

Council Auditor's Office
JEA Historical Cash Positions and Investments
(in 000s)

Cash Positions	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Current Assets:											
Cash and Cash Equivalents*	\$ 131,118	\$ 167,289	\$ 255,757	\$ 325,463	\$ 339,385	\$ 389,905	\$ 258,727	\$ 299,702	\$ 419,595	\$ 418,517	\$ 489,559
Investments	-	93	10,548	12,849	11,036	24,989	155,899	146,649	78,794	143,077	25,122
Restricted Assets:											
Cash and Cash Equivalents	394,158	533,155	503,177	632,000	682,824	323,429	327,162	289,920	216,479	178,406	124,475
Investments	187,840	191,649	308,849	314,205	397,327	722,434	736,062	783,340	772,571	884,612	936,708
Total Cash and Investments	\$ 713,116	\$ 892,186	\$ 1,078,331	\$ 1,284,517	\$ 1,430,572	\$ 1,460,757	\$ 1,477,850	\$ 1,519,611	\$ 1,487,439	\$ 1,624,612	\$ 1,575,864

Reconciliation of Cash to Securities	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Total Cash and Investments	\$ 713,116	\$ 892,186	\$ 1,078,331	\$ 1,284,517	\$ 1,430,572	\$ 1,460,757	\$ 1,477,850	\$ 1,519,611	\$ 1,487,439	\$ 1,624,612	\$ 1,575,864
Interest due on Securities	1,198	2,385	2,370	2,019	2,503	1,444	1,906	2,462	2,683	2,272	2,967
Less Cash on Deposit	(240,567)	(65,173)	(281,189)	(304,128)	(357,520)	(345,813)	(326,290)	(340,423)	(403,555)	(353,912)	(355,941)
Total Securities, at Fair Value	\$ 473,747	\$ 829,398	\$ 799,512	\$ 982,408	\$ 1,075,555	\$ 1,116,388	\$ 1,153,466	\$ 1,181,650	\$ 1,086,567	\$ 1,272,969	\$ 1,222,890

Securities	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
US Treasury and Government Agency Securities	\$ 127,882	\$ 137,084	\$ 158,032	\$ 341,494	\$ 248,116	\$ 598,455	\$ 556,316	\$ 557,364	\$ 531,752	\$ 582,215	\$ 538,887
State and Local	48,860	117,476	190,410	190,331	191,699	186,470	242,356	279,810	285,590	299,770	323,507
Commercial Paper	35,545	122,983	114,595	180,732	164,121	179,660	198,303	217,764	161,169	252,454	170,829
Local Government Investment Pool	211,611	3,512	1,880	1,892	1,660	1,613	930	-	-	-	138,207
Money Market Mutual Funds	50,187	448,343	334,595	267,959	469,959	150,190	155,561	126,712	108,056	138,533	51,460
Fair Value of Interest Rate Swaps	(338)	-	-	-	-	-	-	-	-	-	-
Total Securities, at Fair Value	\$ 473,747	\$ 829,398	\$ 799,512	\$ 982,408	\$ 1,075,555	\$ 1,116,388	\$ 1,153,466	\$ 1,181,650	\$ 1,086,567	\$ 1,272,972	\$ 1,222,890

*Per JEA, investments that are short term (maturity <90 days), are considered cash equivalents and are included in cash and cash equivalents on the Balance Sheet.

Peterson, Phillip

From: Hicks, Keith <KDHicks@coj.net>
Sent: Tuesday, April 10, 2018 5:28 PM
To: Peterson, Phillip
Cc: Holland, Jerry
Subject: Assessment of JEA Property
Attachments: JEA Values 2018 4-10-18.xlsx

Hi Phillip,

Following is the Property Appraiser's response concerning the JEA assessments.

The Property Appraiser's Office lists and values all properties annually as required by state law. The office inspects properties at least once every five years using a combination of physical inspections, and when conducive, aerial photography in lieu of physical inspections. JEA electric, sewer and water plants would be inspected using aerials and would not be given the fullest extent of review; due to the fact the parcels are exempt from taxation and the immense logistical hurdles necessary to inspect large manufacturing/industrial facilities. The base rates are updated annually for buildings and extra features, such as paving, light poles, fencing, etc. to reflect the current cost of construction.

The Property Appraiser's Office also receives JEA's annual tangible personal property return. JEA submits their TPP return as required, but this submission does not contain the same level of detailed asset listing that would be expected from a taxable entity and does not receive the same level of scrutiny by the Property Appraiser. The majority of the market value for JEA is listed as tangible personal property on the tax roll.

The Property Appraiser is providing the attached report, and the values reflect the 2018 in-progress tax roll. Our office has concerns with the use of current values on the tax roll to predict future tax revenues. These concerns include:

- Given the very complex appraisal assignment to estimate a value for JEA, our office would recommend an outside agency that specializes in the utilities industry be consulted to estimate the market value.
- Changes by JEA or a private entity may impact the estimated future tax revenues. For example, the St. Johns River Power Park was recently decommissioned and set for demolition.
- If purchased by a private entity, the Property Appraiser's Office could expect annual appeals concerning the assessments.
- Concerns with environment issues that are not currently addressed in the assessments may become an issue if treated as taxable.

Please let me know if you have any additional questions.

Regards,

Keith D. Hicks, CFE, RES
Chief Appraiser
Duval County Property Appraiser's Office
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kdhicks@coj.net

Please note that under Florida's very broad public records law, e-mail communications to and from city officials may be subject to public disclosure.