

1. This [Financing Agreement] creates a valid and binding [pledge of/assignment of/lien on and/or security interest in] the [described collateral] in favor of the [Trustee/Bondholders] as security for payment of the [Obligations], enforceable by the [Trustee/Bondholders] in accordance with the terms hereof.
2. Under the laws of the [state of issuer], (1) such [pledge of assignment/lien and/or security interest], (2) and each pledge, assignment, lien, or other security interest made to secure any prior obligations of [Obligor] which, by the terms hereof, ranks on a parity with or prior to the [pledge/assignment/lien and/or security interest] granted hereby, is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the [Obligor] on a simple contract. By the date of issue of the [Obligations] the [Obligor] will have filed all financing statements describing, and transferring such possession or control over, such collateral (and for so long as any [Obligation] is outstanding the [Obligor] will file, continue, and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the [Obligor] is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9.301--9.306 of such jurisdiction.
3. The [Obligor] has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of such collateral that ranks on a parity with or prior to the [pledge/assignment/lien and/or security interest] granted hereby [, except for the [pledge/assignment/lien and/or security interest] granted to secure the [Parity Obligations.] The [Obligor] shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in such collateral that ranks prior to or on a parity with the [pledge/assignment/lien and/or security interest] granted hereby, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby.



INDEPENDENT AUDITORS' REPORT

The Honorable Members of the
Board of County Commissioners
St. Johns County, Florida

We have audited the accompanying general purpose financial statements of St. Johns County, Florida, (the "County"), as of September 30, 2001 and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the County. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the County as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the general purpose financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as of October 1, 2000.

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

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2002 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The statistical data on pages 155 - 173 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of St. Johns County, Florida. Such information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

January 4, 2002

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EXHIBIT B

PURCHASE CONTRACT

BOND PURCHASE AGREEMENT

_____, 2002

\$ _____

St. Johns County, Florida

Transportation Improvement Revenue Refunding Bonds, Series 2002

Board of County Commissioners of
St. Johns County, Florida
County Administration Building
4020 Lewis Speedway
St. Augustine, Florida 32095

Ladies and Gentlemen:

William R. Hough & Co. (the "Underwriter") offers to enter into the following agreement (the "Purchase Contract") with St. Johns County, Florida (the "County"), which, upon your acceptance of this offer, will be binding upon the County and upon the Underwriter. This offer is made subject to your acceptance on or before 5:00 p.m., Eastern time, on the date hereof and if not so accepted, will be subject to withdrawal by the Underwriter upon notice to the County at any time prior to your acceptance hereof;

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the County for offering to the public, and the County hereby agrees to sell and deliver to the Underwriter for such purpose, all (but not less than all) of the County's \$ _____ Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Bonds"). The Bonds shall be dated as of September 15, 2002, and shall be issued in such principal amounts, bear such rates of interest, and be redeemable upon such terms as set forth in Exhibit A attached hereto. Interest on the Bonds shall be payable on April 1, 2003, and on each April 1 and October 1 thereafter. The aggregate purchase price of the Bonds is \$ _____ (which takes into account a net original issue discount of \$ _____ and an Underwriter's discount of \$ _____) plus accrued interest from September 15, 2002 to the Closing Date (as hereinafter defined). The Bonds shall initially be offered to the public at such prices or yields as indicated on Exhibit A attached hereto. The Bonds are being issued pursuant to the Constitution and Laws of the State of Florida, particularly, Chapter 125, Part I, Florida Statutes, as amended, Section 356.025 Florida Statutes, as amended, St. Johns County Ordinance 86-89, as amended, and other applicable provisions of law (the "Act") and pursuant and subject to the terms and conditions of a resolution duly adopted by the Board of County Commissioners of the County (the "Board") on June 23, 1992, as supplemented by a resolution duly adopted by the Board on _____, 2002 (the "Resolution"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Resolution. The Bonds are special and limited obligations of the County, payable solely from and secured by the Pledged Funds (defined below).

The County is proposing to issue the Bonds to finance the cost of (i) refunding the County's outstanding Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds"), (ii) purchasing a reserve account insurance policy for deposit into a

reserve account for the Bonds, and (iii) paying cost of issuing the Bonds, including payment of the premium for a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") to be purchased from Ambac Assurance Corporation (the "Insurer"). The Bonds will be secured by a prior lien upon and a pledge of the County's portion of the six-cent local option gas tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the state Local Option Gas Tax Trust Fund pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended, and, until applied in accordance with the provisions of the Resolution, the proceeds of the Bonds and all moneys, including investments thereof, in certain of the funds and accounts established pursuant to the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

Concurrently with the execution and delivery of the Bonds, there are to be executed and delivered, among other things, (a) the Continuing Disclosure Certificate of the Issuer dated as of September 15, 2002 (the "Continuing Disclosure Certificate"), (b) the Registrar and Paying Agency Agreement dated as of September 15, 2002 (the "Registrar and Paying Agency Agreement"), between the County and The Bank of New York Trust Company of Florida, N.A., as registrar and paying agent for the Bonds (the "Registrar and Paying Agent"), (c) the Tax Certificate of the Issuer dated as of September 15, 2002 (the "Tax Certificate") and (d) any other documents related to the transactions contemplated in the Official Statement in connection with the public offering, sale and distribution of the Bonds.

2. Underwriter's Liability. Delivered to you herewith, as a good faith deposit, is a corporate check of the Underwriter payable to the order of the County in the amount of \$_____ as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds at Closing in accordance with the provisions hereof. In the event that you accept this offer, said check will be held uncashed by the County as a good faith deposit. At the Closing, the check will be returned to the Underwriter. In the event you do not accept this offer, the check shall be immediately returned to the Underwriter. If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as provided herein, the check may be cashed by the County and the proceeds retained by the County as full liquidated damages for the failure of the Underwriter to accept and pay for the Bonds at closing and for any and all defaults hereunder on the part of the Underwriter, and the retention of such amounts shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults hereunder on the part of the Underwriter, it being understood by both the County and the Underwriter that actual damages in such circumstances may be difficult or impossible to compute.

In the event that the County fails to deliver the Bonds at the Closing, or if the County is unable at or prior to the Closing Date to satisfy or cause to be satisfied the conditions to the obligations of the Underwriter contained in this Purchase Contract, or if the obligations of the Underwriter contained herein shall be cancelled or terminated for any reason permitted by this Purchase Contract, the County shall be obligated to immediately return the check to the Underwriter and such return shall constitute a full release and discharge of all claims by the County and the Underwriter arising out of the transaction contemplated herein except for the respective obligations of the County and the Underwriter set forth in Section 8 below.

3. **Offering.** The Underwriter agrees to make a public offering of the Bonds at the initial offering prices set forth in Exhibit A attached hereto; provided, however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds.

It shall be a condition of your obligation to sell and deliver the Bonds to the Underwriter, and the obligation of the Underwriter to purchase and accept delivery of the Bonds, that the entire initial aggregate principal amount of the Bonds shall be sold and delivered by you and accepted and paid for by the Underwriter at the Closing.

4. **Preliminary Official Statement and Official Statement.** The County hereby confirms that it has made available to the Underwriter a Preliminary Official Statement of the County relating to the Bonds dated _____, 2002 (which, together with the cover page and appendices contained therein, is herein called the "Preliminary Official Statement"). Within seven business days of the acceptance hereof by the County, the County shall deliver to the Underwriter, at the County's expense such reasonable number of conformed copies of the Official Statement (which, together with the official cover page and appendices contained therein, is herein called the "Official Statement"), as the Underwriter shall reasonably request which shall be sufficient in number to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 and with Rule G-32 and all other applicable rules of Municipal Securities Rulemaking Board. The County, by its acceptance hereof ratifies and approves the Preliminary Official Statement as of its date and approves and authorizes the Underwriter to use the Official Statement and all documents described therein in connection with the public offering and the sale of the Bonds. The County agrees to make no amendments to the Official Statement without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld. In addition, the County will undertake, pursuant to the Resolution and the Continuing Disclosure Certificate dated the Closing Date to provide certain annual financial and operating information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Offering Statement and will also be set forth in the final Official Statement.

In accordance with Section 218.385(6), Florida Statutes, the Underwriter hereby discloses the required information as provided in Exhibit B attached hereto. In accordance with 218.385(2) and (3), Florida Statutes, the Underwriter has delivered to the County the Truth-in-Bonding statement, which statement is attached hereto as Exhibit C.

5. **Representations, Warranties and Agreements.** The County hereby represents, warrants and agrees as follows:

(a) As of the date of the Preliminary Official Statement and the date of this Purchase Contract, and as of the date of Official Statement and at the time of Closing, the statements and information contained in the Preliminary Official Statement and Official Statement will be true, correct and complete in all material respects and the Preliminary Official Statement and Official Statement will not omit any statement or information which should be included therein for the purposes for which the Preliminary Official Statement and Official Statement is to be used or which is necessary to make the statements or information contained

therein, in light of the circumstances under which they were made, not misleading (provided, however, that no representation or warranty is being provided with respect to the Financial Guaranty Insurance Policy or DTC and its book-entry system).

(b) Between the date of this Purchase Contract and the time of Closing, the County will not execute any bonds, notes or obligations for borrowed money, other than the Bonds, which pledge either the full faith and credit of the County or the Pledged Funds, without giving prior written notice thereof to the Underwriter.

(c) The County is, and will be at the Closing Date, duly organized and validly existing as a political subdivision of the State of Florida, with the powers and authority set forth in the Act.

(d) The County has full legal right, power and authority to: (i) enter into this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate and the Tax Certificate, (ii) adopt the Resolution, (iii) sell, issue and deliver the Bonds to the Underwriter under the Act as provided herein, and (iv) carry out and consummate the transactions contemplated by this Purchase Contract, the Resolution, the Registrar and Paying Agency Agreement, Continuing Disclosure Certificate, the Tax Certificate and the Official Statement, and the County has complied, and at the Closing will be in compliance, in all respects, with the terms of the Act and with the obligations on its part in connection with the issuance of the Bonds contained in the Resolution, the Bonds, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate and this Purchase Contract.

(e) By all necessary official action, the County has (i) duly adopted the Resolution, (ii) duly authorized and approved the Official Statement, and (iii) duly authorized and approved the execution and delivery of, and the performance by the County of, the Bonds, this Purchase Contract, the Resolution, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate and all other obligations on its part in connection with the issuance of the Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Official Statement and the Tax Certificate in connection with the issuance of the Bonds; and upon delivery of the Bonds at the Closing, the Resolution, this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate and the Tax Certificate will constitute legal, valid and binding obligations of the County, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(f) When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, the Bonds shall be entitled to the benefits of the Resolution in accordance with the provisions of the Resolution, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(g) The adoption of the Resolution and the authorization, execution and delivery of this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate and the Bonds, and compliance with the provisions hereof and thereof, will not conflict with, or constitute a material breach of or default under any law, administrative regulation, consent decree, ordinance, resolution or any agreement or other instrument to which the County was or is subject, as the case may be, nor will such adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution.

(h) At the time of Closing, the County will be in compliance in all respects with the covenants and agreements contained in the Resolution and no event of default and no event which, with the lapse of time or giving of notice, or both, would constitute an event of default under the Resolution will have occurred or be continuing.

(i) Except as provided in the Official Statement, all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations hereunder and its obligations under the Resolution have been obtained and are in full force and effect.

(j) The County is lawfully empowered to pledge and grant a lien on the Pledged Funds for payment of the principal of, redemption premium, if any, and interest on the Bonds.

(k) Except as expressly disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency or public board or body pending or, to the best knowledge of the County, threatened against the County, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Pledged Funds or the pledge of and lien on the Pledged Funds or contesting or affecting as to the County the validity or enforceability in any respect of the Bonds, the Resolution, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate or this Purchase Contract, or contesting the tax-exempt status of interest on the Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the County or the Board of County Commissioners (the "Commission") or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery by the County of the Bonds, this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate or the Tax Certificate.

(l) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to (i) qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the County shall

not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(m) The County will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided for in the Resolution, and as described in the Official Statement.

(n) The County neither is nor has been in default at any time after December 31, 1975, as to principal or interest with respect to an obligation issued or guaranteed by the County as to which County revenues are pledged.

(o) As of its date, the Preliminary Official Statement was deemed "final" by the County for the purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain matters permitted thereby.

(p) If, after the date of this Purchase Contract and until the earlier of (i) 90 days from the end of the "underwriting period" (as defined in SEC Rule 15c2-12) or (ii) the time when the Official Statement is available to any person from a nationally recognized repository, but in no case less than 25 days following the end of the underwriting period, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall notify the Underwriter thereof and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its own expense forthwith prepare and furnish to the Underwriter a sufficient number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading.

(q) Any certificate signed by any official of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the Underwriter as to the truth of the statements therein contained.

(r) The County has never failed to comply with any prior continuing disclosure obligation arising out of SEC Rule 15c2-12.

6. **Closing.** At noon, local time, on October 1, 2002 (the "Closing Date"), or at such time on such earlier or later date as shall be agreed upon, the County will, subject to the terms and conditions hereof deliver to DTC in the City of New York, New York or such other location as shall be acceptable to the County and DTC, the Bonds in permanent form, duly executed, and will deliver the other documents herein mentioned at a location mutually agreed upon by the County and the Underwriter; and the Underwriter will pay the purchase price of the Bonds as set forth in Section 1 hereof plus accrued interest on the Bonds from September 15, 2002 to the Closing Date, by immediately available funds, payable to the order of the County. This delivery and payment is herein called the "Closing."

7. **Closing Conditions.** The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the County herein contained and the performance by the County of its obligations hereunder, both as of the date hereof and as of the time of Closing. The obligations of the Underwriter under this Purchase Contract are and shall be subject to each of the following conditions and the obligations of the County shall be subject to the County receiving the items described in conditions (f)(ii), (f)(iv), (f)(vi) through (f)(xi) and (f)(xiv):

(a) The representations and warranties of the County contained herein shall be true and correct as of the date hereof and as of the Closing Date, as if made on the Closing Date.

(b) The County shall have performed all agreements of the County required to be performed under the Resolution and this Purchase Agreement prior to or on the Closing Date.

(c) At the time of the Closing, the Resolution shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter.

(d) At the time of the Closing, all official action of the County relating to this Purchase Contract, the Resolution, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate, the Official Statement and the Bonds shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Underwriter.

(e) The Underwriter shall have the right to cancel the agreement contained herein to purchase, to accept delivery of and to pay for the Bonds by notifying you in writing of their intention to do so if

(i) between the date hereof and the Closing Date, legislation shall have been enacted by the Congress of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of Congress by any Committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States or the United States Tax Court, or a ruling shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service, with respect to the federal taxation of interest received on obligations of the general character of the Bonds, which, in the opinion of Counsel for the Underwriter has, or will have, the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation, or

(ii) between the date hereof and the Closing Date, legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which has the effect of requiring the contemplated issuance or distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or of requiring the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, or

(iii) an event described in paragraph (p) of Section 5 hereof shall have occurred which requires an amendment or supplement to the Official Statement and which, in the reasonable opinion of the Underwriter, adversely affects the marketability of the Bonds or the market price thereof, or

(iv) in the reasonable opinion of the Underwriter, payment for the delivery of the Bonds is rendered impracticable or inadvisable because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or (B) a general banking moratorium shall have been established by Federal, New York or Florida authorities, or (C) a war or terrorist act involving the United States or other national calamity shall have occurred or been declared, or

(v) an order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation, enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Bonds as contemplated hereby or by the Official Statement or prohibiting the adoption or performance of the Resolution, or

(vi) the County has, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, other than as described in the Official Statement, in either case payable from the Pledged Funds, or

(vii) the President of the United States, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States or the State of Florida shall take or propose to take any action or implement or propose regulations, rules or legislation which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds or causes any material information in the Official Statement, in light of the circumstances under which it appears, to be misleading in any material respect, or

(viii) any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States or the State of Florida or the State of New York, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States or within the State of Florida or the State of New York shall be rendered which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds or causes any information in the Official Statement to be misleading in any material respect, or

(ix) prior to Closing, Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Credit Markets Services, a division of The McGraw-Hill Companies (Standard & Poor's"), shall inform the County or the Underwriter that the Bonds will not be rated at least "AAA" and "AAA," respectively, or the Insurer shall inform the County or the Underwriter that it will not deliver its Financial Guaranty Insurance Policy on the Closing Date.

(f) At or prior to the Closing Date, the Underwriter shall receive the following documents:

(i) The Resolution certified by the County Clerk under seal as having been duly adopted by the County and as being in effect, with such supplements, modifications or amendments as may have been agreed to by the Underwriter.

(ii) A final approving opinion of Foley & Lardner, Bond Counsel, addressed to the County, dated the date of the Closing, in substantially the form included in the Official Statement as Appendix D.

(iii) A letter of Bond Counsel addressed to the Underwriter and the Insurer, and dated the Closing Date, to the effect that their final approving opinion referred to in Section 7(f)(ii) hereof may be relied upon by the Underwriter and the Insurer to the same extent as if such opinion were addressed to the Underwriter and the Insurer.

(iv) An opinion of James G. Sisco, Esquire, attorney for the County, addressed to the County, the Underwriter and the Insurer, and dated the date of the Closing, substantially to the effect that:

A. the Resolution has been duly adopted by the County and the Bonds, this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate and the Tax Certificate have been duly authorized, executed and delivered by the County, and the Resolution, the Continuing Disclosure Certificate, the Tax Certificate, the Bonds, when duly authenticated, and the Purchase Contract, the Registrar and Paying Agency Agreement, when duly executed by the other parties thereto constitute valid, legal and binding agreements of the County enforceable in accordance with their respective terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally;

B. the County is a political subdivision duly existing under the Constitution and laws of the State of Florida and has good right and lawful authority to issue the Bonds, to secure the Bonds in the manner provided in the Resolution, to carry out its powers under the Act (as defined in the Resolution) and to perform all of its obligations under the Resolution, the Bonds, the Purchase Contract, the Continuing Disclosure Certificate and the Registrar and Paying Agency Agreement;

C. no consent, waiver or any other action by any person, board or body, public or private, other than the approval of the County which has been duly and validly obtained, is required as of the date hereof for the County to issue the Bonds or adopt the Resolution, or to execute and deliver the Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate or Tax Certificate, or to perform its obligations under any of the foregoing;

D. to the best of his knowledge, the adoption of the Resolution and the execution and delivery of this Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate and the Bonds and compliance with the provisions of each do not and will not conflict with or constitute a breach of

or default under any applicable law or administrative regulation of the State of Florida, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a part or is otherwise subject;

E. except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending or, to the best of his knowledge, threatened, challenging the creation, organization or existence of the County or the validity of the Bonds, the Purchase Contract, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate or the Tax Certificate or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or which, in any manner, questions the right of the County to issue the Bonds or to pledge the Pledged Funds for repayment of the Bonds;

F. nothing has come to his attention that would lead him to believe that the Official Statement as of its date or as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

G. the Official Statement has been duly authorized, executed and delivered by the County, and the County has consented to the use thereof by the Underwriter; and

H. the County is lawfully empowered to pledge and grant a lien on the Pledged Funds, for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

I. for purposes of the opinion, he has assumed that the interest on the Bonds is excluded from gross income for federal income tax purposes and that neither the Bonds, the Purchase Contract, the Registrar and Paying Agency Agreement the Official Statement, the Resolution, the Continuing Disclosure Statement, the Tax Certificate nor any other matter or documents need to be registered or qualified under the Securities Act of 1933, as amended, the Florida Securities Act, Chapter 517 Florida Statutes, as amended, the Trust Indenture Act of 1939, as amended, or the securities or blue sky laws of any jurisdiction.

(v) A certificate, which shall be true and correct at the time of Closing, signed by the Chairman and the Clerk or such other officials satisfactory to the Underwriter, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of their knowledge and belief

A. the representations, warranties and covenants of the County contained herein are true and correct in all material respects as of the Closing Date and that the County has satisfied all conditions to be performed or satisfied hereunder at or prior to Closing;

B. the Official Statement did not as of its date, and does not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading (provided, that no opinion need be

expressed regarding the information contained therein relating to the Insurer, the Financial Guaranty Insurance Policy, DTC and its book-entry system);

C. that, except as disclosed in the Official Statement, no litigation or other proceedings are pending or, to his or her knowledge, threatened against the County in any court or other tribunal of competent jurisdiction, State or Federal, in any way (i) restraining or enjoining the issuance, sale or delivery of any of the Bonds, or (ii) questioning or affecting the validity of this Purchase Contract, the Bonds, the Resolution, the Registrar and Paying Agency Agreement, the Continuing Disclosure Certificate, the Tax Certificate or the pledge by the County to the Bondholders of the Pledged Funds, or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the Bonds or (iv) questioning or affecting (A) the organization or existence of the County or the title to office of the officers thereof or (B) the power or authority of the County to receive the Pledged Funds or (v) asserting that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

D. that except as disclosed in the Official Statement, the County is not in default nor has been in default at anytime after December 31, 1975 as to principal or interest with respect to any obligation issued or guaranteed by the County;

E. that no event affecting the County has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; and

F. that since the date of the financial statements included in the Official Statement, (i) no material adverse change has occurred in the financial condition of the County and (ii) the County has not incurred any material liabilities other than in the ordinary course of business, except as set forth in or contemplated by the Official Statement.

(vi) An opinion of Foley & Lardner, as Bond Counsel, addressed to the County and the Underwriter, and dated the Closing Date, to the effect that:

A. with respect to the information in the Official Statement and based upon said firm's review of the Official Statement, as Bond Counsel, and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, it is of the opinion that the information in the Official Statement under the headings "INTRODUCTION," "DESCRIPTION OF THE SERIES 2002 BONDS -- General," "DESCRIPTION OF THE SERIES 2002 BONDS -- Redemption," "AUTHORITY AND SECURITY FOR THE SERIES 2002 BONDS," "TAX MATTERS" (except for the financial and statistical data contained in any such headings, as to which no view need be expressed), "APPENDIX C -- Summary of Pertinent Provisions of the Resolution" insofar as such information purports to be descriptions or summaries of the Resolution, the Bonds or state and federal laws to the extent indicated therein, are accurate and fair statements or summaries of the matters set forth or the documents referred to therein; and

B. the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

(vii) An opinion of Foley & Lardner, as Disclosure Counsel, addressed to the County and the Underwriter, and dated the Closing Date, to the effect that it has participated in the preparation and review of the Official Statement dated _____, 2002 (the "Official Statement") relating to the Bonds; has conferred with and reviewed the opinion rendered by counsel for the County; has conferred with certain of the County's officers and representatives; and has examined such other documents, proceedings, records and other instruments as it has deemed necessary or advisable; and without passing upon, or assuming responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement, and without independent verification of factual matters, nothing has come to its attention that would lead it to believe that the Official Statement contains any untrue statement of material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. No opinion need be expressed as to the ability of the County to comply with the terms and provisions of the Resolution, or the provisions of any other document or certificate, nor as to the portions of the Official Statement captioned "INTRODUCTION - Book Entry-Only System," "MUNICIPAL BOND INSURANCE," "RESERVE ACCOUNT INSURANCE POLICY," Appendices A, B, E or F thereto, or any financial, statistical, economic or demographic information included in the Official Statement.

(viii) A certificate of an authorized representative of the Registrar, as Paying Agent to the effect that:

A. the Registrar and Paying Agent is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers,

B. the Registrar and Paying Agent has all the requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Resolution and the Registrar and Paying Agency Agreement;

C. the performance by the Registrar and Paying Agent of its functions under the Resolution and the Registrar and Paying Agency Agreement will not result in any violation of the Articles of Association or Bylaws of the Registrar and Paying Agent, any court order to which the Registrar and Paying Agent is subject or any agreement, indenture or other obligation or instrument to which the Registrar and Paying Agent is a party or by which the Registrar and Paying Agent is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Registrar and Paying Agent is required in order for the Registrar and Paying Agent to perform its functions under the Resolution and the Registrar and Paying Agency Agreement;

D. the Registrar and Paying Agency Agreement constitutes a valid and binding obligation of the Registrar and Paying Agent in accordance with its terms, subject to

applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity; and

E. to the best of such authorized representative's knowledge, there is no action, suit, proceeding, or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Registrar and Paying Agent wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Registrar to perform its obligations under the Resolution and the Registrar and Paying Agency Agreement.

(ix) Letters of Moody's and Standard & Poor's to the effect that the Bonds have been assigned a rating no less favorable than "AAA" and "AAA," respectively, which ratings shall be in effect as of the Closing Date.

(x) Duly executed copies of the Financial Guaranty Insurance Policy, the Registrar and Paying Agency Agreement, the Tax Certificate and the Continuing Disclosure Certificate in form acceptable to the Underwriter and bond counsel.

(xi) An opinion of general counsel to the Insurer and a certificate of an officer of the Insurer dated the date of the Closing and addressed to the Underwriter and the County, concerning the Insurer, the Policy, and the information relating to the Insurer and the Policy, contained in the Official Statement, in form and substance satisfactory to the Underwriter.

(xii) A certificate executed by the Chairman and the Clerk dated the Closing Date, satisfactory to Bond Counsel setting forth the facts, estimates and circumstances which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended, and to the best of the knowledge and belief of such officer, such expectations are reasonable.

(xiii) A letter of representations of the Issuer to DTC.

(xiv) A consent letter of the County's independent auditor.

(xv) Internal Revenue Service Form 8038-G.

(xvi) State of Florida Division of Bond Finance Form BF2003/2004-B.

(xvii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request, to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the County's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this

Purchase Contract and the Underwriter does not waive such inability in writing (except that the delivery of the Continuing Disclosure Certificate cannot be waived), or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate, the good faith deposit described in Section 2 hereof shall be returned to the Underwriter and neither the Underwriter nor the County shall be under any further obligation hereunder, except that the respective obligations of the County and the Underwriter set forth in Section 8 hereof shall continue in full force and effect.

8. **Expenses.** The Underwriter shall be under no obligation to pay, and the County shall pay, any expense incident to the performance of the County's obligations hereunder including, but not limited to: (a) the cost of preparation, printing and delivery of the Resolution; (b) the cost of preparation and printing of the Bonds, (c) the fees and expenses of Bond Counsel and Disclosure Counsel, (d) the fees and disbursements of the County's certified public accountants; (e) the fees and expenses of Public Financial Management, Inc., the County's financial advisor for the Bonds; (f) the fees and disbursements of any other experts, consultants or advisors retained by the County; (g) fees for bond ratings; (h) the fees and expenses of the Registrar and Paying Agent; and (i) the costs of preparing, printing and delivering the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto. The Underwriter shall pay: (a) the cost of printing and delivery of this Purchase Contract; (b) the cost of all "Blue Sky" and legal investment memoranda and related filing fees; (c) all advertising expenses, and (d) all other expenses incurred by it in connection with the public offering of the Bonds including the fees and disbursements of counsel for the Underwriter, if any. In the event that either party shall have paid obligations of the other as set forth in this Section 8, adjustment shall be made at the time of the Closing.

9. **Notices.** Any notice or other communication to be given to you under this Purchase Contract may be given by mailing the same to the attention of the County Administrator, at the address set forth on the first page hereof, and any such notice or other communication to be given to the Underwriter may be mailed to William R Hough & Co., One Independent Drive, Suite 3204, Jacksonville, Florida 32202, Attention: Mitchell N. Owens.

10. **Parties in Interest.** This Purchase Contract is made solely for the benefit of the County and the Underwriter and no other party or person shall acquire or have any right hereunder or by virtue hereof. All of the County's representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect and shall survive the delivery of the Bonds.

11. **Waiver.** Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, and the approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be evidenced by its purchase of the Bonds; provided, however, the Underwriter may not waive the delivery of the Continuing Disclosure Certificate.

12. **No Liability.** Neither the Commission, nor any of the members thereof, nor any officer, agent or employee thereof shall be charged personally by the Underwriter with any

liability, or held liable to the Underwriter under any term or provision of this Purchase Contract because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

13. Governing Law. This Purchase Contract, and the terms and conditions herein, shall constitute the full and complete agreement between the County and the Underwriter with respect to the purchase and sale of the Bonds. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

14. Operation of Warranties, Etc. All the representations, warranties, covenants and agreements of the County in this Purchase Contract shall remain operative and in full force and effect as if made on the date hereof and the Closing Date, regardless of (i) any investigation made by or on behalf of the Underwriter or by Disclosure Counsel, or (ii) delivery of and any payment for the Bonds hereunder.

15. Section Headings. Section headings have been inserted in this Purchase Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Purchase Contract and will not be used in the interpretation of any provisions of this Purchase Contract.

16. Severability. If any provision of this Purchase Contract shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, or rule of public policy, or for any other reasons, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

17. Execution of Counterparts. This Purchase Contract may be executed in any number of counterparts, all of which taken together shall be one and the same instrument, and any parties hereto may execute this Purchase Contract by signing any such counterpart. The execution of this Purchase Contract has been duly authorized by the Commission.

18. Governing Law. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

[Remainder Of This Page Intentionally Left Blank.]

19. **Effectiveness.** This Purchase Contract shall become effective upon the execution by the appropriate County officials of the acceptance hereof by the County and shall be valid and enforceable at the time of such acceptance.

Very truly yours,

WILLIAM R. HOUGH & CO.

By: _____
Mitchell N. Owens, Senior Vice President

Accepted this ____ day of _____, 2002
by the Board of County Commissioners of
St. Johns County, Florida

By: County Administrator

EXHIBIT A
MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS
\$ _____ SERIAL BONDS

<u>Maturities</u> <u>(Oct. 1)</u>	<u>Amounts</u>	<u>Interest</u> <u>Rates</u>	<u>Yield</u>
2003	\$		
2004			
2005			
2006			
2007			

Redemption

The Bonds are not subject to redemption prior to their stated maturities.

EXHIBIT B
DISCLOSURE STATEMENT

Board of County Commissioners of
St. Johns County, Florida
County Courthouse
4010 Lewis Speedway
St. Augustine, Florida 32084

Re: \$_____ St. Johns County, Florida Transportation Improvement Revenue
Refunding Bonds, Series 2002

Ladies and Gentlemen:

In connection with the proposed issuance by St. Johns County, Florida of \$_____ of its Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Bonds"), William R. Hough & Co. (the "Underwriter") is underwriting a public offering of the Bonds. The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, certain information in respect of the arrangements contemplated for the underwriting of the Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriter in connection with the purchase and reoffering of the Bonds are set forth in Schedule I attached hereto.

(b) No person has entered into an understanding with the Underwriter, or to the knowledge of the Underwriter, with the County, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the County and the Underwriter or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Bonds.

(c) The underwriting spread, the difference between the price at which the Bonds will be initially offered to the public by the Underwriter and the price to be paid to the County for the Bonds, exclusive of accrued interest, will be \$_____ per \$1,000 of Bonds issued.

(d) As part of the estimated underwriting spread set forth in Paragraph (c) above, the Underwriter will charge a management fee of \$_____ per \$1,000 of Bonds issued.

No other fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriter (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Underwriter, as set forth in Paragraph (a) above.

We understand that you do not require any further disclosure from the Underwriter, pursuant to Section 218.385(6), Florida Statutes.

WILLIAM R. HOUGH & CO.
One Independent Drive, Suite 3204
Jacksonville, Florida 32202

By: _____
Mitchell N. Owens, Senior Vice President

SCHEDULE I

UNDERWRITERS ESTIMATED EXPENSES

(per \$1,000)

MSRB, CUSIP, Dalnet
Travel, Misc.
Federal Funds
Total Expenses

EXHIBIT C

TRUTH-IN BONDING STATEMENT

The following truth-in-bonding statement is prepared pursuant to Section 218.385(2) and (3), Florida Statutes, and is for informational purposes only. It shall not affect or control the actual terms and conditions of the debt or obligations.

St. Johns, Florida (the "County") is proposing to issue \$_____ of St. Johns County, Florida, Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Bonds") for the purpose of providing funds to refund the County's outstanding Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds"), to purchase a reserve account insurance policy for deposit into a reserve account and to pay certain costs and expenses related to the issuance of the Bonds. The Bonds are expected to be repaid over a period of approximately ____ years. At the interest rates set forth in Exhibit A of the Purchase Contract, total interest paid over the life of the Bonds inclusive of accrued interest will be \$_____.

The Bonds are secured by a prior lien upon and a pledge of the County's portion of the six-cent local option gas tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the state Local Option Gas Tax Trust Fund pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended, and, until applied in accordance with the provisions of the Resolution, the proceeds of the Bonds and all moneys, including investments thereof, and certain of the funds and accounts established pursuant to a resolution adopted by the County on June 23, 1992, as supplemented by a resolution adopted by the County on _____, 2002 (collectively, the "Resolution"), all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"). Because the Bonds will refund the Series 1992 Bonds and will result in a lower debt service on such bonded indebtedness, authorizing the Bonds will not result in any additional such Pledged Funds not being available to finance other projects of the County.

EXHIBIT C

DRAFT PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE – Book-Entry Only

RATINGS: Moody's: "AAA" (Ambac Insured)

Standard & Poor's: "AAA" (Ambac Insured)

Moody's: "A2" (Underlying)

Standard & Poor's: "A" (Underlying)

In the opinion of Bond Counsel, under existing law, assuming continuing compliance with certain covenants in the Resolution described herein, interest on the Series 2002 Bonds is excluded from gross income for federal income tax purposes, and the Series 2002 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes on the interest, income or profits on debt obligations owned by corporations, as defined by Chapter 220, Florida Statutes, as amended. See, however, "TAX MATTERS" herein for a description of certain federal minimum and other special taxes that may affect the tax treatment of interest on the Series 2002 Bonds.

\$5,230,000*

ST. JOHNS COUNTY, FLORIDA**Transportation Improvement Revenue Refunding Bonds
Series 2002****Dated: September 15, 2002****Due: October 1 in each year as shown below**

The Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds") are being issued by St. Johns County, Florida (the "County"), as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Interest (first payment due April 1, 2003 and on each April 1 and October 1 thereafter) on the Series 2002 Bonds will be payable by check or draft mailed to the registered owner by The Bank of New York Trust Company of Florida, N.A., Jacksonville, Florida, as Registrar and Paying Agent. Principal of the Series 2002 Bonds is payable to the registered owner upon presentation, when due, at the corporate trust office of the Paying Agent. Upon initial issuance the Series 2002 Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"). So long as DTC, or its nominee, is the registered owner of the Series 2002 Bonds, payment of the principal of and interest on the Series 2002 Bonds will be provided directly to DTC or its nominee, which will remit such payment to the DTC Participants (as defined herein), which in turn will remit such payment to Beneficial Owners (as defined herein) of the Series 2002 Bonds. Beneficial Owners will not receive physical delivery of the Series 2002 Bonds.

The Series 2002 Bonds are not subject to redemption prior to their stated maturities.

The Series 2002 Bonds are being issued to provide funds to (i) refund the County's outstanding Transportation Improvement Revenue Refunding Bonds, Series 1992, and (ii) pay the cost of issuing the Series 2002 Bonds, including the financial guaranty insurance premium.

The Series 2002 Bonds and the interest thereon will be payable solely from and secured by a pledge of and prior lien upon the County's portion of the six-cent local option gas tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the State Local Option Gas Tax Trust Fund and, until applied in accordance with the provisions of the Resolution, the proceeds of the Series 2002 Bonds and all moneys, including investments thereof, in certain funds and accounts established pursuant to the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

The payment of the principal of and interest on the Series 2002 Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation ("Insurer") simultaneously with the delivery of the Series 2002 Bonds.

[INSURER LOGO]

The Series 2002 Bonds shall not be or constitute general obligations or indebtedness of the County as "bonds" within the meaning of Article VII, Section 12 of the constitution of the State of Florida, but shall be payable solely from and secured by a prior lien upon and a pledge of the Pledged Funds. No owner of any Series 2002 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the County, the State of Florida or any political subdivision thereof to pay the principal of or interest on any such Bond or shall be entitled to payment of such Bonds from any moneys of the County except the Pledged Funds, in the manner provided in the Resolution.

AMOUNTS, MATURITIES, INTEREST RATES AND PRICES OR YIELDS

\$ _____ - Serial Bonds

<u>Maturity (Oct. 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP No.</u>
2003				
2004				
2005				
2006				
2007				

The Series 2002 Bonds are offered when, as and if issued and received by the Underwriter, subject to the unqualified approval of legality by Foley & Lardner, Jacksonville, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by James G. Sisco, Esquire, St. Augustine, Florida, Attorney for the County. Foley & Lardner is acting as Disclosure Counsel to the County. Public Financial Management, Inc. is acting as Financial Advisor to the County in connection with the issuance of the Series 2002 Bonds. It is expected that the Series 2002 Bonds in definitive form will be available for delivery in New York, New York on or about _____, 2002.

WILLIAM R. HOUGH & CO.**[LOGO]**

September __, 2002

* Preliminary, subject to change

ST. JOHNS COUNTY, FLORIDA

MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS

James E. Bryant, Chairman
Nicholas M. Meiszer, Vice-Chairman
John J. Reardon
Marc A. Jacalone
Mary F. Kohnke, M.D.

CONSTITUTIONAL OFFICERS

Neil Perry, Sheriff
Cheryl Strickland, Clerk of Circuit Court
Dennis Hollingsworth, Tax Collector
Sharon P. Outland, Property Appraiser
Penny Halyburton, Supervisor of Elections

COUNTY ADMINISTRATOR

Ben W. Adams, Jr.

FINANCE DIRECTOR

Richard A. MacDonald, Jr.

COUNTY ATTORNEY

James G. Sisco, Esquire

BOND COUNSEL

Foley & Lardner
Jacksonville, Florida

DISCLOSURE COUNSEL

Foley & Lardner
Jacksonville, Florida

FINANCIAL ADVISOR

Public Financial Management, Inc.
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2002 Bonds by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale in such jurisdiction. The information set forth herein has been furnished by the County and includes information obtained from other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create the implication that there has been no change in the affairs of the County since the date hereof.

The Series 2002 Bonds have not been registered under the Securities Act of 1933 in reliance upon an exemption contained in such Act.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2002 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2002 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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Appendix A -- Comprehensive Annual Financial Report of the County

Appendix B -- General Information Concerning the County

Appendix C -- The Resolution

Appendix D -- Form of Continuing Disclosure Certificate

Appendix E -- Form of Bond Counsel Legal Opinion

Appendix F -- Specimen Financial Guaranty Insurance Policy

SUMMARY STATEMENT

This Summary Statement, being part of the Official Statement, is subject to the more complete information contained herein and should not be considered to be a complete statement of the facts material to making an investment decision. The offering of the St. Johns County, Florida Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds") to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this Summary Statement from the Official Statement or to otherwise use it without the entire Official Statement. Unless otherwise defined, all capitalized terms in this Summary Statement shall be as defined in the main text of the Official Statement.

St. Johns County

St. Johns County, Florida (the "County") encompasses approximately 608 square miles and is located in the northeast region of the State of Florida, immediately south of Duval County and Jacksonville, Florida. The largest of the County's three municipalities is St. Augustine, which is the county seat. The estimated 2001 population of the County is 128,604.

Purpose of the Series 2002 Bonds

The Series 2002 Bonds are being issued to provide funds to (i) refund the County's outstanding Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "Refunded Bonds") and (ii) pay the cost of issuing the Series 2002 Bonds, including the financial guaranty insurance premium.

Authority for the Series 2002 Bonds

The Series 2002 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, particularly, Chapter 125, Part I, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, County Ordinance No. 86-89 as amended, the Resolution and other applicable provisions of law.

Source of Payment

The Series 2002 Bonds are payable solely from and secured by a pledge of and prior lien upon the County's portion of the six-cent local option gas tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the State Local Option Gas Tax Trust Fund, pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended, and, until applied in accordance with the provisions of the Resolution, the proceeds of the Series 2002 Bonds and all moneys, including investments thereof, in certain of the funds and accounts established pursuant to the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

Reserve Account

The Resolution requires the establishment and maintenance of a Reserve Account in an amount equal to the Reserve Account Requirement for the benefit of the Series 2002 Bonds and any Additional Bonds (collectively, the "Bonds"). The Reserve Account Requirement means, as of any date of calculation, an amount equal to the lesser of (i) the Maximum Debt Service Requirement, (ii) 125% of average annual Debt Service Requirement, or (iii) 10% of the proceeds of all outstanding Bonds. Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of or interest or Amortization Installments on the Bonds when the other moneys in the Debt Service Fund are insufficient therefor and for no other purpose. In connection with the issuance of the Refunded Bonds, the

Issuer deposited into the Reserve Account a Reserve Account Insurance Policy issued by Financial Guaranty Insurance Corporation to meet the Reserve Account Requirement, which Reserve Account Insurance Policy will remain on deposit in the Reserve Account to meet the Reserve Account Requirement in connection with the issuance of the Series 2002 Bonds.

Additional Bonds

The County may issue Additional Bonds payable from the Pledged Funds on parity with the Series 2002 Bonds, provided, however, that such Additional Bonds may be issued only if the County first has complied with certain requirements set out in the Resolution.

No Pledge of Credit or Taxing Power

The Series 2002 Bonds shall not be or constitute general obligations or indebtedness of the County as "bonds" within the meaning of Article VII, Section 12 of the Constitution of the State of Florida, but shall be payable solely from and secured by a prior lien upon and a pledge of the Pledged Funds. No owner of any Series 2002 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the County, the State of Florida or any political subdivision thereof to pay the principal of or interest on any such Bond or shall be entitled to payment of such Bonds from any moneys of the County except the Pledged Funds, in the manner provided in the Resolution.

Financial Guaranty Insurance

The payment of the principal of and interest on the Series 2002 Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation (the "Insurer" or "Ambac Assurance") simultaneously with the delivery of the Series 2002 Bonds.

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OFFICIAL STATEMENT
relating to
\$5,230,000*
ST. JOHNS COUNTY, FLORIDA
Transportation Improvement Revenue Refunding Bonds
Series 2002

September __, 2002

INTRODUCTION

The purpose of this Official Statement, including the cover page, summary statement, and appendices, is to provide information concerning the proposed issuance by St. Johns County, Florida (the "County") of \$5,230,000* aggregate principal amount of the County's Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds"). The Series 2002 Bonds are issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, as amended, County Ordinance 86-89, as amended, Section 336.025, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. 92-103 of the County duly adopted on June 23, 1992, as supplemented, particularly as supplemented by Resolution No. _____ duly adopted by the County on _____, 2002 (collectively, the "Resolution"). See Appendix C hereto for a summary of pertinent provisions of the Resolution.

The County encompasses approximately 608 square miles and is located in the northeast region of the State, immediately south of Duval County and Jacksonville, Florida. The largest of the County's three municipalities is St. Augustine, which is the county seat. The estimated 2001 population of the County is 128,604.

For a complete description of the terms and conditions of the Series 2002 Bonds, reference is made to the Resolution. Capitalized terms used herein and not defined are used as defined in the Resolution. The description of the Series 2002 Bonds and of the documents authorizing and securing the same and the description of other debt of the County do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each. All information included herein has been provided by the County except where attributed to other sources. Copies of documents not contained in this Official Statement and further information which may be desired may be obtained from the County's Finance Director, Mr. Richard A. MacDonald, Jr., St. Johns County Courthouse, 4010 Lewis Speedway, St. Augustine, Florida 32084, telephone (904) 823-2333 (ext. 355), or from the County's Financial Advisor, Public Financial Management, Inc., 201 South Orange Avenue, Suite 720, Orlando, Florida 32801, telephone (407) 648-2208.

PURPOSE OF THE SERIES 2002 BONDS

The Series 2002 Bonds are being issued to provide funds to (i) refund the County's outstanding Transportation Improvement Revenue Refunding Bonds, Series 1992 (the "Refunded Bonds") and (ii) pay the cost of issuing the Series 2002 Bonds, including the financial guaranty insurance premium.

REFUNDING PLAN

The Refunded Bonds will be called for redemption on October 1, 2002, at a redemption price of 100% of the principal amount thereof, plus accrued interest. Upon the issuance of the Series 2002 Bonds, a sufficient portion of the proceeds of the Series 2002 Bonds and other funds available will be paid by the

* Preliminary, subject to change

County to The Bank of New York Trust Company of Florida, N.A., the registrar and paying agent of the Refunded Bonds, to effectuate payment in full of the principal of and accrued interest on the Refunded Bonds on October 1, 2002.

DESCRIPTION OF THE SERIES 2002 BONDS

General

The Series 2002 Bonds shall be dated as set forth on the cover page of this Official Statement and are being issued as fully registered bonds without coupons in denominations of \$5,000 and integral multiples thereof. Interest on the Series 2002 Bonds (first payment due April 1, 2003 and semiannually on each April 1 and October 1 thereafter) will be payable by check or draft of The Bank of New York Trust Company of Florida, N.A., as Registrar and Paying Agent, mailed to the registered owner, as shown on the registration books of the Registrar on the 15th day of the month prior to each interest payment date (the "Record Date"). Principal of the Series 2002 Bonds is payable at maturity to the registered owner upon presentation, when due, at the designated corporate trust office of the Paying Agent in New York, New York. While in book-entry only form, such payments will be made only to Cede & Co. as described below.

Book-Entry Only System

The Depository Trust Company ("DTC") will act as securities depository for the Series 2002 Bonds. The Series 2002 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Series 2002 Bond certificate will be issued for each maturity of the Series 2002 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its Participants (the "Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participant's accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants (the "Direct Participants") include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of interests in Series 2002 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2002 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2002 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2002 Bonds are to be accomplished by entries made on the

books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2002 Bonds, except in the event that use of the book entry system for the Series 2002 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2002 Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Series 2002 Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2002 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2002 Bonds are credited, which may or may not be the Beneficial Owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Series 2002 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2002 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2002 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on a payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on a payment date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar and Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Registrar and Paying Agent. Disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2002 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2002 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2002 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and not from the County.

Redemption

The Series 2002 Bonds are not subject to redemption prior to their stated maturities.

AUTHORITY AND SECURITY FOR THE SERIES 2002 BONDS

The Series 2002 Bonds are being issued pursuant to the Constitution and laws of the State of Florida particularly, Chapter 125, Part I, Florida Statutes, as amended, Section 336.025, Florida Statutes, as amended, County Ordinance 86-89 as amended, the Resolution and other applicable provisions of law.

Source of Payment

The Series 2002 Bonds are special obligations of the County secured equally and ratably by a pledge of and prior lien upon the Pledged Funds; provided, however, that a Series of Bonds may be further secured by a Credit Facility or Bond Insurance Policy not applicable to any one or more other Series of Bonds, as further provided in the Resolution. Pledged Funds mean the County's portion of the six-cent local option gas tax distributed to the County and the municipalities of the County by the Florida Department of Revenue from the State Local Option Gas Tax Trust Fund (the "Gas Tax Fund") pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended (the "Gas Tax Revenues"), and, until applied in accordance with the provisions of the Resolution, the proceeds of the Series 2002 Bonds and all moneys, including investments thereof, in the Restricted Revenue Account and the Debt Service Fund, all in the manner and to the extent described in the Resolution.

In 1983, the State enacted legislation, codified at Section 336.025, Florida Statutes, authorizing counties and eligible municipalities to impose for a period of not to exceed five years a local option gas tax of up to four cents upon every gallon of motor fuel and special fuel sold in such county or municipality and taxed under Chapter 206, Florida Statutes. In 1985, the State amended Section 336.025, Florida Statutes, to allow counties and eligible municipalities to extend the term of the local option gas tax to thirty years and to impose an additional tax of up to two cents. It also restricted the revenues that could be pledged to just the third, fourth, fifth and sixth cents of the local option gas tax. In 1986, the State enacted legislation further amending Section 336.025, Florida Statutes, by permitting counties and eligible municipalities to pledge the revenues of the first and second cents of the local option gas tax, in addition to the third, fourth, fifth, and sixth cents of such tax.

According to the Florida Department of Revenue, sixty-five of Florida's sixty-seven counties have enacted the local option gas tax. All of the counties contiguous to the County have adopted a local option gas tax at the rate of six cents per gallon.

Since September 1, 1985, the County has imposed the local option gas tax. On July 8, 1986, the County enacted Ordinance Number 86-61, which imposed a six-cent tax upon motor fuel and special fuel for a period of thirty years, commencing September 1, 1986. An Interlocal Agreement dated June 10, 1986 (the "Interlocal Agreement") between the County and the City of St. Augustine, representing a majority of the population of the incorporated area of the County, provides for the distribution of the local option gas tax collected within the County. The Interlocal Agreement became effective as of September 1, 1986.

The Interlocal Agreement provides that the division of the local option gas tax collected in the County is to be adjusted for each succeeding five-year period during which the Interlocal Agreement is in effect. The adjustment is to be based on the then-current population figures published by the Bureau of Economic and Business Research, Population Division, University of Florida. The adjustment is to be determined as of September 1 of the first year of each succeeding five-year period during which the Interlocal Agreement is in effect. The State Department of Revenue would begin using the adjusted amounts as of the succeeding July 1. The current distribution of proceeds of the local option gas tax, effective July 1, 2002 to July 1, 2007 is as follows:

<u>Local Governmental Unit</u>	<u>Share of Proceeds</u>
City of St. Augustine	10%
City of St. Augustine Beach	4
Town of Hastings	0
St. Johns County	86

The division of the local option gas tax established by the Interlocal Agreement reflects the percentage (rounded to the nearest whole number) of the population of each separate governmental unit (with the County population being computed as those persons who live in the unincorporated areas of the County) when compared to the total population of the County. The population figures used to compute the percentages were derived from information contained in the document referred to as the Florida Estimates of Population, published on an annual basis by the Bureau of Economic and Business Research, Population Division, University of Florida.

Depending on the relative growth of the various governmental units within the County, it is possible that local option gas tax may be reallocated pursuant to the terms of the Interlocal Agreement such that the amount distributed to the County would be insufficient to pay in full the principal of and interest on the Bonds as such becomes due. Based upon the recent population figures, the County's expectations relating to future development and the potential for future incorporation or annexation of presently unincorporated areas of the County, the County does not believe that its share of the local option gas tax would be materially adversely affected. If there were a newly incorporated municipality in the County, Section 336.025, Florida Statutes, provides that the distribution of the local option gas tax shall not under any circumstances materially or adversely affect the rights of owners of outstanding bonds backed by such tax, and amounts distributed to the County government shall not be reduced below the amount necessary for the payment of principal and interest and reserves for principal and interest as required by any bond resolution outstanding on the date of such redistribution.

"Motor fuel" is statutorily defined as gasoline and fuels containing a mixture of gasoline and other products, but excludes alternative fuel. "Special fuel" is statutorily defined as diesel fuel, alcohol, or any liquid product or combination thereof (except kerosene) used to propel any diesel engine. Kerosene or kerosene compounded or mixed with any product suitable for use in a diesel engine is a "special fuel." The State Department of Revenue collects and deposits the tax into the Gas Tax Fund. Moneys in the Gas Tax Fund are distributed monthly to the County and eligible municipalities within the County. Disbursements from the Gas Tax Fund may be used only for transportation expenditures (as defined by State law).

Upon payment to the State of the local option gas tax by persons in the County licensed under Part I or Part II of Chapter 206, Florida Statutes, who use motor fuel or special fuel, or who engage in selling motor fuel or special fuel at retail, such persons may deduct from the amount of tax payable an amount equivalent to 3% of such tax for amounts less than \$1,000 and 1% for amounts due in excess of \$1,000, as an allowance for services and expenses in complying with the law. Refunds or exemptions from the payment of motor fuel taxes are allowed for motor fuel used for agricultural or commercial fishing purposes, certain sales to the United States and its agencies and sales to licensed importers for export from the State.

Historical Sales in the County

State Fiscal Year Ended June 30.	Gasoline	Special Fuel	Total Gallons
1997	59,336,939	20,202,079	79,539,018
1998	62,299,322	19,643,941	81,943,263
1999	65,948,702	20,334,239	86,282,941
2000	70,351,294	21,028,562	91,379,856
2001	71,090,072	21,171,428	92,261,500

Source: State of Florida, Department of Revenue, Revenue Accounting Section.

The following is information concerning historical monthly Gas Tax Revenues received by the County since January, 1997.

Historical Monthly Local Option Gas Tax Revenues

		Fiscal Year Ended September 30.				
		1997	1998	1999	2000	2001
October	\$		\$338,606	\$361,185	\$374,418	\$359,134
November			319,543	361,340	348,454	377,372
December			320,132	366,759	334,404	361,729
January	296,218		304,515	319,489	394,928	337,612
February	350,047		342,174	360,120	378,762	355,556
March	364,145		274,941	338,445	374,207	340,048
April	312,916		284,429	298,830	274,102	275,778
May	323,786		343,047	294,489	398,333	345,473
June	326,221		291,051	306,467	307,600	327,671
July	245,491		282,539	311,819	336,294	430,464
August	336,380		336,124	351,326	396,586	422,798
September	<u>313,193</u>		<u>321,008</u>	<u>354,161</u>	<u>352,666</u>	<u>320,509</u>
TOTAL	\$	<u> </u>	\$3,758,109	\$4,024,430	\$4,270,754	\$4,254,144

Source: St. Johns County, Florida.

Historical and Projected Local Option Gas Tax Revenues Distribution and Debt Service Coverage

Projected Financial Information

The County does not as a matter of course make public projections as to future revenues or other results. However, the management of the County has prepared the projected financial information set forth below to present the projected Local Government Half-cent Sales Tax distribution and debt service coverage. The accompanying projected financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to projected financial information, but, in the view of the County's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected local option gas tax revenues distribution and maximum annual debt service for the Series 2002 Bonds and Parity Bonds of the County. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the projected financial information.

Neither the County's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the projected financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the projected financial information.

	Historical					Projected
	Fiscal Year Ended September 30,					Fiscal Year Ended September 30,
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Local Option Gas Tax Revenues Distribution ¹		\$3,758,109	\$4,024,430	\$4,270,754	\$4,254,144	\$4,250,000
Maximum Annual Debt Service for the Series 2002 Bonds and Parity Bonds ²	1,189,777	1,189,299	1,186,130	1,184,775	1,185,005	1,181,940
Estimated Debt Service Coverage	x	3.16x	3.39x	3.60x	3.59x	3.60x

¹ The projected distribution amount has been obtained from the Florida Advisory Counsel on Intergovernmental Relations Handbook.

² The amounts shown for 1997, 1998, 1999, 2000, 2001, and 2002 are Maximum Annual Debt Service for the County's outstanding Transportation Improvement Revenue Refunding Bonds, Series 1992.

The Florida Department of Revenue remits the local option gas tax to the counties in an amount equal to its estimate of current collections. Periodically, the monthly remittances are adjusted to reflect actual motor fuel and special fuel sales.

Florida law provides that only those municipalities and counties eligible for participation in the distribution on moneys under Part II of Chapter 218, Florida Statutes (the "Florida Revenue Sharing Act") and Part VI of Chapter 218, Florida Statutes (relating to participation in half-cent sales tax proceeds and which essentially requires compliance with the Florida Revenue Sharing Act for participation) are eligible to receive the local option gas tax. The Florida Revenue Sharing Act provides, in effect, that local governments shall be eligible to receive distributions thereunder only if they comply with certain statutory requirements concerning financial reporting and auditing and levying of taxes and raising of revenues as well as certifying compliance with statutes governing the employment of law enforcement officers and fire fighters. The County covenants in the Resolution to maintain its eligibility for receipt of the local option gas tax.

THE SERIES 2002 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ARTICLE VII, SECTION 12 OF THE CONSTITUTION OF THE STATE OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY A PRIOR LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS. NO OWNER OF ANY SERIES 2002 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF OR INTEREST ON ANY SUCH BOND OR SHALL BE ENTITLED TO PAYMENT OF SUCH BONDS FROM ANY MONEYS OF THE COUNTY EXCEPT THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE RESOLUTION.

Reserve Account

The Resolution requires the establishment and maintenance of a Reserve Account in an amount equal to the Reserve Account Requirement for the benefit of the owners of the Bonds. The Reserve Account Requirement means, as of any date of calculation, an amount equal to the lesser of (i) the Maximum Debt Service Requirement, (ii) 125% of average annual Debt Service Requirement, or (iii) 10% of the proceeds of all outstanding Bonds. The Resolution permits the Reserve Account Requirement to be funded by cash or by a surety bond, irrevocable letter of credit, guaranty or insurance policy issued in compliance with the Resolution. Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of or interest or Amortization Installments on the Bonds when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose.

In connection with the issuance of the Refunded Bonds, the Issuer deposited into the Reserve Account a Reserve Account Insurance Policy ("Reserve Policy") issued by Financial Guaranty Insurance Corporation ("Financial Guaranty") to meet the Reserve Account Requirement, which Reserve Policy will remain on deposit in the Reserve Account to meet the Reserve Account Requirement in connection with the issuance of the Series 2002 Bonds.

Upon the issuance of Additional Bonds, the County is required by the Resolution to provide for the additional funding of the Reserve Account in the manner described in the Resolution.

For a description of Financial Guaranty, see "RESERVE ACCOUNT INSURANCE POLICY" herein.

Flow of Funds

The County covenanted and agreed in the Resolution to establish with one or more Authorized Depositories separate funds to be known as the "St. Johns County Transportation Improvement Revenue Bonds Revenue Fund," the "St. Johns County Transportation Improvement Revenue Bonds Debt Service Fund" and the "St. Johns County Transportation Improvement Revenue Bonds Rebate Fund." The County

shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The County shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account." Moneys in the Restricted Revenue Account and the Debt Service Fund, until applied in accordance with the provisions of the Resolution, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

(1) The County shall deposit the Gas Tax Revenues into the Restricted Revenue Account, promptly upon receipt thereof. On or before the 25th day of each month, the moneys in the Restricted Revenue Account shall be deposited or credited in the following manner and in the following order of priority:

(a) The County shall deposit into or credit to the Interest Account the sum which, together with the balance in said account, shall equal the interest on all Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). Moneys in the Interest Account shall be applied by the County to pay interest on the Bonds as and when the same shall become due, whether by redemption or otherwise, and for no other purpose. The County shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest coming due on the Bonds on such Interest Date.

(b) Next, the County shall deposit into or credit to the Principal Account the sum which, together with the balance in said account, shall equal (a) the principal amount of all Outstanding Bonds other than Term Bonds due and unpaid, (b) that portion of the principal amount of the Bonds other than Term Bonds next due which would have accrued on such Bonds next due during the then current calendar month if such principal amount thereof were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each) in equal installments from a date one year preceding the due date of such Bonds next due and (c) the portion of the principal amount of the Bonds next due which shall have accrued on such basis in prior months. Not later than the month immediately preceding any principal payment date, the County shall adjust the amount of the deposit into the Principal Account so as to provide sufficient moneys in the Principal Account to pay the principal on the Bonds other than Term Bonds becoming due on such principal payment date. Moneys in the Principal Account shall be applied by the County to pay the principal of the Bonds other than Term Bonds as and when the same shall become due, whether at maturity or otherwise, and for no other purpose.

(c) Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account. Commencing in the month which is one year prior to the due date of each Amortization Installment, the County shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said account held for the credit of such Amortization Installment and all Outstanding Term Bonds due and unpaid, shall equal (a) the principal amount of all such Outstanding Term Bonds due and unpaid, (b) that portion of such Amortization Installment which would have accrued during the then current calendar month if such Amortization Installment were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each) in equal amounts from a date one year preceding such due date and (c) the portion of such Amortization Installment which shall have accrued on such basis in prior months. The County shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay such Amortization Installment on such date. Moneys in the Bond Amortization Account shall be applied by the County to purchase Term Bonds in the manner provided in the Resolution, and for no other purpose.

(d) Next, the County shall deposit into or credit to the Reserve Account such sum, if any, as will be necessary to immediately restore the funds on deposit therein to an amount equal to the Reserve Account Requirement including the reinstatement of any Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit therein or the cash replacement thereof. On or prior to each principal and interest payment date for the Bonds, moneys in the Reserve Account shall be applied by the County to the payment of the principal of and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit therein of a Reserve Account Insurance Policy and/or a Reserve Account Letter of Credit, such surplus moneys shall be deposited by the County into the Principal Account, or such other appropriate fund or account of the County, provided such deposit to such other fund or account will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Upon the issuance of any Series of Bonds, under the terms, limitations and conditions as provided in the Resolution, the County shall provide for the funding of the Reserve Account in an amount equal to the Reserve Account Requirement. Such required amount may be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments from the Revenue Fund, on a parity with the payments required by the first sentence of this subsection (d), to the Reserve Account over a period of months from the date of issuance of such Series of Bonds, which shall not exceed the greater of (a) sixty (60) months, or (b) the number of months for which interest on such Series of Bonds has been capitalized, as determined by Supplemental Resolution.

Whenever moneys on deposit in the Reserve Account, together with the other available amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds (including principal and interest thereon) in accordance with their terms, the funds on deposit in the Reserve Account shall be applied to the payment of Bonds.

(2) The balance of any moneys remaining in the Restricted Revenue Account after the deposits required in Section 1 above may be transferred, at the discretion of the County, to the Unrestricted Revenue Account or to any other appropriate fund or account of the County and used by the County for any lawful purpose.

The Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Restricted Revenue Account and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed. Moneys on deposit in the Reserve Account may be invested or reinvested in Authorized Investments which shall mature no later than five (5) years from the date of acquisition thereof. Any and all income received by the County from the investment of moneys in the Restricted Revenue Account in the Revenue Fund and the Interest Account, Principal Account, Bond Amortization Account and Reserve Account (to the extent the amount therein is less than the Reserve Account Requirement) in the Debt Service Fund shall be retained in such respective fund or account unless otherwise required by applicable law.

Additional Bonds

The County may issue Bonds (the "Additional Bonds") payable from the Pledged Funds on a parity with the Series 2002 Bonds then outstanding pursuant to the Resolution for the purposes specified and upon satisfaction of the requirements set forth in the Resolution (see Section 5.02 of the Resolution in Appendix C hereof), including the following:

(1) The County shall certify that it is current in all deposits to the various funds and accounts established in the Resolution, and all payments theretofore required to have been deposited or made by it under the provisions of the Resolution, and is in compliance with the covenants and agreements of the Resolution.

(2) There shall have been obtained and filed with the County a certificate of an independent certified public accountant: (i) stating that he has examined the books and records of the County relating to the collection and receipt of the Gas Tax Revenues; (ii) setting forth the amount of the Gas Tax Revenues for the immediately preceding Fiscal Year or any twelve (12) consecutive months within the eighteen (18) months immediately preceding the issuance of such Additional Bonds; (iii) stating that the Gas Tax Revenues equal the sum of at least (a) 1.35 times the Maximum Debt Service Requirement of all Outstanding Bonds and such Additional Bonds then proposed to be issued, and (b) 1.00 times maximum annual debt service for all Subordinated Indebtedness then outstanding (such maximum annual debt service computed in a manner substantially similar to the manner in which the Maximum Debt Service Requirement is computed); and (iv) stating that no Event of Default was disclosed in the report of the most recent Annual Audit, or if such Event of Default was so disclosed, that it shall have been cured.

(3) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of paragraph (2) above shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of principal of and interest on the Outstanding Bonds becoming due in the current Fiscal Year and all subsequent Fiscal Years. The conditions of paragraph (2) above shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

Other Covenants

The County has covenanted in the Resolution to keep books and records of the Pledged Funds in accordance with generally accepted accounting principles. Within 180 days of the close of each Fiscal Year it must file a statement concerning the amount of the Gas Tax Revenues received, the total amounts deposited to the credit of each fund and account created under the Resolution and the amounts on deposit in such funds and accounts, and other matters as provided in the Resolution. An annual audit by an independent firm of certified public accountants is required of the financial statements of the County.

The County has also covenanted in the Resolution to do all things necessary on its part to continue the levy and collection of the Gas Tax Revenues in compliance with Chapter 336.025, Florida Statutes, as amended, and any successor provision of law. The County will at all times comply with all of the requirements and conditions of Chapter 218, Parts II and VI, Florida Statutes, as amended, and take every necessary action to remain qualified to receive distribution of the Gas Tax Revenues; and the County will not take any action which will jeopardize its eligibility for receipt of such funds which may adversely effect its undertakings as provided in the Resolution. The County will take all actions legally available to the County to increase or maximize its entitlement to the Gas Tax Revenues under the Interlocal Agreement. Other than as set forth in the provisions of the Interlocal Agreement, the County will not take any action or enter into any agreement that shall result in reducing the level of Gas Tax Revenues distributed to the Issuer from that prevailing at the time the Issuer takes such action or enters into such agreement.

FINANCIAL GUARANTY INSURANCE

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance Corporation ("Ambac Assurance") has made a commitment to issue a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") relating to the Series 2002 Bonds effective as of the date of issuance of the Series 2002 Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Series 2002 Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Registrar and Paying Agent. The insurance will extend for the term of the Series 2002 Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Series 2002 Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 2002 Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Series 2002 Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Series 2002 Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Registrar and Paying Agent has notice that any payment of principal of or interest on a Series 2002 Bond which has become Due for Payment and which is made to a Holder by or on behalf of the City has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity;
2. payment of any redemption, prepayment or acceleration premium; or
3. nonpayment of principal or interest caused by the insolvency or negligence of the Registrar or Paying Agent, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of Series 2002 Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 2002 Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac Assurance.

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the Florida Insurance Guaranty Association.

Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam and the Commonwealth of Puerto Rico, with admitted assets of approximately **\$5,587,000,000** (unaudited) and statutory capital of approximately **\$3,453,000,000** (unaudited) as of **June 30, 2002**. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service, Inc. and Fitch, Inc. have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the City of the Series 2002 Bonds.

Ambac Assurance makes no representation regarding the Series 2002 Bonds or the advisability of investing in the Series 2002 Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "Financial Guaranty Insurance".

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the Commission (File No. 1-10777) are incorporated by reference in this Official Statement:

(1) The Company's Current Report on Form 8-K dated January 23, 2002 and filed on January 25, 2002;

(2) The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 and filed on March 26, 2002;

(3) The Company's Current Report on Form 8-K dated April 17, 2002 and filed on April 18, 2002;

(4) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2002 and filed on May 13, 2002;

(5) The Company's Current Report on Form 8-K dated July 17, 2002 and filed on July 19, 2002;

(6) The Company's Current Report on Form 8-K dated August 14, 2002 and filed on August 14, 2002; and

(7) The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2002 and filed on August 14, 2002.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information".

RESERVE ACCOUNT INSURANCE POLICY

The Reserve Account Insurance Policy (the "Reserve Policy") conditionally guarantees the payment of that portion of the principal or accreted value (as applicable) of and interest on the Series 2002 Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the Issuer, provided that the aggregate amount paid under the Reserve Policy may not exceed the maximum amount set forth in the Reserve Policy, [\$_____]. Financial Guaranty will make such payments to the Paying Agent for the Series 2002 Bonds on the later of the date on which such principal, accreted value or interest (as applicable) is due or on the business day next following the day on which Financial Guaranty shall have received telephonic or telegraphic notice subsequently confirmed in writing or written notice by registered or certified mail from the Paying Agent of the nonpayment of such amount by the Issuer. The term "nonpayment" in respect of a Bond includes any payment of principal or interest made to an owner of a Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final nonappealable order of a court having competent jurisdiction.

The Reserve Policy is non-cancellable and the premium will be fully paid at the time of delivery of the Series 2002 Bonds. The Reserve Policy covers failure to pay principal of the Series 2002 Bonds on their respective stated maturity dates, or dates on which the same shall have been called for mandatory sinking fund redemption, and not on any other date on which the Series 2002 Bonds may have been accelerated, and covers the failure to pay an installment of interest on the stated date for its payment. The Reserve Policy shall terminate on the scheduled final maturity date of the Series 2002 Bonds.

Generally, in connection with its issuance of a Reserve Policy, Financial Guaranty requires, among other things, (i) that, so long as it has not failed to comply with its payment obligations under the Reserve Policy, it be granted the power to exercise any remedies available at law or under the authorizing document other than (A) acceleration of the Series 2002 Bonds or (B) remedies which would adversely affect holders in the event that the issuer fails to reimburse Financial Guaranty for any draws on the

Reserve Policy; and (ii) that any amendment or supplement to or other modification of the principal legal documents be subject to Financial Guaranty's consent. The specific rights, if any, granted to Financial Guaranty in connection with its issuance of the Reserve Policy are set forth in the description of the principal legal documents appearing elsewhere in this Official Statement. Reference should be made as well to such description for a discussion of the circumstances, if any, under which the issuer of the Series 2002 Bonds is required to provide additional or substitute credit enhancement, and related matters.

The Reserve Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Guaranty is a wholly-owned subsidiary of FGIC Corporation (the "Corporation"), a Delaware holding company. The Corporation is a subsidiary of General Electric Capital Corporation ("GE Capital"). Neither the Corporation nor GE Capital is obligated to pay the debts of or the claims against Financial Guaranty. Financial Guaranty is a monoline financial guaranty insurer domiciled in the State of New York and subject to regulation by the State of New York Insurance Department. As of March 31, 2002, the total capital and surplus of Financial Guaranty was approximately \$1.03 billion. Financial Guaranty prepares financial statements on the basis of both statutory accounting principles and generally accepted accounting principles. Copies of such financial statements may be obtained by writing to Financial Guaranty at 125 Park Avenue, New York, New York 10017, Attention: Communications Department (telephone number: 212-312-3000) or to the New York State Insurance Department at 25 Beaver Street, New York, New York 10004-2319, Attention: Financial Condition Property/Casualty Bureau (telephone number: 212-480-5187).

SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2002 Bonds, together with other moneys of the County, are expected to be applied as described below:

Sources:

Principal Amount of Series 2002 Bonds
Less Net Original Issue Discount
Accrued Interest
Sinking Fund for the Refunded Bonds

Total Sources:

Uses:

Deposit with Paying Agent for Refunded Bonds
Underwriter's Discount
Cost of Issuance (including bond insurance premium)

Total Uses:

DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2002 Bonds.

Bond Year Ending October 1,	Principal	Interest	Total Debt Service
2003	\$	\$	\$
2004			
2005			
2006			
2007			
Totals	\$	\$	\$

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the Series 2002 Bonds are subject to the approval of Foley & Lardner, Jacksonville, Florida, Bond Counsel, the form of whose approving opinion is attached hereto as Appendix E. Certain legal matters will be passed upon for the County by James G. Sisco, Esquire, St. Augustine, Florida, County Attorney. Foley & Lardner is acting as Disclosure Counsel for the County.

LITIGATION

There is no pending or, to the knowledge of the County, any threatened litigation against the County of any nature whatsoever which in any way questions or affects the validity of the Series 2002 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution, or the pledge of the Pledged Funds. Neither the creation, organization or existence, nor the title of the present members of the Board of County Commissioners, or other officers of the County is being contested.

The County experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of the County Attorney, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the County's ability to receive the Pledged Funds.

TAX MATTERS

Federal Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the Series 2002 Bonds, including investment restrictions, a requirement of periodic payments of arbitrage profits to the United States, requirements regarding the use of bond proceeds and the facilities financed therewith, and certain other matters. The County has covenanted to use its best efforts to comply with all requirements of the Code that must be satisfied in order for the interest on the Series 2002 Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Series 2002 Bonds to be included in gross income retroactive to the date of issuance of the Series 2002 Bonds.

Subject to the condition that the County comply with the pertinent requirements of the Code, under existing law, in the opinion of Bond Counsel, interest on the Series 2002 Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Reference is made to a proposed form of the Bond Counsel opinion attached hereto as Appendix E for the complete text thereof.

In rendering the opinion, Bond Counsel will rely upon certificates of the County with respect to certain material facts relating to the property financed and refinanced with the proceeds of the Series 2002 Bonds and the application of the proceeds of the Series 2002 Bonds.

The Code contains numerous provisions which could affect the economic value of the Series 2002 Bonds to certain owners of the Series 2002 Bonds. The following is a brief summary of some of the significant provisions that may be applicable to particular owners of the Series 2002 Bonds. Prospective

owners of the Series 2002 Bonds, however, should consult their own tax advisors with respect to the impact of such provision on their own tax situations.

The Series 2002 Bonds will not be "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. Interest on indebtedness incurred or continued to purchase or carry the Series 2002 Bonds or, in the case of banks and certain other financial institutions, interest expense allocable to interest on the Series 2002 Bonds, will not be deductible for federal income tax purposes.

Insurance companies (other than life insurance companies) are required to reduce the amount of their deductible underwriting losses by 15% of the amount of tax-exempt interest received or accrued on certain obligations, including the Series 2002 Bonds, acquired after August 7, 1986. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income. Life insurance companies are subject to similar provisions under which taxable income is increased by reason of receipt or accrual of tax-exempt interest, such as interest on the Series 2002 Bonds.

Interest on the Series 2002 Bonds must be included in the "adjusted current earnings" of corporations (other than S corporations, regulated investment companies, real estate investment trusts, and REMICs), and such corporations are required to include in their calculation of alternative minimum taxable income 75% of the excess of adjusted current earnings over alternative minimum taxable income (determined with regard to this adjustment and prior to reduction of certain net operating losses).

Certain recipients of social security benefits and railroad retirement benefits are required to include a portion of such benefits in gross income by reason of the receipt or accrual of interest on tax-exempt obligations, such as the Series 2002 Bonds.

For foreign corporations that operate branches in the United States, Section 884 of the Code imposes a branch level tax on certain earnings and profits in the tax years beginning after 1986. Interest on tax-exempt obligations, such as the Series 2002 Bonds, may be included in the determination of such domestic branches' taxable base on which this tax is imposed.

From time to time, legislative proposals are pending in Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or would adversely affect the market value of the Series 2002 Bonds. It cannot be predicted whether or in what form any such proposals, either pending or that could be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Series 2002 Bonds.

Florida Tax Matters

It is also the opinion of Bond Counsel that, under existing law, the Series 2002 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes on interest, income or profits on debt obligations owned by corporations, as defined in Chapter 220, Florida Statutes, as amended.

Original Issue Discount

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of each of the Series 2002 Bonds maturing in 20__ , 20__ and 20__ (the "Discount Bonds"), is excluded from gross income for federal income tax purposes to the same extent that any interest payable on such Discount Bond is or would be excluded from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of a Discount Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discount Bonds were sold (the "issue price").

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound interest basis. The amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of each accrual period), less (iii) any interest payable on such Discount Bond during such accrual period.

The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, and will increase the owner's tax basis in such Discount Bond. The adjusted tax basis in a Discount Bond will be used to determine taxable gain or loss upon a disposition (e.g., sale, exchange, redemption, or payment at maturity) of such Discount Bond.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued original issue discount, the amount of original issue discount that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of such Discount Bond.

As described above regarding tax-exempt interest, a portion of the original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. In the case of a corporation, such portion of the original issue discount will be included in the calculation of the corporation's alternative minimum tax liability and the branch profits tax liability. Corporate owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability or a branch profits tax liability although the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners of Discount Bonds who did not purchase such Discount Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Discount Bonds.

Owners of such Discount Bonds should consult their own tax advisors with respect to state and local tax consequences of the Discount Bonds. It is possible that under the applicable provisions governing the determination of state and local income taxes, accrued original issue discount on Discount Bonds may be deemed to be received in the year of accrual, even though there will not be a corresponding cash payment until a later year.

Original Issue Premium

Each of the Series 2002 Bonds maturing in 20__, 20__ and 20__ (the "Premium Bonds") has an issue price that is greater than the amount payable at maturity of such Premium Bonds. Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (e.g., upon a sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at an issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of the Premium Bonds.

RATINGS

As noted on the cover of this Official Statement, Moody's Investors Service, Inc. and Standard & Poor's Credit Market Services, a division of The McGraw-Hill Companies ("Standard & Poor's") are expected to issue their ratings of "AAA" and "AAA," respectively, to the Series 2002 Bonds with the understanding that upon delivery of the Series 2002 Bonds, the Policy will be issued by the Insurer. The Issuer has also applied to Moody's and Standard & Poor's for ratings without giving effect to the Bond Insurance Policy. Moody's and Standard & Poor's have assigned underlying ratings of "A2" and "A," respectively, to the Series 2002 Bonds. The underlying ratings are based on the capacity of the Issuer to pay debt service on the Series 2002 Bonds without giving effect to the Bond Insurance Policy to be issued by the Insurer. An explanation of the significance of any ratings may be obtained only from the rating agency furnishing the same. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised upward or downward or withdrawn entirely by such rating agencies if, in the judgment of such agencies, circumstances so warrant. Any such downward revision or withdrawal of any ratings may have an adverse effect on the market price of the Series 2002 Bonds.

UNDERWRITING

The Series 2002 Bonds are being purchased by William R. Hough & Company, the Underwriter, subject to certain terms and conditions, including the approval of certain legal matters by Bond Counsel.

The aggregate purchase price payable by the Underwriter is \$ _____ (including a net original issue discount of \$ _____ and Underwriter's discount of \$ _____) plus accrued interest. The Series 2002 Bonds are offered for sale to the public at the prices or yields set forth on the cover page of this Official Statement. The Series 2002 Bonds may be offered and sold to certain dealers at prices lower than such offering prices and such public offering prices may be changed, from time to time, by the Underwriter.

FINANCIAL ADVISOR

The County has retained Public Financial Management, Inc., Orlando, Florida, as Financial Advisor in connection with preparation of the County's plan of financing and with respect to the authorization and issuance of the Series 2002 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement. Public Financial Management, Inc. is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading of municipal securities or any other negotiable instruments.

INVESTMENT POLICIES

The County has detailed written investment policies which it follows. The principal investment objectives of the County are to achieve safety, liquidity and yield, in that priority.

CONTINUING DISCLOSURE

The County has covenanted, for the benefit of the Series 2002 Bondholders, in a Continuing Disclosure Certificate dated as of September 15, 2002 (the "Continuing Disclosure Certificate"), and in the Resolution, to provide certain financial information and operating data relating to the County (the "Annual Report"), commencing with the report for the Fiscal Year ending 2002, and to provide notices of the occurrence of certain enumerated material events. The Annual Report will be filed by the County with

each nationally recognized municipal securities information repository ("NRMSIRs") and with the appropriate state information depository, if any (the "SID"), that is subsequently established by the State and designated as such, when and if it occurs. The notices of material events must be filed by the County with the NRMSIRs, the Municipal Securities Rulemaking Board and the SID. The specific nature of the information to be contained in the Annual Report, the notices of material events, and other details of the undertakings are described in the form of Continuing Disclosure Certificate attached hereto as Appendix D. The Continuing Disclosure Certificate will be executed by the County prior to the issuance of the Series 2002 Bonds. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

The County has not failed to comply with any prior agreements to provide continuing disclosure information pursuant to the Rule.

AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the Board of County Commissioners of the County. Concurrently with the delivery of the Series 2002 Bonds, the undersigned or the then Chairman or Vice Chairman of the Board will furnish his or her certificate to the effect that to the best of his or her knowledge, this Official Statement did not as of its date and does not as of the date of the delivery of the Series 2002 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements made herein, in light of the circumstances in which they were made, not misleading.

INDEPENDENT AUDITORS

The financial statements of St. Johns County, Florida, for the fiscal year ended September 30, 2001, appearing in Appendix A of this Official Statement, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report therein (which report expresses an unqualified opinion and including an explanatory paragraph referring to the adoption of Governmental Accounting Standards Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*).

CONCLUDING STATEMENT

The information in the foregoing pages is presented for the guidance of prospective purchasers of the Series 2002 Bonds described therein. The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement. The information has been compiled from official records of the County and other sources and, while not guaranteed by the County, is believed to be correct. The Preliminary Official Statement is in a form "deemed final" by the County for purposes of SEC Rule 15c2-12 (b)(1) but is subject to revision, amendment and completion in a final Official Statement. So far as any statements made in this Official Statement and the appendices attached hereto involve matters of opinion or of estimates, whether or not so expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA

By: _____
James E. Bryant, Chairman

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APPENDIX A

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE COUNTY

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GENERAL PURPOSE FINANCIAL STATEMENTS

ST. JOHNS COUNTY, FLORIDA
 COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
 AND DISCRETELY PRESENTED COMPONENT UNITS
 September 30, 2001

	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
ASSETS AND OTHER DEBITS					
Equity in pooled cash and cash equivalents	\$ 9,785,195	\$ 22,089,888	\$ 2,546,812	\$ 9,447,334	\$4,085,551
Cash with claims administrator					
Investments	5,349,163	9,569,821			
Accounts and notes receivable (net of allowance for uncollectibles)	450,565	226,447			
Interest receivable	170,303	131,367			
Due from individuals	5,402	175			44,177
Due from other funds	981,000	438,867	1,536		1,326
Due from other governments	1,671,236	700,508			59,402
Inventory		116,013			40,224
Restricted assets:					
Cash and cash equivalents					
Investments					
Land					
Golf course land improvements					
Buildings and improvements					
Water and sewer systems					
Furniture and equipment					
Accumulated depreciation					
Construction in progress					
Other assets	452,359				
Amount available in debt service funds					
Amount to be provided for retirement of general long-term debt					
Amount to be provided from special assessments					
Amount to be provided for payment of accrued compensated absences					
TOTAL ASSETS AND OTHER DEBITS	\$ 18,865,223	\$ 33,273,086	\$ 2,548,348	\$ 9,447,334	\$ 4,230,680

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Types		Account Groups		Totals (Memorandum Only) Primary Government	Component Units	
Enterprise	Internal Service	General Fixed Assets	General Long-Term Obligations		Housing Finance Authority	Industrial Development Authority
\$ 30,504,995	\$ 1,164,464			\$ 79,624,239	\$ 5,780	\$ 207,947
	110,875			110,875		
8,791,229	101,546			23,811,759	206,876	
1,472,753	59,626			2,209,391	241,597	
279,278	168			581,116	11,472	
				49,754		
8,533	295,948			1,727,210		
306,654				2,737,800		
436,254				592,491		
2,843,795				2,843,795	19,395	
6,268,961				6,268,961		
4,732,245		\$ 10,937,870		15,670,115		
2,352,514				2,352,514		
14,426,454		68,323,605		82,750,059		
68,535,535				68,535,535		
4,357,638		36,697,558		41,055,196		
(19,355,641)				(19,355,641)		
3,418,897		5,262,248		8,681,145		
1,721,522				2,173,881		
			\$ 424,343	424,343		
			30,777,965	30,777,965		
			87,000	87,000		
			3,349,861	3,349,861		
<u>\$ 131,101,616</u>	<u>\$ 1,732,627</u>	<u>\$ 121,221,281</u>	<u>\$ 34,639,169</u>	<u>\$ 357,059,364</u>	<u>\$ 485,120</u>	<u>\$ 207,847</u>

(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
 AND DISCRETELY PRESENTED COMPONENT UNITS (continued)
 September 30, 2001

LIABILITIES, FUND EQUITY AND OTHER CREDITS	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 4,164,999	\$ 3,994,903	\$ 2,124,005	\$ 612,621	\$ 76,249
Customer deposits	90,669				1,426,329
Estimated liability for self insured losses					
Due to individuals	18,846				1,066,903
Due to other funds	108,305	899,371			719,524
Due to other governments	482,800				688,656
Accrued landfill closure and post-closure costs					
Interest payable					
Deferred revenue	142,480	37,920			
Other liabilities	635				
Revenue bonds payable					
State loan payable					
Long term lease payable					
General obligation bonds payable					
\$10M Commercial paper program payable					
Special assessment debt with governmental commitment					
Accrued compensated absences					
TOTAL LIABILITIES	5,008,734	4,932,194	2,124,005	612,621	3,977,661
FUND EQUITY AND OTHER CREDITS:					
Investment in general fixed assets					
Contributed capital, net					
Retained earnings:					
Reserved for construction					
Reserved for debt service					
Reserved developer contributions					
Unreserved					
Fund balances:					
Reserved for records modernization		225,579			
Reserved for teen court		98,900			
Reserved for school crossing guard and law enforcement education		244,968			
Reserved for capital outlay				8,834,713	
Reserved for debt service			424,343		
Reserved for escrow deposits					
Unreserved-undesignated	13,856,489	27,771,445			253,019
TOTAL FUND EQUITY AND OTHER CREDITS	13,856,489	28,340,892	424,343	8,834,713	253,019
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 18,865,223	\$ 33,273,086	\$ 2,548,348	\$ 9,447,334	\$ 4,230,680

The accompanying notes are an integral part of the financial statements.

Proprietary Fund Types		Account Groups		Totals (Memorandum Only) Primary Government	Component Units	
Enterprise	Internal Service	General Fixed Assets	General Long-Term Obligations		Housing Finance Authority	Industrial Development Authority
\$ 2,970,176	\$ 9,007			\$ 13,951,960	\$ 6,048	\$ 1,711
794,712				2,311,710		
	1,290,269			1,290,269		
				1,085,749		
10				1,727,210		
				1,171,456		
8,052,396				8,052,396		
1,011,908				1,011,908		
				180,400		
70,672				71,307		
67,987,509			\$ 24,510,000	92,497,509		
1,563,576				1,563,576		
174,541			1,637,308	1,811,849		
			2,880,000	2,880,000		
			2,175,000	2,175,000		
			87,000	87,000		
270,165			3,349,861	3,620,026		
82,895,665	1,299,276		34,639,169	135,489,325	6,048	1,711
		\$ 121,221,281		121,221,281		
24,395,057				24,395,057		
4,202,109				4,202,109		
2,278,696				2,278,696		
4,280,461				4,280,461		
13,049,628				13,049,628		
				225,579		
				98,900		
				244,968		
				8,834,713		
				424,343		
	433,351			42,314,304	19,395	
					459,677	206,136
48,205,951	433,351	121,221,281	-	221,570,039	479,072	206,136
\$ 131,101,616	\$ 1,732,627	\$ 121,221,281	\$ 34,639,169	\$ 357,059,364	\$ 485,120	\$ 207,847

(concluded)

ST. JOHNS COUNTY, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 AND DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes	\$ 40,218,430	\$ 17,459,408	\$ 1,374,805	
Special assessments		4,837,088		
Licenses and permits	342,265	3,106,055		
Intergovernmental	13,866,480	9,998,097	2,675,386	\$ 968,607
Charges for services	10,200,601	4,085,047		
Fines and forfeitures	1,395,037	446,476		
Contributions	166,225	248,164		185,613
Investment income	1,628,083	1,886,548	149,011	332,780
Miscellaneous revenue	1,032,359	163,018		
TOTAL REVENUES	68,649,480	42,229,901	4,199,202	1,487,000
EXPENDITURES:				
Current:				
General government	23,376,627	5,582,032		24,974
Public safety	32,322,882	5,265,471		
Physical environment	417,110			
Transportation	1,164,820	12,477,175		
Economic environment	674,517	1,407,845		
Human services	3,146,619	4,480,525		
Culture and recreation	7,208,432	1,828,553		
Capital outlay				4,670,594
Debt service:				
Principal retirement	914,418	82,000	2,985,000	
Interest and fiscal charges	79,796	21,380	1,618,471	
TOTAL EXPENDITURES	69,305,221	31,144,981	4,603,471	4,695,568
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(655,741)	11,084,920	(404,269)	(3,208,568)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	993,804	1,320,136	248,000	8,547,922
Operating transfers out	(3,360,206)	(7,882,941)		
Line-of-credit and capital lease proceeds	3,506,205			
TOTAL OTHER FINANCING SOURCES (USES)	1,139,803	(6,562,805)	248,000	8,547,922
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	484,062	4,522,115	(156,269)	5,339,354
FUND BALANCES, BEGINNING OF YEAR	13,550,323	23,640,881	580,612	3,495,359
RESIDUAL EQUITY TRANSFER	(177,896)	177,896		
FUND BALANCES, END OF YEAR	\$ 13,856,489	\$ 28,340,892	\$ 424,343	\$ 8,834,713

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Type	Totals (Memorandum Only) Primary Government	Component Units	
		Housing Finance Authority	Industrial Development Authority
	\$ 59,052,643		
	4,837,088		
	3,448,320		
	27,308,570		
\$ 266,031	14,551,679		
	1,841,513		
	600,002		
	3,996,422	\$ 23,807	\$ 7,600
	1,195,377	7,055	36,000
<u>266,031</u>	<u>116,831,614</u>	<u>30,862</u>	<u>43,600</u>
322,823	29,306,456		
	37,588,353		
	417,110		
	13,641,995		
	2,082,362	24,855	18,249
	7,627,144		
	9,036,985		
	4,670,594		
	3,981,418		
	1,719,647		
<u>322,823</u>	<u>110,072,064</u>	<u>24,855</u>	<u>18,249</u>
(56,792)	6,759,550	6,007	25,351
	11,109,862		
	(11,243,147)		
	3,506,205		
-	3,372,920	-	-
(56,792)	10,132,470	6,007	25,351
309,811	41,576,986	473,065	180,785
	-		
<u>\$ 253,019</u>	<u>\$ 51,709,456</u>	<u>\$ 479,072</u>	<u>\$ 206,136</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	General Fund		Special Revenue Funds	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes	\$ 41,297,976	\$ 40,218,430	\$ 17,595,304	\$ 17,459,408
Special assessments			4,021,728	4,837,088
Licenses and permits	190,000	342,265	2,694,216	3,106,055
Intergovernmental	12,468,508	13,666,480	9,984,885	9,566,179
Charges for services	8,903,679	10,200,601	3,608,751	3,862,403
Fines and forfeitures	1,090,450	1,395,037	355,920	446,476
Contributions	118,334	166,225	243,400	248,164
Investment income	930,000	1,628,083	781,574	1,884,804
Miscellaneous revenue	705,508	1,032,359	21,000	163,018
TOTAL REVENUES	<u>65,704,455</u>	<u>68,649,480</u>	<u>39,306,778</u>	<u>41,573,595</u>
EXPENDITURES:				
Current:				
General government	25,472,701	23,376,627	6,446,750	5,344,698
Public safety	30,094,548	32,322,882	8,914,493	4,896,744
Physical environment	1,087,079	417,110	18,350	
Transportation	1,303,880	1,164,820	22,018,272	12,477,175
Economic environment	703,642	674,517	2,638,740	1,407,845
Human services	3,663,739	3,146,619	4,678,010	4,480,525
Culture and recreation	7,743,671	7,208,432	4,574,167	1,828,553
Capital outlay				
Debt service:				
Principal retirement	893,809	914,418	82,000	82,000
Interest and fiscal charges	79,796	79,796	32,000	21,380
TOTAL EXPENDITURES	<u>71,042,865</u>	<u>69,305,221</u>	<u>49,402,782</u>	<u>30,538,920</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,338,410)	(655,741)	(10,096,004)	11,034,675
OTHER FINANCING SOURCES (USES):				
Operating transfers in	702,022	993,804	1,305,966	1,320,136
Operating transfers out	(3,360,206)	(3,360,206)	(10,120,578)	(7,882,941)
Line-of-credit and capital lease proceeds	2,390,000	3,506,205		
TOTAL OTHER FINANCING SOURCES (USES)	(268,184)	1,139,803	(8,814,612)	(6,562,805)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(5,606,594)	484,062	(18,910,616)	4,471,870
FUND BALANCES, BEGINNING OF YEAR	13,550,323	13,550,323	23,121,679	23,121,679
RESIDUAL EQUITY TRANSFER	(177,896)	(177,896)	177,896	177,896
FUND BALANCES, END OF YEAR	<u>\$ 7,765,833</u>	<u>\$ 13,856,489</u>	<u>\$ 4,388,959</u>	<u>\$ 27,771,445</u>

The accompanying notes are an integral part of the financial statements.

Debt Service Funds		Capital Projects Funds		Totals (Memorandum Only)	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 1,407,922	\$ 1,374,805			\$60,301,202	\$ 59,052,643
				4,021,728	4,837,088
				2,884,216	3,448,320
2,675,386	2,675,386	\$ 3,095,599	\$ 968,607	28,224,378	26,876,652
				12,512,430	14,063,004
				1,446,370	1,841,513
		219,789	185,613	581,523	600,002
141,000	149,011	59,547	332,780	1,912,121	3,994,678
				726,508	1,195,377
<u>4,224,308</u>	<u>4,199,202</u>	<u>3,374,935</u>	<u>1,487,000</u>	<u>112,610,476</u>	<u>115,909,277</u>
		63,000	24,974	31,982,451	28,746,299
				39,009,041	37,219,626
				1,105,429	417,110
				23,322,152	13,641,995
				3,342,382	2,082,362
				8,341,749	7,627,144
				12,317,838	9,036,985
		15,132,991	4,670,594	15,132,991	4,670,594
2,985,000	2,985,000			3,960,809	3,981,418
<u>1,621,514</u>	<u>1,618,471</u>			<u>1,733,310</u>	<u>1,719,647</u>
<u>4,606,514</u>	<u>4,603,471</u>	<u>15,195,991</u>	<u>4,695,568</u>	<u>140,248,152</u>	<u>109,143,180</u>
(382,206)	(404,269)	(11,821,056)	(3,208,568)	(27,637,676)	6,766,097
248,000	248,000	10,527,922	8,547,922	12,783,910	11,109,862
				(13,480,784)	(11,243,147)
				<u>2,390,000</u>	<u>3,506,205</u>
<u>248,000</u>	<u>248,000</u>	<u>10,527,922</u>	<u>8,547,922</u>	<u>1,693,126</u>	<u>3,372,920</u>
(134,206)	(156,269)	(1,293,134)	5,339,354	(25,944,550)	10,139,017
580,612	580,612	3,495,359	3,495,359	40,747,973	40,747,973
				-	-
<u>\$ 446,406</u>	<u>\$ 424,343</u>	<u>\$ 2,202,225</u>	<u>\$ 8,834,713</u>	<u>\$ 14,803,423</u>	<u>\$ 50,886,990</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS -
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Enterprise Funds	Internal Service Funds	Totals (Memorandum only)
OPERATING REVENUES:			
Charges for services	\$ 22,629,254	\$ 5,756,348	\$ 28,384,602
Special assessment revenue	320,833		320,833
Other operating revenue	59,823	58,602	118,425
Merchandise sales	22,775		22,775
Total operating revenues	23,031,685	5,814,950	28,846,635
OPERATING EXPENSES:			
Contractual services	10,189,424	6,184,695	16,374,119
Salaries and benefits	4,058,090		4,058,090
Landfill closure and post-closure expense	76,066		76,066
Operating and maintenance expenses	3,086,666	10,468	3,097,134
Loss from early asset retirement	1,267,712		1,267,712
Depreciation	2,036,559		2,036,559
Total operating expenses	20,714,517	6,195,163	26,909,680
OPERATING INCOME (LOSS)	2,317,168	(380,213)	1,936,955
NON-OPERATING REVENUES (EXPENSES):			
Investment income	2,954,001	115,120	3,069,121
Interest expense	(4,436,177)		(4,436,177)
Grant proceeds	352,809		352,809
Franchise fees	620,954		620,954
Other revenues	25,307		25,307
Gain on sale of fixed assets	107,202		107,202
Total non-operating (expenses) revenues	(375,904)	115,120	(260,784)
CONTRIBUTED DEVELOPER CAPITAL	4,280,461		4,280,461
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	6,221,725	(265,093)	5,956,632
OPERATING TRANSFERS:			
Operating transfers in	166,505		166,505
Operating transfers out		(33,221)	(33,221)
NET INCOME (LOSS)	6,388,230	(298,314)	6,089,916
ADD DEPRECIATION CHARGED TO CONTRIBUTED CAPITAL	463,017		463,017
INCREASE (DECREASE) IN RETAINED EARNINGS	6,851,247	(298,314)	6,552,933
RETAINED EARNINGS, BEGINNING OF YEAR	16,959,647	726,435	17,686,082
RESIDUAL EQUITY TRANSFER		5,230	5,230
RETAINED EARNINGS, END OF YEAR	\$ 23,810,894	\$ 433,351	\$ 24,244,245

The accompanying notes are an integral part of the financial statements.

ST. JOHNS COUNTY, FLORIDA
 COMBINED STATEMENT OF CASH FLOWS -
 ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,317,168	\$ (380,213)	\$ 1,936,955
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	2,036,559		2,036,559
Amortization of bond issuance cost	220,256		220,256
Loss from early asset retirement	1,267,712		1,267,712
Decrease in accounts receivable	165,187	24,252	189,439
Decrease in notes receivable	57,664		57,664
Increase in due from constitutional officers	(5,691)	(229,441)	(235,132)
(Increase) decrease in due from other governments	(241,772)	19,634	(222,138)
(Increase) decrease in inventory	(27,530)	109,364	81,834
Increase (decrease) in accounts payable and accrued liabilities	1,214,647	(108,449)	1,106,198
Decrease in customer deposits	(337,956)		(337,956)
Decrease in estimated liability for self insured losses		(525,193)	(525,193)
Decrease in due to other funds		(110,330)	(110,330)
Decrease in due to constitutional officers	(221)		(221)
Decrease in accrued landfill closure and post-closure costs	(745,320)		(745,320)
Increase (decrease) in accrued compensated absences	36,182	(18,573)	17,609
Decrease in other liabilities	(4,768)		(4,768)
Net cash provided by (used in) operating activities	5,952,117	(1,218,949)	4,733,168
NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	166,505		166,505
Residual equity transfer		5,230	5,230
Grants received	352,809		352,809
Franchise fees	620,954		620,954
Other proceeds	25,307		25,307
Operating transfer out		(33,221)	(33,221)
Net cash provided by (used in) noncapital financing activities	1,165,575	(27,991)	1,137,584
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(5,392,854)		(5,392,854)
Sale of capital assets	282,074		282,074
Proceeds from issuance of long-term debt	240,680		240,680
Principal payments on revenue bonds	(2,755,000)		(2,755,000)
Principal payments on State Revolving Loan	(81,044)		(81,044)
Principal payments on long-term lease	(66,139)		(66,139)
Interest paid on revenue bonds, loans and lease obligations	(3,523,752)		(3,523,752)
Capital contributed by developers	4,280,462		4,280,462
Net cash used in capital and related financing activities	(7,015,573)	-	(7,015,573)
INVESTING ACTIVITIES:			
Investment purchases	(16,315,548)	(84,115)	(16,399,663)
Proceeds from sale of investments	24,261,648	791,737	25,053,385
Investment income received	2,861,323	125,776	2,987,099
Net cash provided by investing activities	10,807,423	833,398	11,640,821
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,909,542	(413,542)	10,496,000
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,439,248	1,578,006	24,017,254
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 33,348,790	\$ 1,164,464	\$ 34,513,254
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Accretion of interest on capital appreciation bonds	865,055		865,055
Increase in fair value of investments	343,974		343,974

The accompanying notes are an integral part of the financial statements.

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ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

1. REPORTING ENTITY

St. Johns County (the "County") is a political subdivision of the State of Florida established in 1821. The County is organized under Article III of the Constitution of the State of Florida that empowers the creation of political subdivisions of the State. It is governed by an elected Board of County Commissioners ("Board"), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers that are legally separate entities: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

For the purpose of these financial statements the financial reporting entity includes St. Johns County (the primary government) and its component units as required by accounting principles generally accepted in the United States of America ("Generally Accepted Accounting Principles").

The component units discussed below are included in the County's reporting entity either because of the significance of the operational relationship or the County is financially accountable for the component unit.

The County is financially accountable for an organization when the County appoints a voting majority for the organization's governing body and is able to impose its will on the organization; there is a potential for the organization to provide a financial benefit or impose a financial burden on the County; or the organization is fiscally dependent on the County.

Specific criteria used to determine financial accountability are:

Selection of a Voting Majority of the Governing Body

Imposition of Will: Ability to remove appointed members at will, ability to approve or modify charges affecting revenue; ability to appoint, hire or dismiss management.

Financial Benefit or Burden Relationship: The County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the obligation to finance the deficits of or provide support to the organization; or the County is obligated in some manner for the debt of the organization.

Fiscal Dependency: Ability to approve or modify the organization's budget; ability to approve or modify rate charges; ability to approve debt issuances and/or tax levies.

Blended Component Units, although legally separate entities, are in substance part of the government's operations and so data from these units are combined with data of the primary government.

Blended Component Units

The Anastasia Sanitary District, Elkton Drainage District, and the St. Augustine Fire District are blended component units of the County. These component units are included in the County's reporting entity because each meets all of the specific criteria listed above for financial accountability.

The Anastasia Sanitary District is a legislatively created body of local government. In 1992, its assets and liabilities were transferred to the Board by a subsequent act of the State legislature. There has been no activity for the Anastasia Sanitary District since that date, but the Anastasia Sanitary District maintains its legal existence.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

1. REPORTING ENTITY (continued)

The constitutional officers are the Property Appraiser, Sheriff, Supervisor of Elections, Clerk of the Circuit Court and Tax Collector. The Property Appraiser, Sheriff and Supervisor of Elections are budget officers fully funded by the Board. The Clerk and Tax Collector act as fee officers in all or part of their operations. This means that these operations are funded by fees collected by the Officer and are not funded by the Board. The Clerk's duties as Clerk to the Board are budgeted functions fully funded by the Board; the Clerk's duties as Clerk of the Circuit Court are funded by fees collected by that office. Transfers to budgeted Constitutional Officers are reported as operating transfers in the financial statements of the Constitutional Officers. Although these five officers are operationally autonomous, they do not hold sufficient corporate powers of their own to be considered separate component units for financial reporting purposes. Therefore, they are reported together with the Board as part of the primary government.

Discretely Presented Component Units are reported in separate columns on the combined financial statements to emphasize they are legally separate from the government.

Discretely Presented Component Units

The St. Johns County Housing Finance Authority (the "HFA") was created as a Florida public corporation in accordance with Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes (1979), following the adoption of an approving ordinance (No. 80-7, dated February 26, 1980) by the Board of County Commissioners of St. Johns County, Florida. The purpose of the HFA is to encourage the investment of private capital and stimulate the construction of residential housing for low to moderate income families through the use of public financing. The HFA is authorized to issue bonds to fulfill its corporate purpose in principal amounts specifically authorized by the County.

The St. Johns County Industrial Development Authority (the "IDA") was created as a Florida public corporation in accordance with Florida Finance Authority Law, Part III of Chapter 159, Florida Statutes (1979), following the adoption of an approving ordinance (No. 80-9, dated January 22, 1980) by the Board of County Commissioners of St. Johns County, Florida. The purpose of the IDA is to stimulate industrial development through the use of public financing. The IDA is authorized to issue bonds to fulfill its corporate purpose in principal amounts specifically authorized by the County.

The addresses for the authorities are as follows:

Housing Finance Authority of St. Johns County
P.O. Drawer 349
St. Augustine, Florida 32085

St. Johns County Industrial Development Authority
P.O. Drawer 349
St. Augustine, Florida 32085

At September 30, 2001, St. Johns County had not entered into any joint ventures with any other governmental agencies.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

A. Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purpose of the County's various funds and account groups are as follows:

Governmental Funds

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

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

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal and interest and related costs, other than those payable from Enterprise Funds and Special Assessment Funds.

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

Proprietary Funds

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

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fiduciary Funds

Expendable Trust Funds - Expendable Trust Funds are generally used in instances where legally mandated or where a formal legal trustee relationship exists. Both principal and income may be expended in the course of their designated operations.

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

Account Groups

General Fixed Assets - The General Fixed Assets Account Group is used to account for all fixed assets of the County except fixed assets of Proprietary Funds.

General Long-term Obligations - The General Long-Term Obligations Account Group is used to account for all the outstanding principal balances of any general and special obligation bonds or notes, capitalized leases, installment purchases, and compensated absences of the County except long-term obligations of Proprietary Funds.

B. Measurement Focus

Governmental Fund Types - General, Special Revenue, Debt Service and Capital Projects Funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. Accordingly the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental Fund Type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary Fund Types - Proprietary Funds are accounted for on an "income determination" measurement focus. Accordingly, all assets and liabilities are included on their balance sheets, and the reported fund equities (total reported assets less total reported liabilities) provide an indication of the economic net worth of the funds. Operating statements for Proprietary Fund Types (on an income determination measurement focus) report increases (revenues) and decreases (expenses) in total economic worth.

Fiduciary Fund Types - Expendable Trust and Agency Funds are accounted for as follows: Expendable Trust Funds are accounted for in the same manner as Governmental Fund Types; Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Account Groups - The General Fixed Assets Account Group and the General Long-Term Obligations Account Group are concerned only with the measurement of financial position. Account Groups are not involved with the measurement of results of operations. Long-Term obligations, which are not intended to be financed through Proprietary or Fiduciary Funds are accounted for in the Long-Term Obligations Account Group. Fixed assets, which are not used in Proprietary or Fiduciary Fund operations, are accounted for in the General Fixed Assets Account Group.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds, Expendable Trust Funds, and Agency Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

The following revenues are treated as susceptible to accrual under the modified accrual basis:

- Property taxes levied for and due within the fiscal year and collected within 60 days after fiscal year end. At September 30, 2001 there were no property taxes receivable.
- Intergovernmental services
- Charges for services
- Rents
- Investment income
- Special assessments

Other revenue sources are not considered measurable and available, and are not treated as susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for the principal and interest on general long-term debt, which is recognized when due.

The Proprietary Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred. The County has elected to not apply FASB Statements and Interpretations issued after November 30, 1989, as permitted by GASB Statement No.20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less when acquired. This includes cash in banks, petty cash, repurchase agreements, and balances in the Local Government Surplus Funds Trust Fund (the "Trust Fund") administered by the State Board of Administration.

E. Investments

Investments are valued at fair value as determined from quoted market prices at September 30, 2001.

F. Property Taxes

The Tax Collector bills and collects property taxes. Tax revenues are recognized when levied, to the extent that they result in current receivables. At September 30, 2001, there were no property taxes receivable.

Details of the County's tax calendar are presented below:

Lien date January 2, 2000

Levy date November 1, 2000

Installment payments:

1st installment No later than June 30, 2000

2nd installment No later than September 30, 2000

3rd installment No later than December 31, 2000

4th installment No later than March 31, 2001

Regular payments:

Discount periods November 2000 - February 2001

No discount period March 2001

Delinquent date April 1, 2001

Fiscal 2002 installments received prior to September 30, 2001 are required by law to be deposited in the Tax Collector's Agency Fund. Such payments are not considered available resources as of September 30, 2001 and, accordingly, no revenue related to these installments has been recognized in the 2001 financial statements.

G. Inventories

Inventories, consisting primarily of expendable items (materials and supplies), are determined by physical count at the fiscal year end and valued at cost on the basis of the "first-in first-out" method of accounting.

- (1) Governmental Fund inventory is recorded as an expenditure when purchased for financial statement purposes.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (2) The Proprietary Fund Types' inventory is recorded as an expenditure when consumed rather than when purchased (consumption method) for financial statement purposes.

H. Restricted Assets

Restricted assets are reported in connection with customer deposits and certain special accounts mandated by bond indentures involving proprietary fund borrowings. These assets are legally restricted for specific purposes, such as debt service and new construction.

I. Fixed Assets

(1) Governmental Fund Fixed Assets

Governmental Funds fixed assets are recorded as capital outlay expenditures at the time of purchase. Such assets are capitalized at historical cost in the General Fixed Assets Account Group, except for "Public Domain" infrastructure fixed assets, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems which are not capitalized. Donated fixed assets are recorded in the General Fixed Assets Account Group at their fair market value at the date of transfer. No depreciation has been provided on general fixed assets.

(2) Enterprise Funds Fixed Assets

Enterprise Funds fixed assets are recorded at cost. Donated fixed assets are capitalized at their fair market value at the date of transfer. Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable assets are as follows:

ASSETS	YEARS
Water and Sewer Plant	10-50
Landfill Improvements	10-20
Buildings and Improvements	10-60
Equipment	4-10

J. Accrual for Landfill Closure and Post-Closure Costs

Based on the consulting engineer's cost estimates, a portion of the estimated closure and post-closure cost for the Tillman Ridge Landfill is recognized as expense each year to match the flow of revenues. The estimated closure and post-closure cost accrued at September 30, 2001 is based on the current estimate to complete closure of the landfill, and the current estimate to perform long-term care over the next 30 years.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Deferred Revenue

- Deferred revenue reported in the Governmental Fund Types represents revenues which are measurable but not available. The deferred revenue will be recognized in the fiscal year it becomes available. Deferred revenue is recorded in other liabilities.

L. Accounting for Long-Term Obligations

Revenue bonds and other forms of long-term debt used to finance Proprietary Fund operations and payable from revenue of the Proprietary Funds are recorded in the applicable Proprietary Fund. General obligation bonds and other forms of long-term debt supported by general revenue are obligations of the County as a whole and not its individual constituent funds. Accordingly, such unmatured obligations of the County are accounted for in the General Long-Term Obligations Account Group.

M. Accrued Compensated Absences

The Board follows the provisions of GASB Statement No. 16, *Accounting for Compensated Absences* in accounting for accrued compensated absences. Compensated absences, which are not funded with current resources ("expendable available financial resources"), are reported in the General Long-Term Obligations Account Group for Governmental Fund Types. Proprietary Fund Types accrue compensated absences in the period earned.

N. Contributed Capital

The contributed capital accounted for in the Proprietary Fund Types represents contributions from other funds, developers, and/or state and federal aid programs received prior to October 1, 2000. Such contributions were recognized as increases in equity in the period they were received. Depreciation expense on contributed fixed assets is reflected in the Statement of Revenues, Expenses and Changes in Retained Earnings. Depreciation on contributed fixed assets is transferred to the related contributed capital accounts (reducing contributions instead of retained earnings). Subsequent to October 1, 2001, contributed capital is reflected as increases in net income in the period they were received.

O. Reserves of Fund Balances and Retained Earnings

Reserves recorded in the Governmental Fund Types represent portions of fund balance which cannot be appropriated for expenditures or which have been segregated for specific future uses.

Reserved retained earnings of the Enterprise Funds are created by the existence of assets restricted for debt service, new construction and closure costs. Increases in restricted assets result from interest earned and intrafund transfers to restricted accounts. Earnings on restricted assets are included in net income of the Proprietary Funds.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Budgets and Budgetary Accounting

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

- (1) The County adopts its budget in accordance with Chapters 129 and 200, Florida Statutes, and County Policy.
 - (a) The County and County Administrator follow an internal hearing process to set the proposed tentative budget and millage.
 - (b) Public hearings are then held to adopt a tentative budget and millage in accordance with Chapters 129 and 200, Florida Statutes.
- (2) All funds of each governmental fund type with legally adopted annual budgets are included in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.
- (3) The County, with the exception of certain Special Revenue Funds, adopts budgets for all Governmental Funds. Appropriations for these limited Special Revenue Funds are approved, as necessary, during the fiscal year.
- (4) Level of Control - Expenditures may not exceed appropriations and are controlled in the following manner:
 - (a) The budget is controlled according to Chapter 129, Florida Statutes, at the total fund level.
 - (b) The County has adopted more stringent policies that control expenditures on the department level within funds.
 - (c) The County has adopted a budget amendment policy that allows the County Administrator to make budget transfers within departments within a fund; therefore the legal level of control is at the department level. However, for the majority of the County's funds there is only one department within the fund. As a result, when the County reports by fund it is reporting at the legal level of control for those funds. For the funds that have more than one department, supporting schedules are presented for a comparison of budget to actual expenditures at the department level.

Those funds are as follows:

General Fund
Special Revenue Funds:
Building Service Fund
County Transportation Trust
Additional Court Costs
Beach
Tourist Development Tax

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (d) The Board of County Commissioners must authorize budget transfers between departments in a fund.
- (5) All budgets are adopted in accordance with generally accepted accounting principles.
- (6) Florida Statutes do not require adoption of budgets for Proprietary, Trust and Agency Funds or Debt Service Funds.
- (7) Appropriations for the Board lapse at the close of each fiscal year.
- (8) Formal budgetary integration is used as a management control device for all governmental funds of the Board.
- (9) Supplemental Appropriations - In certain instances the County may advertise and hold public hearings in order to supplement the appropriations in a fund due to unexpected high levels of receipts or under estimation of carry forward balances. They may also supplement appropriations by resolution due to unanticipated or designated receipts. In fiscal year 2001 supplemental appropriations were approved by resolution in accordance with County policy as follows:

General Fund	\$3,452,785
Transportation	750,000
Utility	175,000
Flagler West Renovation	119,789
Fire Service	73,307
Mental Health	61,778
Fleet Maintenance	33,973
Beach Fund	25,000

Q. New Accounting Standards

In December 1998, the Governmental Accounting Standards Board, (the "GASB") issued Statement No. 33 *Accounting and Financial Reporting for Non-exchange Transactions*, and in April 2000, amended Statement No. 33 by issuing Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues – an amendment of GASB No. 33.* Generally, these statements establish accounting and financial reporting standards to guide state and local governments' decisions about when (in which fiscal year) to report the results of non-exchange transactions involving cash and other financial and capital resources. These transactions include most taxes, grants and donations. The timing of financial statement recognition will depend on the nature of the non-exchange transaction as well as the basis of accounting (accrual or modified accrual). As required by Statement No. 33, as amended, the County adopted the provisions of these statements effective October 1, 2000. In accordance with Statement No. 33, the County recognized \$4,280,461 contributed developer capital as a component of net income for the year ended September 30, 2001.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and in June, 2001 amended Statement No. 34 by issuing Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and Statement No. 38, *"Certain Financial Statement Note Disclosures."* Generally, these statements establish financial reporting standards for state and local governments including states, cities, towns, villages, and special-purpose governments such as school districts and public utilities. They establish that the basic financial statements and required supplementary information for general governments should consist of: management's discussion and analysis, basic financial statements, and required supplementary information. The requirements of these statements are effective for the County in the year ended September 30, 2002. Management has not yet determined the impact of these statements on its financial statements.

In March 2000, the GASB issued Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This Interpretation clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice. The requirements of this interpretation are effective for the Board in the year ending September 30, 2002. Management has not yet determined the effect of this interpretation on its financial statements.

R. "Totals (Memorandum Only)" Columns on Combined Statements-Overview

Total columns on the combined statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation. Interfund transactions have not been eliminated from the "Totals (Memorandum Only)" column.

3. CASH AND INVESTMENTS

A. Cash and Cash Equivalents

The County, for accounting and investment purposes, maintains pooled cash and cash equivalent accounts for all County funds, except for monies which are legally restricted to separate administration. This gives the County the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. The "Equity in pooled cash and cash equivalents" represents the amount allocated to each fund.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

3. CASH AND INVESTMENTS (continued)

At September 30, 2001, the County's cash on deposit in bank accounts was \$9,383,030, all of which was insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes. All collateralized deposits are insured. The related carrying amount was \$6,730,706. Monies which are placed on deposit with financial institutions in the form of demand deposit accounts, time deposits accounts and certificates of deposit are defined as public deposits. All the County's public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, "Florida Security for Public Deposits Act."

Chapter 280, Florida Statutes, generally requires public funds to be deposited in a bank or savings association designated by the State Treasurer as authorized to receive deposits in the state and meeting collateral requirements. The required collateral of a qualified public depository is any eligible collateral (including federal, federally-guaranteed, state and local government obligations and corporate bonds) having a market value of at least 50 percent of the public deposits in excess of any applicable deposit insurance. The collateral is held by the State Treasury, a bank or savings association. If circumstances warrant, the State Treasurer may increase the required collateral to 125 percent of a public depository's public deposits. Section 280.08(3), Florida Statutes, provides that if the loss to public depositories is not covered by deposit insurance and the proceeds from the sale of securities pledged by the defaulting depository, the difference will be provided by an assessment levied against other qualified public depositories of the same type as the depository in default.

Component Units - At September 30, 2001, the Housing Finance Authority and Industrial Development Authority's cash on deposit in bank accounts and the related carrying amounts were \$223,530, all of which was insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes.

B. Investments

The County's investment practices are governed by Chapter 219, Florida Statutes, and various legal covenants related to outstanding bond issues. The County is authorized to invest in certificates of deposit, the Local Government Surplus Funds Trust Fund (the "Trust Fund") administered by the State Board of Administration, repurchase agreements, money market funds, commercial paper and certain instruments of the U.S. Treasury. The fair value of the investment in the Local Government Surplus Funds Trust Fund is the same as the value of the pool shares held at September 30, 2001.

Under Section 215.47, Florida Statutes, investments held by the State Board of Administration are entirely collateralized and insured by the State. The State Board of Administration is authorized to invest in certificates of deposit, money market certificates, obligations of the U.S. Treasury, its agencies and instrumentalities, and repurchase and reverse repurchase agreements collateralized by U.S. securities.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

3. CASH AND INVESTMENTS (continued)

At September 30, 2001, the Tax Collector had investments in overnight repurchase agreements in the amount of \$815,000. During the year, the amounts the Tax Collector invested in overnight repurchase agreements were significantly higher (up to \$47,000,000) than the balance at September 30, 2001. Fluctuations in these investments are caused by higher cash flows at certain times during the year. The overnight repurchase agreements are classified as Category 1 credit risk.

In accordance with GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the County's investments are categorized as follows to give an indication of the level of credit risk assumed by the County at September 30, 2001. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which securities are held by a counterparty, or by its trust department or agent, but not in the County's name.

At September 30, 2001, the County's cash and cash equivalent and investment balances were as follows:

	Category			Fair
	1	2	3	Value
Agency Notes		\$30,080,720		\$30,080,720
Repurchase Agreement	815,000			815,000
Cash and cash equivalents				
not categorized:				
Investment in Local Government				
Surplus Funds Trust Fund				74,401,591
Florida Tax Collector's Investment Trust				251,232
Money Market Fund				380,380
Cash in banks				6,730,706
Total				<u>\$112,659,629</u>

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

3. CASH AND INVESTMENTS (continued)

Component Units - At September 30, 2001, the Housing Finance Authority and the Industrial Development Authority's cash and cash equivalents and investment balances were as follows:

	Category			Fair
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
U.S. Treasury Notes		\$186,876		\$186,876
Cash and cash equivalents				
not categorized:				
Money Market Fund				9,492
Certificates of Deposit				20,000
Cash in banks				223,530
Total				<u>\$439,898</u>

C. Restricted Cash and Cash Equivalents

Component Units - In 1989, the HFA implemented its 1989 Credit Enhanced Single Family Mortgage Loan Program (also known as the Collier Heights Program) (the "Program").

In connection with the Program, the HFA agreed to guarantee up to 25% of the original amount of the Credit Enhanced Loans originated for this program by the lender. The maximum amount of Credit Enhanced Loans allowed in this program was \$1,000,000. The HFA initiated the program by placing \$250,000 in escrow with the lender for the purpose of guaranteeing the Credit Enhanced Loans.

Upon expiration of the Loan Origination Period on October 27, 1991, the lender had originated \$350,200 of Credit Enhanced Loans of which \$87,550 was guaranteed by the HFA. The remaining \$162,450 of the original escrow deposit was returned to the HFA. At September 30, 2001, the principal amount of Credit Enhanced Loans outstanding was approximately \$77,578. The escrow balance of \$19,395 is reported as restricted cash and cash equivalents at September 30, 2001.

4. ACCOUNTS AND NOTES RECEIVABLE

Accounts receivable of the General Fund consist primarily of ambulance service accounts and are reported net of an allowance for doubtful accounts of \$499,447 at September 30, 2001. The allowance represents 55% of the gross ambulance service accounts receivable at September 30, 2001. The balance of the receivable consists of miscellaneous service fees.

Accounts receivable of the Special Revenue Funds consist primarily of Mental Health Medicare/Medicaid receivables, utility regulation assessments and other miscellaneous fees. An allowance for doubtful accounts is not considered necessary.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

4. ACCOUNTS AND NOTES RECEIVABLE (continued)

Accounts receivable of the Enterprise Funds consist of the following receivables and their related allowance for doubtful accounts at September 30, 2001:

	<u>Balance</u>	<u>Allowance</u>	<u>Net</u>
Utility Fund	\$822,077	\$51,619	\$770,458
Solid Waste Fund	338,340	1,000	337,340
Golf Course Fund	6,377		6,377
Convention Center	16,496		16,496
	<u>\$1,183,290</u>	<u>\$52,619</u>	<u>\$1,130,671</u>

Included in accounts and notes receivable on the combined balance sheet for the Enterprise Funds is \$342,082 of unit connection fee notes receivable. Water and sewer unit connection fees are non-refundable fees charged to new customers of the utility system as a capacity charge. The related notes receivable bear interest from 5.00 % to 7.25 % and are generally due in annual or monthly installments of principal and interest, with maturities of ten or twenty years. The notes are collateralized by a lien on the property subject to the fee. At September 30, 2001, an allowance for doubtful accounts was not considered necessary.

5. PROPERTY TAX

A. Real Property Taxes were levied on November 1, 2000.

B. The Property Tax Calendar and pertinent assessment/lien information is as follows:

- (1) July 1 - Property Appraiser completes assessment and certifies the taxable value to the County.
- (2) August 1 - The County certifies the amount of taxes they intended to levy for both operations and debt service to the property appraiser.
- (3) September 1-30 - The County holds its final budget hearings and adopts the tax levy for the ensuing tax year.
- (4) November 1 - Taxes due and payable.
- (5) April 1 - All unpaid taxes become delinquent and constitute a recorded lien effective the preceding January 2.
- (6) June 1 - Tax Collector sells tax certificates on all delinquent parcels.
- (7) July (third Monday) - The Tax Collector disburses proceeds of tax certificate sales to the taxing agencies.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

5. PROPERTY TAX (continued)

C. Delinquent Tax Process

- (1) April 1 - Unpaid taxes become delinquent.
- (2) May 1-31 - Owner can pay tax due plus accrued interest at 18 percent per annum.
- (3) June 1 - If the owner has not paid the tax, the Tax Collector sells a tax certificate on the parcels. (Tax Certificates are sold for the amount of tax due on the property plus the interest due St. Johns County. The tax certificate holder then charges the property owner that amount plus additional interest.)
- (4) Proceeds of the tax certificate sale are distributed to St. Johns County by the third Monday in July.

D. Other Information Regarding Sales of Tax Certificates

- (1) St. Johns County will hold any unsold certificates for later sale.
- (2) Property owners redeem certificates by paying St. Johns County the tax certificate amount. St. Johns County then pays the certificate holder.
- (3) After two years, holders of unredeemed certificates may apply for a tax deed. In order to obtain a tax deed the property is offered at public auction with the minimum bid being the amount of the outstanding taxes and certificates on the property. Any excess over this amount is applied against any other liens and then given to the property owner.
- (4) Any unsold lands after seven years escheat to the State of Florida.

E. Property Tax Payment and Distribution

Discounts for early payment of property tax are allowed in the following manner:

4% for November payments
3% for December payments
2% for January payments
1% for February payments

The Tax Collector distributes tax proceeds to St. Johns County quickly in order to provide cash for operations. Distributions are made as follows:

November - 4 distributions
December - 4 distributions
All other months - 1 distribution each month

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

6. CHANGES IN FIXED ASSETS

- A. The following is a schedule of changes in the General Fixed Assets Account Group for the fiscal year ended September 30, 2001:

	Balance October 1, <u>2000</u>	<u>Additions</u>	<u>Dispositions</u>	Balance September 30, <u>2001</u>
Land	\$7,971,683	\$2,967,940	\$1,753	\$10,937,870
Buildings & Other Improvements	61,249,589	9,047,191	1,973,175	68,323,605
Equipment	34,406,957	4,943,559	2,652,958	36,697,558
Construction-in- progress	8,845,301	4,381,137	7,964,190	5,262,248
	<u>\$112,473,530</u>	<u>\$21,339,827</u>	<u>\$12,592,076</u>	<u>\$121,221,281</u>

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

6. CHANGES IN FIXED ASSETS (continued)

B. The following is a schedule of changes in fixed assets of the Enterprise Funds for the year ended September 30, 2001:

	Balance October 1, <u>2000</u>	<u>Additions</u>	<u>Dispositions</u>	Balance September 30, <u>2001</u>
Land	\$4,732,245			\$4,732,245
Golf Course land improvements	2,352,514			2,352,514
Buildings and improvements	14,728,406	\$175,268	\$477,220	14,426,454
Water and Sewer System	60,091,653	8,953,168	509,286	68,535,535
Equipment	4,247,995	730,143	620,500	4,357,638
Construction-in progress	<u>7,867,092</u>	<u>1,357,602</u>	<u>5,805,797</u>	<u>3,418,897</u>
Total:	94,019,905	11,216,181	7,412,803	97,823,283
Less accumulated depreciation	<u>17,465,975</u>	<u>2,036,559</u>	<u>146,893</u>	<u>19,355,641</u>
Fixed Assets, net	<u>\$76,553,930</u>	<u>\$9,179,622</u>	<u>\$7,265,910</u>	<u>\$78,467,642</u>

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS

A. Long-term obligations at September 30, 2001 are comprised of the following:

General Long-Term Obligations

Revenue Bonds:

\$10,750,000 1998 Sales Tax Revenue Refunding Bonds; secured by a lien upon and pledge of local government half-cent sales tax revenues; due in annual installments of \$25,000 to \$1,525,000 through October 1, 2019; interest at 4.40% to 5.00%, payable semiannually \$10,680,000

\$11,640,000 1994 Sales Tax Revenue Refunding Bonds; secured by a lien upon and pledge of local government half-cent sales tax revenues; due in annual installments of \$625,000 to \$990,000 through October 1, 2011; interest at 4.875% to 5.625%, payable semiannually 7,900,000

\$12,185,000 1992 Transportation Improvement Revenue Refunding Bonds; secured by a lien upon and pledge of local option gas tax; due in annual installments of \$855,000 to \$1,135,000 through October 1, 2007; interest at 5.60% to 6.00%, payable semiannually 5,930,000

Total Revenue Bonds Payable 24,510,000

General Long-Term Obligation Bonds:

\$11,155,000 1994 Limited Ad Valorem Tax Refunding Bonds; due in annual installments of \$1,405,000 to \$1,475,000 through September 1, 2003; interest at 5.00%, payable semiannually 2,880,000

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS (continued)

Special Assessment Debt with Governmental
Commitment:

\$461,785 Special assessment debt with
governmental commitment due in an
annual installment of \$87,000
May 1, 2002; interest at
5.45%, payable annually 87,000

\$2,390,000 Pooled commercial paper
loan with a governmental commitment due in
quarterly installments of \$215,000 through
March 2, 2004; at variable rate of interest
based on the actual rate, respective to
the series of commercial paper notes
from which the loan amount is derived,
payable monthly. 2,175,000

Obligations under Capital Leases 1,637,308

Accrued compensated absences 3,349,861

Total General Long-Term Obligations \$ 34,639,169

Proprietary Fund Long-Term Obligations

Revenue Bonds:

\$10,430,000 1989 Water and Sewer Revenue
Bonds; secured by a lien upon and a pledge
of County water and sewer revenues; due in
annual installments of \$615,000 to \$865,000
through June 1, 2009; interest at 5.00%,
payable semiannually (less
unamortized discount of \$382,489) \$5,497,511

\$14,680,398 1991A Water and Sewer Revenue
Bonds; secured by a lien upon and pledge
of County water and sewer revenues; due in
annual installments of \$460,629 to \$868,006
through June 1, 2021; interest at 7.00% to
7.05%, payable annually for capital appreciation
bonds where interest is due at maturity (including
accreted interest on capital appreciation bonds of
\$6,514,751; less unamortized discount of
\$71,219) 12,893,930

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS (continued)

\$19,990,000 1996 Water and Sewer Revenue and Refunding Bonds; secured by a lien upon and pledge of County water and sewer revenues; due in annual installments of \$770,000 to \$1,315,000 through June 1, 2026; interest at 4.50% to 5.50%, payable semiannually (less unamortized discount of \$330,340 and unrecognized loss on refunding of \$747,884)	15,161,776
\$16,990,000 1996 Taxable Convention Center Revenue Bonds; secured by a lien upon and pledge of certain fees and payments from the World Golf Village Complex; due in annual installments of \$240,000 to \$1,445,000 through January 1, 2026; interest at 7.10% to 8.00%, payable semiannually (less unamortized discount of \$372,172)	16,392,828
\$2,225,000 1998 Water and Sewer Revenue Bonds; secured by a lien upon and pledge of County water and sewer revenues; due in annual installments of \$65,000 to \$155,000 through June 1, 2021; interest at 4.10% to 5.00%, payable semiannually (less unamortized discount of \$36,837 and unrecognized loss on refunding of \$5,058)	2,013,105
\$3,120,000 1998 Capital Improvement Revenue Bonds; secured by a lien upon and pledge of net revenues of the Golf Course and appropriations of the County; due in annual installments of \$245,000 to \$330,000 through July 1, 2010; interest at 3.50% to 4.20%, payable semiannually (less unamortized discount of \$6,451)	2,543,549
\$14,260,000 1999A (non-taxable) and 1999B (taxable) Water and Sewer Revenue Refunding Bonds; secured by a lien upon and pledge of County water and sewer revenues; due in annual installments of \$965,000 to \$2,335,000 through June 1, 2011; interest at 4.00% to 6.30%, payable semiannually (less unamortized discount of \$63,730 and unrecognized loss on refunding of \$451,460)	<u>13,484,810</u>
Total Revenue Bonds Payable	67,987,509

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS (continued)

Obligations under State Revolving Loan Trust Fund due in semiannual installments of \$41,311 to \$60,772; interest at 2.59%, payable semiannually	1,563,576
Obligations under Capital Lease	174,541
Accrued Compensated Absences	<u>270,165</u>
Total Proprietary Fund Long-Term Obligations	<u>\$69,995,791</u>

- B. The annual requirement to amortize all bonds, loans and special assessment debt with governmental commitment as of September 30, 2001 to maturity, including interest payments of \$11,906,430 and \$55,862,466 for General Long-Term Obligations and Proprietary Fund Long-Term Obligations, respectively, are as follows:

<u>Year Ending Sept. 30</u>	<u>General Long-Term Obligations</u>	<u>Proprietary Fund Long-Term Obligations</u>	<u>Total Long-Term Obligations</u>
2002	5,376,082	6,216,748	11,592,830
2003	5,272,731	6,221,732	11,494,463
2004	3,261,166	6,205,872	9,467,038
2005	2,809,527	6,208,401	9,017,928
2006	2,805,633	6,210,182	9,015,815
2007-2026	<u>22,033,291</u>	<u>94,350,616</u>	<u>116,383,907</u>
	<u><u>\$41,558,430</u></u>	<u><u>\$125,413,551</u></u>	<u><u>\$166,971,981</u></u>

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS (continued)

C. Long-term debt transactions of the County for the year ended September 30, 2001 are summarized below:

GENERAL LONG-TERM OBLIGATIONS

	Balance October 1, 2000	Additions	Deductions	Balance September 30, 2001
Sales tax revenue refunding bonds, Series 1998	\$ 10,705,000		\$ 25,000	\$ 10,680,000
Sales tax revenue refunding bonds, Series 1994	8,495,000		595,000	7,900,000
Transportation improvement revenue refunding bonds, Series 1992	6,740,000		810,000	5,930,000
Total Revenue Bonds	25,940,000		1,430,000	24,510,000
Limited ad valorem tax refunding bonds, Series 1994	4,220,000		1,340,000	2,880,000
Total General Obligation Bonds	4,220,000		1,340,000	2,880,000
Special Assessment Debt with Governmental Commitment	169,000		82,000	87,000
Obligations under capital leases	1,429,591	1,122,135	914,418	1,637,308
\$10M Commercial Paper Program		2,390,000	215,000	2,175,000
Accrued compensated absences	3,343,921	258,852	252,912	3,349,861
Total General Long-Term Obligations	<u>\$ 35,102,512</u>	<u>\$ 3,770,987</u>	<u>\$ 4,234,330</u>	<u>\$ 34,639,169</u>

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS (continued)

PROPRIETARY FUND LONG-TERM OBLIGATIONS

	Balance October 1, 2000	Additions	Deductions	Balance September 30, 2001
Water and sewer revenue bonds				
Series 1989	\$ 5,995,000		\$115,000	\$ 5,880,000
Series 1990	755,000		755,000	-
Series 1991	6,450,398			6,450,398
Series 1996	17,450,000		1,210,000	16,240,000
Series 1998	2,115,000		60,000	2,055,000
Series 1999	14,155,000		155,000	14,000,000
Capital improvement revenue bonds 1998	2,785,000		235,000	2,550,000
Convention center revenue bonds	16,990,000		225,000	16,765,000
	66,695,398		2,755,000	63,940,398
Add accreted interest on capital appreciation bonds	5,649,695	865,056		6,514,751
Less unrecognized loss on refunding	1,303,921		99,519	1,204,402
Less original issue discount	1,353,183		89,945	1,263,238
Total Revenue Bonds	69,687,989	865,056	2,565,536	67,987,509
Obligations under State Revolving Loan	1,644,620		81,044	1,563,576
Obligations under capital lease		240,680	66,139	174,541
Accrued compensated absences	252,556	37,748	20,139	270,165
Total Proprietary Fund Long-Term Obligations	\$ 71,585,165	\$ 1,143,484	\$ 2,732,858	\$ 69,995,791

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS (continued)

- D. The County is obligated under the terms of leases for vehicles, computers, and other equipment. These leases are considered capital leases; therefore the obligations have been recorded in the General Long-Term Obligations Account Group and the assets have been recorded in the General Fixed Assets Account Group. The annual requirements under these capital lease obligations as of September 30, 2001 are as follows:

Year Ending September 30,	
2002	980,723
2003	532,129
2004	<u>213,614</u>
Total minimum lease payments	1,726,466
Less amount representing interest	<u>(89,158)</u>
Present value of net minimum lease payments	<u>\$1,637,308</u>

- E. In prior years, the County defeased certain general obligation and other bonds by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. As of September 30, 2001, \$10,815,000 of bonds outstanding are considered defeased. The amounts in escrow total \$11,007,500 and are sufficient to retire all outstanding bonds and interest. Since these bonds are legally defeased, they are not included in the financial statements.
- F. Special Assessment Debt - The County has debt totaling \$87,000 which is to be repaid through special assessments from benefiting property owners. In the event that the assessments do not cover the repayment, the Board is obligated to repay the debt.
- G. Demand Bonds - The County has no demand bonds.
- H. Conduit Debt Obligations

Component Units - The Industrial Development Authority has from time to time issued Industrial Development Revenue Bonds 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. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS (continued)

Neither the Authority, the County, 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, 2001, there were twenty-two series of Industrial Development Revenue Bonds outstanding. The aggregate principal amount payable at September 30, 2001 for eleven series issued after July 1, 1995 was \$233.2 million, including the following four major issues:

<u>Company and Series</u>	<u>Maturity</u>	<u>Outstanding Principal Amount</u>
Flagler Hospital, Inc. Hospital Revenue Bonds, Series 1996A and 1996B	Serially in varying Amounts to 2026	\$56,000,000
Professional Golf Hall of Fame, Industrial Development Revenue Bonds, Series 1996	Serially in varying Amounts to 2026	26,300,000
Glenmoore at St. Johns Project, Series 1999	Serially in varying Amounts to 2030	75,980,000
Professional Golf Hall of Fame, Industrial Development Authority Refunding Bonds, Series 2002	Serially in varying Amounts to 2023	26,455,000

The aggregate principal amount payable at September 30, 2001, for the eleven series issued prior to July 1, 1995, could not be determined; however, their original issue amounts aggregated \$79.6 million, including the following three major issues:

<u>Company and Series</u>	<u>Maturity</u>	<u>Outstanding Principal Amount</u>
Flagler Hospital Revenue Bonds, Series 1992	Serially in varying Amounts to 2022	\$26,285,000
Vicar's Landing Industrial Development Revenue Bonds, Series 1993A	Serially in varying Amounts to 2012	22,685,000
Vicar's Landing Industrial Development Revenue Bonds, Series 1993B	Serially in varying Amounts to 2030	12,140,000

The Housing Finance Authority has issued Housing Revenue Bonds to private-sector entities for the acquisition and construction of housing developments and Single Family Mortgage Revenue Bonds to provide low-interest mortgages to first-time buyers of single family homes. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

7. LONG-TERM OBLIGATIONS (continued)

the Housing Revenue Bonds, ownership of the multi-family housing developments transfers to the private sector entity served by the bond issuance.

Neither the Housing Finance Authority, the County, 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, 2001, there were nine series of Housing Revenue Bonds outstanding. The aggregate principal amount payable at September 30, 2001, for these series issued after July 1, 1995 was \$149.9 million, including the following two major issues:

<u>Company and Series</u>	<u>Maturity</u>	<u>Outstanding Principal Amount</u>
Housing Finance Authority of Clay County Single Family Mortgage Revenue Bonds, Series 1999	Serially in varying Amounts to 2029	\$75,000,000
Housing Finance Authority of Clay County Single Family Mortgage Revenue Bonds, Series 1999	Serially in varying Amounts to 2030	50,000,000

The aggregate principal amount payable for the four series issued prior to July 1, 1995, could not be determined; however, their original issue amounts aggregated \$45.5 million, including the following three major issues:

<u>Company and Series</u>	<u>Maturity</u>	<u>Outstanding Principal Amount</u>
Barnett-Range Corporation Adjustable Rate Demand Multifamily Housing Revenue Bonds	Serially in varying Amounts to 2006	\$7,250,000
Developers Three, Inc. and R.I. Johnson Construction Project Housing Revenue Bonds, Series A	Serially in varying Amounts to 2004	5,700,000
Housing Finance Authority of Clay County Single Family Mortgage Revenue Bonds, Series 1995	Serially in varying Amounts to 2028	30,300,000

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

8. INTERFUND RECEIVABLES, PAYMENTS AND TRANSFERS

At September 30, 2001, interfund receivables, payments and transfers are as follows:

<u>Fund Type/Fund</u>	<u>Due from</u>	<u>Due to</u>	<u>Operating transfers-in</u>	<u>Operating transfers-out</u>
GENERAL FUND:				
General Fund	\$ 981,000	\$ 108,305	\$ 993,805	\$ 3,360,206
SPECIAL REVENUE FUNDS:				
County Health Department	1,453		4,000	
Building Services	125	1,875	48,300	
Court Facilities	4,960			
Law Enforcement Trust	265	35,943		35,943
State Housing Initiatives Program			6,948	
Mental Health		282,872	376,705	
County Transportation Trust	73,350	6,509	354,890	1,136,740
Additional Court Costs	15,050	117		
Beach			30,486	
Tourist Development Tax	272,477			1,500,000
Communications Surcharge	13,621			
Galimore Center		51,074		
Alcohol and Drug Abuse	518			
Boating Improvement	1,740			
Public Building Impact Fees				575,000
Road Impact Fees	297		498,807	3,405,728
Park Impact Fees				250,000
E911 Communications		363,040		712,529
Fire District	3,669	636		212,112
Vilano Street Lighting	135			
St. Augustine South Street Lighting	315			
Elkton Drainage	93			
Executive Cove Road MSBU				12,030
Thompson Bailey Road MSBU	99			20,352
Treasure Beach MSBU		38,357		
Private Roads MSBU		117,884		22,507
Records Modernization Trust	66			
School Crossing Guards and				
Law Enforcement Education	50,634	1,064		
DEBT SERVICE FUNDS:				
Limited Ad Valorem Tax Refunding Bonds, Series 1994	1,536			
\$10M FLGFC Pooled Commercial Paper Loan Program			248,000	
CAPITAL PROJECTS FUNDS:				
Flagler West Renovation			275,010	
Library Building			872,696	
Palm Valley Bridge			1,800,000	
Davis Park Project			612,000	
Beach Re-nourishment			1,500,000	
Holmes Boulevard			2,243,661	
Northwest Government Center			1,244,555	
ENTERPRISE FUNDS:				
Solid Waste	8,533	10		
Convention Center			66,505	
Amphitheater			100,000	
INTERNAL SERVICE:				
Worker's Compensation Insurance	130,141			33,221
Health Insurance	165,807			
AGENCY FUNDS:				
Board of County Commissioners		59,402		
Clerk of Circuit Court	1,326	164,088		
Tax Collector-Taxes and Tags		496,034		
	<u>\$ 1,727,210</u>	<u>\$ 1,727,210</u>	<u>\$ 11,276,368</u>	<u>\$ 11,276,368</u>

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

9. EMPLOYEE BENEFITS

A. Retirement Plan

Plan Description -St. Johns County participates in the Florida Retirement System (the "FRS"), a cost-sharing multiple-employer public employee retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the State of Florida Department of Management Services, Division of Retirement, Bureau of Research, Education and Policy, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1650 or by calling (850) 488-5540.

Effective July 1, 1998, the Legislature established a Deferred Retirement Option Program ("DROP"). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

Funding Policy - The Board is required to pay all contributions for full-time and part-time employees. Generally, employee participation in FRS is compulsory. The contribution rates are as follows (including a health insurance subsidy of 1.1%, .94 % and .94% for the years ended September 30, 2001, 2000, and 1999, respectively):

	October 1, 1998 Through <u>June 30, 1999</u>	July 1, 1999 Through <u>June 30, 2000</u>	July 1, 2000 Through <u>June 30, 2001</u>	July 1, 2001 Through <u>Sept 30, 2001</u>
Elected County Officials	27.93%	17.99%	16.99%	15.11%
Senior management service	24.04%	12.13%	11.13%	9.28%
Regular employees	16.45%	10.15%	9.15%	7.30%
Special risk administrative support	15.58%	12.47%	11.68%	9.83%
DROP participants	12.50%	12.50%	12.50%	12.67%

The County's contributions to the FRS amounted to approximately \$5,209,374, \$4,908,000 and \$6,049,000 for the years ended September 30, 2001, 2000 and 1999 respectively. The County contributed 100% of the required contributions for each of the years ended September 30, 2001, 2000 and 1999.

B. Other Postemployment Benefits

In 1987, the Florida Legislature established through Section 112.363, Florida Statutes, the Retiree Health Insurance Subsidy ("HIS") to assist retirees of all state-administered retirement systems in paying health insurance costs. For the period from October 1, 2000, through September 30, 2001, eligible retirees and beneficiaries received as much as \$5 per month for each year of creditable service completed at the time of retirement.

ST. JOHNS COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

9. EMPLOYEE BENEFITS (continued)

The payments to individual retirees or beneficiaries at each year-end were at least \$50 but not more than \$150 per month.

To be eligible to receive HIS, a retiree under any state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

HIS is funded by required contributions from FRS' participating employers. The contribution rate is .94% of payroll for all active employees covered by the FRS. This contribution was added to the amount submitted for retirement contributions and was deposited in a separate trust fund from which HIS payments are authorized. If these contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

In addition to the HIS, Chapter 110.123, Florida Statutes, provides that retirees may participate in the State's group health insurance programs. Premiums are paid by the retiree.

C. Deferred Compensation Plan

The County offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. This Plan (refer to Section 112.215, Florida Statutes), available to all regular payroll County employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (notwithstanding the mandates of 26 U.S.C. s. 457 (b) (6)), all of the assets specified in subparagraph 1) held in trust for the exclusive benefit of participants and their beneficiaries as mandated by 26 U.S.C. s. 457 (g) (1).

The County does not contribute to the Plan. Participation under the Plan is solely at the discretion of the employee. The County has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary and prudent investor. During the 1997 fiscal year Chapter 97-8 of the Laws of Florida amended section 112.215, Florida Statutes, by creating the Deferred Compensation Trust Fund, which is an expendable trust fund, in the State Treasury.

ST. JOHNS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

9. EMPLOYEE BENEFITS (continued)

D. Accrued Compensated Absences

County employees are entitled to accrue sick and vacation time in accordance with the employer's personnel regulations or a collective bargaining agreement. Upon termination an employee may be paid for some or all of accrued vacation time. All County employees, except employees of the Tax Collector with ten years credited service can be paid for a portion of accrued sick leave. Accrued compensated absences are based on the following guidelines:

<u>EMPLOYER</u>	<u>VACATION</u>	<u>SICK LEAVE</u>
	<u>ACCRUAL MAXIMUM</u>	<u>ACCRUAL MAXIMUM</u>
Board of County Commissioners	240	1,200
Clerk of the Circuit Court	240	1,200
Property Appraiser	240	1,200
Tax Collector	240	960
Supervisor of Elections	240	1,200
Sheriff	240	unlimited

10. SEGMENT INFORMATION - ENTERPRISE FUNDS

The County maintains five Enterprise Funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended September 30, 2001 is presented below:

	<u>Utilities</u>	<u>Solid Waste</u>	<u>Golf Course</u>	<u>Convention Center</u>	<u>Amphitheater</u>	<u>Total</u>
Operating revenues	\$12,288,317	\$8,268,794	\$1,439,033	\$1,007,187	\$28,354	\$23,031,685
Depreciation	1,519,683	121,302	170,795	220,000	4,779	2,036,559
Operating income (loss)	2,347,309	(838,399)	138,298	762,185	(92,225)	2,317,168
Non-operating grants	187,331	163,545			1,933	352,809
Capital contributions	4,280,461					4,280,461
Net income (loss)	5,711,271	849,941	149,056	(347,974)	25,936	6,338,230
Property, plant and equipment:						
Additions	9,821,095	135,502	1,124,679		134,905	11,216,181
Dispositions	6,871,683	301,123	229,402		10,595	7,412,803
Revenue bonds payable from operating revenue and other sources	49,051,132		2,543,549	16,392,828		67,987,509
Net working capital	18,363,866	8,666,565	(10,624)	651,189	(17,414)	27,653,582
Total assets	91,717,745	17,671,093	7,672,062	13,897,348	143,368	131,101,616
Total fund equity (deficit)	37,981,562	8,218,820	4,704,547	(2,824,932)	125,954	48,205,951

ST. JOHNS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

11. CONTRIBUTED CAPITAL

Changes in contributed capital of the Enterprise Funds are summarized as follows:

Balance, October 1, 2000	\$24,858,073
Depreciation on contributed assets	(463,016)
Balance, September 30, 2001	<u>\$24,395,057</u>

As discussed in Note 2Q, the County adopted GASB Statement No. 33 in 2001. As a result, contributions are recorded as a component of net income in the Enterprise Funds and are no longer additions to contributed capital.

12. RISK MANAGEMENT

A. Public Entity Risk Pool

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County belongs to the Florida Association of Counties Trust (the "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for twenty-seven member counties. The County pays an annual premium to the Trust for its coverage. The premiums are designed to fund the liability risks assumed by the Trust and are based on certain actual exposures of each member. There were no claims paid which exceeded coverage during the last three fiscal years.

B. Self Insurance

St. Johns County provides health, life and accidental death and dismemberment insurance for its employees via a Self Insurance Internal Service Fund to account for and finance its self insured risks of loss. Under this program, the Health Insurance Internal Service Fund provides coverages up to a maximum of \$4,346,600. The Board purchases commercial insurance for claims in excess of coverage provided by the Fund.

Additionally, as of September 30, 2001, the Board's risks of loss related to workers compensation are no longer covered by the Hartford Specialty Company. Effective October 1, 2001, the Board obtained workers compensation coverage with Bituminous Insurance. The Board believes it is more economical to manage its risks internally and set aside assets for claim settlement in the Workers Compensation Internal Service Fund. The Workers Compensation Internal Service Fund services all claims for risk of workers compensation loss to which the Board is exposed under the previous risk pool, and the monthly premiums payable under the current policy.

ST. JOHNS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

12. RISK MANAGEMENT (continued)

All funds and constitutional officers of the County participate in both programs. The cost of providing claims servicing and claims payment is allocated by charging a "premium" to each fund and Officer based on a percentage of each organization's estimated current-year payroll. This charge considers recent trends in actual claims experience of the County as a whole and makes provision for catastrophe losses.

The September 30, 2001 claims liability of \$653,772 and \$636,497 reported in the Health Insurance and Worker's Compensation Funds, respectively, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of loss can be reasonably estimated, including an estimate for liabilities incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The claims liability at fiscal year end is shown at current dollar value.

Changes in the Health Insurance Fund's claims liability amount was as follows:

<u>Fiscal Year</u>	<u>Balance October 1</u>	<u>Current Year Claims/Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance September 30</u>
1999/2000	\$650,782	\$3,201,783	\$3,297,734	\$554,831
2000/2001	\$554,831	\$4,055,239	\$3,956,298	\$653,772

Changes in the Worker's Compensation Fund's claims liability amount was as follows:

<u>Fiscal Year</u>	<u>Balance October 1</u>	<u>Current Year Claims/Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance September 30</u>
1999/2000	\$ 522,444	\$1,318,981	\$ 580,794	\$1,260,631
2000/2001	\$1,260,631	\$1,208,380	\$1,832,514	\$ 636,497

C. Conventionally Insured Claims and Losses

The County retains conventional insurance coverage on all other types of insurable risks. Settled claims resulting from these risks have not exceeded conventional insurance coverage in any of the past three fiscal years.

ST. JOHNS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

13. DEFICIT BALANCE - INDIVIDUAL FUNDS

At September 30, 2001 the following funds had deficit balances in the amounts shown:

SPECIAL REVENUE FUNDS	
Mental Health	\$133,997
Galimore Center	685
Treasure Beach MSBU	38,357
Private Road MSBU	117,884
PROPRIETARY FUNDS	
Convention Center	2,824,932
Workers' Compensation Insurance	260,573
	<u>\$3,376,428</u>

Deficits will be corrected by operating adjustments in fees charged to departments, future expected operating revenues, or operating transfers.

14. OTHER REQUIRED INDIVIDUAL FUND AND COMPLIANCE DISCLOSURES

A. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following funds:

	<u>Excess of Expenditures Over Appropriations</u>
Sheriff	2,698,932
Tax Collector	15,764
Supervisor of Elections	3,432

B. Accrual for Landfill Closure and Post-Closure Costs

State and Federal laws and regulations require the County to place a final cover on its Tillman Ridge Phase II landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8,052,396 reported as landfill closure and post-closure care liability at September 30, 2001, represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of Phase II of the landfill (approximately \$5,689,230) and the remaining liability for the Tillman Ridge Phase I Landfill closure and post-closure care cost (approximately \$2,363,166).

ST. JOHNS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

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

These amounts are estimated based on what it would cost to perform all closure and post-closure care in 2001. The County finished closing Phase II of the landfill during this year. Actual cost may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County has entered into an alternative agreement for disposal of waste. The landfill discontinued accepting waste during 1999 and the County's solid waste is now being transported to an out of county landfill. The County constructed a transfer station at the landfill to meet these obligations.

The County is required by state and federal laws and regulations to provide proof of financial responsibility for closure and post-closure care. The County's method, which is established by State law, relies on various financial tests to provide this proof. The County is in compliance with these requirements at September 30, 2001

C. Reconciliation Between the Actual Column of the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual and the Combined Statement of Revenues, Expenditures and Changes in Fund Balance

The County, as a practice, adopts budgets for all of its governmental funds except for the Records Modernization Trust, Teen Court, School Crossing Guard and Law Enforcement Education, and Forfeited Property. Florida Statutes do not require the adoption of an annual budget for the Records Modernization Trust, Teen Court, School Crossing Guard and Law Enforcement Education, and the Forfeited Property Funds. The differences between revenues, expenditures and fund balances between these budgetary and non-budgetary operating statements are summarized as follows:

ST. JOHNS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Fund Balance</u>
Special Revenue Funds:				
Actual amounts reported per combined budgetary operating statement	\$41,573,595	\$30,538,920	(6,562,895)	\$27,771,445
Non-budgeted Funds:				
Records Modernization Trust				
Charges for services	145,288			
General Government		194,985		
Fund Balance				225,579
Teen Court				
Charges for Services	77,356			
General Government		42,349		
Fund Balance				98,900
School Crossing Guard and Law Enforcement Education				
Intergovernmental	369,043			
Public Safety		304,108		
Fund Balance				244,968
Forfeited Property				
Intergovernmental and Investment Income	64,619			
Public Safety		64,619		
Fund Balance				
Actual Amount Reported Combined GAAP Operating Statements	<u>\$42,229,901</u>	<u>\$31,144,981</u>	<u>(6,562,895)</u>	<u>\$28,340,892</u>

ST. JOHNS COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

15. COMMITMENTS AND CONTINGENCIES

A. Commitments

At September 30, 2001 the County had outstanding commitments relating to construction contracts of approximately \$61,000,000.

The Sheriff and Tax Collector are leasing various pieces of equipment under operating leases. During the fiscal year ended September 30, 2001 the lease payments on all operating leases amounted to \$241,000 and \$2,938 respectively.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2001:

Year Ending September 30	
2002	\$101,837
2003	6,602
2004	<u>1,752</u>
Total minimum payments required	<u>\$110,191</u>

B. Contingencies

Pending Litigation

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of County management, based on the advice of legal counsel, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the County.

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ADDITIONAL INFORMATION

ST. JOHNS COUNTY, FLORIDA
 COMBINING BALANCE SHEET-
 BOARD AND OFFICER GENERAL FUNDS
 September 30, 2001

	Board of County Commissioners Sub-fund	Clerk of Circuit Court Sub-fund	Sheriff Sub-fund
ASSETS			
Equity in pooled cash and cash equivalents	\$ 6,285,290	\$ 337,646	\$ 1,352,610
Investments	5,349,163		
Accounts receivable	446,102		
Interest receivable	170,303		
Due from individuals		5,402	
Due from agency funds			
Due from other funds	468,520		
Due from constitutional officers	2,661,766		
Due from Board of County Commissioners		61,295	494,144
Net due from other funds	3,130,286	61,295	494,144
Due from other governments	1,373,420	7,865	289,951
Other assets	452,359		
TOTAL ASSETS	\$ 17,206,923	\$ 412,208	\$ 2,136,705
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 2,785,194	\$ 129,142	\$ 1,161,659
Customer deposits	90,669		
Due to individuals		325	18,521
Due to constitutional officers	175,379		
Due to Board of County Commissioners		282,741	773,095
Net due to other funds	175,379	282,741	773,095
Due to other governments	298,557		40,950
Deferred revenue			142,480
Other liabilities	635		
TOTAL LIABILITIES	3,350,434	412,208	2,136,705
FUND EQUITY:			
Fund balances:			
Unreserved-undesignated	13,856,489		
TOTAL FUND EQUITY	13,856,489	-	-
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,206,923	\$ 412,208	\$ 2,136,705

<u>Tax Collector Sub-fund</u>	<u>Property Appraiser Sub-fund</u>	<u>Supervisor of Elections Sub-fund</u>	<u>Subtotals</u>	<u>Eliminations and Consolidations</u>	<u>Total</u>
\$ 1,613,010	\$ 196,639		\$ 9,785,195		\$ 9,785,195
4,463			5,349,163		5,349,163
			450,565		450,565
			170,303		170,303
			5,402		5,402
96,974			96,974		96,974
			468,520		468,520
			2,661,766	\$ (2,661,766)	-
17,161		\$ 18,285	590,885	(175,379)	415,506
<u>114,135</u>	<u>-</u>	<u>18,285</u>	<u>3,818,145</u>	<u>(2,837,145)</u>	<u>981,000</u>
			1,671,236		1,671,236
			<u>452,359</u>		<u>452,359</u>
<u>\$ 1,731,608</u>	<u>\$ 196,639</u>	<u>\$ 18,285</u>	<u>\$ 21,702,368</u>	<u>\$ (2,837,145)</u>	<u>\$ 18,865,223</u>
\$ 6,269	\$ 64,450	\$ 18,285	\$ 4,164,999		\$ 4,164,999
			90,669		90,669
			18,846		18,846
			175,379	\$ (175,379)	-
<u>1,590,648</u>	<u>123,587</u>		<u>2,770,071</u>	<u>(2,661,766)</u>	<u>108,305</u>
<u>1,590,648</u>	<u>123,587</u>	<u>-</u>	<u>2,945,450</u>	<u>(2,837,145)</u>	<u>108,305</u>
134,691	8,602		482,800		482,800
			142,480		142,480
			<u>635</u>		<u>635</u>
<u>1,731,608</u>	<u>196,639</u>	<u>18,285</u>	<u>7,845,879</u>	<u>(2,837,145)</u>	<u>5,008,734</u>
			<u>13,856,489</u>		<u>13,856,489</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,856,489</u>	<u>-</u>	<u>13,856,489</u>
<u>\$ 1,731,608</u>	<u>\$ 196,639</u>	<u>\$ 18,285</u>	<u>\$ 21,702,368</u>	<u>\$ (2,837,145)</u>	<u>\$ 18,865,223</u>
(concluded)					

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 BOARD AND OFFICER GENERAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Board of County Commissioners Sub-fund		Clerk of the Circuit Court Sub-fund		Sheriff Sub-fund	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:						
Taxes	\$ 41,297,976	\$ 40,218,430				
Licenses and permits	190,000	342,265				
Intergovernmental	12,414,508	12,638,831	\$ 54,000	\$ 71,119		\$ 956,530
Charges for services	2,842,000	3,101,199	2,260,335	2,326,520		590,050
Fines and forfeitures	1,090,450	1,395,037				
Contributions	118,334	166,225				
Investment income	625,100	1,272,204	206,900	206,964		
Miscellaneous revenue	482,908	809,565	222,600	222,794		
TOTAL REVENUES	59,061,276	59,943,756	2,743,835	2,827,397	-	1,546,580
EXPENDITURES:						
Current:						
General government	14,984,661	13,191,690	4,729,746	4,531,970	\$ 423,500	406,057
Public safety	6,426,930	5,959,498			23,667,618	26,363,384
Physical environment	1,087,079	417,110				
Transportation	1,303,880	1,164,820				
Economic environment	703,642	674,517				
Human services	3,663,739	3,146,619				
Culture and recreation	7,743,671	7,208,432				
Debt service:						
Principal retirement					893,609	914,418
Interest and fiscal charges					79,796	79,796
TOTAL EXPENDITURES	35,913,602	31,762,686	4,729,746	4,531,970	25,064,723	27,763,655
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,147,674	28,181,070	(1,985,861)	(1,704,573)	(25,064,723)	(26,217,075)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	245,333	245,333				
Transfers in- from Officers	1,150,000	2,137,790				
Transfers in- from Board			1,985,861	1,985,861	25,064,723	25,230,890
Net operating transfers in	1,395,333	2,383,123	1,985,861	1,985,861	25,064,723	25,230,890
Operating transfers out	(3,460,765)	(3,360,206)				
Transfers out- to Officers	(29,235,540)	(29,109,925)				
Transfers out- to Board				(281,288)		(130,020)
Net operating transfers out	(32,696,305)	(32,470,131)	-	(281,288)	-	(130,020)
Transfers out- to other local governments						
Line-of-credit and capital lease proceeds	2,390,000	2,390,000				1,116,205
TOTAL OTHER FINANCING SOURCES (USES)	(28,910,972)	(27,697,008)	1,985,861	1,704,573	25,064,723	26,217,075
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(5,763,298)	484,062	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	13,550,323	13,550,323	-	-	-	-
RESIDUAL EQUITY TRANSFER	(177,896)	(177,896)				
FUND BALANCES, END OF YEAR	\$ 7,609,129	\$ 13,856,489	\$ -	\$ -	\$ -	\$ -

Tax Collector Sub-fund		Property Appraiser Sub-fund		Supervisor of Elections Sub-fund	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 3,580,988	\$ 4,082,359	\$ 219,306	\$ 228,277	\$ 1,000	\$ 15,453
98,000	132,586		16,329		
<u>3,678,988</u>	<u>4,214,945</u>	<u>219,306</u>	<u>244,606</u>	<u>1,000</u>	<u>15,453</u>
2,473,843	2,489,607	2,068,364	1,961,284	792,587	796,019
<u>2,473,843</u>	<u>2,489,607</u>	<u>2,068,364</u>	<u>1,961,284</u>	<u>792,587</u>	<u>796,019</u>
1,205,145	1,725,338	(1,849,058)	(1,716,678)	(791,587)	(780,566)
-	-	<u>1,849,058</u>	<u>1,849,058</u>	<u>792,587</u>	<u>792,587</u>
<u>(1,139,043)</u>	<u>(1,590,683)</u>	-	<u>(123,778)</u>	-	<u>(12,021)</u>
(1,139,043)	(1,590,683)		(123,778)		(12,021)
	(134,655)		(8,602)		
<u>(1,139,043)</u>	<u>(1,725,338)</u>	<u>1,849,058</u>	<u>1,716,678</u>	<u>792,587</u>	<u>780,566</u>
66,102	-	-	-	1,000	-
<u>\$ 66,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>

(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 BOARD AND OFFICER GENERAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Subtotals		Eliminations and		Totals	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES:						
Taxes	\$ 41,297,976	\$ 40,218,430			41,297,976	40,218,430
Licenses and permits	190,000	342,265			190,000	342,265
Intergovernmental	12,468,508	13,666,480			12,468,508	13,666,480
Charges for services	8,903,679	10,343,858		(143,257)	8,903,679	10,200,601
Fines and forfeitures	1,090,450	1,395,037			1,090,450	1,395,037
Contributions	118,334	166,225			118,334	166,225
Investment income	930,000	1,628,083			930,000	1,628,083
Miscellaneous revenue	705,508	1,032,359			705,508	1,032,359
TOTAL REVENUES	65,704,455	68,792,737	-	(143,257)	65,704,455	68,649,480
EXPENDITURES:						
Current:						
General government	25,472,701	23,376,627			25,472,701	23,376,627
Public safety	30,094,548	32,322,882			30,094,548	32,322,882
Physical environment	1,087,079	417,110			1,087,079	417,110
Transportation	1,303,880	1,164,820			1,303,880	1,164,820
Economic environment	703,642	674,517			703,642	674,517
Human services	3,663,739	3,146,619			3,663,739	3,146,619
Culture and recreation	7,743,671	7,208,432			7,743,671	7,208,432
Debt service:						
Principal retirement	893,809	914,418			893,809	914,418
Interest and fiscal charges	79,796	79,796			79,796	79,796
TOTAL EXPENDITURES	71,042,865	69,305,221	-	-	71,042,865	69,305,221
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,338,410)	(512,484)	-	(143,257)	(5,338,410)	(655,741)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	245,333	245,333			245,333	245,333
Transfers in- from Officers	1,150,000	2,137,790	(1,150,000)	(2,137,790)	-	-
Transfers in- from Board	29,692,229	29,858,396	(29,235,540)	(29,109,925)	456,689	748,471
Net operating transfers in	31,087,562	32,241,519	(30,385,540)	(31,247,715)	702,022	993,804
Operating transfers out	(3,460,765)	(3,360,206)			(3,460,765)	(3,360,206)
Transfers out- to Officers	(29,235,540)	(29,109,925)	29,235,540	29,109,925	-	-
Transfers out- to Board	(1,139,043)	(2,137,790)	1,150,000	2,137,790	10,957	-
Net operating transfers out	(33,835,348)	(34,607,921)	30,385,540	31,247,715	(3,449,808)	(3,360,206)
Transfers out- to other local governments	-	(143,257)		143,257	-	-
Line-of-credit and capital lease proceeds	2,390,000	3,506,205			2,390,000	3,506,205
TOTAL OTHER FINANCING SOURCES (USES)	(357,786)	998,546	-	143,257	(357,786)	1,139,803
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(5,696,196)	484,062	-	-	(5,696,196)	484,062
FUND BALANCES, BEGINNING OF YEAR	13,550,323	13,550,323			13,550,323	13,550,323
RESIDUAL EQUITY TRANSFER	(177,896)	(177,896)			(177,896)	(177,896)
FUND BALANCES, END OF YEAR	\$ 7,676,231	\$ 13,856,489	\$ -	\$ -	\$ 7,676,231	\$ 13,856,489

(concluded)

SPECIAL REVENUE FUNDS DESCRIPTIONS

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

County Health Department - To account for revenues and expenditures of the County Health Department.

Building Services - To account for revenues and expenditures of the Building Services Department.

Court Facilities - To account for the additional applicable civil and probate surcharges levied by the Circuit and County Court for the purpose of providing capital improvements for the Court system.

Law Enforcement Trust - To account for revenues received from the sale of confiscated property and law enforcement expenditures.

State Housing Initiatives Program - To account for funding of the Local Housing Assistance Program whose purpose is to increase the availability of affordable housing units in St. Johns County.

Mental Health - To account for revenues received and expenses incurred in providing outpatient services for both children and adult case management, crisis therapy, and substance abuse treatment.

Utility Regulation - To account for regulatory and franchise fees collected, and expenses incurred in the regulation of private water and sewer utilities in the unincorporated areas within St. Johns County.

County Transportation Trust - To account for all revenues, operating expenditures and capital improvements for the County's transportation system.

Additional Court Costs - To account for revenues from fines imposed in certain criminal cases to fund a portion of the operating expenses of the offices of the State Attorney and Public Defender.

Beach - To account for beach access fees collected and disbursed for law enforcement, lifesaving, ramp and general maintenance of the County's beaches.

Pier - To account for all revenues and expenditures for the County fishing pier at St. Augustine Beach.

Tourist Development Tax - To account for collection and disbursement of the local option three cent bed tax.

Tree Bank - to account for revenues and expenditures related to replacement and mitigation efforts required by County Ordinance.

Communications Surcharge - To account for a surcharge collected on traffic fines to be used for improving the Sheriff's communications equipment.

Galimore Center - To account for County operation of a recreation center owned by the City of St. Augustine. The City reimburses the County for expenditures in excess of fees collected.

SPECIAL REVENUE FUNDS DESCRIPTIONS (continued)

Alcohol and Drug Abuse - To account for County funds, authorized by F.S. 893,165, for use in local substance abuse programs.

Boating Improvement - To account for revenues received from motorboat registration fees to be used for recreational channel marking, public launching facilities and other boating related activities.

Public Building Impact Fees - To account for revenues and expenditures from impact fees for capital improvements relating to public buildings, improvements and equipment directly attributed to growth. These fees are collected countywide.

Police Impact Fees - To account for revenues and expenditures from impact fees for capital public safety improvements and equipment directly attributed to growth. These fees are collected countywide.

Fire Impact Fees - To account for revenues and expenditures from impact fees for fire service public safety capital improvements and equipment directly attributed to growth. These fees are collected countywide.

EMS Impact Fees - To account for revenues and expenditures from impact fees for ambulance capital improvements and equipment directly attributed to growth. These fees are collected countywide.

Road Impact Fees - To account for revenues and expenditures from impact fees for transportation infrastructure improvements and equipment directly attributed to growth. These fees are collected and expended within four delineated zones within the county. The combining statements are provided.

Park Impact Fees - To account for revenues and expenditures from impact fees for park land acquisition improvements and equipment directly attributed to growth. These fees are collected and expended within four delineated zones within the county. The combining statements are provided.

Art Specialty Licenses - To account for revenues from arts license plates to be used for culture and recreation activities.

Choose Life Specialty Licenses - To account for revenues from choose life license plates to be used for human services relating to counseling and meeting the physical needs of pregnant women who are committed to placing their children for adoption.

E911 Communications - To account for revenues and expenditures related to the Emergency Response System.

Fire District - To account for revenues and expenditures for the operation of the County's sixteen volunteer fire stations.

Vilano Street Lighting - To account for revenues to provide street lighting to certain unincorporated areas.

SPECIAL REVENUE FUNDS DESCRIPTIONS (continued)

St. Augustine South Street Lighting - To account for revenues to provide street lighting to certain unincorporated areas.

Elkton Drainage - To account for tax revenues to maintain the Parker Canal drainage ditch system in Elkton.

Julington M.S.D. - To account for tax revenues to provide street lighting, right of way maintenance, mosquito control and other services to the Julington Creek area.

Executive Cove Road M.S.B.U. - To account for non-ad valorem revenues to provide private road and drainage improvements to the assessed areas.

Thompson Bailey Road M.S.B.U. - To account for non-ad valorem revenues to provide private road and drainage improvements to the assessed areas.

Treasure Beach M.S.B.U. -To account for special assessments to provide for the acquisition and refurbishment of boating canals within the Treasure Beach subdivision.

Private Roads M.S.B.U. -To account for non-ad valorem revenues to provide private road paving and drainage improvements to assessed areas.

Northwest Recreation - To account for revenues that are to be expended for recreation in the Northwest quadrant of the County.

Records Modernization Trust- To account for revenues and expenditures for equipment upgrades and modernization of the maintenance of all official records of the County.

Teen Court- To account for revenues and expenditures of the operation of Teen Court.

School Crossing Guards and Law Enforcement Education - To account for revenues from local assessment on all non criminal traffic violations and related expenditures for school crossing guards pursuant to Chapter 318.18 Florida Statutes and Resolution 85-184 and to account for revenues from "second dollar" assessment on fines and related expenditures for law enforcement education pursuant to Chapter 943.25(5) Florida Statutes.

Forfeited Property- To account for revenues received from the sale of forfeited property.

ST. JOHNS COUNTY, FLORIDA
 COMBINING BALANCE SHEET -
 ALL SPECIAL REVENUE FUNDS
 September 30, 2001

	County Health Department	Building Services	Court Facilities	Law Enforcement Trust
ASSETS				
Equity in pooled cash and cash equivalents	\$ 1,129,321	\$ 1,718,230	\$ 185,025	\$ 62,957
Investments				
Accounts receivable		377		
Interest receivable				
Due from individuals				
Due from other funds	1,453	125	4,960	265
Due from other governments				
Inventory				
TOTAL ASSETS	<u>\$ 1,130,774</u>	<u>\$ 1,718,732</u>	<u>\$ 189,985</u>	<u>\$ 63,222</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 1,096,953	\$ 81,717	\$ 63,570	
Due to other funds		1,875		\$ 35,943
Deferred revenue				
TOTAL LIABILITIES	<u>1,096,953</u>	<u>83,592</u>	<u>63,570</u>	<u>35,943</u>
FUND EQUITY (DEFICIT):				
Fund balances (deficit):				
Reserved for records modernization				
Reserved for teen court				
Reserved for school crossing guard and law enforcement education				
Unreserved-undesignated	<u>33,821</u>	<u>1,635,140</u>	<u>126,415</u>	<u>27,279</u>
TOTAL FUND EQUITY (DEFICIT)	<u>33,821</u>	<u>1,635,140</u>	<u>126,415</u>	<u>27,279</u>
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	<u>\$ 1,130,774</u>	<u>\$ 1,718,732</u>	<u>\$ 189,985</u>	<u>\$ 63,222</u>

<u>State Housing Initiatives Program</u>	<u>Mental Health</u>	<u>Utility Regulation</u>	<u>County Transportation Trust</u>	<u>Additional Court Costs</u>	<u>Beach</u>
\$ 1,461,025	\$ 700	\$ 31,822	\$ 4,609,198	\$ 223,615	\$ 602,398
277,981			5,130,772		
6,762	41,429	51,094	26,965		
			69,233		
			73,350	15,050	
70,834	260,653		283,844		
			116,013		
<u>\$ 1,816,602</u>	<u>\$ 302,782</u>	<u>\$ 82,916</u>	<u>\$ 10,309,375</u>	<u>\$ 238,665</u>	<u>\$ 602,398</u>
\$ 45,942	\$ 153,907	\$ 47,610	\$ 1,934,153	\$ 7,050	\$ 18,310
	282,872		6,509	117	
45,942	436,779	47,610	1,940,662	7,167	18,310
<u>1,770,660</u>	<u>(133,997)</u>	<u>35,306</u>	<u>8,368,713</u>	<u>231,498</u>	<u>584,088</u>
<u>1,770,660</u>	<u>(133,997)</u>	<u>35,306</u>	<u>8,368,713</u>	<u>231,498</u>	<u>584,088</u>
<u>\$ 1,816,602</u>	<u>\$ 302,782</u>	<u>\$ 82,916</u>	<u>\$ 10,309,375</u>	<u>\$ 238,665</u>	<u>\$ 602,398</u>

(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING BALANCE SHEET-
 ALL SPECIAL REVENUE FUNDS
 September 30, 2001

	<u>Pier</u>	<u>Tourist Development Tax</u>	<u>Tree Bank</u>	<u>Communications Surcharge</u>
ASSETS				
Equity in pooled cash and cash equivalents	\$ 104,383	\$ 920,569	\$ 32,866	\$ 460,038
Investments		1,249,771		
Accounts receivable		18,000		
Interest receivable		16,834		
Due from individuals				
Due from other funds		272,477		13,621
Due from other governments	6,490			
Inventory				
TOTAL ASSETS	<u>\$ 110,873</u>	<u>\$ 2,477,651</u>	<u>\$ 32,866</u>	<u>\$ 473,659</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 7,883	\$ 116,229		
Due to other funds				
Deferred revenue				
TOTAL LIABILITIES	<u>7,883</u>	<u>116,229</u>	<u>-</u>	<u>-</u>
FUND EQUITY (DEFICIT):				
Fund balances (deficit):				
Reserved for records modernization				
Reserved for teen court				
Reserved for school crossing guard and law enforcement education				
Unreserved-undesignated	102,990	2,361,422	32,866	473,659
TOTAL FUND EQUITY (DEFICIT)	<u>102,990</u>	<u>2,361,422</u>	<u>32,866</u>	<u>473,659</u>
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	<u>\$ 110,873</u>	<u>\$ 2,477,651</u>	<u>\$ 32,866</u>	<u>\$ 473,659</u>

<u>Galimore Center</u>	<u>Alcohol and Drug Abuse</u>	<u>Boating Improvement</u>	<u>Public Building Impact Fees</u>	<u>Police Impact Fees</u>	<u>Fire Impact Fees</u>
\$ 1,090	\$ 12,366	\$ 357,161	\$ 5,322	\$ 519,794	\$ 514,526
167					
52,691	518	1,740	1,264	285	504
<u>\$ 53,948</u>	<u>\$ 12,884</u>	<u>\$ 358,901</u>	<u>\$ 6,586</u>	<u>\$ 520,079</u>	<u>\$ 515,030</u>
\$ 3,559		\$ 33,294			
51,074					
54,633	-	33,294	-	-	-
<u>(685)</u>	<u>12,884</u>	<u>325,607</u>	<u>6,586</u>	<u>520,079</u>	<u>515,030</u>
<u>(685)</u>	<u>12,884</u>	<u>325,607</u>	<u>6,586</u>	<u>520,079</u>	<u>515,030</u>
<u>\$ 53,948</u>	<u>\$ 12,884</u>	<u>\$ 358,901</u>	<u>\$ 6,586</u>	<u>\$ 520,079</u>	<u>\$ 515,030</u>
					(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING BALANCE SHEET -
 ALL SPECIAL REVENUE FUNDS
 September 30, 2001

	<u>EMS Impact Fees</u>	<u>Road Impact Fees</u>	<u>Park Impact Fees</u>	<u>Art Specialty Licenses</u>
ASSETS				
Equity in pooled cash and cash equivalents	\$ 621,347	\$ 3,693,019	\$ 1,819,207	\$ 9,507
Investments		968,760		
Accounts receivable				
Interest receivable		13,393		
Due from individuals				
Due from other funds		297		
Due from other governments	118	7,587	3,174	
Inventory				
TOTAL ASSETS	<u>\$ 621,465</u>	<u>\$ 4,683,056</u>	<u>\$ 1,822,381</u>	<u>\$ 9,507</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts payable and accrued liabilities		\$ 2,435	\$ 22,424	
Due to other funds				
Deferred revenue				
TOTAL LIABILITIES	-	2,435	22,424	-
FUND EQUITY (DEFICIT):				
Fund balances (deficit):				
Reserved for records modernization				
Reserved for teen court				
Reserved for school crossing guard and law enforcement education				
Unreserved-undesignated	621,465	4,680,621	1,799,957	9,507
TOTAL FUND EQUITY (DEFICIT)	<u>621,465</u>	<u>4,680,621</u>	<u>1,799,957</u>	<u>9,507</u>
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	<u>\$ 621,465</u>	<u>\$ 4,683,056</u>	<u>\$ 1,822,381</u>	<u>\$ 9,507</u>

<u>Choose Life Specialty Licenses</u>	<u>E-911 Communications</u>	<u>Fire District</u>	<u>Vilano Street Lighting</u>	<u>St. Augustine South Street Lighting</u>	<u>Elkton Drainage</u>
\$ 6,419	\$ 907,723	\$ 1,414,599	\$ 4,022	\$ 8,506	\$ 4,549
	75,480	1,942,537			
		12,935			
		25,145			
		3,669	135	315	93
		13,064			
<u>\$ 6,419</u>	<u>\$ 983,203</u>	<u>\$ 3,411,949</u>	<u>\$ 4,157</u>	<u>\$ 8,821</u>	<u>\$ 4,642</u>
	\$ 363,040	\$ 319,776	\$ 915	\$ 2,624	\$ 1,000
		636			
-	363,040	320,412	915	2,624	1,000
<u>6,419</u>	<u>620,163</u>	<u>3,091,537</u>	<u>3,242</u>	<u>6,197</u>	<u>3,642</u>
<u>6,419</u>	<u>620,163</u>	<u>3,091,537</u>	<u>3,242</u>	<u>6,197</u>	<u>3,642</u>
<u>\$ 6,419</u>	<u>\$ 983,203</u>	<u>\$ 3,411,949</u>	<u>\$ 4,157</u>	<u>\$ 8,821</u>	<u>\$ 4,642</u>

(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING BALANCE SHEET -
 ALL SPECIAL REVENUE FUNDS
 September 30, 2001

	Julington M.S.D.	Thompson Bailey Road M.S.B.U.	Treasure Beach M.S.B.U.	Private Roads M.S.B.U.
ASSETS				
Equity in pooled cash and cash equivalents	\$ 1,514			
Investments				
Accounts receivable				
Interest receivable				
Due from individuals				
Due from other funds		\$ 99		
Due from other governments				
Inventory				
TOTAL ASSETS	<u>\$ 1,514</u>	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts payable and accrued liabilities				
Due to other funds			\$ 38,357	\$ 117,884
Deferred revenue				
TOTAL LIABILITIES	-	-	38,357	117,884
FUND EQUITY (DEFICIT):				
Fund balances (deficit):				
Reserved for records modernization				
Reserved for teen court				
Reserved for school crossing guard and law enforcement education				
Unreserved-undesignated	1,514	99	(38,357)	(117,884)
TOTAL FUND EQUITY (DEFICIT)	<u>1,514</u>	<u>99</u>	<u>(38,357)</u>	<u>(117,884)</u>
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	<u>\$ 1,514</u>	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Northwest Recreation</u>	<u>Record Modernization</u>	<u>Teen Court</u>	<u>School Crossing Guard and Law Enforcement Education</u>	<u>Forfeited Property</u>	<u>Total</u>
\$ 53,962	\$ 225,338	\$ 99,676	\$ 227,135	\$ 40,959	\$ 22,089,888
					9,569,821
					226,447
					131,367
	175				175
	66		50,634		438,867
					700,508
					116,013
<u>\$ 53,962</u>	<u>\$ 225,579</u>	<u>\$ 99,676</u>	<u>\$ 277,769</u>	<u>\$ 40,959</u>	<u>\$ 33,273,086</u>
		\$ 776	\$ 31,737	\$ 3,039	\$ 3,994,903
			1,064		899,371
				37,920	37,920
-	-	776	32,801	40,959	4,932,194
	225,579				225,579
		98,900			98,900
53,962			244,968		244,968
					27,771,445
<u>53,962</u>	<u>225,579</u>	<u>98,900</u>	<u>244,968</u>	<u>-</u>	<u>28,340,892</u>
<u>\$ 53,962</u>	<u>\$ 225,579</u>	<u>\$ 99,676</u>	<u>\$ 277,769</u>	<u>\$ 40,959</u>	<u>\$ 33,273,086</u>
					(concluded)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	County Health Department	Building Services	Court Facilities	Law Enforcement Trust	State Housing Initiatives Program
REVENUES:					
Taxes	\$ 1,501,045				
Special assessments					
Licenses and permits		\$ 2,954,221	\$ 68,236		
Intergovernmental					\$ 1,036,113
Charges for services					
Fines and forfeitures					
Contributions					
Investment income	53,654	71,492	2,470	\$ 2,513	102,421
Miscellaneous revenue		564		14,758	49,523
TOTAL REVENUES	1,554,699	3,026,277	70,706	17,271	1,188,057
EXPENDITURES:					
Current:					
General government		2,547,595	116,957		
Public safety					
Transportation					
Economic environment					1,405,751
Human services	1,654,535				
Culture and recreation					
Debt service:					
Principal retirement					
Interest and fiscal charges					
TOTAL EXPENDITURES	1,654,535	2,547,595	116,957	-	1,405,751
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(99,836)	478,682	(46,251)	17,271	(217,694)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	4,000	48,300			6,948
Operating transfers out				(35,943)	
TOTAL OTHER FINANCING SOURCES (USES)	4,000	48,300	-	(35,943)	6,948
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(95,836)	526,982	(46,251)	(18,672)	(210,746)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	129,657	1,108,158		45,951	1,981,406
RESIDUAL EQUITY TRANSFER			172,666		
FUND BALANCES (DEFICITS), END OF YEAR	\$ 33,821	\$ 1,635,140	\$ 126,415	\$ 27,279	\$ 1,770,660

<u>Mental Health</u>	<u>Utility Regulation</u>	<u>County Transportation Trust</u>	<u>Additional Court Costs</u>	<u>Beach</u>	<u>Pier</u>	<u>Tourist Development Tax</u>	<u>Tree Bank</u>
	\$ 203,571	\$ 7,107,322				\$ 3,874,931	
\$ 2,024,437		6,181,970		\$ 30,276	\$ 6,490	10,000	
427,438	17,500	1,575,690		934,253	165,640		\$ 12,950
	15,000		\$ 203,357				
	4,954	248,164				188,182	1,363
15,560		638,577					
		43,975					
<u>2,467,435</u>	<u>241,025</u>	<u>15,795,698</u>	<u>203,357</u>	<u>964,529</u>	<u>172,130</u>	<u>4,073,113</u>	<u>14,313</u>
	351,374		93,759			2,235,013	
		12,385,521		419,538			
2,825,990				249,974	155,317	838,284	
<u>2,825,990</u>	<u>351,374</u>	<u>12,385,521</u>	<u>93,759</u>	<u>669,512</u>	<u>155,317</u>	<u>3,073,297</u>	<u>-</u>
(358,555)	(110,349)	3,410,177	109,598	295,017	16,813	999,816	14,313
376,705		354,890		30,486		(1,500,000)	
		(1,136,740)					
376,705	-	(781,850)	-	30,486	-	(1,500,000)	-
18,150	(110,349)	2,628,327	109,598	325,503	16,813	(500,184)	14,313
(152,147)	145,655	5,735,156	121,900	258,585	86,177	2,861,606	18,553
		5,230					
<u>\$ (133,997)</u>	<u>\$ 35,306</u>	<u>\$ 8,368,713</u>	<u>\$ 231,498</u>	<u>\$ 584,088</u>	<u>\$ 102,990</u>	<u>\$ 2,361,422</u>	<u>\$ 32,866</u>

(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Communications Surcharge	Galimore Center	Alcohol & Drug Abuse TF	Boating Improvement	Public Building Impact Fees
REVENUES:					
Taxes					
Special assessments					\$ 532,043
Licenses and permits					
Intergovernmental		\$ 41,130		\$ 95,188	
Charges for services		20,386			
Fines and forfeitures	\$ 221,791		\$ 6,328		
Contributions					
Investment income	15,794		417	15,084	3,265
Miscellaneous revenue		17			
TOTAL REVENUES	237,585	61,533	6,745	110,272	535,308
EXPENDITURES:					
Current:					
General government					
Public safety					
Transportation					
Economic environment					
Human services					
Culture and recreation		61,533		62,609	
Debt service:					
Principal retirement					
Interest and fiscal charges					
TOTAL EXPENDITURES	-	61,533	-	62,609	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	237,585	-	6,745	47,663	535,308
OTHER FINANCING SOURCES (USES):					
Operating transfers in					
Operating transfers out					(575,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(575,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	237,585	-	6,745	47,663	(39,692)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	236,074	(685)	6,139	277,944	46,278
RESIDUAL EQUITY TRANSFER					
FUND BALANCES (DEFICITS), END OF YEAR	\$ 473,659	\$ (685)	\$ 12,884	\$ 325,607	\$ 6,586

<u>Police Impact Fees</u>	<u>Fire Impact Fees</u>	<u>EMS Impact Fees</u>	<u>Road Impact Fees</u>	<u>Park Impact Fees</u>	<u>Art Specialty Licenses</u>	<u>Choose LifeSpecialty Licenses</u>	<u>E-911 Communications</u>
\$ 142,419	\$ 202,966	\$ 51,991	\$ 2,721,297	\$ 1,027,187			
					\$ 8,329	\$ 6,419	\$ 708,537
23,829	20,135	33,739	315,916	82,481	468		37,075
<u>166,248</u>	<u>223,101</u>	<u>85,730</u>	<u>3,037,213</u>	<u>1,109,668</u>	<u>8,797</u>	<u>6,419</u>	<u>745,612</u>
83,404	3,700	114,473	21,681				
				450,646	6,892		
<u>83,404</u>	<u>3,700</u>	<u>114,473</u>	<u>21,681</u>	<u>450,646</u>	<u>6,892</u>	<u>-</u>	<u>-</u>
82,844	219,401	(28,743)	3,015,532	659,022	1,905	6,419	745,612
			498,807 (3,405,728)	(250,000)			(712,529)
-	-	-	(2,906,921)	(250,000)	-	-	(712,529)
82,844	219,401	(28,743)	108,611	409,022	1,905	6,419	33,083
437,235	295,629	650,208	4,572,010	1,390,935	7,602		587,080
<u>\$ 520,079</u>	<u>\$ 515,030</u>	<u>\$ 621,465</u>	<u>\$ 4,680,621</u>	<u>\$ 1,799,957</u>	<u>\$ 9,507</u>	<u>\$ 6,419</u>	<u>\$ 620,163</u> (continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Fire District	Vilano Street Lighting	St. Augustine South Street Lighting	Elkton Drainage	Julington M.S.D.
REVENUES:					
Taxes	\$ 4,704,915	\$ 12,060	\$ 32,935	\$ 22,629	
Special assessments					
Licenses and permits	83,598				
Intergovernmental	125,827				
Charges for services	9				
Fines and forfeitures					
Contributions					
Investment income	264,306	38	103		
Miscellaneous revenue	24,021				
TOTAL REVENUES	<u>5,203,676</u>	<u>12,098</u>	<u>33,038</u>	<u>22,629</u>	<u>-</u>
EXPENDITURES:					
Current:					
General government					
Public safety	4,275,629				
Transportation		12,278	31,677	24,927	
Economic environment					
Human services					
Culture and recreation					
Debt service:					
Principal retirement					
Interest and fiscal charges					
TOTAL EXPENDITURES	<u>4,275,629</u>	<u>12,278</u>	<u>31,677</u>	<u>24,927</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	927,047	(180)	1,361	(2,298)	-
OTHER FINANCING SOURCES (USES):					
Operating transfers in					
Operating transfers out	(212,112)				
TOTAL OTHER FINANCING SOURCES (USES)	(212,112)	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	714,935	(180)	1,361	(2,298)	-
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	2,376,602	3,422	4,836	5,940	1,514
RESIDUAL EQUITY TRANSFER					
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 3,091,537</u>	<u>\$ 3,242</u>	<u>\$ 6,197</u>	<u>\$ 3,642</u>	<u>\$ 1,514</u>

Executive Cove Road M.S.B.U.	Thompson Bailey Road M.S.B.U.	Treasure Beach M.S.B.U.	Private Roads M.S.B.U.	Northwest Recreation	Record Modernization	Teen Court	School Crossing Guard and Law Enforcement Education	Forfeited Property	Total
\$ 11,828	\$ 19,564	\$ 104,673	\$ 23,120						\$17,459,408
									4,837,088
									3,105,055
					\$ 145,288	\$ 77,356	\$ 369,043	\$ 62,875	9,998,097
									4,085,047
									446,476
406	901	1,551	1,553	\$ 2,117					248,164
				14,600				1,744	1,886,543
<u>12,234</u>	<u>20,465</u>	<u>106,224</u>	<u>24,673</u>	<u>16,717</u>	<u>145,288</u>	<u>77,356</u>	<u>369,043</u>	<u>64,619</u>	<u>42,229,901</u>
					194,985	42,349			5,582,032
236	391		464				304,108	64,619	5,265,471
		2,094							12,477,175
									1,407,845
				3,298					4,480,525
									1,828,553
		82,000							82,000
		11,861	9,519						21,380
<u>236</u>	<u>391</u>	<u>95,955</u>	<u>9,983</u>	<u>3,298</u>	<u>194,985</u>	<u>42,349</u>	<u>304,108</u>	<u>64,619</u>	<u>31,144,981</u>
11,998	20,074	10,269	14,690	13,419	(49,697)	35,007	64,935	-	11,084,920
(12,030)	(20,352)		(22,507)						1,320,136
									(7,882,941)
(12,030)	(20,352)	-	(22,507)	-	-	-	-	-	(6,562,805)
(32)	(278)	10,269	(7,817)	13,419	(49,697)	35,007	64,935	-	4,522,115
32	377	(48,626)	(110,067)	40,543	275,276	63,893	180,033		23,640,881
									177,896
<u>\$ -</u>	<u>\$ 99</u>	<u>\$ (38,357)</u>	<u>\$ (117,884)</u>	<u>\$ 53,962</u>	<u>\$ 225,579</u>	<u>\$ 98,900</u>	<u>\$ 244,968</u>	<u>\$ -</u>	<u>\$28,340,892</u>
									(concluded)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	County Health Department		Building Services	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes	\$ 1,546,272	\$ 1,501,045		
Special assessments				
Licenses and permits			\$ 2,559,216	\$ 2,954,221
Intergovernmental				
Charges for services				
Fines and forfeitures				
Contributions				
Investment income	50,000	53,654	8,274	71,492
Miscellaneous revenue				564
TOTAL REVENUES	<u>1,596,272</u>	<u>1,554,699</u>	<u>2,567,490</u>	<u>3,026,277</u>
EXPENDITURES:				
Current:				
General government			3,227,660	2,547,595
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services	1,658,535	1,654,535		
Culture and recreation				
Debt service:				
Principal retirement				
Interest and fiscal charges				
TOTAL EXPENDITURES	<u>1,658,535</u>	<u>1,654,535</u>	<u>3,227,660</u>	<u>2,547,595</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(62,263)	(99,836)	(660,170)	478,682
OTHER FINANCING SOURCES (USES):				
Operating transfers in	4,000	4,000	48,300	48,300
Operating transfers out				
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,000</u>	<u>4,000</u>	<u>48,300</u>	<u>48,300</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(58,263)	(95,836)	(611,870)	526,982
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	129,657	129,657	1,108,158	1,108,158
RESIDUAL EQUITY TRANSFER				
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 71,394</u>	<u>\$ 33,821</u>	<u>\$ 496,288</u>	<u>\$ 1,635,140</u>

Court Facilities		Law Enforcement Trust		State Housing Initiatives Program	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 60,000	\$ 68,236			\$ 925,227	\$ 1,036,113
	2,470	\$ 1,750	\$ 2,513	59,000	102,421
		1,000	14,758		49,523
60,000	70,706	2,750	17,271	984,227	1,188,057
232,666	116,957				
				2,636,340	1,405,751
232,666	116,957	-	-	2,636,340	1,405,751
(172,666)	(46,251)	2,750	17,271	(1,652,113)	(217,694)
				6,948	6,948
		(47,499)	(35,943)		
-	-	(47,499)	(35,943)	6,948	6,948
(172,666)	(46,251)	(44,749)	(18,672)	(1,645,165)	(210,746)
		45,951	45,951	1,981,406	1,981,406
172,666	172,666				
\$ -	\$ 126,415	\$ 1,202	\$ 27,279	\$ 336,241	\$ 1,770,660

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Mental Health		Utility Regulation	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes			\$ 170,474	\$ 203,571
Special assessments				
Licenses and permits				
Intergovernmental	\$ 2,156,683	\$ 2,024,437		
Charges for services	655,325	427,438	10,000	17,500
Fines and forfeitures				15,000
Contributions				
Investment income			3,900	4,954
Miscellaneous revenue		15,560		
TOTAL REVENUES	2,812,008	2,467,435	184,374	241,025
EXPENDITURES:				
Current:				
General government			394,751	351,374
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services	3,019,475	2,825,990		
Culture and recreation				
Debt service:				
Principal retirement				
Interest and fiscal charges				
TOTAL EXPENDITURES	3,019,475	2,825,990	394,751	351,374
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(207,467)	(358,555)	(210,377)	(110,349)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	376,705	376,705		
Operating transfers out				
TOTAL OTHER FINANCING SOURCES (USES)	376,705	376,705	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	169,238	18,150	(210,377)	(110,349)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	(152,147)	(152,147)	145,655	145,655
RESIDUAL EQUITY TRANSFER				
FUND BALANCES (DEFICITS), END OF YEAR	\$ 17,091	\$ (133,997)	\$ (64,722)	\$ 35,306

<u>County Transportation Trust</u>		<u>Additional Court Costs</u>		<u>Beach</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ 7,327,948	\$ 7,107,322				
6,681,450	6,181,970			\$ 35,000	\$ 30,276
1,591,340	1,575,690			650,000	934,253
		\$ 140,000	\$ 203,357		
243,400	248,164				
180,000	638,577				
1,500	43,975				
<u>16,025,638</u>	<u>15,795,698</u>	<u>140,000</u>	<u>203,357</u>	<u>685,000</u>	<u>964,529</u>
		110,838	93,759		
				446,066	419,538
17,934,488	12,385,521				
				318,755	249,974
<u>17,934,488</u>	<u>12,385,521</u>	<u>110,838</u>	<u>93,759</u>	<u>764,821</u>	<u>669,512</u>
(1,908,850)	3,410,177	29,162	109,598	(79,821)	295,017
340,720	354,890			30,486	30,486
<u>(3,203,229)</u>	<u>(1,136,740)</u>				
(2,862,509)	(781,850)	-	-	30,486	30,486
(4,771,359)	2,628,327	29,162	109,598	(49,335)	325,503
5,735,156	5,735,156	121,900	121,900	258,585	258,585
<u>5,230</u>	<u>5,230</u>				
<u>\$ 969,027</u>	<u>\$ 8,368,713</u>	<u>\$ 151,062</u>	<u>\$ 231,498</u>	<u>\$ 209,250</u>	<u>\$ 584,088</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Pier		Tourist Development Tax	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes			\$ 3,625,000	\$ 3,874,931
Special assessments				
Licenses and permits				
Intergovernmental		\$ 6,490		10,000
Charges for services	\$ 163,850	165,640		
Fines and forfeitures				
Contributions				
Investment income			100,000	188,182
Miscellaneous revenue				
TOTAL REVENUES	163,850	172,130	3,725,000	4,073,113
EXPENDITURES:				
Current:				
General government			2,473,346	2,235,013
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation	227,556	155,317	1,978,776	838,284
Debt service:				
Principal retirement				
Interest and fiscal charges				
TOTAL EXPENDITURES	227,556	155,317	4,452,122	3,073,297
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(63,706)	16,813	(727,122)	999,816
OTHER FINANCING SOURCES (USES):				
Operating transfers in				
Operating transfers out			(1,500,000)	(1,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(1,500,000)	(1,500,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(63,706)	16,813	(2,227,122)	(500,184)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	86,177	86,177	2,861,606	2,861,606
RESIDUAL EQUITY TRANSFER				
FUND BALANCES (DEFICITS), END OF YEAR	\$ 22,471	\$ 102,990	\$ 634,484	\$ 2,361,422

Tree Bank		Communications Surcharge		Galimore Center	
Budget	Actual	Budget	Actual	Budget	Actual
	\$ 12,950	\$ 215,920	\$ 221,791	\$ 61,218 28,220	\$ 41,130 20,386
	1,363	8,500	15,794		
				100	17
-	14,313	224,420	237,585	89,538	61,533
\$ 18,350		408,668			
				89,538	61,533
18,350	-	408,668	-	89,538	61,533
(18,350)	14,313	(184,248)	237,585	-	-
-	-	-	-	-	-
(18,350)	14,313	(184,248)	237,585	-	-
18,553	18,553	236,074	236,074	(685)	(685)
\$ 203	\$ 32,866	\$ 51,826	\$ 473,659	\$ (685)	\$ (685)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Alcohol & Drug Abuse TF		Boating Improvement	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes				
Special assessments				
Licenses and permits				
Intergovernmental			\$ 46,000	\$ 95,188
Charges for services				
Fines and forfeitures		\$ 6,328		
Contributions				
Investment income		417	12,000	15,084
Miscellaneous revenue				
TOTAL REVENUES	-	6,745	58,000	110,272
EXPENDITURES:				
Current:				
General government				
Public safety				
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation			328,910	62,609
Debt service:				
Principal retirement				
Interest and fiscal charges				
TOTAL EXPENDITURES	-	-	328,910	62,609
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	6,745	(270,910)	47,663
OTHER FINANCING SOURCES (USES):				
Operating transfers in				
Operating transfers out				
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	6,745	(270,910)	47,663
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	6,139	6,139	277,944	277,944
RESIDUAL EQUITY TRANSFER				
FUND BALANCES (DEFICITS), END OF YEAR	\$ 6,139	\$ 12,884	\$ 7,034	\$ 325,607

Public Building Impact Fees		Police Impact Fees		Fire Impact Fees	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 582,000	\$ 532,043	\$ 140,650	\$ 142,419	\$ 203,700	\$ 202,966
5,000	3,265	12,000	23,829	12,000	20,135
587,000	535,308	152,650	166,248	215,700	223,101
7,489		401,676	83,404	355,296	3,700
7,489	-	401,676	83,404	355,296	3,700
579,511	535,308	(249,026)	82,844	(139,596)	219,401
(575,000)	(575,000)				
(575,000)	(575,000)	-	-	-	-
4,511	(39,692)	(249,026)	82,844	(139,596)	219,401
46,278	46,278	437,235	437,235	295,629	295,629
\$ 50,789	\$ 6,586	\$ 188,209	\$ 520,079	\$ 156,033	\$ 515,030

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	EMS Impact Fees		Road Impact Fees	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes				
Special assessments	\$ 87,300	\$ 51,991	\$ 2,235,850	\$ 2,721,297
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeitures				
Contributions				
Investment income	10,000	33,739	147,000	315,916
Miscellaneous revenue				
TOTAL REVENUES	97,300	85,730	2,382,850	3,037,213
EXPENDITURES:				
Current:				
General government				
Public safety	730,143	114,473		
Physical environment				
Transportation			4,003,005	21,681
Economic environment				
Human services				
Culture and recreation				
Debt service:				
Principal retirement				
Interest and fiscal charges				
TOTAL EXPENDITURES	730,143	114,473	4,003,005	21,681
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(632,843)	(28,743)	(1,620,155)	3,015,532
OTHER FINANCING SOURCES (USES):				
Operating transfers in			498,807	498,807
Operating transfers out			(3,405,728)	(3,405,728)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(2,906,921)	(2,906,921)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(632,843)	(28,743)	(4,527,076)	108,611
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	650,208	650,208	4,572,010	4,572,010
RESIDUAL EQUITY TRANSFER				
FUND BALANCES (DEFICITS), END OF YEAR	\$ 17,365	\$ 621,465	\$ 44,934	\$ 4,680,621

<u>Park Impact Fees</u>		<u>Art Specialty Licenses</u>		<u>Choose Life Specialty Licenses</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ 611,100	\$ 1,027,187				
		\$ 6,000	\$ 8,329		\$ 6,419
33,000	82,481	100	468		
<u>644,100</u>	<u>1,109,668</u>	<u>6,100</u>	<u>8,797</u>	<u>-</u>	<u>6,419</u>
1,572,458	450,646	8,962	6,892		
<u>1,572,458</u>	<u>450,646</u>	<u>8,962</u>	<u>6,892</u>	<u>-</u>	<u>-</u>
(928,358)	659,022	(2,862)	1,905	-	6,419
<u>(250,000)</u>	<u>(250,000)</u>				
(250,000)	(250,000)	-	-	-	-
(1,178,358)	409,022	(2,862)	1,905	-	6,419
1,390,935	1,390,935	7,602	7,602		
<u>\$ 212,577</u>	<u>\$ 1,799,957</u>	<u>\$ 4,740</u>	<u>\$ 9,507</u>	<u>\$ -</u>	<u>\$ 6,419</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	E-911 Communications		Fire District	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes			\$ 4,856,352	\$ 4,704,915
Special assessments				
Licenses and permits			75,000	83,598
Intergovernmental			73,307	125,827
Charges for services	\$ 510,000	\$ 708,537	16	9
Fines and forfeitures				
Contributions				
Investment income	35,000	37,075	100,000	264,306
Miscellaneous revenue				24,021
TOTAL REVENUES	<u>545,000</u>	<u>745,612</u>	<u>5,104,675</u>	<u>5,202,676</u>
EXPENDITURES:				
Current:				
General government				
Public safety	54,786		6,517,858	4,275,629
Physical environment				
Transportation				
Economic environment				
Human services				
Culture and recreation				
Debt service:				
Principal retirement				
Interest and fiscal charges				
TOTAL EXPENDITURES	<u>54,786</u>	<u>-</u>	<u>6,517,858</u>	<u>4,275,629</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	490,214	745,612	(1,413,183)	927,047
OTHER FINANCING SOURCES (USES):				
Operating transfers in				
Operating transfers out	(886,305)	(712,529)	(212,112)	(212,112)
TOTAL OTHER FINANCING SOURCES (USES)	(886,305)	(712,529)	(212,112)	(212,112)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(396,091)	33,083	(1,625,295)	714,935
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	587,080	587,080	2,376,602	2,376,602
RESIDUAL EQUITY TRANSFER				
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 190,989</u>	<u>\$ 620,163</u>	<u>\$ 751,307</u>	<u>\$ 3,091,537</u>

<u>Vilano Street Lighting</u>		<u>St. Augustine South Street Lighting</u>		<u>Elkton Drainage</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ 12,310	\$ 12,060	\$ 33,866	\$ 32,935	\$ 23,082	\$ 22,629
	38		103		
<u>12,310</u>	<u>12,098</u>	<u>33,866</u>	<u>33,038</u>	<u>23,082</u>	<u>22,629</u>
14,532	12,278	36,618	31,677	28,475	24,927
<u>14,532</u>	<u>12,278</u>	<u>36,618</u>	<u>31,677</u>	<u>28,475</u>	<u>24,927</u>
(2,222)	(180)	(2,752)	1,361	(5,393)	(2,298)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,222)	(180)	(2,752)	1,361	(5,393)	(2,298)
3,422	3,422	4,836	4,836	5,940	5,940
<u>\$ 1,200</u>	<u>\$ 3,242</u>	<u>\$ 2,084</u>	<u>\$ 6,197</u>	<u>\$ 547</u>	<u>\$ 3,642</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Julington M.S.D.		Executive Cove Road M.S.B.U.	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes				
Special assessments			\$ 10,707	\$ 11,828
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeitures				
Contributions				
Investment income			100	406
Miscellaneous revenue				
TOTAL REVENUES	-	-	10,807	12,234
EXPENDITURES:				
Current:				
General government				
Public safety				
Physical environment				
Transportation			244	236
Economic environment				
Human services				
Culture and recreation	\$ 1,514			
Debt service:				
Principal retirement				
Interest and fiscal charges				
TOTAL EXPENDITURES	1,514	-	244	236
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,514)	-	10,563	11,998
OTHER FINANCING SOURCES (USES):				
Operating transfers in				
Operating transfers out			(10,000)	(12,030)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(10,000)	(12,030)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,514)	-	563	(32)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	1,514	1,514	32	32
RESIDUAL EQUITY TRANSFER				
FUND BALANCES (DEFICITS), END OF YEAR	\$ -	\$ 1,514	\$ 595	\$ -

<u>Thompson Bailey Road M.S.B.U.</u>		<u>Treasure Beach M.S.B.U.</u>		<u>Private Roads M.S.B.U.</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ 18,801	\$ 19,564	\$ 108,000	\$ 104,673	\$ 23,620	\$ 23,120
350	901	2,000	1,551	1,000	1,553
<u>19,151</u>	<u>20,465</u>	<u>110,000</u>	<u>106,224</u>	<u>24,620</u>	<u>24,673</u>
390	391	2,400	2,094	520	464
		82,000	82,000		
		<u>22,000</u>	<u>11,861</u>	<u>10,000</u>	<u>9,519</u>
<u>390</u>	<u>391</u>	<u>106,400</u>	<u>95,955</u>	<u>10,520</u>	<u>9,983</u>
18,761	20,074	3,600	10,269	14,100	14,690
<u>(17,803)</u>	<u>(20,352)</u>			<u>(12,902)</u>	<u>(22,507)</u>
(17,803)	(20,352)	-	-	(12,902)	(22,507)
958	(278)	3,600	10,269	1,198	(7,817)
377	377	(48,626)	(48,626)	(110,067)	(110,067)
<u>\$ 1,335</u>	<u>\$ 99</u>	<u>\$ (45,026)</u>	<u>\$ (38,357)</u>	<u>\$ (108,869)</u>	<u>\$ (117,884)</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Northwest Recreation		Total	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes			\$ 17,595,304	\$ 17,459,408
Special assessments			4,021,728	4,837,088
Licenses and permits			2,694,216	3,106,055
Intergovernmental			9,984,885	9,566,179
Charges for services			3,608,751	3,862,403
Fines and forfeitures			355,920	446,476
Contributions			243,400	248,164
Investment income	\$ 600	\$ 2,117	781,574	1,884,804
Miscellaneous revenue	18,400	14,600	21,000	163,018
TOTAL REVENUES	19,000	16,717	39,306,778	41,573,595
EXPENDITURES:				
Current:				
General government			6,446,750	5,344,698
Public safety			8,914,493	4,896,744
Physical environment			18,350	-
Transportation			22,018,272	12,477,175
Economic environment			2,638,740	1,407,845
Human services			4,678,010	4,480,525
Culture and recreation	47,698	3,298	4,574,167	1,828,553
Debt service:				
Principal retirement			82,000	82,000
Interest and fiscal charges			32,000	21,380
TOTAL EXPENDITURES	47,698	3,298	49,402,782	30,538,920
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,698)	13,419	(10,096,004)	11,034,675
OTHER FINANCING SOURCES (USES):				
Operating transfers in			1,305,966	1,320,136
Operating transfers out			(10,120,578)	(7,882,941)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(8,814,612)	(6,562,805)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(28,698)	13,419	(18,910,616)	4,471,870
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	40,543	40,543	23,121,679	23,121,679
RESIDUAL EQUITY TRANSFER			177,896	177,896
FUND BALANCES (DEFICITS), END OF YEAR	\$ 11,845	\$ 53,962	\$ 4,388,959	\$ 27,771,445

ST. JOHNS COUNTY, FLORIDA
COMBINING BALANCE SHEET -
ALL ROAD IMPACT FEE FUNDS
SEPTEMBER 30, 2001

	Roads Zone A	Roads Zone B	Roads Zone C	Roads Zone D	Totals
ASSETS					
Equity in pooled cash and equivalents	\$ 1,485,902	\$ 394,610	\$ 688,987	\$ 1,123,520	\$ 3,693,019
Investments		968,760			968,760
Interest receivable		13,393			13,393
Due from other funds				297	297
Due from other governments			7,587		7,587
TOTAL ASSETS	\$ 1,485,902	\$ 1,376,763	\$ 696,574	\$ 1,123,817	\$ 4,683,056
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Accounts payable and accrued liabilities		\$ 250	\$ 2,185		\$ 2,435
TOTAL LIABILITIES	-	250	2,185	-	2,435
FUND EQUITY					
Fund balance:					
Unreserved-undesignated	1,485,902	1,376,513	694,389	1,123,817	4,680,621
TOTAL FUND EQUITY	1,485,902	1,376,513	694,389	1,123,817	4,680,621
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,485,902	\$ 1,376,763	\$ 696,574	\$ 1,123,817	\$ 4,683,056

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 ALL ROAD IMPACT FEE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Roads Zone A		Roads Zone B	
	Budget	Actual	Budget	Actual
REVENUES:				
Special assessments	\$ 533,500	\$ 722,054	\$ 795,400	\$ 627,381
Interest	60,000	54,183	50,000	148,025
TOTAL REVENUES	593,500	776,237	845,400	775,406
EXPENDITURES:				
Current:				
Transportation	1,395,281		1,379,222	4,731
TOTAL EXPENDITURES	1,395,281	-	1,379,222	4,731
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(801,781)	776,237	(533,822)	770,675
OTHER FINANCING SOURCES (USES):				
Operating transfers in			425,412	425,412
Operating transfers out			(1,800,000)	(1,800,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(1,374,588)	(1,374,588)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(801,781)	776,237	(1,908,410)	(603,913)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	709,665	709,665	1,980,426	1,980,426
FUND BALANCES (DEFICITS), END OF YEAR	\$ (92,116)	\$ 1,485,902	\$ 72,016	\$ 1,376,513

Road Zone C		Roads Zone D		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 776,000	\$ 1,154,127	\$ 130,950	\$ 217,735	\$ 2,235,850	\$ 2,721,297
12,000	58,092	25,000	55,616	147,000	315,916
788,000	1,212,219	155,950	273,351	2,382,850	3,037,213
248,977	16,950	979,525		4,003,005	21,681
248,977	16,950	979,525	-	4,003,005	21,681
539,023	1,195,269	(823,575)	273,351	(1,620,155)	3,015,532
(1,605,728)	(1,605,728)	73,395	73,395	498,807	498,807
(1,605,728)	(1,605,728)	73,395	73,395	(3,405,728)	(3,405,728)
(1,605,728)	(1,605,728)	73,395	73,395	(2,906,921)	(2,906,921)
(1,066,705)	(410,459)	(750,180)	346,746	(4,527,076)	108,611
1,104,848	1,104,848	777,071	777,071	4,572,010	4,572,010
\$ 38,143	\$ 694,389	\$ 26,891	\$ 1,123,817	\$ 44,934	\$ 4,680,621

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ST. JOHNS COUNTY, FLORIDA
COMBINING BALANCE SHEET-
ALL PARK IMPACT FEE FUNDS
SEPTEMBER 30, 2001

	Parks Zone A	Parks Zone B	Parks Zone C	Parks Zone D	Totals
ASSETS					
Equity in pooled cash and equivalents	\$ 711,222	\$ 173,826	\$ 745,101	\$ 189,058	\$ 1,819,207
Due from other governments			3,174		3,174
TOTAL ASSETS	\$ 711,222	\$ 173,826	\$ 748,275	\$ 189,058	\$ 1,822,381
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 20,000			\$ 2,424	\$ 22,424
TOTAL LIABILITIES	20,000	-	-	2,424	22,424
FUND EQUITY					
Fund balance:					
Unreserved-undesignated	691,222	173,826	748,275	186,634	1,799,957
TOTAL FUND EQUITY	691,222	173,826	748,275	186,634	1,799,957
TOTAL LIABILITIES AND FUND EQUITY	\$ 711,222	\$ 173,826	\$ 748,275	\$ 189,058	\$ 1,822,381

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 ALL PARK IMPACT FEE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	<u>Parks Zone A</u>		<u>Parks Zone B</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Special assessments	\$ 169,750	\$ 312,131	\$ 174,600	\$ 214,229
Interest	10,000	28,165	7,000	6,062
TOTAL REVENUES	<u>179,750</u>	<u>340,296</u>	<u>181,600</u>	<u>220,291</u>
EXPENDITURES:				
Current:				
Culture and recreation	<u>564,889</u>	<u>87,999</u>	<u>43,787</u>	
TOTAL EXPENDITURES	<u>564,889</u>	<u>87,999</u>	<u>43,787</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(385,139)	252,297	137,813	220,291
OTHER FINANCING USES:				
Operating transfers out			<u>(250,000)</u>	<u>(250,000)</u>
TOTAL OTHER FINANCING USES	-	-	(250,000)	(250,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(385,139)	252,297	(112,187)	(29,709)
FUND BALANCES, BEGINNING OF YEAR	<u>438,925</u>	<u>438,925</u>	<u>203,535</u>	<u>203,535</u>
FUND BALANCES, END OF YEAR	<u>\$ 53,786</u>	<u>\$ 691,222</u>	<u>\$ 91,348</u>	<u>\$ 173,826</u>

<u>Parks Zone C</u>		<u>Parks Zone D</u>		<u>Totals</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ 179,450	\$ 374,037	\$ 87,300	\$ 126,790	\$ 611,100	\$ 1,027,187
12,000	34,928	4,000	13,326	33,000	82,481
<u>191,450</u>	<u>408,965</u>	<u>91,300</u>	<u>140,116</u>	<u>644,100</u>	<u>1,109,668</u>
<u>734,502</u>	<u>246,949</u>	<u>229,280</u>	<u>115,698</u>	<u>1,572,458</u>	<u>450,646</u>
<u>734,502</u>	<u>246,949</u>	<u>229,280</u>	<u>115,698</u>	<u>1,572,458</u>	<u>450,646</u>
(543,052)	162,016	(137,980)	24,418	(928,358)	659,022
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>(250,000)</u>	<u>(250,000)</u>
-	-	-	-	(250,000)	(250,000)
(543,052)	162,016	(137,980)	24,418	(1,178,358)	409,022
<u>586,259</u>	<u>586,259</u>	<u>162,216</u>	<u>162,216</u>	<u>1,390,935</u>	<u>1,390,935</u>
<u>\$ 43,207</u>	<u>\$ 748,275</u>	<u>\$ 24,236</u>	<u>\$ 186,634</u>	<u>\$ 212,577</u>	<u>\$ 1,799,957</u>

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DEBT SERVICE FUNDS DESCRIPTIONS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The County maintains the following Debt Service Funds:

Transportation Improvement Revenue Refunding Bonds, Series 1992 - To account for debt service requirements to retire the refunding bonds issued in 1992 to defease the 1988 Transportation Revenue Bonds. These bonds are payable solely from and secured by a lien upon and a pledge of the County's Local Option Gas tax. The bonds mature annually through October 1, 2007.

Limited Ad Valorem Tax Refunding Bonds, Series 1994 - To account for debt service requirements to retire the bonds issued to advance refund the 1988 Limited Ad Valorem Tax Refunding Bonds and the 1989 General Obligation Bonds. The bonds are payable solely from and secured by an irrevocable pledge of ad valorem taxes not to exceed one mill on all taxable property in the County. The bonds mature annually through September 1, 2003.

Sales Tax Revenue Refunding Bonds - To account for debt service requirements to retire bonds issued to advance refund the 1989 Sales Tax Revenue Bonds. These bonds are payable solely from and secured by a lien upon and pledge of sales tax revenue allocated to the County from the State's Local Government Half-Cent Sales Tax Clearing Trust Fund. The bonds mature annually through October 1, 2019.

\$10M FLGFC Pooled Commercial Paper Loan Program - To account for debt service requirements to retire the principal balance, each note is issued by the pool on behalf of St. Johns County. This program is payable solely from the board's covenant to budget and appropriate necessary funds to cover the annual debt service requirement. The paper matures quarterly through March 2, 2004. As of September 30, 2001, the Board received \$2,390,000 from the program with an approved limit of \$10M.

ST. JOHNS COUNTY, FLORIDA
 COMBINING BALANCE SHEET- ALL DEBT SERVICE FUNDS
 September 30, 2001

	Transportation Improvement Revenue Refunding Bonds, Series 1992	Limited Ad Valorem Tax Refunding Bonds, Series 1994	Sales Tax Revenue Refunding Bonds
ASSETS			
Equity in pooled cash and cash equivalents Due from other funds	\$ 1,072,803	\$ 265,183 1,536	\$ 1,200,585
TOTAL ASSETS	<u>\$ 1,072,803</u>	<u>\$ 266,719</u>	<u>\$ 1,200,585</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 1,007,108		\$ 1,110,990
TOTAL LIABILITIES	<u>1,007,108</u>	<u>-</u>	<u>1,110,990</u>
FUND EQUITY:			
Fund balances:			
Reserved for debt service	<u>65,695</u>	<u>266,719</u>	<u>89,595</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,072,803</u>	<u>\$ 266,719</u>	<u>\$ 1,200,585</u>

\$10M FLGFC Pooled Commercial Paper Loan Program	Totals

\$ 8,241	\$ 2,546,812
	1,536
<u>\$ 8,241</u>	<u>\$ 2,548,348</u>

<u>\$ 5,907</u>	<u>\$ 2,124,005</u>
<u>5,907</u>	<u>2,124,005</u>

<u>2,334</u>	<u>424,343</u>
<u>\$ 8,241</u>	<u>\$ 2,548,348</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL-
 ALL DEBT SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Transportation Improvement Revenue Refunding Bonds, Series 1992		Limited Ad Valorem Tax Refunding Bonds, Series 1994	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes			\$ 1,407,922	\$ 1,374,325
Intergovernmental	\$ 1,127,696	\$ 1,127,696		
Investment income	40,000	39,215	45,000	60,714
TOTAL REVENUES	<u>1,167,696</u>	<u>1,166,911</u>	<u>1,452,922</u>	<u>1,435,039</u>
EXPENDITURES:				
Debt service:				
Principal retirement	810,000	810,000	1,340,000	1,340,000
Interest and fiscal charges	394,715	394,686	209,320	209,098
TOTAL EXPENDITURES	<u>1,204,715</u>	<u>1,204,686</u>	<u>1,549,320</u>	<u>1,549,098</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(37,019)	(37,775)	(96,398)	(113,579)
OTHER FINANCING SOURCES (USES):				
Operating transfers in				
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(37,019)	(37,775)	(96,398)	(113,579)
FUND BALANCES, BEGINNING OF YEAR	<u>103,470</u>	<u>103,470</u>	<u>380,298</u>	<u>380,298</u>
FUND BALANCES, END OF YEAR	<u>\$ 66,451</u>	<u>\$ 65,695</u>	<u>\$ 283,900</u>	<u>\$ 266,719</u>

Sales Tax Revenue Refunding Bonds		S10M FLGFC Pooled Commercial Paper Loan Program		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 1,547,690	\$ 1,547,690			\$ 1,407,922	\$ 1,374,805
56,000	48,267		\$ 815	2,675,386	2,675,386
				141,000	149,011
1,603,690	1,595,957	-	815	4,224,308	4,199,202
620,000	620,000	215,000	215,000	2,985,000	2,985,000
984,479	983,206	33,000	31,481	1,621,514	1,618,471
1,604,479	1,603,206	248,000	246,481	4,606,514	4,603,471
(789)	(7,249)	(248,000)	(245,666)	(382,206)	(404,269)
		248,000	248,000	248,000	248,000
-	-	248,000	248,000	248,000	248,000
(789)	(7,249)	-	2,334	(134,206)	(156,269)
96,844	96,844	-	-	580,612	580,612
\$ 96,055	\$ 89,595	\$ -	\$ 2,334	\$ 446,406	\$ 424,343

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CAPITAL PROJECTS FUNDS DESCRIPTIONS

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

Flagler West Renovation - To account for resources to be used to renovate the former Flagler Hospital West into the County Health Facility.

Library Building - To account for resources to be used to construct, renovate and equip buildings that will house various County libraries.

Northwest Road Projects - To account for resources to be used to fund the construction of a road in the Northwestern quadrant of the County.

Judicial Center Master Plan - To account for resources to be used to acquire and construct a new County courthouse and parking facilities and new County administration and Emergency Operations and Communication facilities, and/or remodel, enlarge, repair and improve existing County courthouse and administration facilities.

Palm Valley Bridge - To account for resources to be used to engineer, acquire right of way, and construct the new Palm Valley Bridge in conjunction with the Army Corps of Engineers.

Davis Park Project - To account for resources committed to construction of the Northeast Park.

Beach Re-nourishment Project - To account for resources to be used to replenish the sand along approximately 2.5 miles of beach which has been eroded due to storm damage. This project is being done through the joint cooperation of the U.S. Army Corp of Engineers and the Florida Department of Environmental Protection.

Holmes Boulevard - To account for resources to be used to construct a by-pass around the City of St. Augustine. This by-pass will connect SR 207 And SR 16 and is intended to relieve traffic congestion through current infrastructure improvements.

Northwest Government Center - To account for resources to be used to construct a new government annex building in northwest St. Johns County. The facility will house branch offices for the five constitutional officers.

ST. JOHNS COUNTY, FLORIDA
 COMBINING BALANCE SHEET- ALL CAPITAL PROJECTS FUNDS
 September 30, 2001

	Library Buildings	Northwest Road Project	Judicial Center Master Plan	Palm Valley Bridge
ASSETS				
Equity in pooled cash and cash equivalents	\$ 1,776,274	\$ 1,932,320	\$ 117,545	\$ 195,200
TOTAL ASSETS	<u>\$ 1,776,274</u>	<u>\$ 1,932,320</u>	<u>\$ 117,545</u>	<u>\$ 195,200</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 307,121	\$ 251,288	\$ 5,169	
TOTAL LIABILITIES	<u>307,121</u>	<u>251,288</u>	<u>5,169</u>	
FUND EQUITY:				
Fund balances:				
Reserved for capital outlay	<u>1,469,153</u>	<u>1,681,032</u>	<u>112,376</u>	<u>195,200</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,776,274</u>	<u>\$ 1,932,320</u>	<u>\$ 117,545</u>	<u>\$ 195,200</u>

<u>Davis Park Project</u>	<u>Beach Re-nourishment Project</u>	<u>Holmes Boulevard</u>	<u>Northwest Government Center</u>	<u>Totals</u>
<u>\$ 523,176</u>	<u>\$ 1,458,317</u>	<u>\$ 2,229,789</u>	<u>\$ 1,214,713</u>	<u>\$ 9,447,334</u>
<u>\$ 523,176</u>	<u>\$ 1,458,317</u>	<u>\$ 2,229,789</u>	<u>\$ 1,214,713</u>	<u>\$ 9,447,334</u>
<u>\$ 49,043</u>	<u></u>	<u></u>	<u></u>	<u>\$ 612,621</u>
<u>49,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,621</u>
<u>474,133</u>	<u>1,458,317</u>	<u>2,229,789</u>	<u>1,214,713</u>	<u>8,834,713</u>
<u>\$ 523,176</u>	<u>\$ 1,458,317</u>	<u>\$ 2,229,789</u>	<u>\$ 1,214,713</u>	<u>\$ 9,447,334</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	<u>Flagler West Renovation</u>		<u>Library Buildings</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Intergovernmental Contributions	\$ 119,789	\$ 119,790		\$ 65,822
Investment income		8,507	\$ 16,989	75,929
TOTAL REVENUES	<u>119,789</u>	<u>128,397</u>	<u>16,989</u>	<u>141,752</u>
EXPENDITURES:				
General government Capital outlay	<u>744,799</u>	<u>520,170</u>	<u>1,876,346</u>	<u>781,461</u>
TOTAL EXPENDITURES	<u>744,799</u>	<u>520,170</u>	<u>1,876,346</u>	<u>781,461</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(625,010)	(391,773)	(1,859,357)	(639,709)
OTHER FINANCING SOURCES:				
Operating transfers in	<u>275,010</u>	<u>275,010</u>	<u>872,696</u>	<u>872,696</u>
TOTAL OTHER FINANCING SOURCES	275,010	275,010	872,696	872,696
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(350,000)	(116,763)	(986,661)	232,987
FUND BALANCES, BEGINNING OF YEAR	<u>116,763</u>	<u>116,763</u>	<u>1,236,166</u>	<u>1,236,166</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ (233,237)</u>	<u>\$ -</u>	<u>\$ 249,505</u>	<u>\$ 1,469,153</u>

Northwest Road Project		Judicial Center Master Plan		Palm Valley Bridge	
Budget	Actual	Budget	Actual	Budget	Actual
				\$ 375,000	\$ 375,000
\$ 36,300	\$ 100,920		\$ 7,061	5,000	32,525
36,300	100,920	-	7,061	380,000	407,525
13,370	13,369	\$ 63,000	24,974	2,046,403	2,046,403
13,370	13,369	63,000	24,974	2,046,403	2,046,403
22,930	87,551	(63,000)	(17,913)	(1,666,403)	(1,638,777)
				1,800,000	1,800,000
-	-	-	-	1,800,000	1,800,000
22,930	87,551	(63,000)	(17,913)	133,597	161,223
1,593,481	1,593,481	130,289	130,289	33,977	33,977
\$ 1,616,411	\$ 1,681,032	\$ 67,289	\$ 112,376	\$ 167,574	\$ 195,200

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Davis Park Project		Beach Re-nourishment Project	
	Budget	Actual	Budget	Actual
REVENUES:				
Intergovernmental Contributions	\$ 130,000		\$ 2,590,599	\$ 690,617
Investment income	100,000			
	1,258	\$ 36,329		7,473
TOTAL REVENUES	231,258	36,329	2,590,599	698,090
EXPENDITURES:				
Capital outlay	893,258	558,879	\$ 4,090,599	\$ 642,693
TOTAL EXPENDITURES	893,258	558,879	4,090,599	642,693
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(662,000)	(522,550)	(1,500,000)	(41,683)
OTHER FINANCING SOURCES:				
Operating transfers in	612,000	612,000	1,500,000	1,500,000
TOTAL OTHER FINANCING SOURCES	612,000	612,000	1,500,000	1,500,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(50,000)	89,450	-	1,458,317
FUND BALANCES, BEGINNING OF YEAR	384,683	384,683		
FUND BALANCES (DEFICITS), END OF YEAR	\$ 334,683	\$ 474,133	\$ -	\$ 1,458,317

Holmes Boulevard		Northwest Government Center		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
				\$ 3,095,599	\$ 968,607
				219,789	185,613
				59,547	332,780
	\$ 28,012		\$ 35,893		
-	28,012	-	35,893	3,374,935	1,487,000
				63,000	24,974
\$ 4,223,661	41,884	\$ 1,244,555	65,735	15,132,991	4,670,594
4,223,661	41,884	1,244,555	65,735	15,195,991	4,695,568
(4,223,661)	(13,872)	(1,244,555)	(29,842)	(11,821,056)	(3,208,568)
4,223,661	2,243,661	1,244,555	1,244,555	10,527,922	8,547,922
4,223,661	2,243,661	1,244,555	1,244,555	10,527,922	8,547,922
-	2,229,789	-	1,214,713	(1,293,134)	5,339,354
				3,495,359	3,495,359
\$ -	\$ 2,229,789	\$ -	\$ 1,214,713	\$ 2,202,225	\$ 8,834,713

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ENTERPRISE FUNDS DESCRIPTIONS

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

Utilities - To account for the administration and operations of water and wastewater treatment services to certain areas of St. Johns County. The costs of providing these services are financed or recovered through rates and user charges.

Solid Waste - To account for the administration and operations of garbage disposal for all citizens of St. Johns County. The costs of providing these services are financed or recovered through tipping fees and non-ad valorem assessments.

Golf Course - To account for the administration and operations of the County Golf Course which is operated and financed in a manner similar to private business. The costs of providing this service to the general public is recovered primarily through user charges.

Convention Center - To account for the construction and operation of the County Convention Center. The cost of operations is to be recovered through certain payments and fees associated with the World Golf Village project.

Amphitheater - To improve, operate and maintain the St. Augustine Amphitheater that the State leases to the County for development of the arts in St. Johns County.

ST. JOHNS COUNTY, FLORIDA
COMBINING BALANCE SHEET - ALL ENTERPRISE FUNDS
SEPTEMBER 30, 2001

	Utilities	Solid Waste	Golf Course
ASSETS			
Equity in pooled cash and cash equivalents			
Investments	\$ 19,756,322	\$ 9,670,427	\$ 114,101
Accounts receivable, net	4,690,917	4,100,312	
Unit connection fee notes receivable	770,458	337,340	6,377
Interest receivable	342,982		
Due from other funds	186,867	92,411	
Due from other governments		8,533	
Inventory	187,419	119,235	
Restricted assets:	353,690		82,564
Cash and cash equivalents			
Investments	780,101	14,611	85,890
Land	5,073,823	1,195,138	
Golf course land improvements	2,334,475	602,408	1,795,362
Buildings and improvements			2,352,514
Water and sewer systems	1,024,805	1,529,941	804,653
Furniture and equipment	68,535,535		
Accumulated depreciation	2,127,291	1,135,208	1,072,867
Construction in progress	(16,310,758)	(1,134,471)	(1,235,677)
Other assets	857,382		2,504,480
	<u>1,007,536</u>		<u>88,931</u>
TOTAL ASSETS	<u>\$ 91,717,745</u>	<u>\$ 17,671,093</u>	<u>\$ 7,672,062</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Accounts payable and accrued liabilities			
Customer deposits	\$ 1,510,759	\$ 1,341,202	\$ 100,801
Due to other funds	780,101	14,611	
Accrued landfill closure and post-closure costs		10	
Interest payable		8,052,396	
Other liabilities	652,155		30,301
Revenue bonds payable			70,672
State loan payable	49,051,132		2,543,549
Long-term lease payable	1,563,576		
Accrued compensated absences			174,541
	<u>178,460</u>	<u>44,054</u>	<u>47,651</u>
TOTAL LIABILITIES	<u>53,736,183</u>	<u>9,452,273</u>	<u>2,967,515</u>
FUND EQUITY (DEFICIT):			
Contributed capital, net	21,148,153	651,147	2,595,757
Retained earnings (deficit):			
Reserved for construction	2,881,017	1,195,138	
Reserved for debt service	2,192,806		85,890
Reserved developer contributions	4,280,461		
Unreserved	<u>7,479,125</u>	<u>6,372,535</u>	<u>2,022,900</u>
	16,833,409	7,567,673	2,108,790
TOTAL FUND EQUITY (DEFICIT)	<u>37,981,562</u>	<u>8,218,820</u>	<u>4,704,547</u>
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	<u>\$ 91,717,745</u>	<u>\$ 17,671,093</u>	<u>\$ 7,672,062</u>

Convention Center	Amphitheater	Totals
\$ 964,145		\$ 30,504,995
16,496		8,791,229
		1,130,671
		342,082
		279,278
		8,533
		306,654
		436,254
1,951,652	\$ 11,541	2,843,795
		6,268,961
		4,732,245
11,000,000	67,255	2,352,514
		14,426,454
		68,535,535
	22,272	4,357,638
(660,000)	(14,735)	(19,355,641)
	57,035	3,418,897
625,055		1,721,522
<u>\$ 13,897,348</u>	<u>\$ 143,368</u>	<u>\$ 131,101,616</u>

	\$ 17,414	\$ 2,970,176
		794,712
		10
\$ 329,452		8,052,396
		1,011,908
		70,672
16,392,828		67,987,509
		1,563,576
		174,541
		270,165
<u>16,722,280</u>	<u>17,414</u>	<u>82,895,665</u>

24,395,057

	125,954	4,202,109
		2,278,696
		4,280,461
(2,824,932)	-	13,049,628
(2,824,932)	125,954	23,810,894
(2,824,932)	125,954	48,205,951
<u>\$ 13,897,348</u>	<u>\$ 143,368</u>	<u>\$ 131,101,616</u>

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS (DEFICIT) -
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Utilities	Solid Waste	Sanitary Sewer
OPERATING REVENUES:			
Charges for services	\$ 12,278,454	\$ 3,258,679	\$ 1,355,413
Special assessment revenue			
Other operating revenue	9,863	115	42,345
Merchandise sales			32,775
Total operating revenues	12,288,317	3,258,794	1,428,533
OPERATING EXPENSES:			
Contractual services	1,831,839	8,308,710	21,386
Salaries and benefits	2,882,345	413,421	708,371
Closure and post-closure expense		76,066	
Operating and maintenance expenses	2,439,429	187,694	400,183
Loss from early asset retirement	1,267,712		
Depreciation	1,519,683	121,302	170,795
Total operating expenses	9,941,008	9,107,193	1,300,735
OPERATING INCOME (LOSS)	2,347,309	(848,399)	138,298
NON-OPERATING REVENUES (EXPENSES):			
Investment income	1,863,116	885,042	39,924
Interest expense	(2,985,097)		(113,971)
Grant proceeds	187,331	163,545	
Franchise fees		620,954	
Other proceeds	14,553		
Gain on sale of fixed assets	3,598	18,799	84,805
Total non-operating revenues (expenses)	(916,499)	1,688,340	10,758
CONTRIBUTED DEVELOPER CAPITAL	4,280,461		
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	5,711,271	849,941	149,056
OPERATING TRANSFERS:			
Operating transfers in			
NET INCOME (LOSS)	5,711,271	849,941	149,056
ADD DEPRECIATION CHARGED TO CONTRIBUTED CAPITAL	463,017		
INCREASE (DECREASE) IN RETAINED EARNINGS	6,174,288	849,941	149,056
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR	10,659,121	6,717,732	1,959,734
RETAINED EARNINGS (DEFICIT), END OF YEAR	\$ 16,833,409	\$ 7,567,673	\$ 2,108,790

Convention Center	Amoniteater	Totals
\$ 686,354 320,833	\$ 28,354	\$ 22,628,254 320,833 59,823 22,775
1,007,187	28,354	23,031,685
	27,489	10,189,424
	53,953	4,058,090
25,002	34,358	76,066
		3,086,666
		1,267,712
220,000	4,779	2,036,559
245,002	120,579	20,714,517
762,185	(92,225)	2,317,168
160,445 (1,337,109)	5,474	2,954,001 (4,436,177)
	1,933	352,809
	10,754	620,954
		25,307
		107,202
(1,176,664)	18,161	(375,904)
		4,280,461
(414,479)	(74,064)	6,221,725
66,505	100,000	166,505
(347,974)	25,936	6,388,230
		463,017
(347,974) (2,476,958)	25,936 100,018	6,851,247 16,959,647
\$ (2,824,932)	\$ 125,954	\$ 23,810,894

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS -
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Utilities	Solid Waste	Gar. Course
OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,347,309	\$ (838,399)	\$ 138,293
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,519,683	121,302	170,705
Amortization of bond issuance cost	184,791		10,463
Loss from early asset retirements	1,257,712		
Decrease (increase) in accounts receivable	89,642	93,930	5,638
Decrease in notes receivable	57,664		
Increase in due from constitutional officers		(5,591)	
Increase in due from other governments	(187,419)	(54,353)	
Increase in inventory	(5,700)		(21,930)
Increase (decrease) in accounts payable and accrued liabilities	866,572	520,476	(187,346)
(Decrease) increase in customer deposits	(338,641)	685	
Decrease in due to constitutional officers		(221)	
Decrease in accrued landfill closure and post-closure costs		(745,320)	
Increase (decrease) in accrued compensated absences	23,336	14,412	(1,566)
(Decrease) increase in other liabilities	(12,467)		7,699
Net cash provided by (used in) operating activities	5,812,482	(893,179)	110,825
NONCAPITAL FINANCING ACTIVITIES:			
Operating transfer in			
Grants received	187,331	163,545	
Franchise fees		620,954	
Other proceeds	14,553		
Net cash provided by noncapital financing activities	201,884	784,499	-
CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(4,025,894)	(127,082)	(1,124,578)
Sale of capital assets	20,156	173,843	88,075
Proceeds from issuance of long-term lease			240,680
Principal payments on revenue bonds	(2,295,000)		(235,000)
Principal payments on State Revolving Loan	(81,044)		
Principal payments on long-term lease			(66,139)
Interest paid on revenue bonds, loans and lease obligations	(2,087,690)		(109,902)
Capital contributed by developers	4,280,462		
Net cash (used in) provided by capital and related financing activities	(4,189,010)	46,761	(1,206,964)
INVESTING ACTIVITIES:			
Investment purchases	(10,283,733)	(6,031,815)	
Proceeds from sale of investments	15,470,328	8,551,344	239,976
Investment income received	1,820,732	834,748	39,924
Net cash (used in) provided by investing activities	7,007,327	3,354,277	279,900
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	8,832,683	3,292,358	(816,239)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,703,740	6,392,680	1,016,230
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 20,536,423	\$ 9,685,038	\$ 199,991
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Accretion of interest on capital appreciation bonds	865,055		
Increase (decrease) in fair value of investments	476,458	81,564	(214,048)

Convention Center	Amphitheater	Totals
\$ 762,185	\$ (92,225)	\$ 2,317,168
220,000	4,779	2,036,559
25,002		220,256
(12,697)		1,267,712
		165,187
		57,664
		(5,691)
		(241,772)
		(27,530)
	14,945	1,214,647
		(337,956)
		(221)
		(745,320)
		36,182
		(4,768)
<u>994,490</u>	<u>(72,501)</u>	<u>5,952,117</u>
66,505	100,000	166,505
	1,933	352,809
	10,754	620,954
<u>66,505</u>	<u>112,687</u>	<u>1,165,575</u>
	(115,200)	(5,392,854)
		282,074
(225,000)		240,680
		(2,755,000)
		(81,044)
(1,326,160)		(66,139)
		(3,523,752)
<u>(1,551,160)</u>	<u>(115,200)</u>	<u>4,280,462</u>
		(16,315,548)
160,445	5,474	24,261,648
<u>160,445</u>	<u>5,474</u>	<u>2,861,323</u>
		10,807,423
(329,720)	(69,540)	10,909,542
<u>3,245,517</u>	<u>81,081</u>	<u>22,439,248</u>
<u>\$ 2,915,797</u>	<u>\$ 11,541</u>	<u>\$ 33,348,790</u>
		865,055
		343,974

INTERNAL SERVICE FUNDS DESCRIPTIONS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government and to other government units, on a cost reimbursement basis. The County maintains the following Internal Service Funds:

Workers' Compensation Insurance - This fund is used to account for the costs of workers compensation insurance to other departments of the Board of County Commissioners and constitutional officers of St. Johns County.

Health Insurance - This fund is used to account for the costs of health and accidental death and dismemberment insurance to other departments of the Board of County Commissioners and constitutional officers of St. Johns County.

Fleet Maintenance - This fund is used to account for the maintenance and other related costs of motor vehicles to other departments of the Board of County Commissioners and Constitutional Officers of St. Johns County.

ST. JOHNS COUNTY, FLORIDA
COMBINING BALANCE SHEET - ALL INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2001

	Workers Compensation Insurance	Health Insurance	Totals
ASSETS			
Equity in pooled cash and cash equivalents	\$ 151,049	\$ 1,213,415	\$ 1,364,464
Cash with claims administrator		110,975	110,975
Investments	101,545		101,545
Accounts receivable, net		53,625	53,625
Interest receivable	168		168
Due from other funds	130,141	155,907	286,048
TOTAL ASSETS	\$ 382,904	\$ 1,349,723	\$ 1,732,627
LIABILITIES AND FUND EQUITY (DEFICIT)			
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 6,380	\$ 2,027	\$ 9,007
Estimated liability for self insured losses	636,497	653,772	1,290,259
TOTAL LIABILITIES	643,477	655,799	1,299,276
FUND EQUITY (DEFICIT):			
Retained earnings (deficit):			
Unreserved	(250,573)	693,924	433,351
TOTAL FUND EQUITY (DEFICIT)	(250,573)	693,924	433,351
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	\$ 382,904	\$ 1,349,723	\$ 1,732,627

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS (DEFICIT) -
 ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Workers Compensation Insurance	Health Insurance	Fleet Maintenance	Total
OPERATING REVENUES:				
Charges for services	\$ 731,510	\$ 5,024,338		\$ 5,755,848
Other operating revenue		58,602		58,602
Total operating revenues	731,510	5,083,440	-	5,814,950
OPERATING EXPENSES:				
Contractual services	1,233,296	4,951,399		6,184,695
Operating and maintenance expenses		10,468		10,468
Total operating expenses	1,233,296	4,961,867	-	6,195,163
OPERATING (LOSS) INCOME	(501,786)	121,573	-	(380,213)
NON-OPERATING REVENUES:				
Investment income	66,611	48,509		115,120
NET (LOSS) INCOME BEFORE OPERATING TRANSFERS	(435,175)	170,082	-	(265,093)
NON-OPERATING TRANSFERS:				
Operating transfers out	(33,221)			(33,221)
Total non-operating transfers	(33,221)	-	-	(33,221)
NET (LOSS) INCOME	(468,396)	170,082	-	(298,314)
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR	207,823	523,842	(5,230)	725,435
RESIDUAL EQUITY TRANSFER			5,230	5,230
RETAINED EARNINGS (DEFICIT), END OF YEAR	\$ (260,573)	\$ 693,924	\$ -	\$ 433,351

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS -
 ALL INTERNAL SERVICE FUNDS

	Workers' Compensation Insurance	Health Insurance	Fleet Maintenance	Totals
OPERATING ACTIVITIES				
Operating (loss) income	\$ (501,786)	\$ (121,573)	\$ -	\$ (623,359)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Decrease (increase) in accounts receivable	3,173	(26,485)	47,564	24,252
(Increase) decrease in due from constitutional officers	(105,348)	(165,807)	41,714	(229,441)
Decrease in due from other governments			19,634	19,634
Decrease in inventory			109,364	109,364
Decrease in accounts payable and accrued liabilities	(13,237)	(609)	(94,803)	(118,649)
(Decrease) Increase in estimated liability for self-insured losses	(624,134)	98,941		(525,193)
Decrease in due to other funds			(110,330)	(110,330)
Decrease in accrued compensated absences			(18,573)	(18,573)
Net cash (used in) provided by operating activities	(1,241,332)	27,613	(5,230)	(1,218,949)
NONCAPITAL FINANCING ACTIVITIES				
Residual equity transfer in			5,230	5,230
Operating transfer out	(33,221)	-	-	(33,221)
Net cash (used in) provided by noncapital financing activities	(33,221)	-	5,230	(27,991)
INVESTING ACTIVITIES:				
Investment purchases	(84,115)			(84,115)
Proceeds from sale of investments	791,737			791,737
Investment income received	77,267	48,509		125,776
Net cash provided by investing activities	784,889	48,509	-	833,398
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(489,664)	76,122	-	(413,542)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>640,713</u>	<u>937,293</u>	<u>-</u>	<u>1,578,006</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 151,049</u>	<u>\$ 1,013,415</u>	<u>\$ -</u>	<u>\$ 1,164,464</u>

FIDUCIARY FUNDS DESCRIPTIONS

Expendable Trust - Expendable Trust Funds are those whose principal and income may be expended in the course of their designated operations. The County maintains the following Expendable Trust Fund:

Sheriff Canteen Fund - To account for the Canteen operated within the County jail. Revenues are provided by sales of products, such as candy, cigarettes, etc., to the inmates. The profits can only be spent for the benefit of the inmates.

Agency Funds - Agency Funds are custodial in nature and do not involve measurement of results of operations. The County maintains the following Agency Funds:

Board of County Commissioners:

Pass Through Grants - To account for the collection and disbursement of grant funds to constitutional officers.

Clerk of Courts:

Agency Fund - To account for the receipt and disbursement of funds used for the judicial law library, fines and service charges, bond funds, fees and related court costs for small claims court, litigants in court cases, juror and witnesses, and court-ordered alimony and child support.

Sheriff:

Work Release - To collect and account for the receipts and disbursements of the work release residents of the Corrections facility. Individual resident account records are maintained.

Levy Trust - To account for the collection and disbursement of fees and costs related to enforcement of civil levy action.

Inmate Trust - To account for the receipt of personal funds from the disbursement of funds to inmates.

Crime Prevention - To account for the collection and disbursement of fees and costs for various programs including neighborhood watch.

Victim's Advocate - To account for the receipt of donations which are disbursed to victims of unforeseen circumstances within St. Johns County.

FIDUCIARY FUNDS DESCRIPTIONS (continued)

DARE Account - To account for the disbursement of federal grant proceeds which are used for elementary school education programs on drug abuse resistance and drop-out prevention.

PAL Account - To account for the disbursement of federal grant proceeds which are used for funding a deputy who works with the local school system providing guidance and programs for juveniles.

Tax Collector:

Taxes and Tags - To account for the collection and disbursement of ad valorem taxes, tourist development taxes, non ad valorem assessments, vehicle tags and titles.

ST. JOHNS COUNTY, FLORIDA
 COMBINING BALANCE SHEET-
 ALL FIDUCIARY FUNDS
 September 30, 2001

	Sheriff Expendable Trust	Board of County Commissioners	Clerk of Circuit Court	Sheriff Agency Funds	
	Sheriff Canteen Fund	Pass-through Grants	Agency Fund	Work Release	Levy Trust
ASSETS					
Equity in pooled cash and cash equivalents	\$ 219,900		\$1,245,691	\$ 14,717	\$ 3,976
Due from individuals			5,066		
Due from other funds			1,326		
Due from other governments		\$ 59,402			
Inventory	40,224				
TOTAL ASSETS	<u>\$ 260,124</u>	<u>\$ 59,402</u>	<u>\$1,252,083</u>	<u>\$ 14,717</u>	<u>\$ 3,976</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Accounts payable	\$ 7,105		\$ 69,144		
Due to individuals			822,806	\$ 14,717	\$ 3,976
Due to other funds		\$ 59,402	164,088		
Due to other governments			177,610		
Customer deposits			18,435		
TOTAL LIABILITIES	<u>7,105</u>	<u>59,402</u>	<u>1,252,083</u>	<u>14,717</u>	<u>3,976</u>
FUND EQUITY:					
Fund balances:					
Unreserved-undesignated	<u>253,019</u>				
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 260,124</u>	<u>\$ 59,402</u>	<u>\$1,252,083</u>	<u>\$ 14,717</u>	<u>\$ 3,976</u>

					Tax Collector Agency	
<u>Inmate Trust</u>	<u>Crime Prevention</u>	<u>Victim's Advocate</u>	<u>DARE Account</u>	<u>PAL Account</u>	<u>Taxes and Tags</u>	<u>Total</u>
\$ 15,195	\$ 13,625	\$ 1,617	\$ 3,764	\$ 12,489	\$2,554,577 39,111	\$4,085,551 44,177 1,326 59,402 40,224
<u>\$ 15,195</u>	<u>\$ 13,625</u>	<u>\$ 1,617</u>	<u>\$ 3,764</u>	<u>\$ 12,489</u>	<u>\$2,593,688</u>	<u>\$4,230,680</u>
						\$ 76,249
\$ 15,195	\$ 13,625	\$ 1,617	\$ 3,764	\$ 12,489	\$ 178,714	1,066,903
					496,034	719,524
					511,046	688,656
					1,407,894	1,426,329
<u>15,195</u>	<u>13,625</u>	<u>1,617</u>	<u>3,764</u>	<u>12,489</u>	<u>2,593,688</u>	<u>3,977,661</u>
						253,019
<u>\$ 15,195</u>	<u>\$ 13,625</u>	<u>\$ 1,617</u>	<u>\$ 3,764</u>	<u>\$ 12,489</u>	<u>\$2,593,688</u>	<u>\$4,230,680</u>

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AGENCY FUNDS

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Balance October 1, 2000	Additions	Deductions	Balance September 30 2001
BOARD OF COUNTY COMMISSIONERS				
PASS-THROUGH GRANTS				
ASSETS				
Cash and cash equivalents		\$ 55,381	\$ 55,381	
Due from other governments	\$ 72,646	59,402	72,646	\$ 59,402
	<u>\$ 72,646</u>	<u>\$ 114,783</u>	<u>\$ 128,027</u>	<u>\$ 59,402</u>
LIABILITIES				
Due to other funds	\$ 72,646	\$ 114,783	\$ 128,027	\$ 59,402
CLERK OF CIRCUIT COURTS				
AGENCY FUND				
ASSETS				
Cash and cash equivalents	\$ 1,456,438	\$ 33,763,093	\$ 33,973,840	\$ 1,245,691
Due from individuals	6,226	30,919	32,079	5,066
Due from other funds	9,975	1,326	9,975	1,326
	<u>\$ 1,472,639</u>	<u>\$ 33,795,338</u>	<u>\$ 34,015,894</u>	<u>\$ 1,252,083</u>
LIABILITIES				
Accounts payable	\$ 43,706	\$ 11,807,652	\$ 11,782,214	\$ 69,144
Due to individuals	1,024,443	10,189,688	10,391,325	822,806
Due to other funds	199,534	2,258,155	2,293,601	164,088
Due to other governments	192,433	9,417,203	9,432,026	177,610
Customer deposits	12,523	122,640	116,728	18,435
	<u>\$ 1,472,639</u>	<u>\$ 33,795,338</u>	<u>\$ 34,015,894</u>	<u>\$ 1,252,083</u>
SHERIFF				
WORK RELEASE				
ASSETS				
Cash and cash equivalents	\$ 13,874	\$ 488,274	\$ 487,431	\$ 14,717
LIABILITIES				
Due to individuals	\$ 13,874	\$ 359,133	\$ 358,290	\$ 14,717
Due to other funds	-	129,141	129,141	-
	<u>\$ 13,874</u>	<u>\$ 488,274</u>	<u>\$ 487,431</u>	<u>\$ 14,717</u>

(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Balance October 1, 2000	Additions	Deductions	Balance September 30, 2001
LEVY TRUST				
ASSETS				
Cash and cash equivalents	\$ 100	\$ 26,746	\$ 22,370	\$ 3,976
LIABILITIES				
Due to individuals	\$ 100	\$ 14,661	\$ 10,785	\$ 3,976
Due to other funds	-	12,085	12,085	-
	<u>\$ 100</u>	<u>\$ 26,746</u>	<u>\$ 22,870</u>	<u>\$ 3,976</u>
DEPOSITORY TRUST				
ASSETS				
Cash and cash equivalents	\$ -	\$ 84,195	\$ 84,195	\$ -
LIABILITIES				
Due to individuals	\$ -	\$ 240	\$ 240	\$ -
Due to other funds	-	83,955	83,955	-
	<u>\$ -</u>	<u>\$ 84,195</u>	<u>\$ 84,195</u>	<u>\$ -</u>
INMATE TRUST				
ASSETS				
Cash and cash equivalents	\$ 3,554	\$ 497,246	\$ 485,605	\$ 15,195
LIABILITIES				
Due to individuals	\$ 3,554	\$ 497,246	\$ 485,605	\$ 15,195
CRIME PREVENTION				
ASSETS				
Cash and cash equivalents	\$ 11,234	\$ 33,935	\$ 31,544	\$ 13,625
LIABILITIES				
Due to individuals	\$ 11,234	\$ 33,935	\$ 31,544	\$ 13,625

(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Balance October 1, 2000	Additions	Deductions	Balance September 30, 2001
VICTIM'S ADVOCATE				
ASSETS				
Cash and cash equivalents	\$ 1,738	\$ 8,832	\$ 8,953	\$ 1,617
LIABILITIES				
Due to individuals	\$ 1,738	\$ 8,832	\$ 8,953	\$ 1,617
DARE ACCOUNT				
ASSETS				
Cash and cash equivalents	\$ 2,645	\$ 8,471	\$ 7,352	\$ 3,764
LIABILITIES				
Due to individuals	\$ 2,645	\$ 8,471	\$ 7,352	\$ 3,764
PAL ACCOUNT				
ASSETS				
Cash and cash equivalents	\$ 3,345	\$ 56,420	\$ 47,276	\$ 12,489
LIABILITIES				
Due to individuals	\$ 3,345	\$ 56,420	\$ 47,276	\$ 12,489
TAX COLLECTOR				
TAXES AND TAGS				
ASSETS				
Cash and cash equivalents	\$ 2,748,290	\$ 174,513,616	\$ 174,707,329	\$ 2,554,577
Due from individuals	47,926	44,032	52,847	39,111
	<u>\$ 2,796,216</u>	<u>\$ 174,557,648</u>	<u>\$ 174,760,176</u>	<u>\$ 2,593,688</u>
LIABILITIES				
Due to individuals	\$ 569,738	\$ 5,983,305	\$ 6,374,329	\$ 178,714
Due to other funds	524,851	1,475,136	1,503,953	496,034
Due to other governments	373,906	53,682,902	53,545,762	511,046
Other liabilities	1,327,721	1,450,402	1,370,229	1,407,894
Current taxes		111,965,903	111,965,903	
	<u>\$ 2,796,216</u>	<u>\$ 174,557,648</u>	<u>\$ 174,760,176</u>	<u>\$ 2,593,688</u>

(continued)

ST. JOHNS COUNTY, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Balance October 1, 2000	Additions	Deductions	Balance September 30 2001
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 4,241,218	\$ 209,536,209	\$ 209,911,776	\$ 3,865,651
Due from individuals	54,164	74,951	84,926	44,189
Due from other funds	12,748	1,326	9,975	4,099
Due from other governments	71,407	59,402	72,646	58,163
	<u>\$ 4,379,537</u>	<u>\$ 209,671,888</u>	<u>\$ 210,079,323</u>	<u>\$ 3,972,102</u>
LIABILITIES				
Accounts Payable	\$ 43,706	\$ 11,807,652	\$ 11,782,214	\$ 69,144
Due to individuals	1,630,671	17,151,931	17,715,699	1,066,903
Due to other funds	799,300	4,073,255	4,150,762	721,793
Due to other governments	565,616	63,100,105	62,977,788	687,933
Customer deposits	12,523	122,640	116,728	18,435
Other liabilities	1,327,721	1,450,402	1,370,229	1,407,894
Current taxes		111,965,903	111,965,903	
	<u>\$ 4,379,537</u>	<u>\$ 209,671,888</u>	<u>\$ 210,079,323</u>	<u>\$ 3,972,102</u>
				(concluded)

ACCOUNT GROUP DESCRIPTIONS

General Fixed Assets - To account for all fixed assets of the County, other than those accounted for in the Enterprise Funds.

General Long-Term Obligations - To account for bonded debt and other forms of long-term obligations supported by general revenue sources of St. Johns County.

ST. JOHNS COUNTY, FLORIDA
 SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

General Fixed Assets:

Land	\$ 10,937,870
Buildings and improvements	68,323,605
Furniture and equipment	36,697,558
Construction in progress	5,262,248
Total General Fixed Assets	<u>\$ 121,221,281</u>

Investments in Fixed Assets From:

General and special revenue fund revenues	\$ 69,432,134
Special voted ad valorem tax	4,160,524
General obligation bonds	17,196,769
Revenue bonds	23,602,444
Grants	4,589,572
Contributions	2,239,838
Total Investment in General Fixed Assets	<u>\$ 121,221,281</u>

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

Function/Activity	Total	Land	Buildings and Improvements	Furniture and Equipment
General Government				
Board of County				
Commissioners	\$ 670,333	\$ 613,656	\$ 49,982	\$ 6,695
County Administrator	1,229,592		1,216,862	12,730
Construction Services	39,608			39,608
Management and Budget	5,894			5,894
Public Information	2,908			2,908
Intergovernmental Services	33,974			33,974
Data Processing	3,124,033		356,338	2,767,695
Property Appraiser	1,060,720		41,116	645,604
Tax Collector	499,045			499,045
Purchasing	11,707			11,707
Personnel	3,245			3,245
County Attorney	8,073			8,073
Planning and Zoning	1,573,662		41,503	1,532,159
Geographic Information Systems	48,053			48,053
Clerk of Circuit Court	42,224			42,224
Circuit and County Court	46,962			46,962
Guardian Ad Litem	1,200			1,200
State Attorney	136,633			136,633
Public Defender	6,020			6,020
Court Reporting	846			846
Supervisor of Elections	619,809			619,809
Visitors Convention Bureau	59,710			59,710
Building Maintenance	512,035		176,021	336,014
Courthouses and Annexes	25,491,612	898,994	23,958,771	633,847
Tourist Development Council	25,696			25,696
Total General Government	35,253,594	1,512,650	26,214,593	7,526,351
Public Safety				
Sheriff	27,528,550		16,215,220	11,313,330
Life Saving	193,719		28,098	165,621
Florida Highway Patrol Radar	-			
Public Safety	111,674		65,484	46,190
Fire Service	10,559,037	353,154	4,451,458	5,754,425
Building Code	-			
Pre-construction Services	152,290			152,290
Codes Compliance	460,230	315,390	45,832	99,008
Construction Support	302,409			302,409
Emergency Management	217,986		54,338	163,648
E-911 Communications	401,061		170,532	230,529
Emergency Medical Services	3,136,057	137,732	714,755	2,283,570
Medical Examiner	534,707		500,975	33,732
Total Public Safety	43,597,720	806,276	22,246,692	20,544,752

(continued)

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

Function/Activity	Total	Land	Buildings and Improvements	Furniture and Equipment
Physical Environment				
Agriculture	1,541,540	496,995	986,613	57,932
St. Johns County Fair	122,563		115,940	6,623
St. Johns River Project	3,485			3,485
Total Physical Environment	<u>1,667,588</u>	<u>496,995</u>	<u>1,102,553</u>	<u>68,040</u>
Transportation				
Road Engineering	-			
Road and Bridge	8,286,494	2,097,760	409,380	5,779,354
Garage	128,016		17,705	110,311
Mowing	617,796			617,796
Traffic and Transportation	156,563			156,563
Project Administration	-			
Surveying	223,164			223,164
Development Review	491,818	365,860		125,958
Total Transportation	<u>9,903,851</u>	<u>2,463,620</u>	<u>427,085</u>	<u>7,013,146</u>
Economic Environment				
State Housing Initiative Program	4,122			4,122
Veterans Services	2,451			2,451
Total Economic Environment	<u>6,573</u>	<u>-</u>	<u>-</u>	<u>6,573</u>
Human Services				
Mental Health	139,766		34,611	105,155
Homes for Infirmid	88,775		88,775	
County Health Unit	8,440,050		7,963,654	476,396
Family Medical and Dental	77,558	7,736	66,571	3,251
Animal Control	124,162			124,162
Social Services	258,216		244,762	13,454
Total Human Services	<u>9,128,527</u>	<u>7,736</u>	<u>8,398,373</u>	<u>722,418</u>
Culture and Recreation				
Libraries	4,428,131	762,500	3,370,066	295,565
Recreation	10,437,198	4,746,040	5,170,445	520,713
County Pier	1,535,851	142,053	1,393,798	
Total Culture and Recreation	<u>16,401,180</u>	<u>5,650,593</u>	<u>9,934,309</u>	<u>816,278</u>
Total to functions	<u>115,959,033</u>	<u>10,937,870</u>	<u>68,323,605</u>	<u>36,697,558</u>
Construction in Progress	<u>5,262,248</u>			
Total General Fixed Assets				
Allocated to Functions	<u>\$ 121,221,281</u>			

(concluded)

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

Function/Activity	Balance October 1, 2000	Additions	Dispositions & transfers	Adjustments	Balance September 30, 2001
General Government					
Board of County Commissioners	\$ 686,877		\$ 3,368	\$ (32,675)	\$ 657,570
County Administrator	1,231,437		1,245		1,229,997
Construction Services	39,608				39,608
Management and Budget	2,508	\$ 3,386			5,894
Public Information	2,908				2,908
Intergovernmental Services	3,500	30,474			33,974
Data Processing	2,978,878	555,561	443,735	33,329	3,972,003
Property Appraiser	999,452	78,357	17,089		1,060,720
Tax Collector	304,238	226,315	6,539	(24,969)	499,045
Purchasing	11,350		1,150	1,507	11,707
Personnel	3,245				3,245
County Attorney	9,579			(1,506)	8,073
Planning and Zoning	1,237,277	164,571	132,623	304,437	1,573,662
Geographic Information Systems	48,053				48,053
Clerk of Circuit Court	52,002		907	(8,871)	42,224
Circuit and County Court	46,962				46,962
Guardian Ad Litem	1,200				1,200
State Attorney	160,802		1,210	(22,959)	136,633
Public Defender	6,020				6,020
Court Reporting	846				846
Supervisor of Elections	663,687	16,995	60,873		619,809
Visitors Convention Bureau	58,405	1,305			59,710
Building Maintenance	378,368	162,619	14,337	(14,615)	512,035
Courthouses and Annexes	27,010,447	53,463	1,587,708	15,410	25,491,612
Tourist Development Council	25,041	1,405	750		25,696
Total General Government	35,962,690	1,294,451	2,272,634	269,087	35,253,594
Public Safety					
Sheriff	26,295,740	3,019,463	1,786,653		27,528,550
Life Saving	206,213	13,006	25,500		193,719
Florida Highway Patrol Radar	-				-
Public Safety	111,674				111,674
Fire Service	9,668,619	952,627	62,209		10,559,037
Pre-construction Services	120,706	31,584			152,290
Codes Compliance	435,573	26,996	2,339		460,230
Construction Support	303,980		1,571		302,409
Emergency Management	194,786	23,200			217,986
E-911 Communications	401,061				401,061
Emergency Medical Services	2,840,686	378,068	104,197	21,500	3,136,057
Medical Examiner	543,483	10,200	18,976		534,707
Total Public Safety	41,122,521	4,455,144	2,001,445	21,500	43,597,720

(continued)

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2001

Function/Activity	Balance October 1, 2000	Additions	Dispositions & Transfers	Adjustments	Balance September 30, 2001
Physical Environment					
Agriculture	1,541,540				1,541,540
St. Johns County Fair	118,143	4,420			122,563
St. Johns River Project	3,485				3,485
Total Physical Environment	1,663,168	4,420	-	-	1,667,588
Transportation					
Road and Bridge	7,957,567	407,358	120,783	42,352	8,236,494
Garage	98,237	1,504		28,275	128,016
Mowing	580,463	95,947		(58,614)	617,796
Traffic and Transportation	142,184	14,379			156,563
Project Administration	-				-
Surveying	199,903	23,261			223,164
Development Review	478,070	13,748			491,818
Total Transportation	9,456,424	556,197	120,783	12,013	9,903,851
Economic Environment					
State Housing Initiative Program	33,979			(29,857)	4,122
Veterans Services	2,451				2,451
Total Economic Environment	36,430	-	-	(29,857)	6,573
Human Services					
Mental Health	102,949	38,568	1,751		139,766
Homes for Infirmed	213,028		124,253		98,775
County Health Unit	1,110,996	7,358,372	39,078	9,760	8,440,050
Family Medical and Dental	74,307	2,304		947	77,558
Animal Control	94,512	30,650	1,000		124,162
Social Services	259,443		1,227		258,216
Total Human Services	1,855,235	7,429,894	167,309	10,707	9,128,527
Culture and Recreation					
Libraries	4,445,103	7,598	9,160	(15,410)	4,428,131
Recreation	7,550,807	3,210,986	56,555	(268,040)	10,437,198
County Pier	1,535,851				1,535,851
Total Culture and Recreation	13,531,761	3,218,584	65,715	(283,450)	16,401,180
Construction in Progress	8,845,301	4,381,137	7,964,190		5,262,248
Total General Fixed Assets	\$ 112,473,530	\$ 21,339,827	\$ 12,592,076	\$ -	\$ 121,221,281

(concluded)

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP
September 30, 2001

Amount Available and to be provided for
the Payment of General Long-Term Obligations:

Amount Available in Debt Service Funds:

Transportation Improvement Revenue Refunding
Bonds, Series 1992

\$ 65,695

Limited Ad Valorem Tax Refunding Bonds, Series 1994

266,719

Sales Tax Revenue Refunding Bonds

89,595

\$10M FLGFC Pooled Commercial Paper Loan Program

2,334

Amount Available in Debt Service Funds

424,343

Amount to be Provided:

Bonds Payable:

Limited Ad Valorem Tax Refunding Bonds, Series 1994

2,613,281

Transportation Improvement Revenue Refunding

Bonds, Series 1992

5,864,305

Sales Tax Revenue Refunding Bonds, 1994

7,861,474

Sales Tax Revenue Refunding Bonds, 1998

10,628,931

Bonds Payable

26,967,991

\$10M Commercial Paper Program

2,172,666

Special Assessments

87,000

Long-Term Lease Obligations

1,637,308

Accrued Compensated Absences:

Board of County Commissioners

1,186,474

Clerk of Courts

174,372

Sheriff

1,817,983

Tax Collector

62,597

Property Appraiser

75,581

Supervisor of Elections

32,854

Accrued Compensated Absences

3,349,861

Total Amount to be Provided

34,214,826

Total Amount Available and to be provided
for The Payment of General Long-Term Obligations

\$ 34,639,169

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF GENERAL LONG-TERM OBLIGATIONS
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP (continued)
September 30, 2001

General Long-Term Debt Payable:

General Obligation Bonds Payable:

Limited Ad Valorem Tax Refunding Bonds, Series 1994	<u>\$ 2,880,000</u>
General Obligation Bonds Payable	<u>2,880,000</u>

Revenue Bonds Payable:

Sales Tax Revenue Refunding Bonds, Series 1998	10,680,000
Sales Tax Revenue Refunding Bonds, Series 1994	7,900,000
Transportation Improvement Revenue Refunding Bonds, Series 1992	<u>5,930,000</u>
Revenue Bonds Payable	<u>24,510,000</u>
Revenue and General Obligation Bonds Payable	<u>27,390,000</u>

Special Assessment Debt:

Special Assessment Debt with Governmental Commitment	<u>87,000</u>
Special Assessment Debt	<u>87,000</u>

Other General Long-Term Debt:

\$10M Commercial Paper Program	2,175,000
Long-Term Lease Obligations	1,637,308
Accrued Compensated Absences	<u>3,349,861</u>
Total Other General Long-Term Debt Payable	<u>7,162,169</u>

Total General Long-Term Obligations Payable	<u>\$ 34,639,169</u>
	(concluded)

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP
FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Balance October 1, 2000	Additions	Retirements	Balance September 30, 2001
General Long-Term Debt Payable:				
Revenue Bonds Payable:				
Transportation Improvement Revenue Refunding Bonds, Series 1992	\$ 6,740,000		\$ 810,000	\$ 5,930,000
Sales Tax Revenue Refunding Bonds, Series 1994	8,495,000		595,000	7,900,000
Sales Tax Revenue Refunding Bonds, Series 1998	10,705,000		25,000	10,680,000
Total Revenue Bonds Payable	25,940,000	-	1,430,000	24,510,000
General Obligation Bonds Payable:				
Limited Ad Valorem Tax Refunding Bonds, Series 1994	4,220,000		1,340,000	2,880,000
Total General Obligation Bonds Payable	4,220,000	-	1,340,000	2,880,000
Special Assessment Debt:				
Special Assessment Debt with Governmental Commitment	169,000		82,000	87,000
Total Special Assessment Debt	169,000	-	82,000	87,000
Other General Long Term Debt:				
\$10M Commercial Paper Program		2,390,000	215,000	2,175,000
Long Term Lease Obligations	1,429,591	207,717		1,637,308
Accrued Compensated Absences	3,343,921	258,852	252,912	3,349,861
Total Other General Long-Term Obligations Payable	4,773,512	2,856,569	467,912	7,162,169
Total General Long-Term Obligations Payable	\$ 35,102,512	\$ 2,856,569	\$ 3,319,912	\$ 34,639,169

ST. JOHNS COUNTY, FLORIDA
GENERAL OBLIGATION BOND ISSUES - DESCRIPTION
LIMITED AD VALOREM TAX REFUNDING BONDS, SERIES 1994
AS OF SEPTEMBER 30, 2001

Original authorization	\$ 11,155,000
Unissued	<u>-</u>
Issued	11,155,000
Retirements through September 30, 2001	<u>8,275,000</u>
Balance Outstanding September 30, 2001	<u>\$ 2,880,000</u>

Date of Issue	March 15, 1994
Maturity Range	1994-2003
Principal payment date	March 1
Interest payment dates	March - September
Denominations	\$5,000
Interest rates	

5.000% Maturities 2002-2003

Call feature	Non-callable

Paying agent	The Bank of New York New York, New York

ST. JOHNS COUNTY, FLORIDA
 REVENUE BOND ISSUES - DESCRIPTION
 TRANSPORTATION IMPROVEMENT REVENUE
 REFUNDING BONDS, SERIES 1992
 AS OF SEPTEMBER 30, 2001

Original authorization	\$ 12,500,000
Unissued	<u>315,000</u>
Issued	12,185,000
Retirements through September 30, 2001	<u>6,255,000</u>
Balance Outstanding September 30, 2001	<u>\$ 5,930,000</u>

Date of Issue	July 1, 1992
Maturity Range	1992 - 2007
Principal payment date	October 1
Interest payment dates	April - October
Denominations	\$5,000
Interest rates	

5.600% Maturities 2002
 5.700% Maturities 2003
 6.000% Maturities 2004 - 2007

Call feature	2002 @ 101 2003 - Maturity @ 100

Paying agent	The Bank of New York New York, New York

ST. JOHNS COUNTY, FLORIDA
 REVENUE BOND ISSUES - DESCRIPTION
 SALES TAX REVENUE REFUNDING BONDS, SERIES 1994
 AS OF SEPTEMBER 30, 2001

Original authorization Unissued	\$ 11,640,000
Issued	11,640,000
Retirements through September 30, 2001	3,740,000
Balance Outstanding September 30, 2001	\$ 7,900,000

Date of Issue	June 1, 1994
Maturity Range	1994-2011
Principal payment date	October 1
Interest payment dates	April - October
Denominations	\$5,000
Interest rates	

4.875% Maturities 2002
 5.000% Maturities 2003-2004
 5.100% Maturities 2005
 5.300% Maturities 2006
 5.400% Maturities 2007
 5.500% Maturities 2008
 5.625% Maturities 2009-2011

Call feature	2002 @ 102 2003 @ 101 2004-Maturity @ 100

Paying agent	The Bank of New York New York, New York

ST. JOHNS COUNTY, FLORIDA
 REVENUE BOND ISSUES - DESCRIPTION
 SALES TAX REVENUE REFUNDING BONDS, SERIES 1998
 AS OF SEPTEMBER 30, 2001

Original authorization	\$ 10,750,000
Unissued	<u>-</u>
Issued	10,750,000
Retirements through September 30, 2001	<u>70,000</u>
Balance Outstanding September 30, 2001	<u>\$ 10,680,000</u>

Date of Issue	May 15, 1998
Maturity Range	2008-2019
Principal payment date	October 1
Interest payment dates	April - October
Denominations	\$5,000
Interest rates	

4.40% Maturities 2008
 4.90% Maturities 2013
 5.00% Maturities 2018

Call feature	2008 @ 101 2009-Maturity @ 100

Paying agent	First Union National Bank Jacksonville, Florida

SUPPORTING SCHEDULES

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES BY DEPARTMENT .
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2001

GENERAL FUND	BUDGET	ACTUAL
General Government		
Board of County Commissioners	\$ 517,041	\$ 485,773
County Administrator	324,246	310,660
Construction Services	151,010	148,013
Management and Budget	443,802	415,260
Risk Management	97,496	96,956
Inter-governmental Services	258,467	258,079
Management Information Systems	2,280,954	1,846,986
Outside Agencies-Public	2,661,000	2,630,419
Purchasing	184,393	181,772
Personnel	291,307	279,884
County Attorney	622,885	622,880
Planning	2,064,773	1,381,625
Zoning	266,589	221,452
Regional Planning Council	43,298	43,298
Ponte Vedra Zoning Board	11,698	11,654
Graphic Information System	402,823	344,803
Circuit Court	892,610	877,326
Guardian Ad Litem	45,968	41,885
County Court	27,265	22,935
Law Library	5,050	5,023
Court Reporting	240,727	233,569
Refunds	17,998	16,939
Building Maintenance Services	1,653,741	1,438,051
Courthouse, Annex Maintenance	1,479,520	1,276,448
Total General Government	14,984,661	13,191,690
Public Safety		
School Crossing Guard	369,044	369,043
Public Safety Communications	425,222	424,452
Codes Compliance	331,381	291,148
Emergency Management	628,181	301,213
Emergency Medical Service	4,475,028	4,375,626
Medical Examiner	198,074	198,016
Total Public Safety	6,426,930	5,959,498

(continued)

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2001

	BUDGET	ACTUAL
Physical Environment		
Sea Grant College	1,000	1,000
Agriculture and Home Economics	946,700	317,757
Hastings Agricultural Research Center	14,229	14,228
St. Johns County Fair	57,457	21,387
St. Johns Soil and Water Conservation	27,693	27,300
St. Johns River Project	20,000	20,000
Planning	15,000	15,000
Sea Turtle Study	5,000	428
Total Physical Environment	1,087,079	417,110
Transportation		
Development Review	1,303,880	1,164,820
Total Transportation	1,303,880	1,164,820
Economic Environment		
Committee of 100	74,960	45,838
Veterans Services	82,161	82,158
Planning	506,521	506,521
St. Johns Housing Partnership	40,000	40,000
Total Economic Environment	703,642	674,517
Human Services		
Hospitals	1,002,169	788,646
Nursing Homes	50,000	50,000
Family Medical and Dental Center	106,925	105,809
Animal Control	191,469	190,870
Humane Society Services	187,000	184,258
Youth Crisis Center	33,380	33,380
Social Services	444,893	305,558
Child Day Care	91,029	91,029
N.E.Fla.Community Action Agency	33,133	33,133
Welfare Participation-Medicaid	924,331	785,487

(continued)

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2001

	BUDGET	ACTUAL
Council on Aging	406,235	395,275
Retardation	39,000	39,000
Retired Senior Volunteers	12,675	2,673
Betty Griffin House	70,000	70,000
Learn to Read Program	16,500	16,500
EPIC	55,000	55,000
Total Human Services	3,663,739	3,146,619
Culture and Recreation		
Libraries	2,782,945	2,646,748
Recreation Programs	3,834,807	3,524,142
Recreation and Parks	1,125,919	1,037,542
Total Culture and Recreation	7,743,671	7,208,432
Total Expenditures	\$ 35,913,602	\$ 31,762,686

BUILDING SERVICE FUND

Public Safety		
Preconstruction Services	\$ 1,380,389	\$ 1,182,356
Construction Support	1,847,271	1,365,239
Total Expenditures	\$ 3,227,660	\$ 2,547,595

COUNTY TRANSPORTATION TRUST FUND

Transportation		
Road Construction	\$ 6,663,464	\$ 2,582,999
Road and Bridge Maintenance	6,637,575	5,452,546
Mowing	740,710	653,059
Traffic and Transportation	784,236	694,778
Project Administration	771,161	726,146
Surveying	617,610	589,246
Fleet Services	1,719,732	1,686,747
Total Expenditures	\$ 17,934,488	\$ 12,385,521

(continued)

ST. JOHNS COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2001

	BUDGET	ACTUAL
ADDITIONAL COURT COSTS FUND		
General Government		
State Attorney	\$ 98,838	\$ 88,877
Public Defender	12,000	4,882
Total Expenditures	<u>\$ 110,838</u>	<u>\$ 93,759</u>
BEACH FUND		
Public Safety		
Sheriff Beach Patrol	\$ 41,500	\$ 41,500
City of St. Augustine Beach Patrol	51,500	44,041
Life Saving Corps	353,066	333,997
Total Public Safety	<u>446,066</u>	<u>419,538</u>
Culture and Recreation		
Beach Services	106,958	93,863
Beach Toll Collection	211,797	156,111
Total Culture and Recreation	<u>318,755</u>	<u>249,974</u>
Total Expenditures	<u>\$ 764,821</u>	<u>\$ 669,512</u>
TOURIST DEVELOPMENT TAX FUND		
General Government		
Administration	\$ 414,707	\$ 260,108
Category I	2,058,639	1,974,905
Total General Government	<u>2,473,346</u>	<u>2,235,013</u>
Culture and Recreation		
Category II	536,548	400,533
Category III	1,442,228	437,751
Total Culture and Recreation	<u>1,978,776</u>	<u>838,284</u>
Total Expenditures	<u>\$ 4,452,122</u>	<u>\$ 3,073,297</u>

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APPENDIX B

GENERAL INFORMATION CONCERNING THE COUNTY

APPENDIX B

GENERAL INFORMATION CONCERNING THE COUNTY

The following information concerning St. Johns County, Florida is included only for the purpose of providing general background information.

Location

St. Johns County (the "County") encompasses approximately 608 square miles and is located in the northeast region of the State of Florida. The County is located directly south of Duval County, Florida, and is bordered on the west by the St. Johns River, on the south by Flagler County, and on the east by the Atlantic Ocean.

There are three incorporated municipalities located in the County: St. Augustine, Hastings and St. Augustine Beach. St. Augustine, which was founded in 1565, is the oldest permanent European settlement in the United States and is the county seat. A small portion of the municipality of Marineland (primarily located in Flagler County) on which no improvements are located, is also a part of the County.

Government

The Board of County Commissioners of St. Johns County is organized under Article VIII of the Constitution of the State of Florida which empowers the creation of counties as a political subdivision of the state. St. Johns County is a nonchartered county and has the power of self government as provided by general and special law through county ordinances. Under the Constitution of the State of Florida, the offices of Clerk of Court, Property Appraiser, Sheriff, Tax Collector and Supervisor of Elections are specifically authorized and empowered to provide their functional services independently of the Board. The Board of County Commissioners of the County enacted an ordinance which established the office of the County Administrator, who serves as the Chief Administrative Officer of the County and is responsible for the administration of County departments, services and agencies as authorized by the Board of County Commissioners. The County School Board is a separately organized taxing entity not under the jurisdiction of the Board of County Commissioners and has specific legislative authority granted by the Constitution. The Board of County Commissioners is a five member body with its members elected countywide. The Board serves as the taxing authority for certain entities authorized by the Constitution of the State of Florida including the constitutional officers and special taxing districts that are authorized under legislation and approved by the Board of County Commissioners. Certain dependent county taxing districts also come under the purview of the Board's taxing limitations. The current general taxing limitation for the Board of County Commissioners is ten mills plus an additional ten mills in municipal service taxing or benefit units in unincorporated areas of the County, as authorized by the Legislature. A mill generates one dollar of tax for every one thousand dollars of taxable value.

Population

St. Johns County currently ranks ____ out of Florida's 67 counties in total gross population and ranks ____ statewide in the percentage change in population growth from ____ to 2001.

St. Johns County has experienced steady population growth, as shown below:

<u>Year</u>	<u>Population</u>
1980	51,303
1990	83,829
2000	123,135
2001	128,604

Source: U.S. Bureau of the Census; Florida Executive State Data Center, Office of the Governor, Florida Population Estimate by County September 2001.

Commerce and Industry

A combination of historical significance, favorable climate, and available recreational facilities including public beaches, golf courses, tennis courts, and cultural events has made the County a national and international tourist destination attracting more than a million visitors annually.

The County is home to a number of state, national and international business and sports organizations all contributing to a stable economy. Among those headquartered in the County are the PGA Tour, Inc., Association of Tennis Professionals, Flagler College, Florida School for the Deaf and Blind, Florida National Guard, and Florida East Coast Railway. The World Golf

Village, located in the northwestern part of the County, is the home of the world Golf Hall of Fame, World Golf Village Resort Hotel, and the St. Johns County Convention Center.

While tourism ranks highly in the economy, manufacturing and commercial activities, including food processing, airplane modification and repair, book binding, aluminum extrusion and commercial fishing play key roles.

Agriculture

Agribusiness remains a key sector of the state and the northeast region's economy. Agriculture is a major industry in the County and in 2001 provided the County with on-farm revenue in excess of \$89.6 million.

St. Johns County is known as the potato and cabbage capital of Florida, and leads the other counties in Florida in value of these products. Agriculture commodities produced in the County and their respective estimated values for 2001 are as follows:

Potatoes	\$28,000,000
Cabbage	9,000,000
Forest Products	900,000
Ornamental Horticulture	50,000,000
Corn, Corn Silage & Hay	200,000
Livestock, Dairying & Poultry	<u>1,500,000</u>
Total	\$89,600,000 ¹

¹ Source: Florida Department of Agriculture St. Johns County Extension Service, as of August 12, 2001.

Employment

The following table shows the average monthly employment for St. Johns County by category for calendar year ended 2001.

<u>Distribution</u>	<u>Number of Employees</u>	<u>Percentage of Total</u>
Manufacturing	3,498	8.66%
Construction	2,540	6.28
Transportation, Communications, & Utilities	855	2.12
Wholesale Trade	1,457	3.61
Retail Trade	10,512	26.01
Finance, Insurance and Real Estate	1,712	4.24
Services	12,637	31.26
Government	6,191	15.32
Agriculture (Except Domestic, Self-Employed, Unpaid Family Workers and Seasonal Workers)	984	2.43
Mining	0	0.00
Nonclassifiable	28	.07
TOTAL	40,414	100.00%

Source: State of Florida, Department of Labor and Employment Security.

Major Employers

The following table shows some of the major employers in St. Johns County and their approximate level of employment in 2001.

<u>Establishment</u>	<u>Product</u>	<u>Approximate Employment</u>
St. Johns County School Board	Education	2,500
St. Johns County	County Government	1,450
Flagler Hospital	Health Care	1,000
Northrup Grumman	Aircraft Overhaul and Modification	1,000
Florida School for the Deaf and Blind	Educational Institution	639
V.A.W. of America, Inc.	Aluminum Extrusion	550
Luhrs Corporation	Pleasure Crafts/Sport Fishing Boats	400
Tree of Life, Inc.	Health Food Distributor	385
National Guard	Florida National Guard Headquarters	355
Tensolite	High-Tech Wire Manufacturers	275
Ideal/Stant	Automobile Parts Manufacturer	230

Source: St. Augustine and St. Johns County Chamber of Commerce.

Tourism and Recreation

A combination of favorable climate and available recreational activities including public beaches, tennis courts, golf courses and cultural performances has made tourism a major industry in the County. Each year, more than one million people visit the County to tour its 300-year old fortress, utilize the recreation facilities and to enjoy the antiquity of the nation's oldest city.

Transportation Facilities

Air: Commercial airline service is available at the Jacksonville International Airport located approximately 60 miles north of St. Augustine. The Daytona Beach Regional Airport is approximately 55 miles south of St. Augustine. Charter flights and flight training are available at the St. Augustine Municipal Airport.

Land: Three major north/south highways, Interstate 95, U.S. 1 and State Route A1A, serve the County. Bus transportation is provided to St. Augustine by Greyhound with 5 northbound and 11 southbound buses each day.

Rail: The County is served by the Florida East Coast Railway with freight service only. Amtrak and piggyback facilities are located in Jacksonville, 38 miles north of the County.

Waterways: The Matanzas Bay provides access to the St. Augustine Inlet, the Intracoastal Waterway and the Atlantic Ocean. The nearest deep water port is in Jacksonville.

Health Care Facilities

Medical facilities are provided by Flagler Hospital, which has 230 beds. There are approximately 110 physicians in the area, including specialists in most fields. The County has five nursing homes; two of which are funded by the County and three of which are private establishments. There is also the University of St. Augustine for Health Sciences. Programs offered are physical therapy and occupational therapy.

Education

The public school system is operated by the St. Johns County School Board. There are thirteen elementary schools, twelve secondary schools, one discipline program school (grades 6-12), two elementary parochial schools, a parochial high school, a bi-county Vocational and Technical Center, St. Johns River Community College, and Flagler College, which is a four-year liberal arts institution in which more than 1,300 students are enrolled. The State operates the Florida School for the Deaf and Blind in St. Augustine, with primary school through senior high school levels.

Source: St. Augustine and St. Johns County Chamber of Commerce.

**St. Johns County, Florida
Civilian Labor Force
(unadjusted)**

<u>Fiscal Year</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>	<u>State Unemployment Rate</u>
1991/92	37,048	2,914	7.9%	7.1%
1992/93	43,215	2,863	6.6	7.0
1993/94	44,701	2,783	6.2	6.6
1994/95	45,552	2,140	4.7	5.8
1995/96	51,750	1,552	3.0	5.1
1996/97	54,094	1,567	2.9	4.2
1997/98	56,374	1,549	2.7	4.5
1998/99	60,124	1,563	2.6	4.0
1999/00	61,865	1,624	2.6	3.7
2000/01	66,325	2,143	3.2	4.6

Source: Florida Department of Labor and Employment Security, Bureau of Research and Information.

**St. Johns County, Florida
Assessed and Estimated Actual Value of Property Valuations**

<u>Fiscal Year</u>	<u>Taxable Value Real Property</u>	<u>Taxable Value Personal Property</u>	<u>Taxable Value Centrally Assessed</u>	<u>Total Taxable Valuations</u>
1991/92	\$3,399,910,947	\$307,882,418	\$11,995,281	\$3,719,788,646
1992/93	3,504,853,905	300,136,448	8,979,760	3,813,970,113
1993/94	3,746,646,651	301,885,084	9,448,364	4,057,980,099
1994/95	4,000,055,855	317,459,944	12,768,651	4,330,284,450
1995/96	4,336,130,636	338,279,655	12,176,831	4,686,587,122
1996/97	4,597,639,793	353,147,333	11,966,300	4,962,753,426
1997/98	5,151,257,542	380,758,444	15,038,418	5,547,054,404
1998/99	5,755,043,340	459,394,987	14,988,390	6,229,426,717
1999/00	6,614,044,633	539,554,576	15,702,372	7,169,301,581
2000/01	7,563,588,131	588,493,446	17,115,611	8,169,197,188

Source: St. Johns County Property Appraiser

St. Johns County, Florida
Property Tax Levies and Collections

Tax Fiscal Year	Property Taxes Levied	Current Tax Collections ¹	Delinquent Tax Collections	Total Tax Collection	% of Levy Collected ²
1991/92	\$ 26,481,535	\$ 24,840,713	\$ 227,516	\$25,068,229	94.66%
1992/93	27,424,618	25,511,092	92,283	25,603,375	93.36%
1993/94	30,073,155	28,944,275	254,752	29,199,027	97.09%
1994/95	30,857,851	29,763,755	103,244	29,866,999	96.79%
1995/96	32,514,425	32,340,780	99,229	32,440,009	99.77%
1996/97	34,897,004	33,522,098	240,926	33,763,024	96.75%
1997/98	39,162,186	37,767,161	195,502	37,962,663	96.94%
1998/99	43,705,566	42,021,349	78,550	42,099,899	96.33%
1999/00	49,538,943	47,928,518	34,256	47,962,774	96.82%
2000/01	55,872,261	53,891,302	138,271	54,029,573	96.70%

¹ Aggregate amount of tax collections as of close-out of fiscal year ended September 30, which includes the aggregate amount of discounts actually taken by taxpayers as allowed by Florida law. A 4% discount is allowed if the taxes are paid in November with the discount declining by 1% each month thereafter. Total tax collections include current taxes paid, tax certificate proceeds, delinquent tax payments upon taxable personal property and any prior period payments on County-held tax certificates.

² Represents percentage of current gross collections (total collections plus discounts taken) to property taxes levied.

Source: State of Florida, Department of Revenue, Florida Ad Valorem Valuations and Tax Data.

**St. Johns County, Florida
Net Debt Statement
as of September 30, 2001**

<u>Direct Debt</u>	<u>General Obligation Bonds</u>	<u>Non-Self Supporting Revenue Bonds</u>	<u>Self Supporting Revenue Bonds</u>
Limited Ad Valorem Tax Refunding Bonds, Series 1994	\$2,880,000		
Water and Sewer Revenue Bonds, Series 1989			\$ 5,880,000
Water and Sewer Revenue Bonds, Series 1991A			12,907,429
Water and Sewer Revenue Refunding Bonds, Series 1998			2,055,000
Water and Sewer Revenue and Refunding Bonds, Series 1996			16,240,000
Water and Sewer Revenue Refunding Bonds, Series 1994A			9,485,000
Water and Sewer Revenue Refunding Bonds, Series 1999B			4,515,000
State Revolving Loan Fund Agreement			1,563,576
Taxable Convention Center Revenue Bonds, Series 1996			16,765,000
Sales Tax Revenue Refunding Bonds, Series 1998		10,680,000	
Sales Tax Revenue and Refunding Bonds, Series 1994		7,900,000	
Capital Improvement Revenue Bonds, Series 1998		2,550,000	
Transportation Improvement Revenue Refunding Bonds, Series 1992		5,930,000	
\$10M Commercial Paper Program		<u>2,175,000</u>	
Total Direct Debt	<u>\$2,880,000</u>	<u>\$29,235,000</u>	<u>\$69,411,005</u>

<u>Indirect Debt</u>	<u>General Obligation Bonds</u>	<u>Non-Self Supporting Revenue Bonds</u>	<u>Self Supporting Revenue Bonds</u>
City of St. Augustine, Florida			
Water and Sewer Revenue Refunding Bonds, Series 1995(A)			\$14,270,000
Water and Sewer Revenue Refunding Bonds, Series 1995(B)			465,000
Water and Sewer Revenue Refunding Bonds, Series 1996			5,460,000
Water and Sewer Revenue Bonds, Series 1999			4,240,000
Public Service Tax and Guaranteed Entitlement Revenue Refunding Bonds, Series 1995		\$ 2,065,000	
Public Service Tax and Guaranteed Entitlement Revenue Refunding Bonds, Series 2001		13,795,000	
Town of Hastings, Florida			
Water and Sewer Bonds			1,032,400
Hastings Library Construction Note			209,287
School District of St Johns County, Florida			
General Obligation Refunding Bonds, Series 1993	\$26,960,000		
Certificates of Participation, Series 1993	_____	<u>12,080,000</u>	_____
Total Indirect Debt	<u>\$26,960,000</u>	<u>\$ 27,940,000</u>	<u>\$25,676,687</u>
Total Direct and Indirect Debt	<u>\$29,840,000</u>	<u>\$57,175,000</u>	<u>\$95,087,692</u>

DEBT RATIOS

Direct General Obligation Debt	\$ 2,880,000.00
Per Capita	\$22.39
As a Percent of Taxable Assessed Valuation	0.04%
As a Percent of Total Assessed Valuation	0.03 %
Direct General Obligation and Non-Self Supporting Revenue Debt	\$ 32,115,000.00
Per Capita	\$249.72
As a Percent of Taxable Assessed Valuation	0.39%
As a Percent of Total Assessed Valuation	0.29%
2001 St. Johns County Population Estimate	128,604
FY 2000 Taxable Assessed Valuation for St. Johns County	\$8,169,197.188.00
FY 2000 Total Assessed Valuation for St. Johns County	\$10,959,864,446.00

Police and Fire Protection

St. Johns County is served by the Sheriffs Office, which has approximately 400 full- and part-time employees including deputies, the detective division, communications, jail and administrative personnel. There are sixteen fire stations operating within the County, served by volunteers. The County operates a special rescue unit manned by trained emergency medical technicians.

APPENDIX C
THE RESOLUTION

APPENDIX C

SUMMARY OF PERTINENT PROVISIONS OF THE RESOLUTION

The Resolution contains various covenants and security provisions, certain of which are summarized below. Such summaries do not purport to be complete and reference to the Resolution should be made for a full and complete statement thereof. Copies of the Resolution may be obtained from the office of the Clerk.

Resolution to Constitute Contract

The Resolution is declared to be and shall constitute a contract between the County and all owners of the 1998 Bonds, the Parity Bonds and any Additional Bonds (collectively, the "Bonds"); and the covenants and agreements set forth in the Resolution to be performed by the County are and shall be for the equal benefit, protection and security of all owners, all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other, except as provided in the Resolution.

Negotiability, Registration, Transfer and Exchange

The Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive owner, in accepting any Bonds shall be conclusively deemed to have agreed that the same shall be and have all of said qualities and incidents of negotiable instruments.

The transfer of Bonds shall be registered on the Bond Register upon delivery to the Registrar of the Bonds to be transferred, accompanied by a written instrument or instruments of transfer in form and with guaranty of signatures satisfactory to the Registrar, duly executed by the owner of the Bonds to be transferred, or by such owner's attorney duly authorized in writing, containing such identification information for the transferee as the Registrar shall reasonably require.

In all cases of the transfer of any Bond, the Registrar shall enter the transfer of ownership in the Bond Register and shall deliver in the name of the transferee or transferees a new registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. The County or the Registrar may charge the owner of such Bond for every such transfer an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may require that such charge be paid before any such new Bond shall be delivered.

The County and the Registrar shall not be required to issue or transfer any Bonds during the period beginning with the fifteenth day next preceding either any interest payment date or any day on which such Bonds shall have been duly called for redemption in whole or in part and with respect to which the applicable notice of redemption shall have been duly given.

New Bonds delivered upon any transfer shall be valid, limited obligations of the County, evidencing the same debt as the Bonds surrendered, shall be payable solely from the Pledged Funds and shall be entitled to all of the security and benefits of the Resolution to the same extent as the Bonds surrendered.

The County and the Registrar may treat the registered owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and any notice to the contrary shall not be binding upon the County or the Registrar.

Bonds Mutilated, Destroyed, Stolen or Lost

In case any Bond shall become mutilated, or be destroyed, stolen or lost, the County may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the owner furnishing to the County satisfactory indemnity and complying with such other reasonable regulations and conditions as the County may prescribe and paying such expenses as the County may incur. If any such Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the County may pay the same, upon being indemnified as aforesaid, if such Bond be lost, stolen or destroyed, without surrender thereof. All Bonds so surrendered shall be cancelled by the Issuer.

Any such duplicate Bonds shall constitute original, additional contractual obligations on the part of the County whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the Pledged Funds to the same extent as all other Bonds issued under the Resolution.

Bonds Not to Be Indebtedness of County

The Bonds shall not be or constitute general obligations or indebtedness of the County as "bonds" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from and secured by a prior lien upon and pledge of the Pledged Funds as provided in the Resolution. No owner of any Bond shall ever have the right to compel the exercise of any ad valorem taxing power of the County, the State of Florida or any political subdivision thereof to pay the principal of or interest on any Bond or be entitled to payment of such Bond from any moneys of the County except from the Pledged Funds in the manner provided in the Resolution.

Security for Bonds

The payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and prior lien upon the Pledged Funds. The County irrevocably pledges the Pledged Funds to the payment of the principal of and premium, if any, and interest on the Bonds and for reserves therefor and for all other payments required by the Resolution. The 1998 Bonds are payable from the Pledged Funds on a parity, equally and ratably, with the Parity Bonds.

Covenants of the County

So long as any of the principal of or interest on any of the Bonds shall be outstanding and unpaid, or until provision for payment thereof shall have been made in the manner provided in the Resolution for defeasance, the County covenants with the owners of the Bonds as follows:

(A) Revenue Fund. The County shall deposit promptly as received all Pledged Funds into the Revenue Fund established under the Resolution. All moneys on deposit at any time in the Revenue Fund shall be applied by the County only for the purposes and in the manner and order specified in the Resolution.

(B) Disposition of Revenues. All moneys on deposit in the Revenue Fund shall be applied by the County on or before the twenty-fifth day of each month only in the following manner and in the following order of priority:

(1) After appropriate adjustment for the amount of accrued interest deposited therein from Bond proceeds, to deposit in the Interest Account in the Sinking Fund established under the Resolution the sum which, together with any investment earnings in the Interest Account not theretofore allocated to supplement any previous monthly deposit to the credit of the Interest Account, will be sufficient to pay one-sixth ($1/6$) of all interest becoming due on the Bonds on the next semiannual interest payment date, plus the full balance of any continuing deficiencies in prior deposits to the Interest Account, and

(2) To deposit in the Principal Account in the Sinking Fund the sum which, together with any investment earnings in the Principal Account not theretofore allocated to supplement any previous monthly deposit to the credit of the Principal Account, will be sufficient to pay one-twelfth ($1/12$) of the principal amount of all Serial Bonds maturing in the current Bond Year, if any, plus the full balance of any continuing deficiencies in prior deposits to the Principal Account, and

(3) To deposit in the Term Bonds Retirement Account in the Sinking Fund a sum which will be sufficient to pay one-twelfth ($1/12$) of the Amortization Installment,

if any, for the then current Bond Year, plus the balance of any continuing deficiencies in prior deposits to the Term Bonds Retirement Account. and

(4) To deposit in the Reserve Account such sum which, together with any Reserve Instrument, will be necessary to maintain in the Reserve Account an amount equal to the Reserve Account Requirement. If a disbursement is made by a Reserve Instrument Provider under a Reserve Instrument, the County shall, promptly following such disbursement, but solely from Pledged Funds and after complying with paragraphs (1), (2) and (3) above, reinstate the limits of such Reserve Instrument to the amount required, or deposit into the Reserve Account funds in an amount sufficient to meet the Reserve Account Requirement, or accomplish a combination of such alternatives; and if compliance with the foregoing part of this sentence does not accomplish the payment and reimbursement to the Reserve Instrument Provider of such disbursement and its expenses and interest in accordance with the Reserve Instrument and any County's reimbursement agreement related thereto, the County shall pay to the Reserve Instrument Provider from Pledged Funds all such sums in full prior to such replenishment of the Reserve Account to the Reserve Account Requirement.

To the extent that provision for the payment thereof shall not be made from the proceeds of the Bonds, the County shall pay the reasonable fees and charges of the Registrar and paying agents for the Bonds, from time to time as the same shall be incurred, out of moneys in the Revenue Fund.

The balance of any moneys remaining in the Revenue Fund on the twenty-fifth day of each month after all of the above required transfers and deposits shall have been made shall be withdrawn from the Revenue Fund and deposited in the general fund of the County and may be used by the County for any lawful county purpose.

The Revenue Fund and the Sinking Fund and all other special funds and accounts created and established in the Resolution shall constitute trust funds for the purposes provided in the Resolution. The Resolution creates a lien upon such funds and accounts in favor of the owners of the Bonds until the moneys deposited therein shall have been applied in accordance with the Resolution.

The cash required to be accounted for in each of the foregoing funds and accounts may be deposited in a single bank account, and funds allocated to the various accounts may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein and such investments for the various purposes of such funds and accounts as provided in the Resolution.

The designation and establishment of the various funds and accounts in and by the Resolution shall not be construed to require the establishment of any completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but

rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided in the Resolution.

All such moneys shall be continuously secured in the manner provided in the Resolution. Any and all income received by the County from the investment of moneys in the Principal Account shall be deposited in the Principal Account; and any and all income received by the County from the investment of moneys in the Interest Account shall be deposited in the Interest Account. Such earnings deposited in the Principal Account and the Interest Account shall be applied to equivalent reductions in the monthly deposits to such accounts required pursuant to the Resolution. Any and all income received by the County from the investment of moneys in the Revenue Fund, the Reserve Account and the Term Bonds Retirement Account shall be deposited by the County in the Revenue Fund.

(C) Compliance with Part VI, Chapter 218, Florida Statutes. The County covenants and agrees that it will comply with all of the provisions of Chapter 218, Part VI, Florida Statutes, as amended, and all applicable regulations thereunder, in order that the County shall at all times receive the maximum allocation which it may be entitled to receive from the Local Government Half-cent Sales Tax Clearing Trust Fund. The County shall not knowingly acquiesce in any attempt to eliminate or reduce the rate of the Sales Tax or the base upon which it is imposed, if such reduction will result in diminishing the Sales Tax proceeds to be received by the County in each future Fiscal Year below an amount equal to 1.25 times the principal of and interest on the Bonds falling due in that year, and will vigorously resist all such attempts by others to eliminate or reduce the same. The County shall comply at all times with the eligibility requirement for participation in the Sales Tax enumerated in Section 218.63, Florida Statutes. If for any reason the Sales Tax proceeds are found not legally sufficient to produce the full amount of Sales Tax proceeds which such tax might produce in order to meet all the requirements of the Resolution, the County covenants that to the extent permitted by law it will take all action reasonably practicable and feasible to cause the same to be replaced by another equivalent source of available non ad valorem revenues and will dedicate such revenues to the replacement of the Pledged Funds, to the extent necessary.

(D) Records and Audits. The County shall keep books and records of the Pledged Funds, which such books and records shall be kept separate and apart from all other books, records and accounts of the County, and any owner shall have the right, at all reasonable times, to inspect such books and records.

So long as any of the Bonds shall be outstanding, the County will furnish on or before one hundred eighty (180) days after the close of each Fiscal Year, to any owner who shall request the same in writing, copies of an annual audit report prepared by an independent certified public accountant or an auditing official of the State of Florida, covering for the preceding Fiscal Year, in reasonable detail, the record of the County's receipts of Pledged Funds.

(E) Fidelity Bond. The County will require each employee who may have possession of any Pledged Funds to be covered by a fidelity bond written by a responsible indemnity company in an amount fully adequate to protect the County from loss.

(F) Creation of Superior Liens. The County covenants that it will not issue any other notes, bonds, certificates or obligations of any kind or nature or create or cause or permit to be created any debt, lien, pledge, assignment or encumbrance or charge payable from or enjoying a lien upon any of the Pledged Funds ranking prior and superior to the lien created by the Resolution for the benefit of the Bonds.

(G) No Impairment of Contract. The County has full power and authority to irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bonds. The County shall take all actions and pursue such legal remedies as may be available to it either in law or in equity to prevent or cure any substantial impairment of the pledge of the Pledged Funds made by the Resolution.

(H) Arbitrage. The County covenants that it will not knowingly make any investments or acquiesce in the making of any investments by any depository pursuant to or under the provisions of the Resolution which could cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations issued thereunder (the "Code"). The County covenants that it shall pay from the special account described in paragraph (2) below, any rebate amount required to be paid on behalf of the County to the U.S. Treasury pursuant to Section 148 of the Code. The County shall take the following actions to provide for payment to the U.S. Treasury pursuant to Section 148 of the Code:

(1) Unless the County is furnished with an opinion of Bond Counsel to the effect that failure to make such determinations will not adversely affect the tax-exempt status of the Bonds, the County shall make a determination of the amount required to be paid to the U.S. Treasury at least every year (as of the anniversary of the date of issue of the Bonds) and upon the final payment of the Bonds.

(2) An amount equal to the amount to be paid pursuant to paragraph (1) above shall be transferred from the Revenue Fund to be placed into a special account, which shall be held for the sole benefit of the U.S. Treasury and shall not be or be deemed to be a pledged fund (and no moneys deposited therein shall be or deemed to be Pledged Funds). The County shall promptly deposit into the special account any deficiency in such amount.

(3) The County shall make payment to the U.S. Treasury from the special account on the dates and in the manner required by law.

(4) The County shall take any additional action required to be taken pursuant to the nonarbitrage certificate, or other instructions from Bond Counsel, delivered in connection with or subsequent to the issuance and sale of the Bonds.

(5) The County shall keep records of the determinations made until six years after the final payment on the Bonds. The County shall keep adequate records, including any necessary certifications, to evidence the fair market value of any investments purchased with Bond proceeds.

(I) Compliance with the Code. The County covenants that it shall use its best efforts to comply with all requirements of the Code that must be satisfied in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes as described in the opinion of Bond Counsel delivered in connection with the issuance of the Bonds. The County covenants and agrees that it will take any additional action required to be taken pursuant to the nonarbitrage certificate, or other instructions from Bond Counsel, whether delivered in connection with or subsequent to the issuance and sale of the Bonds, in order to comply with all provisions of the Code compliance with which is required to maintain the tax-exempt status of the interest payable on the Bonds as described in said opinion of Bond Counsel.

Events of Default and Remedies

If one or more of the following events, called "Events of Default," shall happen, that is to say, in case:

(A) default shall be made in the payment of the principal or redemption price of any Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(B) default shall be made in the payment of any installment of interest on any Bond when and as such installment of interest shall become due and payable; or

(C) default shall be made by the Issuer in the performance of any obligations in respect of the Reserve Account and such default shall continue for 30 days thereafter; or

(D) the County shall (1) admit in writing its inability to pay its debts generally as they become due, (2) file a petition in bankruptcy or take advantage of any insolvency act, (3) make an assignment for the benefit of its creditors, (4) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (5) be adjudicated a bankrupt; or

(E) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Pledged Funds, or of the whole or any substantial part of the County's property, or approving a petition seeking reorganization of the County under the federal bankruptcy laws or any other applicable law or statute of the United States of America

or the State of Florida pertaining to bankruptcy or insolvency, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(F) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Pledged Funds or of the County or of the whole or any substantial part of the County's property, and, such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control; or

(G) the County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolution on the part of the County to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given the County by the owners of not less than 25% in principal amount of the Bonds then outstanding; or

(H) a default shall occur under the Financial Guaranty Agreement executed by the County and Municipal Bond Investors Assurance Corporation in connection with the Reserve Instrument relating to the Parity Bonds;

then in each and every such case any owner of the Bonds affected by the Event of Default and then outstanding or an agent or trustee therefor may proceed to protect and enforce its rights and the rights of the owners by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in the Resolution or in aid or execution of any power granted in the Resolution or for any enforcement of any proper legal or equitable remedy (including the appointment of a receiver) as said owner or owners shall deem most effectual to protect and enforce the rights aforesaid.

No remedy conferred upon or reserved to the owners by the Resolution is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity or by statute.

No delay or omission of any owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by the Resolution to the owners may be exercised from time to time, and as often as may be deemed expedient.

Nothing contained in the Resolution, however, shall be construed to grant to any owner any right to or lien on any property or income of the County or situated within its territorial limits except the Pledged Funds.

Modification or Amendment

The County may, from time to time and at any time, adopt resolutions supplemental to or amendatory of the Resolution without the consent of the Bondowners for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in the Resolution, as supplemented, or to clarify any matters or questions arising under the Resolution.

(B) To grant to or confer upon the Bondowners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondowners.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of the Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the County in the Resolution other covenants and agreements thereafter to be observed by the County or to surrender any right or power reserved to or conferred upon the County by the Resolution.

(E) To specify and determine any matters and things relative to the Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect.

No other modification or amendment of the Resolution or of any resolution amendatory thereof or supplemental thereto may be made without the consent in writing of the owners of 51 % or more in principal amount of the Bonds then outstanding, but no modification or amendment of the Resolution or of any resolution amendatory thereof or supplemental thereto which shall be approved by the Insurer shall require such consent of Bondowners: provided, however, that no modification or amendment shall permit a change in the maturity of the Bonds or a reduction in the rate of interest thereon or in the amount of principal obligation thereof or affecting the promise of the County to pay the principal of and interest on the Bonds as the same shall become due from the Pledged Funds or reduce the number of such Bonds. the written consent of the owners of which are required for such modifications or amendments which shall be permissible under the Resolution, without the consent of all owners.

Defeasance

If, at any time, the County shall have paid, or shall have made provision for payment of, the principal, interest and redemption premiums, if any, with respect to the Bonds, then, and in that event, the pledge of and lien on the Pledged Funds in favor of the owners of such Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit by the County of cash and/or Federal Securities, or bank certificates of deposit fully secured as to

principal and interest by Federal Securities (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance), in irrevocable trust with a banking institution or trust company, for the sole benefit of the owners of such Bonds, in an aggregate principal amount which, together with interest to accrue thereon, will be sufficient to make timely payment of the principal of and redemption premiums, if any, and interest accrued and which shall thereafter accrue on such Bonds in accordance with their terms, the registrar's and paying agents' fees and expenses with respect thereto and any other expenses occasioned by escrow arrangements or provision for redemption, shall be considered "provision for payment." Nothing contained in the Resolution shall be deemed to require the County to call any of the outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the County in determining whether to exercise any such option for early redemption. The agreement providing for the deposit of such securities may provide for the investment of moneys unclaimed by owners and for payment to the County of such unclaimed moneys and investment earnings thereon.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by St. Johns County, Florida (the "Issuer"), in connection with the issuance of \$ _____ in aggregate principal amount of its Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Issuer on June 23, 1992, as supplemented, particularly as supplemented by a resolution adopted by the Issuer on _____, 2002 (collectively, the "Resolution"). The Issuer agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer in order to assist the Participating Underwriter (as hereinafter defined) in complying with SEC Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 and Section 4 of this Disclosure Certificate. Each Annual Report shall be accompanied by a Cover Sheet completed by the Issuer.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Cover Sheet" means the Municipal Secondary Market Disclosure Information Cover Sheet in the form attached hereto as Exhibit C.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission, and a method of obtaining hereafter the most current listing of approved National Repositories, are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than the date which shall be 180 days after the end of the Issuer's Fiscal Year (presently September 30), commencing with the report for the Fiscal Year ending September 30, 2002, provide to each Repository an Annual Report with a Cover Sheet, that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Report with a Cover Sheet to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories an Annual Report (other than the audited financial statements described in Section 3(a) by the date required in Section 3(a), the Issuer shall send a notice to (i) each National Repository or the Municipal Securities Rule Making Board and (ii) the State Repository, in substantially the form attached as Exhibit A, accompanied by a Cover Sheet.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) An update of the following portions of the Official Statement relating to the Bonds: (i) the table providing the current distribution of the local option gas tax pursuant to the Interlocal Agreement dated June 10, 1986 between the Issuer and the City of St. Augustine, Florida, the table entitled "Historical and Projected Gas Tax Revenues Distribution and Debt Service Coverage" and other financial information relating to the local option gas tax revenues, all contained under the caption "Source of Payment" under the heading "AUTHORITY AND SECURITY FOR THE SERIES 2002 BONDS," and (ii) the table entitled "St. Johns County Net Debt Statement as of September 30, 2001" under "Appendix B - General Information Concerning the County." Such update shall include only financial information for the prior Fiscal Year and shall not include any projections for future Fiscal Years.

The information provided under Section 4(b) may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults.
- (iii) Modifications to rights of Bondholders.
- (iv) Bond calls.
- (v) Defeasances.
- (vi) Rating changes.

(vii) Adverse tax opinions or events affecting the tax-exempt status of the Bonds.

(viii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(ix) Unscheduled draws on credit enhancements reflecting financial difficulties.

(x) Substitution of credit or liquidity providers or their failure to perform.

(xi) Release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence by completing a Cover Sheet and delivering it to (i) each National Repository or the Municipal Securities Rulemaking Board and (ii) the State Repository. Notwithstanding the foregoing, notice of Listed Events described in Section 5(a)(iv) and Section 5(a)(v) need not be given under this Section 5 any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

Section 8. Amendment: Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), Section 4 or Section 5(a), it may only be made in connection with a change in circumstances that arises

from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Holders and

Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of September 15 2002.

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: _____
Chairman

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: St. Johns County, Florida

Name of Bond Issue: St. Johns County, Florida Transportation Improvement
Revenue Refunding Bonds, Series 2002

Date of Issuance: September 15, 2002

NOTICE IS HEREBY GIVEN that the Issuer has not provided an annual report with respect to the above-referenced Bonds as required by Section 3 and Section 4 of the Continuing Disclosure Certificate dated as of September 15, 2002, executed and delivered by the Issuer. [The Issuer anticipates that the annual report will be filed by _____.]

Dated:

[ISSUER/DISSEMINATION AGENT]

By: _____
Name:
Title:

EXHIBIT B

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission as of September 15, 2002:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
E-mail: Munis@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
E-mail: nrmsir@dpcdata.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6899
Fax: (212) 771-7390
E-mail: nrmsir@ftid.com

Standard & Poor's J. J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Telephone: (212) 438-4595
Facsimile: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

The current list of NRMSIRs and State Repositories can be found at any time at the SEC's Web site at <http://www.sec.gov/info/municipal/nrmsir.htm>.

EXHIBIT C

COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository pursuant to Securities and Exchange Commission Rule 15c2-12 or any analogous state statute.

Issuer's and/or Other Obligated Person's

Name: _____

CUSIP Numbers (attach additional sheet if necessary)

[] Nine-Digit numbers to which the information relates: _____

[] Information relates to **all securities** issued by the issuer having the following six-digit numbers: _____

Number of pages of attached information: _____

Description of Material Event Notice/Financial Information (Check One):

1. ____ Principal and interest payment delinquencies
2. ____ Non-Payment related defaults
3. ____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ____ Substitution of credit or liquidity providers, or their failure to perform
6. ____ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ____ Modifications to rights of securities holders
8. ____ Bond calls
9. ____ Defeasances
10. ____ Release, substitution, or sale of property securing repayment of the securities
11. ____ Rating changes

12. ____ Failure to provide annual financial information as required

13. ____ Other material event notice (specify) _____

*14. ____ Financial Information: Please check all appropriate boxes:

☐ CAFR: (a) ☐ includes ☐ does not include Annual Financial Information

(b) Audited? Yes ☐ No ☐

☐ Annual Financial Information: Audited? Yes ☐ No ☐

☐ Operating Data

Fiscal Period Covered: _____

*Financial information **should not** be filed with the MSRB.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

APPENDIX E

FORM OF BOND COUNSEL LEGAL OPINION

BRUSSELS
CHICAGO
DENVER
DETROIT
JACKSONVILLE
LOS ANGELES
MADISON
MILWAUKEE
ORLANDO
SACRAMENTO
SAN DIEGO/DEL MAR
SAN FRANCISCO
TALLAHASSEE
TAMPA
WASHINGTON, D.C.
WEST PALM BEACH

_____, 2002

The Honorable Chairman and Members
of the Board of County Commissioners
of St. Johns County, Florida
St. Augustine, Florida

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of County Commissioners (the "Board") of St. Johns County, Florida (the "Issuer"), and other proofs submitted relative to the authorization, issuance and sale of and the security for the following described bonds (the "Bonds"):

§ _____
ST. JOHNS COUNTY, FLORIDA
TRANSPORTATION IMPROVEMENT REVENUE REFUNDING BONDS
SERIES 2002
Dated as of September 15, 2002

The Bonds are issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 125, Part I, Florida Statutes, as amended, and Resolution No. 92-103 adopted by the Board on June 23, 1992, as supplemented, particularly as supplemented by Resolution No. 2002-__ adopted by the Board on _____, 2002 (collectively, the "Resolution"), to finance the cost of refunding the Issuer's outstanding Transportation Improvement Revenue Refunding Bonds, Series 1992, fund a debt service reserve fund for the Bonds and pay costs of issuing the Bonds. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. All terms used herein in capitalized form and not otherwise defined herein shall have the respective meanings assigned to such terms in the Resolution.

The principal of and interest on the Bonds are payable solely from and secured by a prior lien upon and a pledge of the Issuer's portion of the six-cent local option gas tax distributed to the Issuer and the municipalities of St. Johns County by the Florida Department of Revenue from the State Local Option Gas Tax Trust Fund pursuant to and in the manner authorized by Section 336.025, Florida Statutes, as amended, and, until applied in accordance

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CLIENT/MATTER NUMBER
082193-0104

004.332401.2

The Honorable Chairman and Members
of the Board of County Commissioners
of St. Johns County, Florida
_____, 2002

Page 2

with the provisions of the Resolution, the proceeds of the Bonds, and all moneys, including investments thereof, in certain of the funds and accounts established pursuant to the Resolution in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

The Bonds and the interest thereon do not constitute a general indebtedness of the Issuer or a pledge of its faith and credit, but are payable solely from the Pledged Funds in the manner provided in the Resolution. No owner of any of the Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer to pay the Bonds or interest thereon or be entitled to payment of the Bonds or interest thereon from any moneys or property of the Issuer except the Pledged Funds.

The Issuer has reserved the right to issue additional parity bonds to be payable from and secured by the Pledged Funds equally and ratably with the Bonds upon the terms and conditions prescribed in the Resolution.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing political subdivision of the State of Florida with the power to adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer in accordance with its terms.
3. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer enforceable in accordance with their terms.
4. The Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes on interest, income or profits on debt obligations owned by corporations, as defined by Chapter 220, Florida Statutes, as amended.

The Honorable Chairman and Members
of the Board of County Commissioners
of St. Johns County, Florida

_____, 2002

Page 3

5. Interest on the Bonds (including any original issue discount properly allocable to the owners thereof) (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax applicable to all taxpayers; provided, however, that interest on the Bonds is included in "adjusted current earnings" for purposes of calculating the alternative minimum tax imposed on corporations. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

APPENDIX F

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

Financial Guaranty Insurance Policy

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.



President

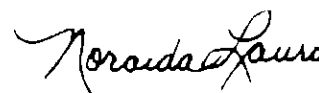


Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.



Authorized Officer of Insurance Trustee

Form No. 1B-0012 (1-01)

Endorsement

Policy for:

Attached to and forming part of Policy No.:

Effective Date of Endorsement:

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association.

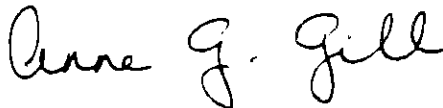
Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

In Witness Whereof, Ambac has caused this Endorsement to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

Ambac Assurance Corporation



President



Secretary

Authorized Representative

EXHIBIT D

REGISTRAR AND PAYING AGENCY AGREEMENT

REGISTRAR AND PAYING AGENCY AGREEMENT

Between

ST. JOHNS COUNTY, FLORIDA

And

THE BANK OF NEW YORK TRUST COMPANY OF FLORIDA, N. A.

Pertaining to

**\$ _____
St. Johns County, Florida
Transportation Improvement Revenue Refunding Bonds,
Series 2002**

Dated as of September 15, 2002

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ADDENDA

Annex A

REGISTRAR AND PAYING AGENCY AGREEMENT

THIS REGISTRAR AND PAYING AGENCY AGREEMENT (the or this "Agreement") is by and between ST. JOHNS COUNTY, FLORIDA (the "Issuer"), and THE BANK OF NEW YORK TRUST COMPANY OF FLORIDA, N.A., a national banking association organized and existing under the laws of the United States of America, having its designated corporate trust office in Jacksonville, Florida (the "Bank").

WHEREAS, the Issuer has duly authorized and provided for the issuance of its Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Bonds"), in an original aggregate principal amount of \$_____ to be issued as registered securities without coupons;

WHEREAS, all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

WHEREAS, the Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, redemption premium, if any, and interest on the Bonds, in accordance with the terms thereof, and that the Bank act as Registrar for the Bonds;

WHEREAS, the Issuer and the Bank have duly authorized the execution and delivery of this Agreement, and all things necessary to make this Agreement the valid agreement of the Issuer and the Bank, in accordance with its terms, have been done;

NOW, THEREFORE, it is mutually agreed to the following terms:

ARTICLE ONE

APPOINTMENT OF BANK AS REGISTRAR AND PAYING AGENT

Section 1.01. Appointment.

(a) The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, in paying to the Owners of the Bonds the principal, redemption premium, if any, and interest on all or any of the Bonds.

(b) The Issuer hereby appoints the Bank as Registrar with respect to the Bonds.

(c) The Bank hereby accepts its appointment and agrees to act as the Paying Agent and Registrar.

Section 1.02. Compensation.

As compensation for Bank's services as Registrar and Paying Agent, the Issuer agrees to pay the Bank from lawfully available non ad valorem revenues the fees and amounts set forth in

Annex A hereto annually in advance while this Agreement is in effect. The Issuer agrees to reimburse the Bank for any reasonable expenses disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agent and counsel). Such fees and expenses shall be paid to the Bank as billed.

ARTICLE TWO

DEFINITIONS

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms have the following meanings when used in this Agreement:

“Bank” means The Bank of New York Trust Company of Florida, N.A., Jacksonville, Florida.

“Bank Office” means the principal corporate trust office of the Bank located at New York, New York. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Bond” or “Bonds” mean any or all of the Issuer’s Transportation Improvement Revenue Refunding Bonds, Series 2002, dated as of September 15, 2002, and authorized in the original aggregate principal amount of \$_____.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated _____, 2002, between the Issuer and William R. Hough & Co., as underwriter of the Bonds.

“Bond Resolution” means the resolution, order or ordinance of the governing body of the Issuer pursuant to which the Bonds are issued, certified by any officer of the Issuer and delivered to the Bank.

“County Administrator” means the County Administrator of the Issuer.

“Fiscal Year” means the 12 month period ending September 30th of each year.

“Issuer” means St. Johns County, Florida.

“Issuer Request” and “Issuer Order” means a written request or order signed in the name of the Issuer by the County Administrator or any other authorized representative of the Issuer and delivered to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Owner” means the Person in whose name a Bond is registered in the Register.

“Paying Agent” means the Bank when it is performing the functions associated with the terms in this Agreement.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond (and, for the purposes of this definition, any Bond registered and delivered under Section 4.06 in lieu of a mutilated, lost, destroyed or stolen Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Bond).

“Register” means a register in which the Issuer shall provide for the registration and transfer of Bonds.

“Responsible Officer” when used with respect to the Bank means the President or Vice President of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“State” means the State of Florida.

“Stated Maturity” means the date specified in the Bond Purchase Agreement as the fixed date on which the principal of the Bond is due and payable.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent.

(a) The Bank, as Paying Agent and on behalf of the Issuer, shall pay to the Owner, at the Stated Maturity and upon the surrender of the Bond or Bonds so maturing at the Bank Office, the principal amount of the Bond or Bonds then maturing, provided that the Bank shall have been provided by or on behalf of the Issuer adequate collected funds to make such payment.

(b) The Bank, as Paying Agent and on behalf of the Issuer, shall pay interest when due on the Bonds to each Owner of the Bonds (or their Predecessor Bonds) as shown in the Register at the close of business on the record date, provided that the Bank shall have been provided by or on behalf of the Issuer adequate collected funds to make such payments; such payments shall be made by computing the amount of interest to be paid each Owner, preparing the checks, and

mailing the checks on each interest payment date addressed to each Owner's address as it appears on the Register.

(c) In the case of registered Owner of \$1,000,000 or more of Bonds, the payments to be made to such Owner may be by wire transfer to a domestic bank account specified in writing by such registered Owner.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of, premium, if any, and interest on the Bonds at the dates specified in the Bond Purchase Agreement.

ARTICLE FOUR

REGISTRAR

Section 4.01. Authentication of Bonds.

The Issuer may deliver executed Bonds to the Bank for authentication and the Bank shall manually authenticate and deliver such Bonds in accordance with written instructions of the Issuer and not otherwise. No Bond shall be entitled to any benefit under the Bond Resolution or be valid for any purpose unless such Bond shall bear thereon a certificate of authentication substantially in the form set forth in the form of Bond set out in the Bond Resolution executed on behalf of the Bank with the manual signature of an authorized signatory of the Bank. Such certificate of authentication executed as aforesaid on a Bond shall be conclusive evidence that such Bond has been authenticated and delivered under the Resolution.

Section 4.02. Transfer and Exchange.

(a) The Issuer shall keep the Register at the Bank Office, and subject to such reasonable written regulations as the Issuer may prescribe, which regulations shall be furnished the Bank herewith or subsequent hereto by Issuer Order, the Issuer shall provide for the registration and transfer of the Bonds. The Bank is hereby appointed "Registrar" for the purpose of registering and transferring the Bonds as herein provided. The Bank agrees to accept the appointment as Registrar for the Bonds and maintain the Register while it is Registrar.

(b) The Registrar hereby agrees that at any time while any Bond is outstanding, the Owner may deliver such Bond to the Registrar for transfer or exchange, accompanied by instructions from the Owner, or the duly authorized designee of the Owner, designating the persons, the maturities, and the principal amounts to and in which such Bond is to be transferred and the addresses of such persons; the Registrar shall thereupon, within not more than three (3) business days, register and deliver such Bond or Bonds as provided in such instructions. The provisions of the Bond Resolution shall control the procedures for transfer or exchange set forth herein to the extent such procedures are in conflict with the provisions set forth herein.

(c) Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfers, in form satisfactory to the Bank, duly executed by the Owner thereof or his attorney duly authorized in writing. The Bank shall manually authenticate every Bond surrendered for transfer or exchange in accordance with Section 4.01 hereof.

(d) The Registrar may request any supporting documentation necessary to effect a re-registration.

(e) No service charge shall be made to the Owner for any registration, transfer, or exchange of Bond, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Section 4.03. The Bonds.

The Issuer shall provide an adequate inventory of unregistered Bonds to facilitate transfers. The Bank covenants that it will maintain the unregistered Bonds in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.04. Form of Register.

The Bank as registrar will maintain the records of the Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than a form which the Bank has currently available and currently utilizes at the time.

Section 4.05. List of Owners.

(a) The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the cost, if any, of reproduction, a copy of the information contained in the Register. The Issuer may also inspect the information in the Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

(b) The Bank will not release or disclose the content of the Register to any person other than to, an authorized officer or employee of the Issuer, except upon receipt of a subpoena or court order. Upon receipt of a subpoena or court order and as permitted by law, the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

Section 4.06. Cancellation of Bonds.

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already canceled, shall be promptly canceled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all

Bonds so delivered shall be promptly canceled by the Bank. All canceled Bonds held by the Bank shall be disposed of by the Bank as directed by the Issuer. The Bank will surrender to the Issuer, at such reasonable intervals as it determines, certificates of destruction, in lieu of which or in exchange for which other bonds have been issued or which have been paid.

Section 4.07. Mutilated, Destroyed, Lost, or Stolen Bonds.

(a) Subject to the provisions of this Section 4.07, the Issuer hereby instructs the Bank to deliver fully registered Bonds in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds as long as the same does not result in an overissuance, all in conformance with the requirements of the Bond Resolution.

(b) If (i) any mutilated Bond is surrendered to the Bank, or the Issuer and the Bank receives evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (ii) there is delivered to the Issuer and the Bank such security or indemnity as may be required by the Bank to save and hold each of them harmless, then, in the absence of notice to the Issuer or the Bank that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Bank shall register, manually authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same stated maturity and of like tenor and principal amount bearing a number not contemporaneously outstanding.

(c) Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Bond Resolution equally and ratably with all other outstanding Bonds.

(d) Upon the satisfaction of the Bank and the Issuer that a Bond has been mutilated, destroyed, lost or stolen, and upon receipt by the Bank and the Issuer of such indemnity or security as they may require, the Bank shall cancel the Bond number on the Bond registered with a notation in the Register that said Bond has been mutilated, destroyed, lost or stolen, and a new Bond shall be issued of the same series and of like tenor and principal amount bearing a number, according to the Register not contemporaneously outstanding.

(e) The Bank may charge the Owner the Bank's fees and expenses in connection with issuing a new Bond in lieu of or exchange for a mutilated, destroyed, lost or stolen Bond.

(f) The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed bonds and any future substitute blanket bond for lost, stolen, or destroyed Bonds that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The Bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond, provided that the amount of such bond is not reduced below the amount of the bond on the date of execution of this Agreement. The blanket bond then utilized by the Bank for lost, stolen or destroyed Bonds by the Bank is available for inspection by the Issuer on request.

Section 4.08. Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Bonds it has paid pursuant to Section 3.01, Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 4.02, and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds pursuant to Section 4.07.

ARTICLE FIVE

THE BANK

Section 5.01. Duties of Bank.

The Bank undertakes to perform the duties set forth herein and in accordance with the Bond Resolution and agrees to use reasonable care in the performance thereof. The Bank hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium, if any, and interest on the Bonds to pay the Bonds as the same shall become due and further agrees to establish and maintain all accounts and funds as may be required for the Bank to function as Paying Agent.

Section 5.02. Reliance on Documents, etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable for any error of judgment or any act or steps taken or permitted to be taken in good faith, or for any mistake in law or fact, or for anything it may do or refrain from doing in connection herewith, except for its own willful misconduct or gross negligence.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Bonds, but is protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer in the manner required by the Bond Resolution and which appears on its face to be signed by the Owner or an attorney-in-fact of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate,

statement, instrument, opinion, report, notice, direction, consent, order, certificate, note, security paper or document supplied by Issuer.

(e) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(f) The Bank may consult with counsel, and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

Section 5.03. Recitals of Issuer.

(a) The recitals contained herein, in the Bond Resolution and in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

(b) The Bank shall in no event be liable to the Issuer, any Owner or Owners or any other Person for any amount due on any Bond.

Section 5.04. May Hold Bonds.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank.

(a) Money held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained.

(b) The Bank shall be under no liability for interest on any money received by it hereunder.

(c) Any money deposited with the Bank for the payment of the principal of, redemption premium, if any, or interest on any Bond and remaining unclaimed for three years after the date on which such Bonds have become payable shall be treated as abandoned property pursuant to applicable provisions of State law and the Bank shall report and remit this property to the State escheat fund, and thereafter the Owner shall look only to the State escheat fund for payment and then only to the extent of the amounts so received, without any interest thereon and the Bank and Issuer shall have no responsibility with respect to such money.

Section 5.06. Mergers of Consolidations.

Any corporation into which the Bank, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Bank or any successor to it shall be a party shall be the successor Bank under this Agreement without the execution or filing of any paper or

any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 5.07. Indemnification.

The Issuer hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by State law and to the extent that non ad valorem revenues of the Issuer are lawfully available for such purpose, to indemnify, protect, save and keep harmless the Bank and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements), which may be imposed on, incurred by, or asserted against, at any time, the Bank by Persons other than the Issuer and in any way relating to or arising out of the execution and delivery of this Agreement, the acceptance of the funds and securities deposited hereunder, and any payment, transfer or other application of funds and securities by the Bank in accordance with the provisions of this Agreement; or any other duties of the Bank hereunder; provided, however, that the Issuer shall not be required to indemnify the Bank against its own negligence or willful misconduct. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Bank as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement.

Section 5.08. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its persons as well as funds on deposit, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in Section 6.03 hereof shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any Person other than the Issuer claiming any interest herein. Any court action in which the Issuer may have an interest shall be filed in a court of competent jurisdiction located in Duval County, Florida or in St. Johns County, Florida.

ARTICLE SIX

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed first class postage prepaid or hand delivered to the Issuer or the Bank, or sent by facsimile transmission if confirmed in writing and sent as specified above, respectively, at the addresses shown below:

(a) if to the Issuer: St. Johns County, Florida
County Courthouse
4010 Lewis Speedway
St. Augustine, FL 32084

Attention: Finance Director

(b) if to the Bank: The Bank of New York Trust Company of Florida, N.A.
10161 Centurion Parkway
Jacksonville, FL 32256

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their respective successors and assigns whether so expressed or not.

Section 6.06. Severability.

In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination.

(a) This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal and interest of the Bonds.

(b) This Agreement may be earlier terminated with or without cause upon 60 days written notice by either party. Upon such termination, the Issuer reserves the right to appoint a successor Paying Agent and Registrar. If such appointment is not made within sixty (60) days from the date of written notice, the Bank shall deliver all records and any unclaimed funds to the Issuer. However, the Bank is entitled to payment of all outstanding fees and expenses before delivering records to the Issuer. In the event this Agreement is terminated by giving written notice, then the Bank agrees, upon request by the Issuer, to give notice by first-class mail to all registered holders of the name and address of the successor Paying Agent and Registrar. Expenses for such notice shall be paid by the Issuer.

Any successor Registrar and Paying Agent appointed by the Issuer shall be either a national or a state banking institution, and shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and registered with the Securities and Exchange Commission.

(c) The provisions of Section 1.02 shall survive, and remain in full force and effect following the termination of this Agreement.

[The remainder of this page intentionally left blank.]

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 15th day of September, 2002.

[SEAL]

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

Chairman

Attest:

Clerk

THE BANK OF NEW YORK TRUST
COMPANY OF FLORIDA, N.A., as
Registrar and Paying Agent

Attest:

Title:

Title:

ANNEX A

Fee for services as Registrar and Paying Agent will be \$___ per year payable annually in advance .

Out-of-pocket expenses will be reimbursed but shall not exceed reasonable amounts.

EXHIBIT E

CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by St. Johns County, Florida (the "Issuer"), in connection with the issuance of \$ _____ in aggregate principal amount of its Transportation Improvement Revenue Refunding Bonds, Series 2002 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Issuer on June 23, 1992, as supplemented, particularly as supplemented by a resolution adopted by the Issuer on _____, 2002 (collectively, the "Resolution"). The Issuer agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer in order to assist the Participating Underwriter (as hereinafter defined) in complying with SEC Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 and Section 4 of this Disclosure Certificate. Each Annual Report shall be accompanied by a Cover Sheet completed by the Issuer.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Cover Sheet" means the Municipal Secondary Market Disclosure Information Cover Sheet in the form attached hereto as Exhibit C.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission, and a method of obtaining hereafter the most current listing of approved National Repositories, are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Florida.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than the date which shall be 180 days after the end of the Issuer’s Fiscal Year (presently September 30), commencing with the report for the Fiscal Year ending September 30, 2002, provide to each Repository an Annual Report with a Cover Sheet, that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Report with a Cover Sheet to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories an Annual Report (other than the audited financial statements described in Section 3(a) by the date required in Section 3(a), the Issuer shall send a notice to (i) each National Repository or the Municipal Securities Rule Making Board and (ii) the State Repository, in substantially the form attached as Exhibit A, accompanied by a Cover Sheet.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) An update of the following portions of the Official Statement relating to the Bonds: (i) the table providing the current distribution of the local option gas tax pursuant to the Interlocal Agreement dated June 10, 1986 between the Issuer and the City of St. Augustine, Florida, the table entitled "Historical and Projected Gas Tax Revenues Distribution and Debt Service Coverage" and other financial information relating to the local option gas tax revenues, all contained under the caption "Source of Payment" under the heading "AUTHORITY AND SECURITY FOR THE SERIES 2002 BONDS," and (ii) the table entitled "St. Johns County Net Debt Statement as of September 30, 2001" under "Appendix B – General Information Concerning the County." Such update shall include only financial information for the prior Fiscal Year and shall not include any projections for future Fiscal Years.

The information provided under Section 4(b) may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults.
- (iii) Modifications to rights of Bondholders.
- (iv) Bond calls.
- (v) Defeasances.
- (vi) Rating changes.

(vii) Adverse tax opinions or events affecting the tax-exempt status of the Bonds.

(viii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(ix) Unscheduled draws on credit enhancements reflecting financial difficulties.

(x) Substitution of credit or liquidity providers or their failure to perform.

(xi) Release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence by completing a Cover Sheet and delivering it to (i) each National Repository or the Municipal Securities Rulemaking Board and (ii) the State Repository. Notwithstanding the foregoing, notice of Listed Events described in Section 5(a)(iv) and Section 5(a)(v) need not be given under this Section 5 any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), Section 4 or Section 5(a), it may only be made in connection with a change in circumstances that arises

from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Holders and

Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of September 15 2002.

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: _____
Chairman

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: St. Johns County, Florida

Name of Bond Issue: St. Johns County, Florida Transportation Improvement
Revenue Refunding Bonds, Series 2002

Date of Issuance: September 15, 2002

NOTICE IS HEREBY GIVEN that the Issuer has not provided an annual report with respect to the above-referenced Bonds as required by Section 3 and Section 4 of the Continuing Disclosure Certificate dated as of September 15, 2002, executed and delivered by the Issuer. [The Issuer anticipates that the annual report will be filed by _____.]

Dated:

[ISSUER/DISSEMINATION AGENT]

By: _____
Name:
Title:

EXHIBIT B

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission as of September 15, 2002:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
E-mail: Munis@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
E-mail: nrmsir@dpdata.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6899
Fax: (212) 771-7390
E-mail: nrmsir@ftid.com

Standard & Poor's J. J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Telephone: (212) 438-4595
Facsimile: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

The current list of NRMSIRs and State Repositories can be found at any time at the SEC's Web site at <http://www.sec.gov/info/municipal/nrmsir.htm>.

EXHIBIT C

COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository pursuant to Securities and Exchange Commission Rule 15c2-12 or any analogous state statute.

Issuer's and/or Other Obligated Person's

Name: _____

CUSIP Numbers (attach additional sheet if necessary)

[] Nine-Digit numbers to which the information relates: _____

[] Information relates to **all securities** issued by the issuer having the following six-digit numbers: _____

Number of pages of attached information: _____

Description of Material Event Notice/Financial Information (Check One):

1. ____ Principal and interest payment delinquencies
2. ____ Non-Payment related defaults
3. ____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ____ Substitution of credit or liquidity providers, or their failure to perform
6. ____ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ____ Modifications to rights of securities holders
8. ____ Bond calls
9. ____ Defeasances
10. ____ Release, substitution, or sale of property securing repayment of the securities
11. ____ Rating changes

12. ____ Failure to provide annual financial information as required

13. ____ Other material event notice (specify) _____

*14. ____ Financial Information: Please check all appropriate boxes:

[] CAFR: (a) [] includes [] does not include Annual Financial Information
(b) Audited? Yes [] No []

[] Annual Financial Information: Audited? Yes [] No []

[] Operating Data

Fiscal Period Covered: _____

*Financial information **should not** be filed with the MSRB.

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____