

2019

City of Fernandina Beach, Florida

Comprehensive Annual
Financial Report

For Fiscal Year Ended September 30, 2019

**CITY OF FERNANDINA BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

PREPARED BY:

FINANCE DEPARTMENT

**CITY OF FERNANDINA BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i-v
Organization Chart	vi
List of Principal Officials	vii

FINANCIAL SECTION

Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-14

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position	15
Statement of Activities	16

Fund Financial Statements:

Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	20
Statement of Fund Net Position - Proprietary Funds	21-22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24-25
Statement of Fiduciary Net Position - Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	27
Notes to Financial Statements	28-54

**CITY OF FERNANDINA BEACH, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED SEPTEMBER 30, 2019**

TABLE OF CONTENTS

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	55-56
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Community Redevelopment Fund.....	57
General Employees’ Pension Plan - Schedule of Changes in Net Pension Liability and Related Ratios	58-59
General Employees’ Pension Plan - Schedule of Contributions	60-62
General Employees’ Pension Plan - Schedule of Investment Returns.....	63
Firefighters’ and Police Officers’ Pension Plan - Schedule of Changes in Net Pension Liability and Related Ratios.....	64-65
Firefighters’ and Police Officers’ Pension Plan - Schedule of Contributions	66-68
Firefighters’ and Police Officers’ Pension Plan - Schedule of Investment Returns	69
Schedule of Changes in Total Other Postemployment Benefits (OPEB) and Related Ratios – Other Postemployment Benefit Plan	70

Combining and Individual Fund Statements and Schedules

Combining Balance Sheet – Non-Major Governmental Funds.....	71-73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	74-76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Special Revenue Fund:	
Federal Forfeiture Fund	77
Tree Trust Fund	78
HDC Fund.....	79
Community Development Block Grant Fund	80
Land Conservation Trust Fund	81
Local Law Enforcement Block Fund.....	82
Cemetery Fund.....	83
Law Enforcement Recovery Fund.....	84
Debt Service Fund:	
Bond Debt Service Fund	85
Capital Project Fund:	
Capital Improvement Fund	86
Capital Expansion Fund	87

**CITY OF FERNANDINA BEACH, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED SEPTEMBER 30, 2019**

TABLE OF CONTENTS

Combining and Individual Fund Statements and Schedules

Combining Statement of Net Position – Non-Major Enterprise Funds	88-89
Combining Statement of Revenues, Expenses, and Changes in Fund Position – Non-Major Enterprise Funds	90
Combining Statement of Cash Flows – Non-Major Enterprise Funds	91-92
Combining Statement of Net Position – Internal Service Funds	93
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	94
Combining Statement of Cash Flows – Internal Service Funds	95
Combining Statement of Fiduciary Net Position – Pension Trust Funds	96
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....	97

STATISTICAL SECTION (UNAUDITED)

Financial Trends Information

Schedule 1	Net Position by Component	98
Schedule 2	Changes in Net Position	99-100
Schedule 3	Fund Balances, Governmental Funds.....	101
Schedule 4	Changes in Fund Balances, Governmental Funds	102

Revenue Capacity Information

Schedule 5	Tax Revenues by Source, Governmental Activities.....	103
Schedule 6	Assessed Value and Estimated Actual Value of Taxable Property	104
Schedule 7	Direct and Overlapping Property Tax Rates	105
Schedule 8	Principal Property Taxpayers	106

Debt Capacity Information

Schedule 9	Property Tax Levies and Collections	107
Schedule 10	Outstanding Debt by Type	108
Schedule 11	Ratios of Net General Bonded Debt Outstanding.....	109
Schedule 12	Direct and Overlapping Governmental Activities Debt.....	110
Schedule 13	Pledged Revenue Coverage	111

Demographic and Economic Information

Schedule 14	Demographic and Economic Statistics	112
Schedule 15	Principal Employers.....	113

Operating Information

Schedule 16	Full-Time Equivalent City Government Employees by Function.....	114
Schedule 17	Operating Indicators by Function	115
Schedule 18	Capital Asset Statistics by Function.....	116

**CITY OF FERNANDINA BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

TABLE OF CONTENTS

OTHER INFORMATION

Schedule of Expenditures of Federal Awards and State Financial Assistance Projects	117-118
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Projects.....	119
Schedule of Findings and Questioned Costs.....	120-121
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	122-123
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	124-125
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes.....	126
Management Letter.....	127-129
Impact Fee Affidavit.....	130



March 17, 2020

To the Honorable Mayor and City Commissioners:

We are pleased to present the City of Fernandina Beach’s (the City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2019. State Law requires that all general-purpose local governments publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements included in this report conform with generally accepted accounting principles (GAAP) and are audited by a firm of licensed certified public accountants 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.

This report consists of management’s representations concerning the financial operations and condition of the City. Responsibility for both the reliability of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City’s assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Fernandina Beach.

Purvis Gray & Company, a firm of licensed certified public accountants, has audited the City’s financial statements. The goal of the independent audit was to provide reasonable assurances that the financial statements of the City for the fiscal year ended September 30, 2019, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit and the reports of the auditors, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader federal mandated “Single Audit” designed to meet the special needs of the federal grantor agencies. The standard governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial

statements and on the audited government's internal controls over financial reporting and on compliance and other matters.

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

City Profile

The City of Fernandina Beach, incorporated in 1951, is a seaside community located on beautiful Amelia Island in Nassau County, Florida. The island has thirteen miles of beaches on the Atlantic coast with 40 access points. The City of Fernandina Beach is rich in history, walkable by design and loaded with culinary delights. The City encompasses an area of approximately twelve square miles, with nearly ten miles of coastline and a population of just under 13,000. The City is conveniently located approximately thirty miles north of Jacksonville and hosts an estimated 700,000 visitors each year.

The City operates under a Council (Commission)/Manager form of government. The City Commission is comprised of the Mayor, Vice Mayor, and three Commissioners, who enact laws, determine policies and adopt the annual budget. The City Commission appoints the Charter Officers, which include the City Manager, City Clerk and the City Attorney. The City Manager is responsible for carrying out the policies of the City Commission and for overseeing the daily management of the City. The City Manager appoints the Directors of the various departments.

The City provides a full range of services including police and fire protection, emergency medical services, water, wastewater, sanitation and recycling services, stormwater services, recreational and cultural activities/events, construction and maintenance of streets, sidewalks and other infrastructure and general administrative services. Internal services of the City are accounted for on a cost reimbursement basis, including workers compensation insurance and fleet management.

The annual budget serves as the foundation of the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents the proposed budget to the City Commission on or before August 1st of each year. The City Commission is required to hold public hearings on the proposed budget and adopt a final budget by September 30th of each year. The appropriated budget is prepared by fund, function (e.g. Public Safety), and department (e.g. Police). The City Manager is authorized to transfer appropriations up to \$7,499; however, any other revisions require approval of the City Commission.

Budget-to-actual comparison are provided in this report for each governmental fund for which an appropriated annual budget has been adopted.

Local Economy

The City is in the northeastern-most county in Florida, located within the Jacksonville Metropolitan Statistical Area.

The City residents and businesses derive a vast majority of their income and revenues from the Trade/Transportation/Utilities and Tourism sectors. This can be attributed in part to the City's coastal location and mild climate. The City's unemployment rate is at 2.6%, which is below the State average of 3.0% and Federal average of 3.5%

The heart of the City is Centre Street, Fernandina's eight-block downtown historic district. Named to the National Register of Historic Places, the historic district features over 400 historic homes, churches and commercial buildings. The downtown area, recently awarded the prestigious designation as a Florida Main Street community, offers a glimpse into Florida's past. Centre Street is a place of charm and nostalgia, and where vibrant small businesses attract tourists and residents alike. David Yulee, a City founder, constructed railroad tracks (which connected with Cedar Key as the first trans-Florida railroad) that remain in use today. The original train depot now serves as an information and welcome center. A newly restored marina, destroyed by Hurricane Matthew in October 2016, provides an additional attraction to downtown. Fernandina Beach is where industry and tourism have lived in harmony for over 75 years. Furthermore, within a short distance of downtown Fernandina Beach is the Port of Fernandina and the pulp mills of WestRock and Rayonier Advanced Materials, two of the City's largest employers who have employed many generations of local families.

The City hosts several events each year, but two of the most notable are the extravagant Amelia Island Concours d'Elegance (automobile shows and auctions; first weekend in March) and the popular Isle of Eight Flags Shrimp Festival (arts, crafts, and entertainment; first weekend in May), each attracting over 100,000 people over the weekend-long celebrations.

During Fiscal Year 2018-2019, the Building Department issued forty-two new commercial permits and 150 new single-family residential permits. Several major commercial/residential construction developments were submitted and approved in the fiscal year 2019.

The development of Crane Island as a Southern Living Inspired Community and as a Coastal Living Community offers a unique opportunity to build a dream home. The surrounding beauty is just a bike ride away from both the City's beaches and historic downtown district.

Other new residential developments, single-family, townhouses, and apartments, create a permanent "vacation" ambiance for residents. City beaches, parks (including Ft. Clinch, a sprawling State Park that includes a Civil War-era fort), a municipally owned golf course, and municipally owned airport provide only some of the amenities that make Fernandina Beach a wonderful place to live.

The City's economy continues to prosper and is expected to remain a favorite destination to vacation and spend time and money. As job opportunities continue to expand in Fernandina Beach and new residential options develop, the City's appeal as a location to purchase or rent a home increase. All indicators portray a City poised to capture both residential and commercial investors in 2020 and beyond.

Long Term Financial Planning

The City maintains a General Fund emergency reserve with a funding level equal to twenty percent (20%) of the budgeted General Fund departmental expenses. This was created to provide funding for disasters, emergencies or other exigent circumstances and is intended to buffer unforeseen economic changes.

Major Initiatives

The City's elected officials have strived to balance economic growth and the preservation of the environmental resources of the community. New programs, projects, and initiatives that have been developed or planned include:

- The Building Department has participated in the Community Rating System (CRS) of the National Flood Insurance Program. The department scheduled community outreach sessions to educate the public on protecting property and guidelines for natural flood plain management. This program will improve the City's floodplain rating and, as a result, reduce the cost of flood insurance to affected residents.
- The City passed a Conservation Ordinance and partnered with the North Florida Land Trust to identify parcels in the City to pursue for future conservation efforts. The City proposed and adopted in the FY19/20 Budget a one-time operating half mil (.5000) increase for the purpose of raising the funds needed to purchase land to place into conservation.
- The Commission approved a Waterfront Park concept and footprint. This concept will add a living shoreline, park amenities and events space while complementing the downtown business district.
- Construction efforts continued throughout the year to rebuild the City-owned Marina from damage sustained during Hurricane Matthew in October, 2016. This effort included new floating docks, anchor pilings and utilities.
- The City is developing a Waterfront Resiliency Master Plan. This document will enable the City to effectively plan future infrastructure investments to ensure the preservation of our historic coastal downtown from the effects of rising sea levels and flooding.
- The City-owned Utilities Department (water and wastewater) is expanding the use of solar energy to power water and wastewater plants. This expansion will significantly reduce operating expenses and has a thirty-year life expectancy.
- The City-owned Airport seeks to enhance and improve the above-ground aviation fuel farm. The project will provide a new 12,000-gallon Jet-A fuel tank with manifold connections and new 12,000-gallon AV-Gas fuel tank with fueling cabinet system, including, but not limited to, two new fuel recovery units, two new bollards, upgrades to electrical system and fuel piping system, new portable self-contained eye-wash station and relocation of existing QT Pod M4000.

The City sponsors a wide range of family-friendly seasonal events based on the criteria of community impact, longevity and feedback from the community. The Special Events Committee recommended the following events be considered as Community Events (negating applicable fees); Sounds on Centre, the Nassau Sports Association Fishing Rodeo, Petanque Amelia Island Open, Hometown Fourth of July, and the New Year's Eve Shrimp Drop. Fernandina Beach Main Street sponsors other similar events, selecting Dickens on Centre, the Amelia Island Concours d'Elegance Road Tour, the 8 Flags Car Show, and the Black Friday Pajama Party. Together, these events enhance the quality of life for residents and attract visitors and tourism.

Awards and Acknowledgements

The fiscal year ended September 30, 2019 represents the City of Fernandina Beach's first attempt to receive the Certificate of Achievement for Excellence in Financial Reporting (CAFR).

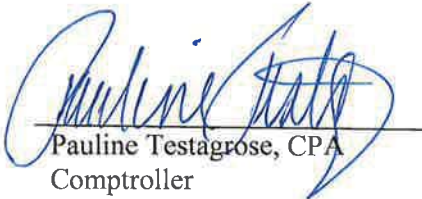
To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to program standards. The annual report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe our current report conforms to the Certificate of Achievement program requirements, and we will submit it to the GFOA.

The preparation of this report was made possible by the efficient and dedicated service of the Finance Department staff. Sincere appreciation is expressed for the contributions made by all individuals in the preparation of this report. We also wish to thank the City's Independent Auditors, Purvis Gray & Company for their cooperation and review.

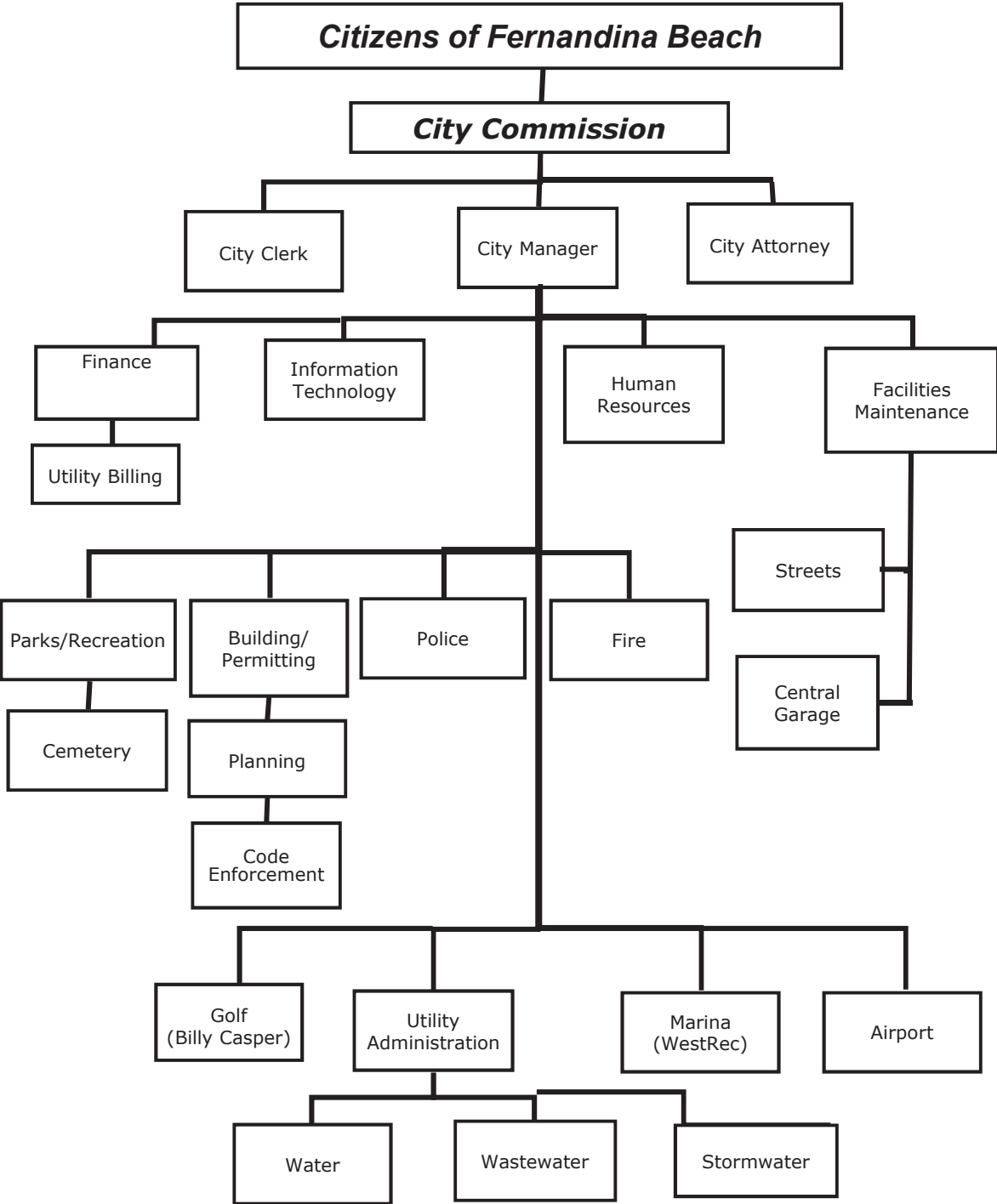
We would also like to thank the City Commission and Charter Officers for their commitment to prudent fiscal management practices that emphasize long-term financial stability.

Respectfully submitted,


Dale L. Martin
City Manager


Pauline Testagrose, CPA
Comptroller

**City of Fernandina Beach
Organization Chart**



CITY OF FERNANDINA BEACH, FLORIDA

OFFICIALS

AS OF SEPTEMBER 30, 2019

CITY COMMISSIONERS

John A. Miller, Mayor

Len Kreger, Vice-Mayor

Mike Lednovich

Philip A. Chapman III

Ronald "Chip" Ross

CITY MANAGER

Dale Martin

CITY CLERK

Caroline Best

CITY ATTORNEY

Tammi E. Bach

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.*

To the Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

INDEPENDENT AUDITOR'S REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and required supplementary information on pages 55 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

To the Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

INDEPENDENT AUDITOR'S REPORT

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



March 12, 2020
Gainesville, Florida

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

The City of Fernandina Beach, Florida's (the City) financial statements are designed to provide the readers of the financial statements easy to understand information and analysis of the City's financial activities based on currently known facts, decisions and conditions. As management of the City, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. The Management's Discussion and Analysis should be read in conjunction with the transmittal letter beginning on page i and the City's financial statements which immediately follow this discussion.

HIGHLIGHTS

Financial Highlights

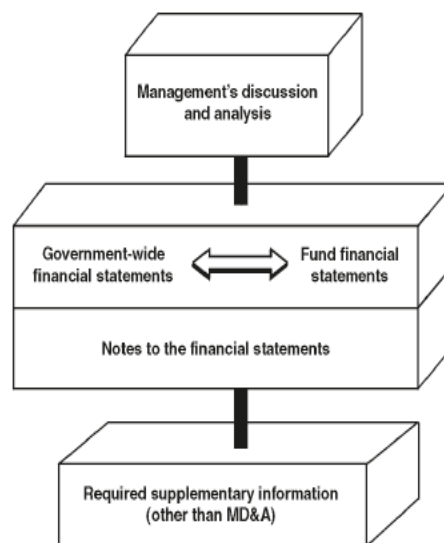
- The net position of the City exceeded its liabilities at the close of fiscal year 2019 by \$70,615,998. The Unrestricted portion of the City's Net Position is \$9,278,840. This compares to the Unrestricted Net Position last year of \$5,607,333.
- Revenues from Governmental activities increased by \$901,492 or 3.3% when compared to fiscal year 2018. Decreases in Charges for Services of (\$898,045) was partially offset by an increase in Property Taxes of \$755,340, while Operating Grants and Capital Grants Revenue increased \$588,623. The excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses of \$1,782,632 in the General Fund compares to an excess of \$1,269,074 in 2018. The excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses of \$1,205,749 for Total Governmental Funds compares to an excess of \$1,490,756 in 2018, a decrease of \$285,007. The decrease year over year is due primarily to proceeds from a capital lease during fiscal year 2018.
- Business-type activities (the City's enterprise funds) total revenues decreased by (\$1,128,905) or 5.1%. Golf Revenues increased \$34,725, Airport Operating Revenue and Capital Grants were (\$1,608,122) less than 2018, the Sewer and Water Fund's Operating Revenue and Contributions were \$457,126 more than 2018, the Stormwater Fund's Operating Revenue and Contributions increased by \$125,366 from 2018, and the Marina Operating Revenue and Capital Grants increased by \$4,701 year over year. Airport Grant Revenue was (\$1,809,339) less in 2019 than in 2018 due to the completion of the new airport terminal. Capital Grants increased by \$93,589 in the Stormwater Fund. Total Expenses for all Business-type activities increased \$787,891 or 5.5%, compared to 2018. This increase is primarily due to additional Stormwater projects and the Marina for construction related expenses due to the damage sustained during Hurricane Matthew (October 2016).
- The City's total debt including compensated absences and excluding the Pension Liability, increased by \$739,934 during the current fiscal year. The additional debt added during the fiscal year was a second Line of Credit for the Marina. This debt will be repaid with the FEMA reimbursement for the damages sustained during Hurricane Matthew. The Net Pension Liability decreased \$1,976,856 in 2019.
- The City decreased the total ad valorem property tax rate to 6.0482 mils, reducing the operating ad valorem tax rate from 6.0000 in 2018 to 5.8553 in 2019. This is in effect, a tax increase. Voter-approved debt millage decreased from .2097 in 2018 to .1929 in 2019. The adjusted taxable value (comparable) increased \$134.5 million. This was the fifth increase after six years of declining property tax values.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. As illustrated in the chart below, the financial section has three components: 1) management's discussion and analysis (this section); 2) the basic financial statements; and 3) required supplementary information. The report also contains other supplementary information in addition to the basic financial statements themselves.

Components of the Financial Section



Government-Wide Financial Statements

The Government-wide Statements are designed to provide readers with a broad overview of the City's finances, using accounting methods similar to those used by a private sector business. These statements also provide both long-term and short-term information about the City's overall financial status. The government-wide financial statements include the first two statements that follow this analysis, the statement of net position and the statement of activities.

The statement of net position presents information on all of the City's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. It provides a breakdown of revenues and expenses by function. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Governmental Activities reflects the City's basic services, including general government, police, fire, protective inspections, public works, cultural and recreation. The Business-type Activities reflect private sector-type operations, including water, wastewater, solid waste management, airport, marina and golf course. Fees are charged to customers to recover all or most of the cost of providing these services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City has three types of funds: Governmental, Proprietary, and Fiduciary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds (general, special revenue, debt service and capital projects). These funds use the modified accrual method of accounting which measures cash and other financial assets that may be readily converted to cash. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, community redevelopment fund, and capital improvement fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located elsewhere in this report.

The City adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the major governmental funds and general fund departments to demonstrate compliance with this budget.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

Proprietary funds

Services for which the City charges customers a fee are generally reported in proprietary funds. These funds, like governmental funds, provide both long-term and short-term financial information. The City maintains two different types of proprietary funds, enterprise funds, and internal service funds. Enterprise funds are the same as business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City uses enterprise funds to account for its golf course, airport, sanitation, sewer/water, stormwater, and marina operations. The City uses internal service funds to report activities that provide services for the City's other program activities. Vehicle maintenance activities, utility billing and utility administration are the three internal service funds. Because these services benefit both governmental activities and business-type activities, they have been included with governmental activities in the government-wide financial statements.

Proprietary fund reporting provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, sanitation, sewer/water, and marina operations, all of which are considered to be major funds of the City. Data from the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements located elsewhere in this report.

Fiduciary funds

The City is the trustee, or fiduciary, for its employees' pension plans. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a separate Statement of Changes in Fiduciary Net Position. The City excludes these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The accounting for fiduciary funds is similar to accounting used for proprietary funds. Data from the two pension trust funds is combined into a single aggregated presentation. Individual fund data is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 54 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget compliance.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Summary of Net position

The following table presents the condensed Summary of Net Position for fiscal year 2019 and fiscal year 2018:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2019	FYE 2018	FYE 2019	FYE 2018	FYE 2019	FYE 2018
Current and Other Assets	\$ 20,205,457	\$ 18,107,289	\$ 17,221,333	\$ 16,580,061	\$ 37,426,790	\$ 34,687,350
Capital Assets	26,615,029	26,421,022	63,638,108	59,291,252	90,253,137	85,712,274
Total Assets	46,820,486	44,528,311	80,859,441	75,871,313	127,679,927	120,399,624
Deferred Outflows of Resources	4,668,097	4,646,282	949,773	1,055,583	5,617,870	5,701,865
Current Liabilities	1,350,593	1,761,160	1,527,186	1,802,743	2,877,779	3,563,903
Non-Current Liabilities	17,737,890	20,636,525	40,348,613	38,686,900	58,086,503	59,323,425
Total Liabilities	19,088,483	22,397,685	41,875,799	40,489,643	60,964,282	62,887,328
Deferred Inflows of Resources	1,541,825	732,319	175,692	166,118	1,717,517	898,437
Net Position:						
Net Investment in Capital Assets	24,367,016	23,584,000	26,496,040	24,293,174	50,863,056	47,877,174
Restricted	8,287,039	7,320,960	2,187,063	1,510,257	10,474,102	8,831,217
Unrestricted	(1,795,780)	(4,860,371)	11,074,620	10,467,704	9,278,840	5,607,333
Total Net Position	\$ 30,858,275	\$ 26,044,589	\$ 39,757,723	\$ 36,271,135	\$ 70,615,998	\$ 62,315,724

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2019, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$70,615,998.

The majority of the City's net position (72.0%) reflects its investment in capital assets, less any outstanding related debt and deferred outflow/inflows used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (14.8%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects (restricted assets). The remaining balance of unrestricted net position (13.1%) may be used to meet the City's ongoing obligations to its citizens.

At the end of the current fiscal year, the City can report a positive balance in all three categories on net position for the business-type activities and positive balances in two of the three categories of net position (net investment in capital assets and restricted) for the governmental activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

There was an overall increase in net position of \$8,300,274 for the current fiscal year. The increase of \$4,813,686 in the governmental activities is primarily due to a reduction of overall expenses. The increase of \$3,486,588 in business activities is primarily due to Airport and Water and Sewer revenues.

Summary of Activities

The following table presents the condensed Summary of Activities for fiscal year 2019 and fiscal year 2018:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2019	FYE 2018	FYE 2019	FYE 2018	FYE 2019	FYE 2018
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,112,727	\$ 6,010,772	\$ 17,258,328	\$ 16,632,030	\$ 22,371,055	\$ 22,642,802
Operating Grants and Contrib.	2,966,057	2,313,984	216,618	13,562	3,182,675	2,327,546
Capital Grants and Contrib.	-	63,450	1,017,264	2,842,464	1,017,264	2,905,914
General Revenues:						
Property Taxes	12,859,437	12,104,097			12,859,437	12,104,097
Franchise and Utility Taxes	3,296,296	3,234,806			3,296,296	3,234,806
Sales and Use Taxes	3,090,509	2,819,107			3,090,509	2,819,107
Other Taxes (Insur Premium)	247,774	225,101			247,774	225,101
State Revenue Sharing	357,847	341,595			357,847	341,595
Investment Earnings	174,403	90,392	148,971	38,213	323,374	128,605
Other	218,561	218,815	88,374	332,191	306,935	551,006
Total Revenues	28,323,611	27,422,119	18,729,555	19,858,460	47,053,166	47,280,579
EXPENSES						
Program Activities						
Governmental Activities:						
General Government	4,794,176	4,645,880			4,794,176	4,645,880
Public Safety	11,595,342	11,077,039			11,595,342	11,077,039
Physical Environment	1,506,579	1,639,299			1,506,579	1,639,299
Transportation	2,694,817	3,403,051			2,694,817	3,403,051
Economic Environment	77,153	783,494			77,153	783,494
Human Services	55,418	52,811			55,418	52,811
Culture and Recreation	2,813,869	2,631,741			2,813,869	2,631,741
Interest	54,271	73,810			54,271	73,810
Business-type Activities:						
Golf			1,701,757	1,644,592	1,701,757	1,644,592
Airport			1,423,977	1,474,615	1,423,977	1,474,615
Sanitation			2,377,519	2,362,448	2,377,519	2,362,448
Sewer & Water			7,324,589	7,562,630	7,324,589	7,562,630
Stormwater			1,175,464	649,258	1,175,464	649,258
Marina			1,157,961	679,833	1,157,961	679,833
Total Expenses	23,591,625	24,307,125	15,161,267	14,373,376	38,752,892	38,680,501
Change in net position						
before transfers	4,731,986	3,114,994	3,568,288	5,485,084	8,300,274	8,600,078
Transfers	81,700	58,685	(81,700)	(58,685)	-	-
Change in Net Position	4,813,686	3,173,679	3,486,588	5,426,399	8,300,274	8,600,078
Net Position, beginning	26,044,589	22,870,910	36,271,135	30,844,736	62,315,724	53,715,646
Net Position, ending	\$ 30,858,275	\$ 26,044,589	\$ 39,757,723	\$ 36,271,135	\$ 70,615,998	\$ 62,315,724

**MANAGEMENT’S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

Revenues

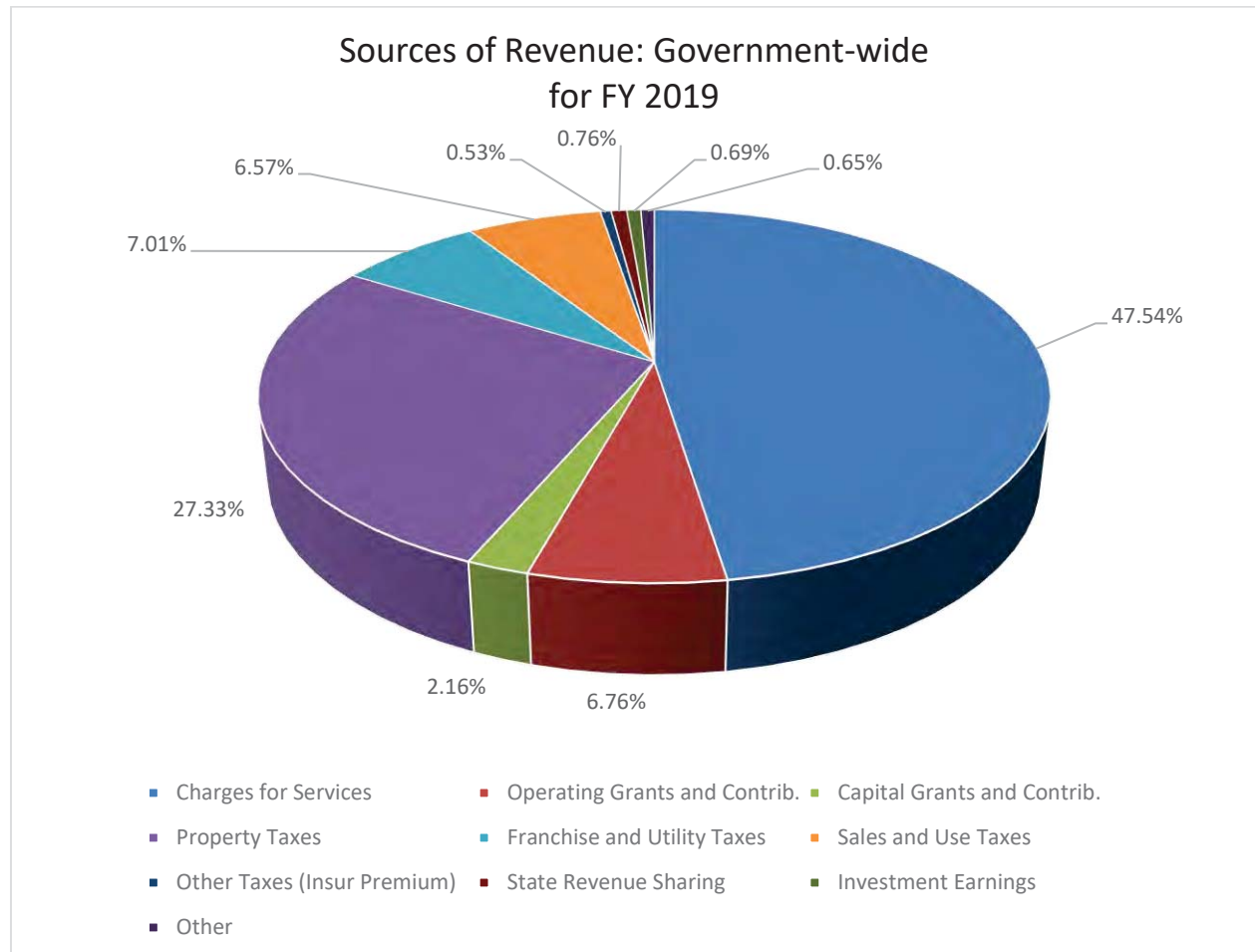
For the fiscal year ended September 30, 2019, revenues from governmental activities totaled \$28,323,611.

The City’s property tax revenue was \$12,859,437, an increase of \$755,340 or 6.2% compared to the previous fiscal year. The City’s taxable value increased \$134.5 million on a comparable basis while the City lowered the millage rate.

Charges for services remained relatively flat over the prior fiscal year due to an increase in airport and water and sewer revenue offset by a decline in building permit and impact fee revenue.

Operating grants and contributions increased by \$855,129 due to the receipt of FEMA federal and state grant funds.

Revenue from capital grants and contributions decreased by \$1,888,650 from fiscal 2018, due to the completion of the Airport Terminal that was partially grant funded.

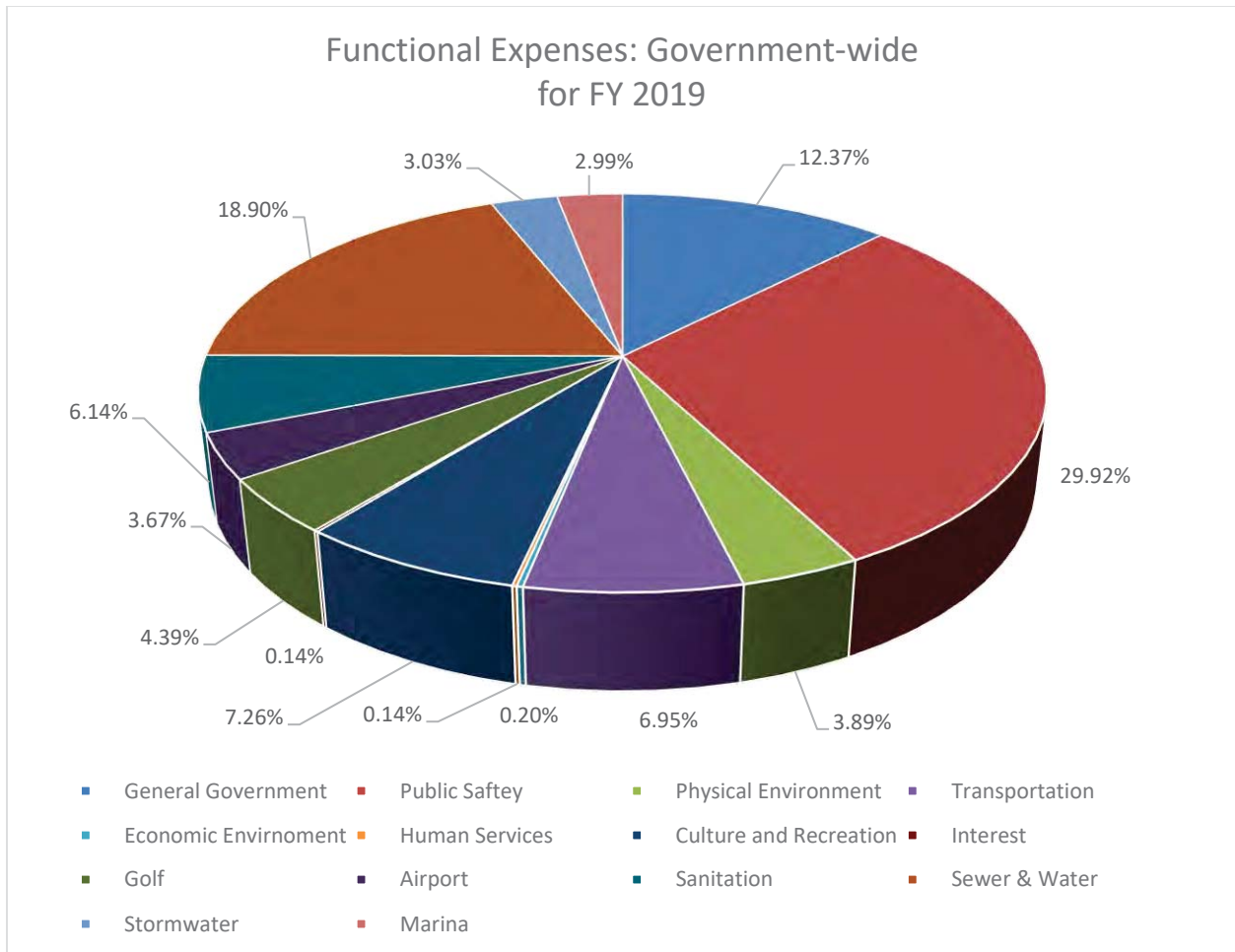


**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

Expenses

For the fiscal year ended September 30, 2019, expenses for governmental activities totaled \$23,591,625, a decrease of \$715,500 from the prior fiscal year due to expenses relating to Hurricane Irma (September 2017).

Expenses for the City's business-type activities, which provide water, sewer, sanitation, stormwater services and airport, golf and marina operations, totaled \$15,161,267 an increase of \$787,891 from fiscal year 2018. This increase is primarily due to increased operating expenses, depreciation expense and dredging of the Marina.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2019, the governmental funds reflect a combined fund balance of \$17,582,319, an increase of \$1,205,749 compared to the prior year. Approximately 96.5% of this total amount (\$16,964,267) represents spendable fund balance. The remainder of fund balance is non-spendable and not available for new spending because it has already been committed for prepaid items (\$618,052). The other governmental funds fund balance increased by \$930,139 due to the collection of impact fees, public safety and the cemetery. The Capital Improvements Fund had a decrease in fund balance of (\$1,515,715) due to the construction of various park improvements, dredging, beach renourishment, and new streets and sidewalks. Reimbursement of \$664,651 for the beach renourishment project was not received within 60 days after year-end and, therefore, will not increase fund balance until fiscal year 2020. The General Fund had an increase in fund balance of \$1,782,632 due to excess revenues over expenses, building inspection reserve and an increase in the reserve for emergencies.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was amended to account for \$28,589 in an additional fire safety grant award. The largest change in the General Fund appropriations between the adopted budget and the amended budget was due to the increase of \$98,589 for information and technology equipment and contractual services of \$70,000 in parks and recreation for expenses relating to beach cleaning. This was partially offset by a reduction of \$70,000 in the transfer to the Capital Project Fund due to reprioritizing projects.

General Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
Taxes, Licenses, and Permits	\$ 18,411,710	\$ 18,411,710	\$ 18,919,205
Intergovernmental	1,514,375	1,514,375	2,391,989
Fines and Forfeitures	23,700	23,700	39,082
Charges for Services	1,348,943	1,348,943	1,416,095
Other	148,944	177,533	245,079
Total	<u>21,447,672</u>	<u>21,476,261</u>	<u>23,011,450</u>
Expenditures	<u>22,133,603</u>	<u>22,232,192</u>	<u>21,006,409</u>
Excess of revenues over (under) expenditures	<u>(685,931)</u>	<u>(755,931)</u>	<u>2,005,041</u>
Other Financing sources (uses):			
Transfers in	2,391,000	2,391,000	2,391,000
Transfers (out)	(2,625,020)	(2,555,020)	(2,667,417)
Total	<u>(234,020)</u>	<u>(164,020)</u>	<u>(276,417)</u>
Net change in Fund Balance	<u>(919,951)</u>	<u>(919,951)</u>	<u>1,728,624</u>

Actual General Fund revenue increase \$1,535,189 when compared to the amended budget. This was primarily due to increased revenues received for taxes, licenses, permits and intergovernmental. Actual General Fund expenditures decreased by \$1,225,783 when compared to the amended budget. This favorable variance was due to decreases in general government \$309,709, public safety for \$423,598, culture and recreation for \$285,299 and all others \$207,177.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities at the end of the fiscal year 2019 totaled \$90,253,137 (net of accumulated depreciation). Approximately 29.5% or 26,615,029 is related to governmental activities and includes land, construction in progress, building and improvements, machinery and equipment and infrastructure. Capital assets held by the City at the end of the current fiscal year are summarized as follows:

Capital Assets at Year-End						
(Net of Accumulated depreciation)						
	Governmental Activities		Business-Type		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 10,648,834	\$ 10,648,834	\$ 1,539,770	\$ 1,433,925	\$ 12,188,604	\$ 12,082,759
Construction in Progress	350,793	428,278	7,255,078	1,489,304	7,605,871	1,917,582
Building and Improvements	7,709,524	7,515,168	52,954,438	54,503,207	60,663,962	62,018,375
Machinery and Equipment	3,790,239	3,338,814	1,888,822	1,864,816	5,679,061	5,203,630
Infrastructure	4,115,639	4,489,928			4,115,639	4,489,928
Total	\$ <u>26,615,029</u>	\$ <u>26,421,022</u>	\$ <u>63,638,108</u>	\$ <u>59,291,252</u>	\$ <u>90,253,137</u>	\$ <u>85,712,274</u>

In the governmental funds major additions included 8 police and fire vehicles, 6 facilities and street trucks, 2 grasshopper mowers, a scissor lift, boom mower, John Deere Wheel Loader, new parks playground equipment, shade structures, 2 pickleball courts with lighting, a new basketball court and the historic Peck Center windows and doors.

In the business-type funds major additions included 2 mowers, a groomer, AWOS weather system, hangar rehabilitation, fuel farm rehabilitation, 3 vehicles, a caterpillar backhoe, dump truck, new marina southern attenuator and docks, gravity line rehabilitation, submersible pumps, and various other utility and stormwater improvement projects.

More detailed information about the City's capital assets is presented in Note 6 of the financial statements.

LONG-TERM DEBT

At the end of the fiscal year, the City had total long-term debt outstanding of \$58,086,503. Of this amount, \$32,860,217 represents bonds and a direct borrowing secured solely by specified revenue sources. More detailed information about the City's long-term debt is presented in Note 8 to the financial statements.

The Series 2013A utility bonds were upgraded during fiscal year 2019 from an A2 rating to an A1 rating by Moody's Investor Services. The upgrade reflects the utility's solid financial position and liquidity supported by annual rate increases, strong annual debt service coverage and sufficient capacity.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2019**

The City added an additional letter of credit Series 2019 in the amount of \$3,000,000 for continued construction of the Northern Attenuator at the Marina. The pledged revenue primarily consists of FEMA reimbursements and non-ad valorem revenues.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

According to the Nassau County Property Appraiser the City of Fernandina Beach's current gross taxable value is \$2,516,326,955. This represents an increase of 12.7% or \$316,856,242 when compared to the prior year. The City's millage rate of \$6.3553 adopted for fiscal year 2020 is expected to generate \$15,758,890. There was a one-time .5 mil increase for the sole purpose of purchasing land for conservation. This increase is estimated to generate \$1,207,000. The above increases are evidence that the outlook for fiscal 2020 is good and the overall economy is strong and continues to grow.

REQUEST FOR INFORMATION

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about the report or need additional financial information, contact the City's Comptroller at City of Fernandina Beach, 204 Ash Street, Fernandina Beach, Florida 32034.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and Investments	\$ 16,704,997	\$ 12,441,430	\$ 29,146,427
Receivables, Net	433,610	1,633,829	2,067,439
Due from Other Governments	2,404,915	361,104	2,766,019
Inventories	43,883	75,255	119,138
Prepays	618,052	12,536	630,588
Restricted Assets:			
Cash and Investments	-	2,697,179	2,697,179
Capital Assets:			
Non-Depreciable	10,999,627	8,794,848	19,794,475
Depreciable, Net	15,615,402	54,843,260	70,458,662
Total Assets	<u>46,820,486</u>	<u>80,859,441</u>	<u>127,679,927</u>
Deferred Outflows of Resources			
Unamortized Refunding Loss	-	113,468	113,468
Pension Related	4,046,309	705,403	4,751,712
OPEB Related	621,788	130,902	752,690
Total Deferred Outflows of Resources	<u>4,668,097</u>	<u>949,773</u>	<u>5,617,870</u>
Liabilities			
Accounts Payable and Accrued Expenses	874,898	655,182	1,530,080
Due to Other Governments	399,884	-	399,884
Unearned Revenue	66,123	318,180	384,303
Accrued Interest	9,688	141,966	151,654
Deposits	-	411,858	411,858
Long-Term Liabilities:			
Due Within One Year	2,467,583	2,304,329	4,771,912
Due in More Than One Year	15,270,307	38,044,284	53,314,591
Total Liabilities	<u>19,088,483</u>	<u>41,875,799</u>	<u>60,964,282</u>
Deferred Inflows of Resources			
Pension Related	1,320,891	129,180	1,450,071
OPEB Related	220,934	46,512	267,446
Total Deferred Inflows of Resources	<u>1,541,825</u>	<u>175,692</u>	<u>1,717,517</u>
Net Position			
Net Investment in Capital Assets	24,367,016	26,496,040	50,863,056
Restricted for:			
Building Inspection	3,250,862	-	3,250,862
Public Safety	289,518	-	289,518
Land Conservation	50	-	50
Community Development	134,920	-	134,920
Debt Service	-	131,250	131,250
Capital Improvements	4,611,689	2,055,813	6,667,502
Unrestricted	(1,795,780)	11,074,620	9,278,840
Total Net Position	<u>\$ 30,858,275</u>	<u>\$ 39,757,723</u>	<u>\$ 70,615,998</u>

See accompanying notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA

Function/Program Activities	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 4,794,176	\$ 22,867	\$ -	\$ (4,547,593)	\$ -	\$ (4,547,593)
Public Safety	11,595,342	670,212	-	(7,817,163)	-	(7,817,163)
Physical Environment	1,506,579	789,938	-	(531,197)	-	(531,197)
Transportation	2,694,817	1,483,040	-	(1,211,777)	-	(1,211,777)
Economic Environment	77,153	-	-	(77,153)	-	(77,153)
Human Services	55,418	-	-	(55,418)	-	(55,418)
Culture and Recreation	2,813,869	-	-	(1,218,269)	-	(1,218,269)
Interest on Long-Term Debt	54,271	-	-	(54,271)	-	(54,271)
Total Governmental Activities	23,591,625	2,966,057	-	(15,512,841)	-	(15,512,841)
Business-Type Activities						
Golf	1,701,757	4,708	-	-	(369,859)	(369,859)
Airport	1,423,977	208,292	254,553	-	(85,223)	(85,223)
Sanitation	2,377,519	-	-	-	8,151	8,151
Sewer and Water	7,324,589	-	328,938	-	4,668,421	4,668,421
Stormwater	1,175,464	-	115,742	-	(180,174)	(180,174)
Marina	1,157,961	3,618	318,031	-	(710,373)	(710,373)
Total Business-Type Activities	15,161,267	216,618	1,017,264	-	3,330,943	3,330,943
Total Government Activities	\$ 38,752,892	\$ 3,182,675	\$ 1,017,264	(15,512,841)	3,330,943	(12,181,898)
General Revenues						
Property Taxes				12,859,437	-	12,859,437
Franchise and Utility Taxes				3,296,296	-	3,296,296
Half-Cent Sales Tax				910,955	-	910,955
State Revenue Sharing				357,847	-	357,847
Discretionary Sales Surtax				1,847,705	-	1,847,705
Local Option Gas Tax				331,849	-	331,849
Insurance Premium Tax				247,774	-	247,774
Other Miscellaneous				218,561	88,374	306,935
Investment Earnings				174,403	148,971	323,374
Transfers				81,700	(81,700)	-
Total General Revenues and Transfers				20,326,527	155,645	20,482,172
Change in Net Position				4,813,686	3,486,588	8,300,274
Net Position, Beginning of Year				26,044,589	36,271,135	62,315,724
Net Position, End of Year				\$ 30,858,275	\$ 39,757,723	\$ 70,615,998

See accompanying notes.

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA

	General Fund	Community Redevelopment Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Investments	\$ 10,363,492	\$ 22,006	\$ -	\$ 6,319,499	\$ 16,704,997
Accounts Receivable, Net of Allowance for Uncollectible Accounts	433,408	-	-	-	433,408
Due from Other Funds	671,875	-	-	-	671,875
Due from Other Governments	1,138,631	-	1,247,146	19,138	2,404,915
Prepaid Expenses	618,052	-	-	-	618,052
Total Assets	<u>13,225,458</u>	<u>22,006</u>	<u>1,247,146</u>	<u>6,338,637</u>	<u>20,833,247</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts Payable and Accrued Expenses	863,366	-	-	1,565	864,931
Due to Other Governments	-	-	399,884	-	399,884
Due to Other Funds	-	-	627,200	-	627,200
Unearned Revenue	66,123	-	-	-	66,123
Total Liabilities	<u>929,489</u>	<u>-</u>	<u>1,027,084</u>	<u>1,565</u>	<u>1,958,138</u>
Deferred Inflows of Resources					
Unavailable Revenues	628,139	-	664,651	-	1,292,790
Total Deferred Inflows of Resources	<u>628,139</u>	<u>-</u>	<u>664,651</u>	<u>-</u>	<u>1,292,790</u>
Fund Balances					
Non-Spendable:					
Prepays	618,052	-	-	-	618,052
Restricted for:					
Building Inspection	3,250,862	-	-	-	3,250,862
Public Safety	2,306	-	-	287,212	289,518
Land Conservation	-	-	-	50	50
Community Development	-	22,006	-	112,914	134,920
Capital Improvements	-	-	-	4,611,689	4,611,689
Committed for:					
Conservation and Resource Management	-	-	-	168,223	168,223
Historical District Trust	-	-	-	9,016	9,016
Greenway Trust	1,115	-	-	-	1,115
Cemetery	-	-	-	1,091,248	1,091,248
Emergencies	4,547,646	-	-	-	4,547,646
Assigned for:					
Cemetery	-	-	-	52,256	52,256
Debt Service	-	-	-	4,464	4,464
Subsequent Year's Budget	728,532	-	-	-	728,532
Unassigned	2,519,317	-	(444,589)	-	2,074,728
Total Fund Balances	<u>11,667,830</u>	<u>22,006</u>	<u>(444,589)</u>	<u>6,337,072</u>	<u>17,582,319</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,225,458</u>	<u>\$ 22,006</u>	<u>\$ 1,247,146</u>	<u>\$ 6,338,637</u>	<u>\$ 20,833,247</u>

See accompanying notes.

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

Fund Balance - Total Governmental Funds	\$	17,582,319
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		26,237,521
Certain receivables are not available for use in the current period and, therefore, are not recognized as revenues in governmental funds.		1,292,790
Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:		
Deferred Outflows Related to Pensions and OPEB	\$ 4,668,097	
Deferred Inflows Related to Pensions and OPEB	<u>(1,541,825)</u>	3,126,272
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Long-Term Liabilities	(17,719,379)	
Accrued Interest	<u>(9,688)</u>	(17,729,067)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.		<u>348,440</u>
Net Position of Governmental Activities	\$	<u><u>30,858,275</u></u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	General Fund	Community Redevelopment Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes, Licenses, and Permits	\$ 20,772,556	\$ 8,652	\$ -	\$ 1,277,259	\$ 22,058,467
Intergovernmental	2,391,989	-	247,320	127,653	2,766,962
Charges for Services	1,416,095	-	-	182,004	1,598,099
Fines and Forfeitures	39,222	-	-	175,107	214,329
Other	245,596	41	7,503	69,458	322,598
Total Revenues	<u>24,865,458</u>	<u>8,693</u>	<u>254,823</u>	<u>1,831,481</u>	<u>26,960,455</u>
Expenditures					
Current:					
General Government	4,691,849	-	630	146	4,692,625
Public Safety	11,190,940	-	-	67,694	11,258,634
Physical Environment	-	-	1,150,575	356,004	1,506,579
Transportation	1,980,456	-	165,570	-	2,146,026
Economic Environment	74,459	-	-	-	74,459
Human Services	55,418	-	-	-	55,418
Culture and Recreation	2,285,030	-	-	-	2,285,030
Debt Service:					
Principal	115,497	-	675,842	395,000	1,186,339
Interest	5,011	-	25,223	28,698	58,932
Capital Outlay	607,749	-	1,363,398	601,217	2,572,364
(Total Expenditures)	<u>(21,006,409)</u>	<u>-</u>	<u>(3,381,238)</u>	<u>(1,448,759)</u>	<u>(25,836,406)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,859,049</u>	<u>8,693</u>	<u>(3,126,415)</u>	<u>382,722</u>	<u>1,124,049</u>
Other Financing Sources (Uses)					
Transfers in	591,000	-	1,610,700	547,988	2,749,688
Transfers (out)	(2,667,417)	-	-	(571)	(2,667,988)
Total Other Financing Sources (Uses)	<u>(2,076,417)</u>	<u>-</u>	<u>1,610,700</u>	<u>547,417</u>	<u>81,700</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>1,782,632</u>	<u>8,693</u>	<u>(1,515,715)</u>	<u>930,139</u>	<u>1,205,749</u>
Fund Balances, Beginning of Year	<u>9,885,198</u>	<u>13,313</u>	<u>1,071,126</u>	<u>5,406,933</u>	<u>16,376,570</u>
Fund Balances, End of Year	<u>\$ 11,667,830</u>	<u>\$ 22,006</u>	<u>\$ (444,589)</u>	<u>\$ 6,337,072</u>	<u>\$ 17,582,319</u>

See accompanying notes.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

**Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:**

Net Change in Fund Balance - Total Governmental Funds \$ 1,205,749

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Expenditures for Capital Assets	\$ 2,572,364	
Loss on Disposal of Fixed Assets (Current Year Depreciation)	(50,994)	
	(2,308,401)	212,969

Repayments of installment/bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Repayments of Principal		1,186,339
-------------------------	--	-----------

Certain revenues in the Statement of Activities are not considered available current financial resources and, therefore, are not reported as revenue in the governmental funds.		1,292,790
---	--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Net Pension Liability	1,773,177	
Compensated Absences	8,596	
Other Postemployment Benefits	(65,301)	
Accrued Interest Payable	4,661	1,721,133

Certain pension and OPEB related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:

Change in Deferred Outflows Related to Pensions and OPEB	21,815	
Change in Deferred Inflows Related to Pensions and OPEB	(809,506)	(787,691)

Internal service funds are used by management to charge the cost of certain activities, such as the costs of the central garage, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

(17,603)

Change in Net Position of Governmental Activities \$ 4,813,686

See accompanying notes.

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA

	Sewer and					Marina Fund	Other		Internal Services Fund
	Airport Fund	Sanitation Fund	Water Fund	Enterprise Funds	Total				
Assets									
Current Assets:									
Cash and Investments	\$ 649,279	\$ 222,018	\$ 11,325,911	\$ 1,113	\$ 12,309,467	\$ 131,963			
Accounts Receivable, Net of Allowance for Uncollectible Accounts	57,651	303,626	1,157,744	631	1,626,552	7,479			
Due from Other Governments	114,724	-	-	130,638	361,104	-			
Due from Other Funds	-	-	4,609,323	-	4,609,323	-			
Prepaid Expenses	672	-	975	-	10,805	1,731			
Inventories	-	-	31,397	-	75,255	43,883			
Total Current Assets	822,326	525,644	17,125,350	132,382	18,992,506	185,056			
Non-Current Assets:									
Restricted Cash and Investments	17,850	63,382	2,592,251	-	2,697,179	-			
Capital Assets, Net, Where Applicable, of Accumulated Depreciation	17,033,072	-	30,539,445	8,337,293	63,504,586	511,030			
Total Non-Current Assets	17,050,922	63,382	33,131,696	8,337,293	66,201,765	511,030			
Total Assets	17,873,248	589,026	50,257,046	8,469,675	85,194,271	696,086			
Deferred Outflows of Resources									
Unamortized Loss on Refunding Pension Related	44,493	-	113,468	-	113,468	-			
OPEB Related	7,700	-	561,328	-	705,403	-			
Total Deferred Outflows of Resources	52,193	-	771,047	-	949,773	-			

See accompanying notes.

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Other Enterprise Funds	Total	Internal Services Fund
Liabilities							
Current Liabilities:							
Accounts Payable and Accrued Expenses	\$ 57,552	\$ 343,022	\$ 79,938	\$ 13,687	\$ 146,936	\$ 641,135	\$ 24,014
Current Portion of Revenue Bonds and Notes	79,000	-	1,575,000	344,000	109,294	2,107,294	-
Accrued Interest	2,967	-	98,258	39,370	1,371	141,966	-
Customer Deposits	17,850	63,382	306,930	-	23,696	411,858	-
Due to Other Funds	-	-	-	3,349,077	1,260,246	4,609,323	44,675
Unearned Revenue	234,651	-	-	-	83,529	318,180	-
Compensated Absences	30,584	-	113,554	-	19,411	163,549	51,997
Total Current Liabilities	422,604	406,404	2,173,680	3,746,134	1,644,483	8,393,305	120,686
Non-Current Liabilities:							
Revenue Bonds and Notes Payable	1,153,000	-	26,856,330	2,208,000	110,910	30,328,240	-
Line of Credit Payable	-	-	-	4,820,002	-	4,820,002	-
Other Postemployment Benefits	26,179	-	327,226	-	91,624	445,029	-
Net Pension Liability	154,595	-	1,950,408	-	346,010	2,451,013	-
Total Non-Current Liabilities	1,333,774	-	29,133,964	7,028,002	548,544	38,044,284	-
Total Liabilities	1,756,378	406,404	31,307,644	10,774,136	2,193,027	46,437,589	120,686
Deferred Inflows of Resources							
Pension Related	8,148	-	102,796	-	18,236	129,180	-
OPEB Related	2,736	-	34,200	-	9,576	46,512	-
Total Deferred Inflows of Resources	10,884	-	136,996	-	27,812	175,692	-
Net Position							
Net Investment in Capital Assets	15,801,072	-	2,221,583	965,291	7,374,572	26,362,518	511,030
Restricted	-	-	2,187,063	-	-	2,187,063	-
Unrestricted	357,107	182,622	15,174,807	(3,269,752)	(1,463,602)	10,981,182	64,370
Total Net Position	\$ 16,158,179	\$ 182,622	\$ 19,583,453	\$ (2,304,461)	\$ 5,910,970	\$ 39,530,763	\$ 575,400
Adjustment to Reflect the Consolidation of Internal Service Fund Activities						226,960	
Net Position of Business-Type Activities						\$ 39,757,723	

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Other Enterprise Funds	Total	Internal Services Fund
Operating Revenues							
Charges for Services	\$ 3,433	\$ 2,385,670	\$ 9,993,349	\$ -	\$ 2,206,738	\$ 14,589,190	\$ 1,733,775
Fees, Rentals, and Other	872,476	-	1,670,723	125,939	-	2,669,138	1,973
Total Operating Revenues	875,909	2,385,670	11,664,072	125,939	2,206,738	17,258,328	1,735,748
Operating Expenses							
Personnel Services	266,484	-	1,533,111	112,680	719,546	2,631,821	892,283
Materials, Supplies, and Other	280,487	2,377,519	2,438,720	797,743	1,612,232	7,506,701	800,385
Depreciation and Amortization	839,344	-	2,280,590	62,798	536,734	3,719,466	107,306
(Total Operating Expenses)	(1,386,315)	(2,377,519)	(6,252,421)	(973,221)	(2,868,512)	(13,857,988)	(1,799,974)
Operating (Loss) Income	(510,406)	8,151	5,411,651	(847,282)	(661,774)	3,400,340	(64,226)
Non-Operating Revenues (Expense)							
Interest Income	-	2,678	145,704	-	330	148,712	261
Intergovernmental Revenue	208,292	-	-	3,618	4,708	216,618	-
Gain on Sale of Capital Assets	-	-	52,696	-	-	52,696	65,751
Other Non-Operating Income (Expense)	8,534	20,657	5,901	843	-	35,935	3,210
Interest Expense	(37,662)	-	(1,118,246)	(184,740)	(8,709)	(1,349,357)	-
Total Non-Operating Revenues (Expense)	179,164	23,335	(913,945)	(180,279)	(3,671)	(895,396)	69,222
(Loss) Income Before Contributions and Operating Transfers	(331,242)	31,486	4,497,706	(1,027,561)	(665,445)	2,504,944	4,996
Capital Grants and Contributions	254,553	-	328,938	318,031	115,742	1,017,264	-
Transfers							
Transfers in	-	-	-	300,000	220,000	520,000	15,000
Transfers (out)	-	(51,000)	(540,000)	-	-	(591,000)	(25,700)
Total Transfers	-	(51,000)	(540,000)	300,000	220,000	(71,000)	(10,700)
Change in Net Position	(76,689)	(19,514)	4,286,644	(409,530)	(329,703)	3,451,208	(5,704)
Net Position, Beginning of Year	16,234,868	202,136	15,296,809	(1,894,931)	6,240,673	36,079,555	581,104
Net Position, End of Year	\$ 16,158,179	\$ 182,622	\$ 19,583,453	\$ (2,304,461)	\$ 5,910,970	\$ 39,530,763	\$ 575,400
Change in Net Position - Above							
Internal Service Fund Activities in the Enterprise Funds						\$ 3,451,208	
Change in Net Position of Business-Type Activities						35,380	
						\$ 3,486,588	

See accompanying notes.

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Other Enterprise Funds	Total	Internal Services Fund
Cash Flows from Operating Activities							
Cash Received from Customers and Others	\$ 827,535	\$ 2,366,923	\$ 11,545,367	\$ 211,804	\$ 2,201,459	\$ 17,153,088	\$ 3,210
Cash Received for Interfund Services		-	-	-	-	-	1,733,202
Cash Paid to Suppliers	(686,401)	(2,109,374)	(1,657,107)	(794,797)	(1,506,941)	(6,754,620)	(800,115)
Cash Paid for Interfund Services	(23,010)	(92,000)	(837,948)	-	(44,685)	(997,643)	-
Cash Paid to Employees	(204,169)	-	(2,051,491)	(112,680)	(456,247)	(2,824,587)	(890,210)
Net Cash Provided by (Used in) Operating Activities	(86,045)	165,549	6,998,821	(695,673)	193,586	6,576,238	46,087
Cash Flows from Non-Capital Financing Activities							
Due to/from Other Funds	(294)	-	(2,325,318)	2,299,077	25,132	(1,403)	21,193
Operating Transfers in	-	-	-	300,000	220,000	520,000	15,000
Operating Transfers (out)	-	(51,000)	(540,000)	-	-	(591,000)	(25,700)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(294)	(51,000)	(2,865,318)	2,599,077	245,132	(72,403)	10,493
Cash Flows from Capital and Related Financing Activities							
Principal Paid on Revenue Bonds	(77,000)	-	(1,638,606)	(337,999)	(107,682)	(2,161,287)	-
Proceeds from Line of Credit	-	-	-	4,125,001	-	4,125,001	-
Proceeds from the Sale of Capital Assets	-	-	52,696	-	-	52,696	90,831
Acquisition and Construction of Capital Assets	(342,238)	-	(1,380,763)	(6,034,172)	(393,202)	(8,150,375)	(82,066)
Interest Paid	(37,848)	-	(1,115,764)	(150,600)	(9,658)	(1,313,870)	-
Capital Grants	941,071	-	381,634	321,647	4,708	1,649,060	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	483,985	-	(3,700,803)	(2,076,123)	(505,834)	(5,798,775)	8,765
Cash Flows from Investing Activities							
Interest Received	-	2,679	145,704	-	330	148,713	262
Net Cash Provided by (Used in) Investing Activities	-	2,679	145,704	-	330	148,713	262
Net Increase (Decrease) in Cash and Cash Equivalents	397,646	117,228	578,404	(172,719)	(66,786)	853,773	65,607
Cash and Cash Equivalents, Beginning of Year	269,483	168,172	13,339,758	173,832	201,628	14,152,873	66,356
Cash and Cash Equivalents, End of Year	\$ 667,129	\$ 285,400	\$ 13,918,162	\$ 1,113	\$ 134,842	\$ 15,006,646	\$ 131,963

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Other Funds	Total	Internal Services Fund
\$	649,279	\$ 222,018	\$ 11,325,911	\$ 1,113	\$ 111,146	\$ 12,309,467	\$ 131,963
	17,850	63,382	2,592,251	-	23,696	2,697,179	-
\$	667,129	\$ 285,400	\$ 13,918,162	\$ 1,113	\$ 134,842	\$ 15,006,646	\$ 131,963
\$	(510,406)	\$ 8,151	\$ 5,411,651	\$ (847,282)	\$ (661,774)	\$ 3,400,340	\$ (64,226)
839,344	-	2,280,590	62,798	536,734	3,719,466	107,306	
8,534	20,657	5,901	843	-	35,935	3,210	
(5,340)	(47,339)	(139,182)	(2,054)	(14,820)	(208,735)	(2,546)	
-	-	-	87,077	-	87,077	-	
-	-	6,936	15,822	(613)	22,145	(2,324)	
340	-	635	-	3,709	4,684	13,093	
(429,265)	176,146	(63,905)	(12,877)	57,513	(272,388)	(10,500)	
(53,417)	-	-	-	3,560	(49,857)	-	
1,850	7,934	14,575	-	5,979	30,338	-	
10,631	-	(17,996)	-	5,163	(2,202)	2,074	
1,587	-	(68,495)	-	39,901	(27,007)	-	
50,097	-	(431,889)	-	218,234	(163,558)	-	
424,361	157,398	1,587,170	151,609	855,360	3,175,898	110,313	
(86,045)	\$ 165,549	\$ 6,998,821	\$ (695,673)	\$ 193,586	\$ 6,576,238	\$ 46,087	
\$	-	\$	(132,606)	\$	(132,606)	\$	-
-	-	-	8,252	-	8,252	-	-

Included on the Accompanying Statement of

Net Position As Follows

Current Assets:
Cash and Investments
Restricted Assets:
Cash and Investments

Total

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities

Operating Income (Loss)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:
Depreciation and Amortization
Other Income (Expense)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):

Accounts Receivable
Due from Other Governmental Units
Inventories
Prepaid Expenses
Accounts Payable and Accrued Expenses
Unearned Revenues
Customer Deposits
Compensated Absences
OPEB Liability and Related Deferrals
Net Pension Liability and Related Deferrals

Total Adjustments

Net Cash Provided by (Used in) Operating Activities

Supplemental Disclosure of Non-Cash Activities

Amortization of Bond Premium
Amortization of Refunding Loss

See accompanying notes.

**STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2019
 CITY OF FERNANDINA BEACH, FLORIDA**

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	\$ 3,399,136
Interest Receivable	76,653
Investments, at Fair Value:	
U.S. Government Bonds and Bills	1,584,789
Mortgages and Federal Agency Securities	4,154,330
Corporate Bonds	4,622,301
Real Estate Fund	4,939,495
Equities	29,966,998
Total Investments	45,267,913
Total Assets	48,743,702
Total Liabilities	-
Net Position	
Held in Trust for Pension Benefits	\$ 48,743,702

See accompanying notes.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Pension Trust Funds
Additions	
Contributions:	
State of Florida	\$ 247,775
Employer	3,375,985
Plan Members	726,925
Total Contributions	4,350,685
Investment Earnings:	
Interest and Dividends	1,088,776
Net Increase in the Fair Value of Investments	(193,100)
Investment Expenses	(134,730)
Total Investment Earnings	760,946
Total Additions	5,111,631
Deductions	
Benefit Payments	3,769,946
Administrative Expense	136,005
(Total Deductions)	3,905,951
Change in Net Position	1,205,680
Net Position, Beginning of Year	47,538,022
Net Position, End of Year	\$ 48,743,702

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the City of Fernandina Beach, Florida (the City) conform to generally accepted accounting principles for governmental entities. The following is a summary of significant accounting policies:

A. Reporting Entity

The City is a municipality governed by a Commission Manager form of Government. The City was incorporated in 1951 pursuant to Chapter 27543, Laws of Florida. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units. The City has one blended component unit, the Community Redevelopment Agency of Fernandina Beach (CRA). The CRA was established to provide a method of eliminating blighted areas, expanding employment opportunities, and providing an environment for the social and economic growth of an area designated by Resolution 2004-71 in 2005. The City Commission serves as the Governing Board of the CRA. In addition, the City has operational responsibility for the CRA. Therefore, it was determined that the CRA should be treated as a blended component unit, and included as part of the primary government for financial reporting purposes. The CRA is presented in the financial statements of the City as a special revenue fund.

This report also includes the accounts and transactions of the following entities, which do not satisfy the definition of component units because they are not legally separate from the City:

- City of Fernandina Beach General Employees' Pension Plan
- City of Fernandina Beach Firefighters' and Police Officers' Pension Plan

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function of segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

- The government reports the following major governmental funds:
 - The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
 - The *community redevelopment fund* accounts for the activities of the City's CRA. These fund revenues are primarily from ad valorem tax increment funds which are restricted for expenditures benefitting the redevelopment district. The initial funding for the project was provided by the general fund.
 - The *capital improvement fund* accounts for the resources accumulated for major capital improvements, major equipment purchases, and major repairs and renovations.
- The government reports the following major proprietary funds:
 - The *airport fund* accounts for the activities of the government's airport operations.
 - The *sanitation fund* accounts for the activities of the government's sanitation operations.
 - The *sewer and water fund* accounts for the activities of the government's water distribution and sewer collection operations.
 - The *marina fund* accounts for the activities of the government's marina operations.
- Additionally, the government reports the following fund types:
 - The *internal services funds* account for fleet management, utility billing services, and utility administration services provided to other departments or agencies of the government on a cost reimbursement basis.
 - The *pension trust funds* account for the activities of the general employees' pension and the firefighters'/police officers' pension plans which accumulate resources for defined benefit payments to qualified employees.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are for interfund services provided and used between functions.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's enterprise funds and of the government's internal service funds are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position

Cash and Investments

The City maintains an accounting system in which substantially all cash and investments are recorded and are reflected as pooled cash and investments, except for the pension trust fund investments, and certain other investments purchased under the requirements of bond covenants. For purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include demand deposits, certificates of deposit, petty cash, state pooled investments, and equity in pooled cash and investments. 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.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "inter-fund receivables/payables" (i.e., the current portion of inter-fund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For financial reporting purposes, capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (General Fund) or \$2,500 (Enterprise Funds) and an estimated useful life in excess of one year. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, equipment, and infrastructure assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-30
Infrastructure	15-60
Vehicles	5
Office Equipment	10
Computer Equipment	5

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation pay, sick pay, and/or personal time off (PTO) benefits. All vacation pay, sick pay, and PTO is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Liabilities

Long-term debt and other liabilities are reported in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Deferred Inflows/Outflows of Resources

Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period and will not be recognized as an outflow of resources until that future time. Deferred inflows of resources represent the acquisition of net position that is applicable to a future reporting period and, therefore, will not be recognized as an inflow of resources until that future time. Deferred outflows have a positive effect on net position, similar to assets, while deferred inflows have a negative effect on net position, similar to liabilities. The City reports the following deferred inflows and outflows of resources:

Unamortized Refunding Loss—the difference between the net reacquisition cost of new debt and the net carrying amount of old debt. This refunding loss is amortized to expense over the remaining term of the new debt using the straight-line method.

Pension and OPEB Related—the differences between expected and actual earnings on plan investments and expected and actual experience with regard to economic or demographic factors in the measurement of total pension and OPEB liability are reported as deferred inflows or outflows of resources, to be recognized in expense as disclosed in Note 9 and Note 10. Employer contributions made between the net pension or total OPEB liability measurement date and the employer's fiscal year-end are recognized as deferred outflows of resources, to be recognized as a reduction of the net pension or total OPEB liability in the subsequent fiscal year.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's pension plans and additions to/deductions from pension plan net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. Fund Balances

Classifications

Fund balance is reported in five components - non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., ordinance or resolution) of the City’s governing authority (the City Commissioners). These committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action employed to constrain those amounts.

The City passed Resolution 2012-128 which formally established a fund balance policy. As part of this policy, the City committed a portion of fund balance for unanticipated events or emergencies. An amount of fund balance in the General Fund at the end of each fiscal year is to be committed equal to the lesser of all otherwise unrestricted, uncommitted, or unassigned balances or 20% of the subsequent year’s General Fund budget for expenditures. This committed amount can only be used for the purpose of ensuring the maintenance of services to the public during emergency or disaster situations, or for a major unanticipated event that was not budgeted for in the approved budget. Expenditures from these funds for an emergency must be approved by the City Manager and reported to the City Commission within 30 days of the emergency. Expenditures from these funds made for major unanticipated unbudgeted events require City Commission-approval and subsequent modification to the General Fund budget.

- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the City’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. With the passage of City Resolution 2012-128, the City has delegated this authority to the City Manager. In addition, residual balances in capital projects and debt service funds are assigned for the general purpose of the respective fund.
- **Unassigned**—This classification is used for (a) deficit unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

Flow Assumption

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the City’s policy to use committed resources first, then assigned, and then unassigned as needed.

Note 2 - Property Tax Calendar

Property taxes are billed and collected for the City by the County Tax Collector according to Florida Statute, under the following calendar:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	November 1 through March of the Following Year
Delinquency Date:	April 1, of the Following Year

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

The City Charter, Sections 71 through 72, specifies the budget procedures. A brief description is as follows:

- The City Manager is responsible for preparation and submission of a proposed budget to the Commission no later than August 1. The budget includes proposed expenditures and the means to finance them.
- Public hearings are held to obtain taxpayer comments.
- On or before the last day of the fiscal year, the budget is adopted by ordinance.
- The City Manager is authorized to transfer part or all of any unencumbered appropriation balance among programs within a department, office, or agency not to exceed \$7,500. Upon written request by the City Manager, the Commission, by motion, may transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another.
- Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

Note 4 - Cash and Investments

At year-end, the carrying amount of the City's cash deposits was \$23,494,547 and the bank balance was \$25,269,113. The bank balance was covered by federal depository insurance or by collateral held by the City's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of Federal Deposit Insurance Corporation (FDIC) coverage in accordance with the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes.

The *Florida Security for Public Deposits Act* established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

The total cash and cash equivalents and investment balances of the City at September 30, 2019, are comprised of the following items:

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Amount</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>
Cash and Cash Equivalents			
Petty Cash on Hand	\$ 3,670		
Cash in Checking Accounts	<u>23,494,547</u>		
Total Cash and Cash Equivalents	<u>23,498,217</u>		
Investments			
Investment with State Board of Administration:			
Florida Prime	6,139,415	AAAm	Less Than 1 Year
Certificates of Deposit	<u>2,205,974</u>	Unrated	Less Than 1 Year
Total Investments	<u>8,345,389</u>		
Total Cash, Cash Equivalents, and Investments	<u>\$ 31,843,606</u>		

As Presented in the Accompanying Statement of Net Position:

Cash and Investments	\$ 29,146,427
Cash and Equivalents, Restricted	<u>2,697,179</u>
Total Cash, Cash Equivalents, and Investments	<u>\$ 31,843,606</u>

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Investments in non-participating interest-earning investment contracts (certificates of deposit) are recorded at cost and are excluded from fair value measurement.

The City's investment with the State Board of Administration (Florida PRIME) qualifies under the provisions of GASB Statement No. 79, to be measured at amortized cost for financial reporting purposes. The Florida PRIME generally has no limitations or restrictions on participant withdrawals including redemption notices and maximum transaction amounts. With regard to redemption gates, the SBA may, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, limit contributions to or withdrawals from the trust fund for up to 17 days.

Restricted Cash

Restricted cash and cash equivalents at September 30, 2019 in the Enterprise Funds are as follows:

<u>Enterprise Fund</u>	<u>Customer Deposits</u>	<u>Renewal and Replacement</u>	<u>Debt Service</u>	<u>Impact Fees</u>	<u>Total</u>
Sanitation	\$ 63,382	\$ -	\$ -	\$ -	\$ 63,382
Sewer and Water	306,929	200,000	229,508	1,855,814	2,592,251
Stormwater	23,696	-	-	-	23,696
Airport	17,850	-	-	-	17,850
Total	<u>\$ 411,857</u>	<u>\$ 200,000</u>	<u>\$ 229,508</u>	<u>\$ 1,855,814</u>	<u>\$ 2,697,179</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Pension Investments

The City's pension trust funds contain cash and money market funds of \$3,399,136. Listed below are the investments and maturities in the City's pension trust funds at September 30, 2019:

Investment Type	Fair Value	Investment Maturities			
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Equities	\$ 29,966,998	\$ 29,966,998	\$ -	\$ -	\$ -
Mortgages	3,637,516	-	42	101,217	3,536,257
U.S. Government Securities	1,584,789	-	439,244	1,145,545	-
Corporate Bonds	5,139,115	-	2,518,834	2,103,467	516,814
Real Estate Fund	4,939,495	4,939,495	-	-	-
Total	\$ 45,267,913	\$ 34,906,493	\$ 2,958,120	\$ 3,350,229	\$ 4,053,071

Authorized Investments

The City has adopted an investment policy for operating funds pursuant to Florida State Statutes. The objectives of the policy are to provide safety of capital, liquidity of funds, and investment income in that order of importance, as authorized by Florida Statute, 218.415. The City's authorized investments include the following:

- The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act* as provided in Section 163.01, Florida Statutes.
- Securities and Exchange Commission registered money market funds with the highest credit quality ratings (AAA/AA) from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
- Direct Obligations of the United States Treasury.
- Federal Agencies and Instrumentalities.
- Derivative products and margin purchases are expressly prohibited.

Florida Statute 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. Throughout the year and as of September 30, 2019, the pools contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates.

The Pension Boards have also adopted formal investment policies for each of the pension plans which conform to Florida Statutes. Authorized investments of the pension plans are as follows:

Equities

- Must be traded on a national exchange or electronic network.
- Not more than 5% of the plans' assets, at the time of purchase, shall be invested in the common stock, capital stock, or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company.
- Additional criteria may be outlined by the investment manager.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Fixed Income

- All fixed income investments shall have a minimum rating of investment grade or higher as reported by a major credit rating service.
- The value of bonds issued by any single corporation shall not exceed 10% of the total fund.
- The value of bonds denominated in U.S. dollars that are issued by a foreign bank or corporation shall not exceed 15% of the total fund.
- Additional criteria may be outlined by the investment manager.

Money Market

- The money market fund or STIF options provided by the plan's custodian.
- Maintain a minimum rating of Standard & Poor's A1 or Moody's P1.

Risk Disclosure

The City's investments conform to the provisions of Florida Statutes, Section 218.415. The following items discuss the City and pension plans' exposure to various risks:

Interest Rate Risk—The City has fixed rate investments that would be subject to interest rate risk. The City's investment policy states that investment maturities will be structured to match known cash needs and anticipated cash flow requirements. Currently, all of the City's investments have maturities of less than one year. The pension plans' investment policies do not have any restrictions as to the maturity or duration of fixed income securities.

Custodial Credit Risk—For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City and the pension plans generally utilize third party custodians to help manage custodial credit risk.

Concentration of Credit Risk—The pension plans' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from an overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. No more than 5% of the plans' assets shall be invested in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. The value of bonds issued by any one single corporation shall not exceed 10% of the total fund. The value of bonds denominated in U.S. dollars that are issued by a foreign bank or corporation shall not exceed 15% of the total fund. Investments in corporate common stock and convertible bonds shall not exceed 75% of plan assets at market value. Foreign securities (including equity and fixed income securities) shall not exceed 25% of plan assets at market value.

Credit Quality Risk—Credit quality risk is the risk that investments in debt securities will default. The City's investment policy authorizes investment in SEC registered securities with the highest credit quality ratings (AAA/AA) from nationally recognized rating agencies. The pension plans' investment policy requires that fixed income securities have a minimum rating of investment grade or higher as reported by a major credit rating service. Any money market funds must have a minimum rating of Standard & Poor's A1 or Moody's P1.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

The credit quality distribution for the City’s pension trust fund investments is as follows:

Investment Type	Fair Value	Unrated	Credit Rating			
			AAA	AA	A	BBB
Equities	\$ 29,966,998	\$ 29,966,998	\$ -	\$ -	\$ -	\$ -
Mortgages	3,637,516	-	-	3,637,516	-	-
U.S. Government Securities	1,584,789	-	-	1,584,789	-	-
Corporate Bonds	5,139,115	516,814	51,642	120,948	1,741,400	2,708,311
Real Estate Fund	4,939,495	4,939,495	-	-	-	-
Total	\$ 45,267,913	\$ 35,423,307	\$ 51,642	\$ 5,343,253	\$ 1,741,400	\$ 2,708,311

Fair Value Measurements

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The fair value measurements for the City’s pension trust fund investments are as follows at September 30, 2019:

Investments by Fair Value	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 29,966,998	\$ 29,966,998	\$ -	\$ -
Mortgages	3,637,516	-	3,637,516	-
U.S. Government Securities	1,584,789	1,584,789	-	-
Corporate Bonds	5,139,115	-	5,139,115	-
Total Investments Measured at Fair Value	\$ 40,328,418	\$ 31,551,787	\$ 8,776,631	\$ -

Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 4,939,495	\$ -	Quarterly	10 Business Days
Total Investments	\$ 45,267,913			

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

U.S. Government Obligations are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Federal Agency Securities and Mortgages are categorized as Level 1 or Level 2, depending on whether the individual securities are quoted in active markets, otherwise they are valued using matrix pricing techniques that value securities based on their relationship to benchmark quotes prices. Corporate bonds, corporate ABSs, and municipal bonds are valued using quoted prices for similar securities in active markets and are categorized as Level 2 in the fair value hierarchy. Real Estate funds are valued at Net Asset Value (NAV) which is determined using certified annual appraisals of investment properties held by the fund.

Note 5 - Receivables

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Taxes Receivable	Allowance	Net Total Receivables
Governmental Activities				
General	\$ 514,852	\$ 170,662	\$ (252,106)	\$ 433,408
Internal Service - Central Garage	202	-	-	202
Total Governmental Activities	<u>\$ 515,054</u>	<u>\$ 170,662</u>	<u>\$ (252,106)</u>	<u>\$ 433,610</u>

	Accounts Receivable	Unbilled Receivable	Interest Receivable	Allowance	Net Total Receivables
Business-Type Activities					
Airport	\$ 58,433	\$ -	\$ -	\$ (782)	\$ 57,651
Sanitation	200,571	124,247	-	(21,192)	303,626
Sewer and Water	772,459	468,331	1,043	(84,089)	1,157,744
Stormwater	71,903	42,796	-	(7,799)	106,900
Marina	713	-	-	(82)	631
Internal Service - Utility Billing	7,277	-	-	-	7,277
Total Business-Type Activities	<u>\$ 1,111,356</u>	<u>\$ 635,374</u>	<u>\$ 1,043</u>	<u>\$ (113,944)</u>	<u>\$ 1,633,829</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 428,278	\$ 126,244	\$ (203,729)	\$ 350,793
Land	10,648,834	-	-	10,648,834
Total Capital Assets Not Being Depreciated	11,077,112	126,244	(203,729)	10,999,627
Capital Assets Being Depreciated:				
Buildings and Improvements	18,673,124	874,198	(118,933)	19,428,389
Equipment, Furniture, Fixtures, and Vehicles	9,792,291	1,382,815	(859,059)	10,316,047
Infrastructure	22,327,385	418,911	-	22,746,296
Total Capital Assets Being Depreciated	50,792,800	2,675,924	(977,992)	52,490,732
Less Accumulated Depreciation:				
Buildings and Improvements	(11,157,956)	(665,194)	104,285	(11,718,865)
Equipment, Furniture, Fixtures, and Vehicles	(6,162,553) *	(1,185,968)	822,713	(6,525,808)
Infrastructure	(18,128,381) *	(502,276)	-	(18,630,657)
Total Accumulated Depreciation	(35,448,890)	(2,353,438)	926,998	(36,875,330)
Total Being Depreciated, Net	15,343,910	322,486	(50,994)	15,615,402
Total Governmental Activities Capital Assets, Net	\$ 26,421,022	\$ 448,730	\$ (254,723)	\$ 26,615,029
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,433,925	\$ 105,845	\$ -	\$ 1,539,770
Construction in Progress	1,489,304	6,280,866	(515,092)	7,255,078
Total Capital Assets, Not Being Depreciated	2,923,229	6,386,711	(515,092)	8,794,848
Capital Assets Being Depreciated:				
Buildings and Improvements	109,261,820	1,661,421	-	110,923,241
Equipment, Furniture, Fixtures, and Vehicles	4,592,821	600,055	(440,068)	4,752,808
Total Capital Assets Being Depreciated	113,854,641	2,261,476	(440,068)	115,676,049
Less Accumulated Depreciation:				
Buildings and Improvements	(54,758,613)	(3,210,190)	-	(57,968,803)
Equipment, Furniture, Fixtures, and Vehicles	(2,728,005)	(571,545)	435,564	(2,863,986)
Total Accumulated Depreciation, Net	(57,486,618)	(3,781,735)	435,564	(60,832,789)
Total Being Depreciated, Net	56,368,023	(1,520,259)	(4,504)	54,843,260
Total Business-Type Activities Capital Assets, Net	\$ 59,291,252	\$ 4,866,452	\$ (519,596)	\$ 63,638,108

* Beginning balance reflects an adjustment of \$290,924 to reclassify accumulated depreciation to its correct asset category.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Depreciation expense was charged to functions/programs as follows:

Governmental Activities		
General Government	\$	264,177
Public Safety		835,513
Transportation		611,741
Culture and Recreation		596,970
Internal Service Fund - Garage		<u>45,037</u>
Total	\$	<u>2,353,438</u>
Business-Type Activities		
Golf	\$	273,766
Airport		839,344
Sanitation		-
Sewer and Water		2,280,590
Stormwater		262,968
Marina		62,798
Internal Service Funds - Utility		<u>62,269</u>
Total	\$	<u>3,781,735</u>

Note 7 - Inter-Fund Receivables, Payables, and Transfers

The composition of inter-fund balances as of September 30, 2019, is as follows:

	Due From				Total
	Capital Improvement Fund	Internal Service Fund	Marina Fund	Golf Fund	
Due To					
General Fund	\$ 627,200	\$ 44,675	\$ -	\$ -	\$ 671,875
Sewer and Water Fund	-	-	<u>3,349,077</u>	<u>1,260,246</u>	<u>4,609,323</u>
Total	<u>\$ 627,200</u>	<u>\$ 44,675</u>	<u>\$ 3,349,077</u>	<u>\$ 1,260,246</u>	<u>\$ 5,281,198</u>

The inter-fund amounts were used to cover deficits in cash in balances. No amounts are expected to be repaid within one year related to the inter-fund borrowings of the Golf and Marina Funds.

Inter-Fund Transfers:

	Transfers In						Total
	General Fund	Capital Improvement Fund	Other Governmental Fund	Marina Fund	Other Enterprise Fund	Internal NMF Fund	
Transfers (Out)							
General Fund	\$ -	\$ 1,600,000	\$ 547,417	\$ 300,000	\$ 220,000	\$ -	\$ 2,667,417
Sanitation Fund	36,000	-	-	-	-	15,000	51,000
Sewer and Water Fund	540,000	-	-	-	-	-	540,000
Other Govern- mental Funds	-	-	571	-	-	-	571
Internal Services Fund	<u>15,000</u>	<u>10,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,700</u>
Total	<u>\$ 591,000</u>	<u>\$ 1,610,700</u>	<u>\$ 547,988</u>	<u>\$ 300,000</u>	<u>\$ 220,000</u>	<u>\$ 15,000</u>	<u>\$ 3,284,688</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Inter-fund transfers out of the general fund were used to assist with funding expenses/expenditures in the capital improvement, golf and marina funds. Inter-fund transfers into the general fund from the sanitation and sewer and water funds were used to pay for overhead costs.

Note 8 - Long-Term Debt

Capital Leases

The City has entered into two lease agreements as a lessee for financing a fire truck and as a lessee for financing Police and Fire Radios. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the lease.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, were as follows:

Year Ending September 30,	Governmental Activities
2020	\$ 236,950
2021	47,283
Total Minimum Lease Payments (Amounts Representing Interest)	284,233
Present Value of Minimum Lease Payments	\$ 280,216

General Obligations Notes – Direct Placement

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The General Obligation Bonds, Series 2001, with an original issuance amount of \$6,000,000 were used to acquire environmentally sensitive lands and for other parks and recreation improvements. On October 20, 2010, the City refinanced the Series 2001 General Obligation Bonds with the Series 2010, General Obligation Refunding Notes. The total amount of the refunding was \$4,033,000. The purpose of the refunding was to obtain lower borrowing costs. The notes mature in 2021.

General obligation notes are direct obligations and pledge the full faith and credit of the City. The outstanding General Obligation Refunding Notes, Series 2010, are as follows:

Purpose	Interest Rate	Amount
Governmental Activities	2.36%	\$ 821,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending September 30,	Principal	Interest
2020	\$ 404,000	\$ 19,376
2021	417,000	9,841
Total	\$ 821,000	\$ 29,217

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Revenue Bonds and Notes

The City also issues bonds and revenue notes where the City pledges income derived from the acquired or constructed assets or other governmental fees and taxes to pay debt service. Revenue bonds and notes outstanding at year-end are as follows:

Issue and Purpose	Interest Rate	Amount	Maturity Date
Governmental Activities			
Public Safety:			
Capital Improvement Revenue Refunding Notes, Series 2016A	1.42%	\$ 236,402	2021
Culture and Recreation:			
Capital Improvement Revenue Refunding Notes, Series 2016A	1.42%	910,395	2021
Total Government Activities Revenue Bonds and Notes		<u>\$ 1,146,797</u>	
Business-Type Activities			
Sewer and Water:			
Utility System Subordinate Refunding Revenue Note, Series 2015	2.19%	\$ 3,258,000	2024
Utility System Refunding Bonds, Series 2013A	3%-5%	23,350,000	2033
Marina:			
Capital Improvement Revenue Refunding Notes, Series 2016B	1.92%	2,552,000	2026
Airport:			
Airport Refunding Revenue Note, Series 2017	4.28%	1,232,000	2032
Golf:			
Capital Improvement Revenue Refunding Notes, Series 2016A	1.42%	220,204	2021
Total Business-Type Activities Revenue Bonds and Notes		<u>\$ 30,612,204</u>	

Governmental activities revenue bonds and notes debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest
2020	\$ 568,738	\$ 16,328
2021	578,059	8,207
Total	<u>\$ 1,146,797</u>	<u>\$ 24,535</u>

Business-type activities revenue bonds and notes debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest
2020	\$ 2,107,294	\$ 1,266,974
2021	2,191,910	1,183,684
2022	2,165,000	1,096,864
2023	2,254,000	1,007,817
2024	2,334,000	928,409
2025-2029	10,373,000	3,458,610
2030-2033	9,187,000	1,131,374
Total	<u>\$ 30,612,204</u>	<u>\$ 10,073,732</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Line of Credit Notes – Direct Placement

Pursuant to a loan agreement with Branch Banking and Trust Company (BB&T), the City issued Line of Credit Note, Series 2018 in the amount of \$6,600,000. The Line of Credit Note, Series 2018 is payable from the pledged revenues, which consist primarily of FEMA reimbursements and non-ad valorem revenues. The Line of Credit Note, Series 2018 expires on July 1, 2021. Interest on any outstanding balance is charged at the bank's variable rate. Interest on the note should be paid semi-annually on the first day of each January and July, commencing January 1, 2019. A final payment in the amount of the entire unpaid principal balance, together with all accrued and unpaid interest on the note, is due and payable in full on the maturity date. The balance as of September 30, 2019 was \$4,770,001.

Pursuant to a loan agreement with BB&T, the City issued Line of Credit Note, Series 2019 in the amount of \$3,000,000. The Line of Credit Note, Series 2019 is payable from the pledged revenues, which consist primarily of FEMA reimbursements and non-ad valorem revenues. The Line of Credit Note, Series 2019 expires on July 1, 2021. Interest on any outstanding balance is charged at the bank's variable rate. Interest on the note should be paid semi-annually on the first day of each January and July, commencing July 1, 2019. A final payment in the amount of the entire unpaid principal balance, together with all accrued and unpaid interest on the note, is due and payable in full on the maturity date. The balance as of September 30, 2019 was \$50,001.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Notes - Direct Placement	\$ 1,216,000	\$ -	\$ (395,000)	\$ 821,000	\$ 404,000
Revenue Notes Payable - Direct Placement	1,707,115	-	(560,318)	1,146,797	568,738
Capital Leases - Direct Placement	511,237	-	(231,021)	280,216	233,610
Compensated Absences	1,265,655	852,047	(856,467)	1,261,235	1,261,235
Other Postemployment Benefits	2,048,586	65,301	-	2,113,887	-
Net Pension Liability	13,887,932	-	(1,773,177)	12,114,755	-
Total Governmental Activities	20,636,525	917,348	(3,815,983)	17,737,890	2,467,583
Business-Type Activities					
Revenue Bonds	24,640,000	-	(1,290,000)	23,350,000	1,360,000
Bond Premiums	1,955,935	-	(132,606)	1,823,329	-
Total Revenue Bonds	26,595,935	-	(1,422,606)	25,173,329	1,360,000
Revenue Notes - Direct Placement	8,000,886	-	(738,682)	7,262,204	747,294
Line of Credit - Direct Placement	695,001	4,125,001	-	4,820,002	-
Compensated Absences	201,340	134,464	(138,769)	197,035	197,035
Other Postemployment Benefits	539,043	-	(94,014)	445,029	-
Net Pension Liability	2,654,695	-	(203,681)	2,451,014	-
Total Business-Type Activities	38,686,900	4,259,465	(2,597,752)	40,348,613	2,304,329
Total Long-Term Liabilities	\$ 59,323,425	\$ 5,176,813	\$ (6,413,735)	\$ 58,086,503	\$ 4,771,912

Compensated absences, OPEB and pension liabilities reported in governmental activities are liquidated by the fund which pays the corresponding employee's payroll expenses, retirement contribution, and health insurance expenses.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Pledged Revenue

Pledged revenues on the City's outstanding debt for the year ended September 30, 2019, was as follows:

<u>Revenue Pledged</u>		<u>Pledged Through</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Principal and Interest Payments</u>	<u>Revenue Received</u>	<u>Estimated Percentage Pledged</u>
Voter Approved Ad Valorem Tax	General Obligation Refunding Note, Series 2010	2021	\$ 4,033,000	\$ 821,000	<u>\$ 419,037</u>	\$ 423,720	99%
Non-Ad Valorem Revenues, Budgeted and Appropriated	Refunding Note, Series 2016A						
	Governmental Portion	2021	2,775,746	1,146,797	584,622		
	Golf Portion	2021	533,254	220,204	<u>112,227</u>	696,849	100%
					<u>696,849</u>		
Net Airport Revenue	Airport Refunding Revenue Note, Series 2017	2032	1,381,000	1,232,000	<u>114,662</u>	337,502	34%
Net Sewer and Water Utility Revenue	Utility System Refunding Bonds, Series 2013A	2033	29,720,000	23,350,000	2,456,875		
	Utility System Subordinate Refunding Revenue Note, Series 2015	2024	4,285,000	3,258,000	291,725		
					<u>2,748,600</u>	5,843,427	47%
Net Marina Revenue and CRA Revenues	Marina Refunding Note, Series 2016B	2026	3,528,000	2,552,000	<u>388,440</u>	8,693	100%
Non-Ad Valorem and FEMA Revenues	Marina LOC Note, Series 2018	2021	6,600,000	4,770,001	63,844		
	Marina LOC Note, Series 2019	2021	3,000,000	50,001	619		
					<u>64,463</u>	64,463	100%

Note 9 - Employee Pension Plans

General Employees' Pension Plan (GEP Plan)

- *Plan Description*—All regular full-time City employees who are not classified as full-time sworn police officers or firefighters are eligible to participate in the GEP Plan, a single-employer, defined benefit pension plan.
- *Plan Administration*—The GEP Plan is administered by a Board of Trustees established by City Ordinance. The Board of Trustees is comprised of two Commission appointees, two members elected by the membership, and a fifth member elected by the other four and appointed by the Commission. The GEP Plan provides retirements, disability, and death benefits to plan members. These benefits are established and can be amended by City Ordinance. Revisions to the GEP Plan were effective in 2007, allowing vesting in the plan to occur after six years of credited service instead of ten.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

- *Plan Membership*—GEP Plan membership as of October 1, 2018 and 2017, consisted of the following:

	October 1, 2018	October 1, 2017
Retirees and Beneficiaries		
Inactive Plan Members or Beneficiaries		
Currently Receiving Benefits	80	78
Inactive Plan Members Entitled to but not yet Receiving Benefits	37	32
Active Plan Members	106	103
Total Retirees and Beneficiaries	223	213

- *Benefits Provided*—The plan provides retirement, termination, disability, and death benefits. Normal retirement is the earlier of: 1) age 55 and 25 years of credited service, 2) age 65 and 6 years of credited service, or 3) 35 years of credited service regardless of age. Early retirement is the earlier of: 1) age 55 and have completed 6 years of credited service, or 2) 25 years of credited service, regardless of age. Vesting in the plan occurs 100% after six years of credited service. Employees employed prior to February 1, 1993, had the option to elect either Plan A or Plan B. Any employees employed after February 1, 1993, are under Plan A. Benefits under Plan A are 2.75% of Average Final Compensation times Credited Service. Benefits under Plan B are 1.9% of Average Final Compensation times Credited Service. Benefits under early retirement are reduced by 2% per year. Eligibility for disability is based upon the date through which service is considered incurred from the date of employment, while non-service incurred is based upon 10 years of credited service. Disability benefits are accrued to the date of disability but not less than 42% of average final compensation (service incurred) or 25% of average final compensation (non-service incurred). Pre-retirement death benefits for vested employees pay the monthly accrued benefit payable to the designated beneficiary for 10 years beginning at otherwise early (reduced) or normal (unreduced) retirement date. Pre-retirement death benefits for non-vested employees include a refund of accumulated contributions, if any.
- *Funding Policy*—The funding policy is established by City Ordinance. The City’s funding policy is to provide amounts required to pay current costs and amortize unfunded past service costs. Employees who are Plan A members are required to contribute 6.5% of the covered payroll to the plan. Employees who are Plan B members do not contribute to the plan. The City’s contribution is actuarially determined. Based on the actuarial valuation performed as of October 1, 2017, the City’s required contribution as a percentage of covered payroll was 30.95% for fiscal year 2019.

Firefighters’ and Police Officers’ Pension Plan (FPOP Plan)

- *Plan Description*—All of the City’s full-time police officers and full-time firefighters are eligible to participate in the FPOP Plan, a single-employer, defined benefit pension plan. The FPOP Plan provides retirement, disability, and death benefits to Plan members. Plan members vest in the FPOP Plan after six years of creditable service. These benefits are established and amended by City Ordinance.
- *Plan Administration*—The FPOP Plan is administered by a Board of Trustees established by City Ordinance. The Board consists of five trustees, two of which are appointed by the City Commission, one must be a police officer elected by a majority of the member police officers, one member must be a firefighter elected by the majority of the member firefighters, and the fifth member is elected by the other four members and appointed by the City Commission.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

- *Plan Membership*—FPOP Plan membership as of October 1, 2018 and 2017, consisted of the following:

	October 1, 2018	October 1, 2017
Retirees and Beneficiaries		
Inactive Plan Members or Beneficiaries		
Currently Receiving Benefits	50	49
Inactive Plan Members Entitled to but not yet Receiving Benefits	9	9
Active Plan Members	64	60
Total Retirees and Beneficiaries	123	118

- *Benefits Provided*—The plan provides retirement, termination, disability, and death benefits. Normal retirement is the earlier of age 55 and 6 years of credited service or 25 years of credited service, regardless of age. Early retirement is age 50 and 6 years of credited service. Benefits under early retirement are reduced by 3% for each year prior to normal retirement (if employed prior to January 1, 2000, normal retirement date is determined as if the member continued employment). Vesting in the plan occurs 100% after six years of credited service. The member will receive the accrued benefit payable at the otherwise early or normal retirement date. If employed prior to January 1, 2000, early and normal retirement date determined as if the member continued employment. Eligibility for disability is based upon the date through which service is considered incurred from the date of employment, while the non-service incurred date is based upon 10 years of credited service. Disability benefits are accrued to the date of disability but not less than 42% of average final compensation (service incurred). Pre-retirement death benefits for vested employees pay the monthly accrued benefit payable to the designated beneficiary for 10 years beginning at otherwise early (reduced) or normal (unreduced) retirement date. Pre-retirement death benefits for non-vested employees include a refund of accumulated contributions without interest.
- *Funding Policy*—FPOP Plan members are required to contribute 7.7% of salary to the FPOP Plan. The State of Florida also contributes to the FPOP Plan on behalf of the City. The City is required to contribute the remaining amounts, per an actuarial valuation, necessary to pay current costs and amortize unfunded past service costs over 30 years. Based on the actuarial valuation performed as of October 1, 2017, the City’s required contribution as a percentage of covered payroll was 42.54%.

Additional Disclosures

The following disclosures pertain to both the GEP and the FPOP plans:

Investments:

- *Investment Policy*—The following table illustrates the GEP and FPOP Board of Trustees’ adopted asset allocation policy as of September 30, 2019 and 2018:

Asset Class	Target Allocation
Domestic Equity	55.0%
International Equity	10.0%
Broad Market Fixed Income	25.0%
Real Estate	10.0%
Total	100.0%

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

- *Investment Value*—Equities and fixed income instruments are reported at fair value based upon quoted market prices. Real Estate is reported at fair value based upon appraisals of the underlying assets.
- *Concentrations*—The GEPP and FPOP plans did not hold investments in any one organization that represent 5% or more of their respective fiduciary net positions.
- *Rate of Return*—For the year ended September 30, 2019, the annual money-weighted rate of return on plan investments, net of pension plan investment expenses, was 1.21% for the GEPP and 1.74% for FPOP. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- *Deferred Retirement Option Program (DROP)*—For both plans, eligibility for DROP occurs upon satisfaction of normal or early retirement requirements. Participation in DROP cannot be more than 60 months. A DROP member may elect the actual rate of investment return, or 6.5% rate of return. Earnings are credited to DROP each fiscal quarter. The DROP balance as of September 30, 2019, is \$92,060 for GEP Plan and \$640,381 for FPOP Plan.

Measurement Date:

As permitted by generally accepted accounting standards, the City has elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2018, one year prior to the reporting date. The GEP and FPOP Plans do not issue separate financial statements. Therefore, the disclosures required for pension plans, as of September 30, 2019, are also included below.

Net Pension Liability:

The components of the net pension liability for each plan as of the September 30, 2018 measurement date, and for the year then ended, were as follows:

General Employees' Pension Plan

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2017	\$ 27,873,084	\$ 19,744,560	\$ 8,128,524
Changes for the Year:			
Service Cost	689,139	-	689,139
Interest	2,154,276	-	2,154,276
Contributions - Employer	-	1,739,561	(1,739,561)
Contributions - Employee	-	344,206	(344,206)
Net Investment Income	-	1,627,575	(1,627,575)
Differences between Expected and Actual Experience	23,304	-	23,304
Benefit Payments, Including Refunds of Contributions	(1,530,235)	(1,530,235)	-
Administrative Expenses	-	(32,246)	32,246
Net Changes	<u>1,336,484</u>	<u>2,148,861</u>	<u>(812,377)</u>
Balances at September 30, 2018	<u>\$ 29,209,568</u>	<u>\$ 21,893,421</u>	<u>\$ 7,316,147</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Firefighters' and Police Officers' Pension Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2017	\$ 31,392,773	\$ 22,978,673	\$ 8,414,100
Changes for the Year:			
Service Cost	690,258	-	690,258
Interest	2,465,950	-	2,465,950
Contributions - Employer	-	1,413,664	(1,413,664)
Contributions - State	-	227,005	(227,005)
Contributions - Employee	-	299,515	(299,515)
Net Investment Income	-	2,516,831	(2,516,831)
Change in Excess State Money	(6,262)	-	(6,262)
Share Plan Allocation	10,654	-	10,654
Differences between Expected and Actual Experience	(243,733)	-	(243,733)
Changes in Assumptions	333,666	-	333,666
Benefit Payments, Including Refunds of Contributions	(1,724,415)	(1,724,415)	-
Administrative Expenses	-	(42,004)	42,004
Net Changes	<u>1,526,118</u>	<u>2,690,596</u>	<u>(1,164,478)</u>
Balances at September 30, 2018	<u>\$ 32,918,891</u>	<u>\$ 25,669,269</u>	<u>\$ 7,249,622</u>

The components of the City's net pension liability measured as of the September 30, 2019 are as follows:

	General Employees	Firefighters and Police Officers
Total Pension Liability	\$ 29,869,136	\$ 34,768,127
Plan Fiduciary Net Position	(22,555,493)	(26,436,031)
Net Pension Liability	<u>\$ 7,313,643</u>	<u>\$ 8,332,096</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.51%	76.04%

Differences between Plan Fiduciary Net Position presented above and the amounts presented in the financial statements are due to certain accruals which are the result of timing differences. These differences are not considered to be significant.

For the year ended September 30, 2019, the City recognized total pension expense of \$2,304,846 (\$1,123,478 from GEPP and \$1,181,368 from FPOP). The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	General Employees	Firefighters and Police Officers
Contributions Made after the Measurement Date	\$ 1,798,603	\$ 1,826,206
Changes of Assumptions	249,015	772,618
Differences between Expected and Actual Experience	57,972	47,298
Total Deferred Outflows of Resources	<u>\$ 2,105,590</u>	<u>\$ 2,646,122</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Deferred Inflows of Resources	General Employees	Firefighters and Police Officers
Net Difference Between Projected and Actual Earnings on Investments	\$ 221,672	\$ 636,161
Differences between Expected and Actual Experience	163,924	428,314
Total Deferred Inflows of Resources	\$ 385,596	\$ 1,064,475

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	General Employees	Firefighters and Police Officers
2020	\$ 179,531	\$ 143,279
2021	(123,310)	(130,408)
2022	(119,396)	(136,486)
2023	(15,434)	(120,944)
Total	\$ (78,609)	\$ (244,559)

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1 updated to September 30, using the following actuarial assumptions applied to all measurement periods.

	General Employees	
Valuation Date	10/1/18	10/1/17
Inflation	2.5%	2.5%
Salary Increases	Service Based	Service Based
Investment Rate of Return	7.75%	7.75%
Discount Rate	7.75%	7.75%

	Firefighters and Police Officers	
Valuation Date	10/1/18	10/1/17
Inflation	2.5%	2.5%
Salary Increases	Service Based	Service Based
Investment Rate of Return	7.70%	7.80%
Discount Rate	7.70%	7.80%

For the GEP Plan, the RP 2000 Combined Healthy Table projected to valuation date using scale AA was used in the actuarial valuation. Disabled lives are set forward 5 years. For the FPOP Plan, the RP 2000 Combined Healthy Mortality Table, sex distinct was used in the actuarial valuation.

NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA

The long-term expected rate of return on pension investments was determined using a building block method in which best-estimate ranges of expected future rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEPP and FPOP Plans' target asset allocation as of September 30, 2019 and 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Real Estate	4.50%

Discount Rate:

The discount rate used to measure the total pension liability for the GEPP and FPOP Plans was 7.75% and 7.70%, respectively for the year ended September 30, 2019. The discount rate used to measure the total pension liability for the GEPP and FPOP Plans was 7.75% and 7.80%, respectively, for the year ended September 30, 2018. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

As of September 30, 2019:

	<u>1% Decrease 6.75%</u>	<u>Current Discount Rate 7.75%</u>	<u>1% Increase 8.75%</u>
GEPP Plan Net Pension Liability	\$ 10,695,382	\$ 7,313,643	\$ 4,471,629
		<u>Current Discount Rate 7.70%</u>	<u>1% Increase 8.70%</u>
FPOP Plan Net Pension Liability	\$ 12,192,765	\$ 8,332,096	\$ 5,085,867

As of September 30, 2018:

	<u>1% Decrease 6.75%</u>	<u>Current Discount Rate 7.75%</u>	<u>1% Increase 8.75%</u>
GEPP Plan Net Pension Liability	\$ 10,633,589	\$ 7,316,147	\$ 4,526,904
		<u>Current Discount Rate 7.80%</u>	<u>1% Increase 8.80%</u>
FPOP Plan Net Pension Liability	\$ 10,934,307	\$ 7,249,622	\$ 4,150,434

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Note 10 - Other Postemployment Benefits (OPEB)

Plan Description

The City offers postemployment medical, dental, and life insurance benefits to any employee who satisfies the vesting, disability, early or normal retirement provisions of the applicable retirement plan (GEP or FPOP). Eligibility requirements for retirement under the City's two retirement systems may be obtained by writing to the City Clerk, City of Fernandina Beach, 204 Ash Street, Fernandina Beach, Florida 32034, or by calling (904) 310-3115. According to the Substantive Plan, retired police officers, firefighters, and general employees as well as their dependents are permitted to remain covered under the City's medical plans as long as they pay the premium charged by the insurance company for the plan and coverage elected. This conforms to the minimum requirements of governmental employers under Chapter 112.08, Florida Statutes. The plan does not issue separate financial statements.

As of October 1, 2017, the latest actuarial valuation date, there were 179 active participants and 11 retirees (or their spouses) receiving medical benefits. The amount of the contributions required for retiree and dependent coverage may change from time-to-time. Life insurance coverage was not considered other postemployment benefits for purposes of this actuarial valuation.

Funding Policy

Currently the City's OPEB benefits are unfunded. That is, there is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension plans. Therefore, the ultimate subsidies which are provided over time are financed directly by the general assets of the City, which are invested in very short-term fixed income instruments. Although an actuarial valuation for OPEB was completed to measure current year's subsidies and project future subsidies, the City Council has determined that a separate trust fund or equivalent arrangement will not be established.

Total OPEB Liability

The total OPEB liability was based on an actuarial valuation dated October 1, 2017 with results projected to October 1, 2018. The total OPEB liability of \$2,558,916 was measured as of October 1, 2018.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	<u>\$ 2,587,630</u>
Service Cost	167,465
Interest on Total OPEB Liability	97,594
Changes of Assumptions and other Inputs	(131,624)
Differences Between Expected and Actual Experience	(73,035)
Benefit Payments	<u>(89,114)</u>
Net Change in Total OPEB Liability	<u>(28,714)</u>
Total OPEB Obligation, End of Year	<u>\$ 2,558,916</u>

Changes of assumptions and other inputs include an increase of the discount rate from 3.60% as of the beginning of the measurement period to 4.15% at the end of the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>1% Decrease</u> 3.15%	<u>Current</u> <u>Discount Rate</u> 4.15%	<u>1% Increase</u> 5.15%
Total OPEB Liability	\$ 2,804,712	\$ 2,558,916	\$ 2,340,218

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u> (6.50% to 4.00%)	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rate</u> (7.50% to 5.00%)	<u>1% Increase</u> (8.50% to 6.00%)
Total OPEB Liability	\$ 2,287,292	\$ 2,558,916	\$ 2,878,394

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2019, the City recognized OPEB expense of \$327,078. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Contributions After Measurement Date	\$ 113,124	\$ -
Differences Between Expected and Actual Experience	639,566	62,601
Changes in Assumptions and Other Inputs	-	<u>204,845</u>
Total	<u>\$ 752,690</u>	<u>\$ 267,446</u>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent reporting period. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2020	\$ 62,019
2021	62,019
2022	62,019
2023	62,019
2024	62,019
Thereafter	<u>62,025</u>
Total	<u>\$ 372,120</u>

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**NOTES TO FINANCIAL STATEMENTS
CITY OF FERNANDINA BEACH, FLORIDA**

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2017
Measurement Date:	October 1, 2018
Reporting Date:	September 30, 2019
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	0.0% per year for General, 2.3% per year for Police/Fire
Discount Rate:	4.15% as of October 1, 2018 and 3.60% as of October 1, 2017
Projected Salary Increases:	Salary increase rates used for General, Firefighters, and Police Officers in the applicable pension actuarial valuation: 4.0% - 12.3% including inflation
Healthcare Cost Trend Rate:	The trend rate selected was based on historical medical CPI information.

Note 11 - Tax Abatements

In 2006, the City established a tax abatement program by adopting Ordinance 2006-99. This ordinance allows the City to grant ad valorem tax exemptions for historic properties within the City limits. Upon meeting certain eligibility requirements specified in Florida Statutes, Section 196.1961, the available tax exemption is 50% of the assessed value. In order to qualify for the exemption, the establishment must be regularly open to the public and be maintained in good repair and condition to the extent necessary to preserve the historic value and significance of the property. The amount of tax abated under the program for eligible establishments totaled \$47,430 for the year ended September 30, 2019.

Note 12 - Other Disclosures

Commitments and Contingencies

Grant Programs:

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects amounts, if any, to be immaterial.

Litigation:

The City is currently involved in various forms of litigation. These cases are either in the early stages of litigation or are not expected to have a material effect on the financial position or results of operations of the City.

Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance.

Deferred Compensation Plan

The City maintains two deferred compensations plans created in accordance with Internal Revenue Code, Section 457.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
Revenues				
Taxes, Licenses, and Permits	\$ 18,411,710	\$ 18,411,710	\$ 18,919,205	\$ 507,495
Intergovernmental	1,514,375	1,514,375	2,391,989	877,614
Fines and Forfeitures	23,700	23,700	39,082	15,382
Charges for Services	1,348,943	1,348,943	1,416,095	67,152
Other	148,944	177,533	245,079	67,546
Total Revenues	21,447,672	21,476,261	23,011,450	1,535,189
Expenditures				
General Government				
City Commission	333,373	298,673	295,886	2,787
City Clerk	514,348	513,348	479,460	33,888
City Manager	534,107	499,757	497,807	1,950
Finance	764,488	814,568	806,096	8,472
Information Technology	670,489	813,609	657,035	156,574
Personnel/Human Resources	375,806	375,806	357,015	18,791
Legal	352,708	352,708	308,072	44,636
Planning	640,393	637,393	606,149	31,244
Non-Departmental	267,183	263,183	260,479	2,704
Facilities Maintenance	620,929	620,929	612,266	8,663
Total General Government	5,073,824	5,189,974	4,880,265	309,709
Public Safety				
Police	5,879,077	5,875,077	5,855,917	19,160
Fire	4,595,973	4,656,014	4,601,164	54,850
Building and Code Enforcement	1,381,059	1,381,059	1,031,471	349,588
Total Public Safety	11,856,109	11,912,150	11,488,552	423,598
Transportation				
Streets	2,332,491	2,343,889	2,149,515	194,374
Economic Environment				
Downtown District	84,791	84,181	74,460	9,721
Public Assistance	58,500	58,500	55,418	3,082
Total Economic Environment	143,291	142,681	129,878	12,803
Culture and Recreation				
Library	14,361	14,361	7,476	6,885
Recreation	1,105,681	1,091,480	968,687	122,793
Parks	323,734	393,734	305,113	88,621
Peck Center/Gym	305,363	296,713	272,547	24,166
MLK Center	201,908	213,054	206,270	6,784
Youth Programs	284,561	291,961	288,565	3,396
Aquatics	342,280	342,195	309,541	32,654
Total Culture and Recreation	2,577,888	2,643,498	2,358,199	285,299
Contingency	150,000	-	-	-
(Total Expenditures)	(22,133,603)	(22,232,192)	(21,006,409)	1,225,783

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (685,931)	\$ (755,931)	\$ 2,005,041	\$ 2,760,972
Other Financing Sources (Uses)				
Transfers in	2,391,000	2,391,000	2,391,000	-
Transfers (out)	(2,625,020)	(2,555,020)	(2,667,417)	(112,397)
Total Other Financing Sources (Uses)	<u>(234,020)</u>	<u>(164,020)</u>	<u>(276,417)</u>	<u>(112,397)</u>
Net Change in Fund Balance	(919,951)	(919,951)	1,728,624	2,648,575
Fund Balances, Beginning of Year	<u>5,296,163</u>	<u>4,825,335</u>	<u>9,515,911</u>	<u>4,690,576</u>
Fund Balances, End of Year	<u>\$ 4,376,212</u>	<u>\$ 3,905,384</u>	<u>\$ 11,244,535</u>	<u>\$ 7,339,151</u>

Note 1 - Basis of Presentation

Explanation of differences between General Fund Budgetary Basis Revenues, Expenditures, and Changes in Fund Balance and GAAP Basis as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance:

	Non-GAAP (Budgetary) Basis	Utility Tax Fund (1)	Law Enforcement Trust Fund (1)	GAAP Basis
	Total Revenues	\$ 23,011,450	\$ 1,853,863	
Total Expenditures	(21,006,409)	-	-	(21,006,409)
Other Financing Sources - Transfers	<u>(276,417)</u>	<u>(1,800,000)</u>	<u>-</u>	<u>(2,076,417)</u>
Net Change in Fund Balance	1,728,624	53,863	145	1,782,632
Fund Balance, Beginning of Year	<u>9,515,911</u>	<u>367,125</u>	<u>2,162</u>	<u>9,885,198</u>
Fund Balance, End of Year	<u>\$ 11,244,535</u>	<u>\$ 420,988</u>	<u>\$ 2,307</u>	<u>\$ 11,667,830</u>

(1) Pursuant to GASB Statement No. 54, these funds no longer meet the definition of a Special Revenue fund and have been consolidated with the general fund for financial statement reporting purposes.

Expenditures are controlled at the department level for the general fund. All appropriations, except for amounts corresponding to outstanding encumbrances, lapse at year-end. Transfers out for the general fund exceeded the budgeted transfers by \$112,397 due to the transfer of fund balance for the creation of two new special revenue funds which were previously reported in the general fund.

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes, Licenses, and Permits	\$ 8,000	\$ 8,000	\$ 8,652	\$ 652
Other	1,000	1,000	41	(959)
Total Revenues	9,000	9,000	8,693	(307)
Expenditures				
Economic Environment	-	-	-	-
(Total Expenditures)	-	-	-	-
Net Change in Fund Balance	9,000	9,000	8,693	(307)
Fund Balances, Beginning of Year	3,000	3,000	13,313	(10,313)
Fund Balances, End of Year	\$ 12,000	\$ 12,000	\$ 22,006	\$ (10,620)

GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CITY OF FERNANDINA BEACH, FLORIDA

Reporting Period Ending Measurement Date	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>
Total Pension Liability		
Service Cost	\$ 731,482	\$ 689,139
Interest	2,253,079	2,154,276
Differences Between Expected and Actual Experience	(586,865)	23,304
Changes of Assumptions	-	-
Benefit Payments	<u>(1,738,128)</u>	<u>(1,530,235)</u>
Net Change in Total Pension Liability	659,568	1,336,484
Total Pension Liability - Beginning	<u>29,209,568</u>	<u>27,873,084</u>
Total Pension Liability - Ending (a)	<u>\$ 29,869,136</u>	<u>\$ 29,209,568</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,798,603	\$ 1,739,561
Contributions - Employee	377,735	344,206
Net Investment Income	262,957	1,627,575
Benefit Payments	(1,738,128)	(1,530,235)
Administrative Expenses	<u>(39,095)</u>	<u>(32,246)</u>
Net Change in Plan Fiduciary Net Position	662,072	2,148,861
Plan Fiduciary Net Position - Beginning	<u>21,893,421</u>	<u>19,744,560</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,555,493</u>	<u>\$ 21,893,421</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,313,643</u>	<u>\$ 7,316,147</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.51%	74.95%
Covered Payroll	\$ 5,811,317	\$ 5,295,468
Net Pension Liability as a Percentage of Covered Payroll	125.85%	138.16%

Additional years will be added to this schedule annually, until 10 years of data is presented.

The Covered Employee Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll

Changes of Assumptions:

For measurement date September 30, 2016, as a result of the Experience Study dated November 10, 2016, the Board has made the following changes:

1. Salary Increases - The assumed rate of individual salary increases was changed from a flat 5.0% each year to a service-based table.
2. Mortality Rates - The assumed rates of mortality were changed to match what is used by the Florida Retirement System (FRS) for other than special risk participants.
3. Retirement Rates - The rates for Normal and Early Retirement were modified to reflect historical participant behavior.
4. Withdrawal Rates - The assumed rates of turnover changed from an age based table to a service based table.
5. Investment Return - Lowered from 8.00% to 7.75%

Details of the above assumptions can be found in the Actuarial Assumptions and Methods section of the 10/01/2016 Valuation report. Additionally, all future bases of the Unfunded Actuarial Accrued Liability (beginning with those established on October 1, 2016) will be amortized utilizing a level-dollar approach. Future bases attributed to actuarial gains or losses will be amortized over 10 years, assumption changes amortized over 20 years, and benefit changes amortized over 30 years. Finally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)

<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2017</u> <u>9/30/2016</u>	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
\$ 623,020	\$ 640,943	\$ 658,841	\$ 638,941	\$ 591,612
2,080,456	2,040,323	1,992,049	1,905,236	1,829,639
80,987	(289,022)	(458,339)	-	-
-	996,058	-	-	-
<u>(2,265,908)</u>	<u>(1,793,747)</u>	<u>(1,348,707)</u>	<u>(1,609,123)</u>	<u>(1,438,098)</u>
518,555	1,594,555	843,844	935,054	983,153
27,354,529	25,759,974	24,916,130	23,981,076	22,997,923
<u>\$ 27,873,084</u>	<u>\$ 27,354,529</u>	<u>\$ 25,759,974</u>	<u>\$ 24,916,130</u>	<u>\$ 23,981,076</u>
\$ 1,745,906	\$ 1,590,471	\$ 1,291,060	\$ 1,222,791	\$ 1,018,294
324,519	302,123	265,734	268,700	274,302
1,938,085	1,445,907	209,869	1,372,873	1,716,113
(2,265,908)	(1,793,747)	(1,348,707)	(1,609,123)	(1,438,098)
<u>(40,481)</u>	<u>(33,274)</u>	<u>(31,336)</u>	<u>(23,443)</u>	<u>(31,129)</u>
1,702,121	1,511,480	386,620	1,231,798	1,539,482
18,042,439	16,530,959	16,144,339	14,912,541	13,373,059
<u>\$ 19,744,560</u>	<u>\$ 18,042,439</u>	<u>\$ 16,530,959</u>	<u>\$ 16,144,339</u>	<u>\$ 14,912,541</u>
<u>\$ 8,128,524</u>	<u>\$ 9,312,090</u>	<u>\$ 9,229,015</u>	<u>\$ 8,771,791</u>	<u>\$ 9,068,535</u>
70.84%	65.96%	64.17%	64.79%	62.18%
\$ 4,992,596	\$ 4,648,051	\$ 4,533,367	\$ 4,133,843	\$ 4,220,035
162.81%	200.34%	203.58%	212.19%	214.89%

**GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
CITY OF FERNANDINA BEACH, FLORIDA**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll (1)	Contributions as a Percentage of Covered Payroll
9/30/2019	\$ 1,798,603	\$ 1,798,603	\$ -	\$ 5,811,317	30.95%
9/30/2018	1,739,561	1,739,561	-	5,295,468	32.85%
9/30/2017	1,745,911	1,745,906	5	4,992,596	34.97%
9/30/2016	1,574,760	1,590,471	(15,711)	4,648,051	34.22%
9/30/2015	1,291,060	1,291,060	-	4,533,367	28.48%
9/30/2014	1,222,791	1,222,791	-	4,133,843	29.58%
9/30/2013	1,018,294	1,018,294	-	4,220,035	24.13%

(1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP Payroll

**GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
CITY OF FERNANDINA BEACH, FLORIDA
(Continued)**

NOTES TO SCHEDULE

Valuation Date: October 1, 2017

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Mortality: *Healthy Active Lives:*
 Female: RP2000 Generational, 100% White Collar, Scale BB.
 Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.
Healthy Inactive Lives:
 Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
 Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.
Disabled Lives:
 Female: 100% RP2000 Disabled Female set forward two years
 Male: 100% RP2000 Disabled Male setback four years
 The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in July 1, 2016, FRS valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

Normal Retirement: For Members with less than 25 years of Credited Service, a 100% assumption at age 65. For members with 25 or more years of Credited Service, an 80% assumption at ages 55 and 56 and a 100% assumption for ages 57 and older. For 35 or more years of Credit Service, no change to prior assumption of 100% assumed retirement upon completion of 35 years of Credited Service. These rates were adopted as a result of our November 10, 2016, Experience Study.

Early Retirement: For Members with less than 25 years of Credited Service, a 8% assumption for each year of eligibility from ages 55-59, and a 25% assumption for each year of eligibility for ages 60-64. For members with 25 or more years of Credited Service, a 25% assumption for 25 to 28 years of Credited Service, and a 100% assumption for 29 or more years of Credited Service. These rates were adopted as a result of our November 10, 2016, Experience Study.

Disability Rates: See table below (1201). It is assumed that 75% of disablements are service related. The assumed rates of disablement were developed from those used by other plans containing Florida municipal expenses.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.03%
30	0.04%
40	0.07%
50	0.18%

**GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)**

**NOTES TO SCHEDULE
(Concluded)**

Termination Rates:

<u>Credited Service</u>	<u>Termination</u>
Less than 2 Years	25.00%
2-3 Years	10.00%
4-9 Years	8.50%
10 Years and Greater	5.00%

This assumption was adopted as a result of our November 10, 2016, Experience Study.

Interest Rate:

7.75% per Year Compounded Annually, Net of Investment Related Expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class, and also approved by the Board of Trustees as a result of our November 10, 2016 Experience Study.

Salary Increases:

<u>Credited Service</u>	<u>Increase</u>
Less than 1 Year	10.00%
1 Year	6.00%
2-5 Years	4.50%
6 Years and Greater	4.00%

This assumption was adopted as a result of our November 10, 2016 Experience Study.

Payroll Growth:

0% per year for amortization of the Unfunded Actuarial Accrued Liability. This assumption was adopted as a result of our November 10, 2016.

Funding Method:

Entry Age, Normal Actuarial Cost Method

Actuarial Asset Method:

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias or below Market Value.

**GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
CITY OF FERNANDINA BEACH, FLORIDA**

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return Net of Investment Expense</u>
9/30/2019	1.21%
9/30/2018	8.31%
9/30/2017	11.09%
9/30/2016	8.95%
9/30/2015	1.31%
9/30/2014	9.41%
9/30/2013	12.91%

Additional years will be added to this schedule annually, until 10 years of data is presented.

FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CITY OF FERNANDINA BEACH, FLORIDA

Reporting Period Ending Measurement Date	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>
Total Pension Liability		
Service Cost	\$ 762,325	\$ 690,258
Interest	2,557,460	2,465,950
Change in Excess State Money	-	(6,262)
Share Plan Allocation	11,072	10,654
Changes of benefit terms	(5,346)	-
Differences Between Expected and Actual Experience	(50,157)	(243,733)
Changes in Assumptions	349,722	333,666
Contributions - Buy Back	-	-
Benefit Payments	(1,775,840)	(1,724,415)
Net Change in Total Pension Liability	<u>1,849,236</u>	<u>1,526,118</u>
Total Pension Liability - Beginning	<u>32,918,891</u>	<u>31,392,773</u>
Total Pension Liability - Ending (a)	<u>\$ 34,768,127</u>	<u>\$ 32,918,891</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,577,387	\$ 1,413,664
Contributions - State	248,819	227,005
Contributions - Employee	324,322	299,515
Contributions - Buy Back	-	-
Net Investment Income	441,765	2,516,831
Benefit Payments	(1,775,840)	(1,724,415)
Administrative Expenses	(49,691)	(42,004)
Net Change in Plan Fiduciary Net Position	<u>766,762</u>	<u>2,690,596</u>
Plan Fiduciary Net Position - Beginning	<u>25,669,269</u>	<u>22,978,673</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 26,436,031</u>	<u>\$ 25,669,269</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,332,096</u>	<u>\$ 7,249,622</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.04%	77.98%
Covered Payroll	\$ 4,211,980	\$ 3,889,808
Net Pension Liability as a Percentage of Covered Payroll	197.82%	186.37%

Additional years will be added to this schedule annually until 10 years of data is presented.

The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

Changes of Benefit Terms:

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

For measurement date 09/30/2018, Ordinance 2018-117, adopted and effective August 21, 2018, applied the "Default" provision of Chapter 2015-39, Laws of Florida for utilization of the Firefighter portion of State Monies. Please see the October 24, 2018 Actuarial Impact Statement for details.

FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)

<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2017</u> <u>9/30/2016</u>	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
\$ 634,067	\$ 691,242	\$ 673,931	\$ 629,885	\$ 583,227
2,351,027	2,244,457	2,135,586	2,065,964	2,012,184
(6,566)	-	-	-	-
14,521	-	-	-	-
47,179	(583,314)	94,951	-	-
404,100	658,065	-	-	-
-	-	-	9,362	-
(1,636,299)	(1,606,010)	(1,515,765)	(2,242,194)	(1,697,467)
1,808,029	1,404,440	1,388,703	463,017	897,944
29,584,744	28,180,304	26,791,601	26,328,584	25,430,640
<u>\$ 31,392,773</u>	<u>\$ 29,584,744</u>	<u>\$ 28,180,304</u>	<u>\$ 26,791,601</u>	<u>\$ 26,328,584</u>
\$ 1,222,727	\$ 1,285,152	\$ 1,321,071	\$ 1,442,276	\$ 1,415,926
234,807	228,116	224,969	223,515	228,126
288,097	293,641	287,839	271,215	260,746
-	-	-	9,362	-
2,189,459	1,569,990	216,827	1,579,432	1,888,434
(1,636,299)	(1,606,010)	(1,515,765)	(2,242,194)	(1,697,467)
(42,590)	(36,728)	(32,903)	(23,615)	(30,576)
2,256,201	1,734,161	502,038	1,259,991	2,065,189
20,722,472	18,988,311	18,486,273	17,226,282	15,161,094
<u>\$ 22,978,673</u>	<u>\$ 20,722,472</u>	<u>\$ 18,988,311</u>	<u>\$ 18,486,273</u>	<u>\$ 17,226,283</u>
<u>\$ 8,414,100</u>	<u>\$ 8,862,272</u>	<u>\$ 9,191,993</u>	<u>\$ 8,305,328</u>	<u>\$ 9,102,301</u>
73.20%	70.04%	67.38%	69.00%	65.43%
\$ 3,741,515	\$ 3,813,519	\$ 3,748,766	\$ 3,522,270	\$ 3,386,307
224.88%	232.39%	245.20%	235.79%	268.80%

Changes of Assumptions:

For measurement date 09/30/2019, amounts reported as changes of assumptions resulted from lowering the net-of-fees investment return assumption from 7.80% to 7.70%.

For measurement date 9/30/2018, amounts reported as changes of assumptions resulted from lowering the net-of-fees investment return assumption from 7.90% to 7.80%.

For measurement date 9/30/2017, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. Additionally, the investment return assumption has been reduced from 8.00% to 7.90% (net of fees).

For measurement date 9/30/2016, as a result of the Experience Study dated August 10, 2016, the Board has adopted the following changes:

1. Salary Increases - The assumed rate of individual salary increases was changed from a flat 5.0% each year to a service-based table.
2. Mortality Rates - The assumed rates of mortality were changed to match what is used by the Florida Retirement System (FRS).
3. Retirement Rates - The assumption for Early Retirement changed from a 5% assumption for each year of eligibility to 10%. The assumption for Normal Retirement changed to 50% at immediate eligibility, 50% for those eligible for one year, and 100% for those eligible for at least two years.
4. Withdrawal Rates - The assumed rates of turnover changed from the current service based table to a service-based table with slightly higher rates.

Additionally, all future bases of the Unfunded Actuarial Accrued Liability will be amortized utilizing a level-dollar future bases attributed to actuarial gains or losses will be amortized over 10 years, assumption changes amortized over 20 years, and benefit changes amortized over 30 years.

Also the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized the Plan's investment consultant.

**FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
CITY OF FERNANDINA BEACH, FLORIDA**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll (1)	Contributions as a Percentage of Covered Payroll
9/30/2019	\$ 1,803,149	\$ 1,815,134	\$ (11,985)	\$ 4,211,980	43.09%
9/30/2018	1,654,724	1,633,145	21,579	3,889,808	41.99%
9/30/2017	1,435,619	1,446,296	(10,677)	3,741,515	38.66%
9/30/2016	1,494,900	1,513,268	(18,368)	3,813,519	39.68%
9/30/2015	1,544,613	1,546,040	(1,427)	3,748,766	41.24%
9/30/2014	1,665,681	1,665,791	(110)	3,522,270	47.29%
9/30/2013	1,644,052	1,644,052	-	3,386,307	48.55%

(1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP Payroll

FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
CITY OF FERNANDINA BEACH, FLORIDA
(Continued)

NOTES TO SCHEDULE

Valuation Date: 10/1/2017 (AIS 10/24/2018)
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Mortality: *Healthy Inactive Lives:*
 Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
 Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
Healthy Active Lives:
 Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB
 Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.
Disabled Lives:
 Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projections scale.
 Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projections scale.
 The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. The law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2016 FRS valuation report for special risk participants. We see this assumption sufficiently accommodates future mortality.

Interest Rate: 7.90 per year compounded annually, net of investment expenses. This assumption is supported by the Plan's asset allocation and expected long-term returns by asset class.

Normal Retirement: Earlier of age 55 and 6 years of service or 25 years of service, regardless of age.

Number of Years Eligible for Normal Retirement	Probability of Retirement
0	50.00%
1	50.00%
2+	100.00%

This assumption was adopted based on the results of the August 10, 2016 Actuarial Experience Study.

Early Retirement: Commencing with the earliest Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year. This assumption was adopted based on the results of the August 10, 2016 Actuarial Experience Study.

Disability Rates: See table below (1202). It is assumed that 75% of disablements are service related.

Age	Disabled During the Year
20	0.051%
30	0.058%
40	0.121%
50	0.429%

This assumption was developed from those used by other plans containing Florida municipal Police Officers and Firefighters

FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)

NOTES TO SCHEDULE
(Concluded)

Termination Rates:

<u>Years of Service</u>	<u>Termination Rate</u>
<1	14.00%
1	14.00%
2	13.00%
3	12.00%
4	10.00%
5-9	4.00%
10-14	3.50%
15+	0.00%

This assumption was adopted as a result of our August 10, 2016, Experience Study.

Interest Rate:

7.5% per Year Compounded Annually, Net of Investment Related Expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class, and also approved by the Board of Trustees as a result of our November 10, 2016, Experience Study.

Salary Increases:

<u>Years of Service</u>	<u>Increase</u>
<1	10.00%
1	9.00%
2	9.00%
3	5.00%
4	5.00%
5-9	5.00%
10+	4.50%

This assumption was adopted based on the results of the August 10, 2016, Actuarial Experience Study.

Projected salary at retirement is increase as follows to account for non-regular compensation.

<u>Service as of 10/1/2013</u>	<u>Final Salary Load</u>
5 or more years	10.000%
Less than 5 years	5.000%

Experience Study.

Payroll Growth:

2.3% per year. For UAAL bases created beginning with the October 1, 2016, valuation, a level-dollar approach will be utilized. This assumption was adopted by the Board in conjunction with the August 10, 2016, Actuarial Experience Study.

Funding Method:

Entry Age, Normal Actuarial Cost Method

Actuarial Asset Method:

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below Market Value of Assets.

**FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
CITY OF FERNANDINA BEACH, FLORIDA**

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
9/30/2019	1.74%
9/30/2018	11.09%
9/30/2017	10.77%
9/30/2016	8.42%
9/30/2015	1.19%
9/30/2014	9.27%
9/30/2013	12.38%

Additional years will be added to this schedule annually, until 10 years of data is presented.

**SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB)
AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN
CITY OF FERNANDINA BEACH, FLORIDA**

Reporting Date:	9/30/2019	9/30/2018
Measurement Date:	9/30/2018	9/30/2017
	<hr/>	<hr/>
Total OPEB Liability		
Service Cost	\$ 167,465	\$ 100,064
Interest on the Total OPEB Liability	97,594	53,355
Changes in Assumptions and Other Inputs	(131,624)	(122,700)
Differences Between Expected and Actual Experience	(73,035)	852,753
Benefit Payments	(89,114)	(78,336)
Net Change in Total OPEB Liability	<hr/> (28,714) <hr/>	<hr/> 805,136 <hr/>
Total OPEB Liability - Beginning of Year	<hr/> 2,587,630 <hr/>	<hr/> 1,782,494 <hr/>
Total OPEB Liability - End of Year	<hr/> \$ 2,558,916 <hr/>	<hr/> \$ 2,587,630 <hr/>
 Covered-Employee Payroll	 \$ 9,289,093	 \$ 9,080,247
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 27.55%	 28.50%

Notes:

GASB Statement 75 defined covered employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminated during the measurement period.

Changes in assumptions and other inputs include the change in the discount rate from 3.60% at the beginning of the measurement period to 4.15% at the end of the measurement period.

10 years of data will be displayed as information becomes available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Federal Forfeiture Fund—This fund is similar in nature to the Law Enforcement Trust Fund but is used to account for property seized in violation

Tree Trust Fund—This fund is established for purposes of tree protection, tree preservation and purchase and replacement of trees within the City. Funds are derived from donations, penalties and fines established in the Land Development Code.

Historic District Trust Fund—This fund was established to support the presentation of historic structures deemed significant to the City's cultural fabric and are protected by public review. This fund will also enhance the continued vitality of the downtown historic district by offering programs to educate the community.

Community Development Block Grant Fund—This fund was created to account for repayment of the mortgage for Brett's Restaurant.

Land Conservation Trust Fund—This fund was established for purposes to acquire, protect and manage environmentally sensitive lands that contain natural upland or wetland communities, native plant communities, rare and endangered flora and fauna, endemic species and endangered species habitat.

Local Law Enforcement Block Fund—This fund was created to account for the receipt and disbursement of the Local Law Enforcement Block Grant.

Cemetery Fund—The Cemetery Division is responsible for maintaining a clean and peaceful presentation of the facility grounds. The selling of burial lots and permitting of burials and monuments is also the responsibility of this division. Assisting visitors in locating of specific grave sites as well as researching areas in the ancient section by using past burial records.

Law Enforcement Recovery Fund—The source of revenue for this fund is unclaimed/abandoned cash and/or property. The funds are restricted for the sole purpose that they can only be used for specific law enforcement activities relating to the mission of the agency.

Bond Debt Service Fund—This fund accounts for the payment of debt service on the City's General Obligation Bonds. These bonds were issued to fund various land preservation and recreation/park projects.

Capital Expansion Fund—This fund accounts for the revenues and expenditures for development impact fees. These fees are collected at the time of the issuance of building permits to partially offset the capital cost of providing certain services due to City growth. Florida law prohibits the use of these funds for repair or maintenance, personnel, or capital replacement. Rather, the funds must only be used for expansion of police, fire, recreation and parks or City administration equipment or facilities that can be attracted to new development.

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Special Revenue Funds</u>	
	<u>Federal Forfeiture Fund</u>	<u>Tree Trust Fund</u>
Assets		
Cash and Investments	\$ 184,428	\$ 168,223
Due from Other Governments	-	-
Total Assets	<u>184,428</u>	<u>168,223</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts Payable and Accrued Expenses	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balances		
Restricted for:		
Public Safety	184,428	-
Land Conservation	-	-
Community Development	-	-
Capital Improvements	-	-
Committed for:		
Conservation and Resource Management	-	168,223
Historical District Trust	-	-
Cemetery	-	-
Assigned for:		
Cemetery	-	-
Debt Service	-	-
Total Fund Balances	<u>184,428</u>	<u>168,223</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 184,428</u>	<u>\$ 168,223</u>

Special Revenue Funds					
HDC Fund	Community Development Block Grant Fund	Land Conservation Trust Fund	Local Law Enforcement Block Fund	Cemetery Fund	Law Enforcement Recovery Fund
\$ 9,016	\$ 104,414	\$ 50	\$ -	\$ 1,146,251	\$ 92,309
-	8,500	-	-	-	10,638
<u>9,016</u>	<u>112,914</u>	<u>50</u>	<u>-</u>	<u>1,146,251</u>	<u>102,947</u>
-	-	-	-	2,747	163
-	-	-	-	<u>2,747</u>	<u>163</u>
-	-	-	-	-	102,784
-	-	50	-	-	-
-	112,914	-	-	-	-
-	-	-	-	-	-
9,016	-	-	-	-	-
-	-	-	-	1,091,248	-
-	-	-	-	52,256	-
-	-	-	-	-	-
<u>9,016</u>	<u>112,914</u>	<u>50</u>	<u>-</u>	<u>1,143,504</u>	<u>102,784</u>
<u>\$ 9,016</u>	<u>\$ 112,914</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 1,146,251</u>	<u>\$ 102,947</u>

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)

	Debt Service Fund	Capital Projects Funds	Total Non-Major Governmental Funds
	Bond Debt Service Fund	Capital Expansion Fund	
Assets			
Cash and Investments	\$ 4,464	\$ 4,610,344	\$ 6,319,499
Due from Other Governments	-	-	19,138
Total Assets	<u>4,464</u>	<u>4,610,344</u>	<u>6,338,637</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	-	(1,345)	1,565
Total Liabilities	<u>-</u>	<u>(1,345)</u>	<u>1,565</u>
Fund Balances			
Restricted for:			
Public Safety	-	-	287,212
Land Conservation	-	-	50
Community Development	-	-	112,914
Capital Improvements	-	4,611,689	4,611,689
Committed for:			
Conservation and Resource Management	-	-	168,223
Historical District Trust	-	-	9,016
Cemetery	-	-	1,091,248
Assigned for:			
Cemetery	-	-	52,256
Debt Service	4,464	-	4,464
Total Fund Balances	<u>4,464</u>	<u>4,611,689</u>	<u>6,337,072</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,464</u>	<u>\$ 4,610,344</u>	<u>\$ 6,338,637</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Special Revenue Funds</u>	
	<u>Federal Forfeiture Fund</u>	<u>Tree Trust Fund</u>
Revenues		
Taxes, Licenses, and Permits	\$ -	\$ 59,458
Intergovernmental	-	-
Charges for Services	-	-
Fines and Forfeitures	175,107	-
Other Revenue	12,778	294
Total Revenues	<u>187,885</u>	<u>59,752</u>
Expenditures		
Current:		
General Government	-	146
Public Safety	-	-
Physical Environment	-	-
Debt Service:		
Principal	-	-
Interest and Fees	-	-
Capital Outlay	70,407	-
(Total Expenditures)	<u>(70,407)</u>	<u>(146)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>117,478</u>	<u>59,606</u>
Other Financing Sources (Uses)		
Transfers in	-	108,617
Transfers (out)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>108,617</u>
Net Change in Fund Balance	117,478	168,223
Fund Balances, Beginning of Year	<u>66,950</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 184,428</u>	<u>\$ 168,223</u>

Special Revenue Funds					
HDC Fund	Community Development Block Grant Fund	Land Conservation Trust Fund	Local Law Enforcement Block Fund	Cemetery Fund	Law Enforcement Recovery Fund
\$ 5,220	\$ -	\$ -	\$ -	\$ 3,440	\$ -
-	-	-	-	-	127,653
-	-	-	-	182,004	-
-	-	-	-	-	-
16	3,213	50	-	30,413	1,000
<u>5,236</u>	<u>3,213</u>	<u>50</u>	<u>-</u>	<u>215,857</u>	<u>128,653</u>
-	-	-	-	-	-
-	-	-	-	-	67,694
-	-	-	-	175,982	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	85,804
-	-	-	-	<u>(175,982)</u>	<u>(153,498)</u>
5,236	3,213	50	-	39,875	(24,845)
3,780	-	-	-	11,300	571
-	-	-	(571)	-	-
<u>3,780</u>	<u>-</u>	<u>-</u>	<u>(571)</u>	<u>11,300</u>	<u>571</u>
9,016	3,213	50	(571)	51,175	(24,274)
-	109,701	-	571	1,092,329	127,058
<u>\$ 9,016</u>	<u>\$ 112,914</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 1,143,504</u>	<u>\$ 102,784</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)**

	Debt Service Fund	Capital Projects Funds	Total Non-Major Governmental Funds
	Bond Debt Service Fund	Capital Expansion Fund	
Revenues			
Taxes, Licenses, and Permits	\$ -	\$ 1,209,141	\$ 1,277,259
Intergovernmental	-	-	127,653
Charges for Services	-	-	182,004
Fines and Forfeitures	-	-	175,107
Other Revenue	-	21,694	69,458
Total Revenues	<u>-</u>	<u>1,230,835</u>	<u>1,831,481</u>
Expenditures			
Current:			
General Government	-	-	146
Public Safety	-	-	67,694
Physical Environment	-	180,022	356,004
Debt Service:			
Principal	395,000	-	395,000
Interest and Fees	28,698	-	28,698
Capital Outlay	-	445,006	601,217
(Total Expenditures)	<u>(423,698)</u>	<u>(625,028)</u>	<u>(1,448,759)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(423,698)</u>	<u>605,807</u>	<u>382,722</u>
Other Financing Sources (Uses)			
Transfers in	423,720	-	547,988
Transfers (out)	-	-	(571)
Total Other Financing Sources (Uses)	<u>423,720</u>	<u>-</u>	<u>547,417</u>
Net Change in Fund Balance	22	605,807	930,139
Fund Balances, Beginning of Year	<u>4,442</u>	<u>4,005,882</u>	<u>5,406,933</u>
Fund Balances, End of Year	<u>\$ 4,464</u>	<u>\$ 4,611,689</u>	<u>\$ 6,337,072</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FEDERAL FORFEITURE FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 175,107	\$ 160,107
Other Revenue	-	-	12,778	12,778
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>187,885</u>	<u>172,885</u>
Expenditures				
Capital Outlay	<u>72,800</u>	<u>72,800</u>	<u>70,407</u>	<u>2,393</u>
(Total Expenditures)	<u>(72,800)</u>	<u>(72,800)</u>	<u>(70,407)</u>	<u>(2,393)</u>
 Net Change in Fund Balance	 <u>\$ (57,800)</u>	 <u>\$ (57,800)</u>	 <u>\$ 117,478</u>	 <u>\$ 170,492</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TREE TRUST FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Continued)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes, Licenses, and Permits	\$ -	\$ -	\$ 59,458	\$ 59,458
Other Revenue	-	-	294	294
Total Revenues	-	-	59,752	59,752
Expenditures				
Current:				
General Government	-	-	146	(146)
(Total Expenditures)	-	-	(146)	(146)
Excess of Revenues Over				
Expenditures	-	-	59,606	59,606
Other Financing Sources (Uses)				
Transfers in	-	-	108,617	108,617
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,223</u>	<u>\$ 168,223</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 HDC FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019
 CITY OF FERNANDINA BEACH, FLORIDA
 (Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes, Licenses, and Permits	\$ -	\$ -	\$ 5,220	\$ 5,220
Other Revenue	-	-	16	16
Total Revenues	<u>-</u>	<u>-</u>	<u>5,236</u>	<u>5,236</u>
Expenditures				
(Total Expenditures)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over				
Expenditures	-	-	5,236	5,236
Other Financing Sources (Uses)				
Transfers (in)	-	-	3,780	3,780
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,016</u>	<u>\$ 9,016</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019
 CITY OF FERNANDINA BEACH, FLORIDA
 (Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Revenue	\$ -	\$ -	\$ 3,213	\$ 3,213
Total Revenues	<u>-</u>	<u>-</u>	<u>3,213</u>	<u>3,213</u>
Expenditures				
Current:				
Capital Outlay	101,181	101,181	-	101,181
(Total Expenditures)	<u>(101,181)</u>	<u>(101,181)</u>	<u>-</u>	<u>101,181</u>
Net Change in Fund Balance	<u>\$ (101,181)</u>	<u>\$ (101,181)</u>	<u>\$ 3,213</u>	<u>\$ 104,394</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LAND CONSERVATION TRUST FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Revenue	\$ -	\$ -	\$ 50	\$ 50
Total Revenues	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
Expenditures				
(Total Expenditures)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 LOCAL LAW ENFORCEMENT BLOCK FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019
 CITY OF FERNANDINA BEACH, FLORIDA
 (Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
(Total Expenditures)	-	-	-	-
Other Financing Sources (Uses)				
Transfers (out)	-	-	(571)	(571)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (571)</u>	<u>\$ (571)</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CEMETERY FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Taxes, Licenses, and Permits	\$ 3,500	\$ 3,500	\$ 3,440	\$ (60)
Charges for Services	147,200	147,200	182,004	34,804
Other Revenue	10,000	10,000	30,413	20,413
Total Revenues	<u>160,700</u>	<u>160,700</u>	<u>215,857</u>	<u>55,157</u>
Expenditures				
Current:				
Physical Environment	191,698	191,698	175,982	15,716
(Total Expenditures)	<u>(191,698)</u>	<u>(191,698)</u>	<u>(175,982)</u>	<u>15,716</u>
Excess of Revenues Over Expenditures	(30,998)	(30,998)	39,875	70,873
Other Financing Sources (Uses)				
Transfers in	11,300	11,300	11,300	-
Net Change in Fund Balance	<u>\$ (19,698)</u>	<u>\$ (19,698)</u>	<u>\$ 51,175</u>	<u>\$ 70,873</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT RECOVERY FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Intergovernmental Revenue	\$ 127,644	\$ 127,644	\$ 127,653	\$ 9
Other Revenue	-	-	1,000	1,000
Total Revenues	<u>127,644</u>	<u>127,644</u>	<u>128,653</u>	<u>1,009</u>
Expenditures				
Current:				
Public Safety	70,000	74,500	67,694	6,806
Capital Outlay	<u>87,000</u>	<u>87,000</u>	<u>85,804</u>	<u>1,196</u>
(Total Expenditures)	<u>(157,000)</u>	<u>(161,500)</u>	<u>(153,498)</u>	<u>8,002</u>
Excess of Revenues Over Expenditures	(29,356)	(33,856)	(24,845)	9,011
Other Financing Sources (Uses)				
Transfers in	<u>11,300</u>	<u>11,300</u>	<u>571</u>	<u>(10,729)</u>
Net Change in Fund Balance	<u>\$ (18,056)</u>	<u>\$ (22,556)</u>	<u>\$ (24,274)</u>	<u>\$ (1,718)</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
BOND DEBT SERVICE FUND
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Debt Service:				
Principal	395,000	395,000	395,000	-
Interest and Fees	28,698	28,698	28,698	-
(Total Expenditures)	<u>(423,698)</u>	<u>(423,698)</u>	<u>(423,698)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(423,698)	(423,698)	(423,698)	-
Other Financing Sources (Uses)				
Transfers in	423,720	423,720	423,720	-
Net Change in Fund Balance	<u>\$ 22</u>	<u>\$ 22</u>	<u>\$ 22</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
CAPITAL PROJECT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 2,270,000	\$ 2,270,000	\$ 247,320	\$ (2,022,680)
Other Revenue	3,000	3,000	7,503	4,503
Total Revenues	<u>2,273,000</u>	<u>2,273,000</u>	<u>254,823</u>	<u>(2,018,177)</u>
Expenditures				
Current:				
General Government	700	700	630	70
Physical Environment	1,310,000	1,310,000	1,150,575	159,425
Transportation	166,500	175,044	165,570	9,474
Debt Service:				-
Principal	673,842	675,842	675,842	-
Interest	25,173	25,223	25,223	-
Capital Outlay	1,665,000	1,588,735	1,363,398	225,337
(Total Expenditures)	<u>(3,841,215)</u>	<u>(3,775,544)</u>	<u>(3,381,238)</u>	<u>394,306</u>
Excess of Revenues Over Expenditures	(1,568,215)	(1,502,544)	(3,126,415)	(1,623,871)
Other Financing Sources (Uses)				
Transfers in	<u>1,680,700</u>	<u>1,610,700</u>	<u>1,610,700</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 112,485</u>	<u>\$ 108,156</u>	<u>\$ (1,515,715)</u>	<u>\$ (1,623,871)</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL EXPANSION FUND
CAPITAL PROJECT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes, Licenses, and Permits	\$ 1,531,250	\$ 1,531,250	\$ 1,209,141	\$ (322,109)
Other Revenue	1,708,000	1,708,000	21,694	(1,686,306)
Total Revenues	3,239,250	3,239,250	1,230,835	(2,008,415)
Expenditures				
Current:				
Physical Environment	10,000	228,000	180,024	47,976
Capital Outlay	1,004,000	1,284,000	445,006	838,994
(Total Expenditures)	(1,014,000)	(1,512,000)	(625,030)	886,970
 Net Change in Fund Balance	 \$ 2,225,250	 \$ 1,727,250	 \$ 605,805	 \$ (1,121,445)

NON-MAJOR ENTERPRISE FUNDS

Golf Course Fund—The Golf Course Department’s function is to provide a high quality golf experience to residents and tourists of Fernandina Beach & Amelia Island. The executed a management agreement with Billy Casper Golf Management Company that became effective in December 2010 and was renewed in 2015.

Stormwater Fund—This Fund was formed due to the critical need for improvements to the City’s storm drains, drainage system and the development of a comprehensive plan for stormwater so that the City would be prepared to comply with future State and Federal requirements. The Stormwater Department is responsible for finding solutions to existing flooding and drainage problems in City streets, as well as maintenance and improvement to the existing drainage systems. The Stormwater Management staff is also responsible for reviewing all construction plans for commercial projects, residential developments, parking lots and storm drainage systems throughout the City.

**COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Golf Course Fund	Stormwater Fund	Total
Assets			
Current Assets:			
Cash and Investments	\$ 499	\$ 110,647	\$ 111,146
Receivables:			
Accounts, Net of Allowance for Uncollectible Accounts	-	106,900	106,900
Due from Other Governments	-	115,742	115,742
Prepaid Expenses	9,158	-	9,158
Inventories	43,858	-	43,858
Total Current Assets	<u>53,515</u>	<u>333,289</u>	<u>386,804</u>
Non-Current Assets:			
Restricted Assets:			
Cash and Investments	-	23,696	23,696
Capital Assets, Net, Where Applicable, of Accumulated Depreciation	<u>1,753,036</u>	<u>5,841,740</u>	<u>7,594,776</u>
Total Non-Current Assets	<u>1,753,036</u>	<u>5,865,436</u>	<u>7,618,472</u>
Total Assets	<u>1,806,551</u>	<u>6,198,725</u>	<u>8,005,276</u>
Deferred Outflows of Resources			
Pension Related	-	99,582	99,582
OPEB Related	<u>3,850</u>	<u>23,101</u>	<u>26,951</u>
Total Deferred Outflows of Resources	<u>3,850</u>	<u>122,683</u>	<u>126,533</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)

	<u>Golf Course Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 88,740	\$ 58,196	\$ 146,936
Current Portion of Revenue Bonds and Notes Payable	109,294	-	109,294
Accrued Interest on Bonds Payable	1,371	-	1,371
Customer Deposits	-	23,696	23,696
Due to Other Funds	1,260,246	-	1,260,246
Unearned Revenue	83,529	-	83,529
Compensated Absences	-	19,411	19,411
Total Current Liabilities	<u>1,543,180</u>	<u>101,303</u>	<u>1,644,483</u>
Non-Current Liabilities:			
Revenue Bonds Payable, Long-Term Portion	110,910	-	110,910
Other Postemployment Benefits	13,089	78,535	91,624
Net Pension Liability	-	346,010	346,010
Total Non-Current Liabilities	<u>123,999</u>	<u>424,545</u>	<u>548,544</u>
Total Liabilities	<u>1,667,179</u>	<u>525,848</u>	<u>2,193,027</u>
Deferred Inflows of Resources			
Pension Related	-	18,236	18,236
OPEB Related	1,368	8,208	9,576
Total Deferred Inflows of Resources	<u>1,368</u>	<u>26,444</u>	<u>27,812</u>
Net Position			
Net Investment in Capital Assets	1,532,832	5,841,740	7,374,572
Unrestricted	(1,390,978)	(72,624)	(1,463,602)
Total Net Position	<u>\$ 141,854</u>	<u>\$ 5,769,116</u>	<u>\$ 5,910,970</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Golf Course Fund	Stormwater Fund	Total
Operating Revenues			
Charges for Services	\$ 1,327,190	\$ 879,548	\$ 2,206,738
Total Operating Revenues	<u>1,327,190</u>	<u>879,548</u>	<u>2,206,738</u>
Operating Expenses			
Personnel Services	794	718,752	719,546
Materials, Supplies, and Other	1,418,488	193,744	1,612,232
Depreciation and Amortization	273,766	262,968	536,734
(Total Operating Expenses)	<u>(1,693,048)</u>	<u>(1,175,464)</u>	<u>(2,868,512)</u>
Operating (Loss) Income	<u>(365,858)</u>	<u>(295,916)</u>	<u>(661,774)</u>
Non-Operating Revenues (Expense)			
Interest Income	-	330	330
Intergovernmental Revenue	4,708	-	4,708
Interest Expense	(8,709)	-	(8,709)
Total Non-Operating Revenues (Expense)	<u>(4,001)</u>	<u>330</u>	<u>(3,671)</u>
(Loss) Income Before Contributions and Operating Transfers	<u>(369,859)</u>	<u>(295,586)</u>	<u>(665,445)</u>
Capital Grants and Contributions	<u>-</u>	<u>115,742</u>	<u>115,742</u>
Transfers			
Transfers in	220,000	-	220,000
Total Transfers	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Change in Net Position	(149,859)	(179,844)	(329,703)
Net Position, Beginning of Year	<u>291,713</u>	<u>5,948,960</u>	<u>6,240,673</u>
Net Position, End of Year	<u>\$ 141,854</u>	<u>\$ 5,769,116</u>	<u>\$ 5,910,970</u>

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Golf Course Fund	Stormwater Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers and Others	\$ 1,330,752	\$ 870,707	\$ 2,201,459
Cash Paid to Suppliers	(1,399,419)	(107,522)	(1,506,941)
Cash Paid for Interfund Services Provided	-	(44,685)	(44,685)
Cash Paid to Employees	-	(456,247)	(456,247)
Net Cash Provided by (Used in) Operating Activities	<u>(68,667)</u>	<u>262,253</u>	<u>193,586</u>
Cash Flows from Non-Capital Financing Activities			
Due to/from Other Funds	25,398	(266)	25,132
Operating Transfers in	220,000	-	220,000
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>245,398</u>	<u>(266)</u>	<u>245,132</u>
Cash Flows from Capital and Related Financing Activities			
Principal Paid on Revenue Bonds	(107,682)	-	(107,682)
Acquisition and Construction of Capital	(64,507)	(328,695)	(393,202)
Interest Paid	(9,658)	-	(9,658)
Capital Grants	4,708	-	4,708
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(177,139)</u>	<u>(328,695)</u>	<u>(505,834)</u>
Cash Flows from Investing Activities			
Interest and Other Non-Operating Revenues	-	330	330
Net Cash Provided by (Used in) Investing Activities	<u>-</u>	<u>330</u>	<u>330</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(408)	(66,378)	(66,786)
Cash and Cash Equivalents, Beginning of Year	<u>907</u>	<u>200,721</u>	<u>201,628</u>
Cash and Cash Equivalents, End of Year	<u>\$ 499</u>	<u>\$ 134,343</u>	<u>\$ 134,842</u>

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)**

	<u>Golf Course Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<u>Included on the Accompanying Statement of Net Position As Follows</u>			
Current Assets:			
Cash and Investments	\$ 499	\$ 110,647	\$ 111,146
Restricted Assets:			
Cash and Investments	-	23,696	23,696
Total	<u>\$ 499</u>	<u>\$ 134,343</u>	<u>\$ 134,842</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	<u>\$ (365,858)</u>	<u>\$ (295,916)</u>	<u>\$ (661,774)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	273,766	262,968	536,734
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):			
Accounts Receivable	-	(14,820)	(14,820)
Inventories	(613)	-	(613)
Prepaid Expenses	3,709	-	3,709
Accounts Payable and Accrued Expenses	15,976	41,537	57,513
Unearned Revenues	3,560	-	3,560
Customer Deposits	-	5,979	5,979
Compensated Absences	-	5,163	5,163
OPEB Liability and Related Deferrals	793	39,108	39,901
Net Pension Liability and Related Deferrals	-	218,234	218,234
Total Adjustments	<u>297,191</u>	<u>558,169</u>	<u>855,360</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (68,667)</u>	<u>\$ 262,253</u>	<u>\$ 193,586</u>

INTERNAL SERVICE FUNDS

Central Garage Fund—To provide preventative maintenance and repairs to all City vehicles, and equipment – the Fleet Maintenance Division purchases, maintains, and disposes of all City vehicles and equipment. This division assists contractors with outsourced repairs. This division purchases and distributes fuel by means of an on-site fuel station. Partial functions of the Sanitation Department also fall under the responsibility of the Fleet Division and include: annual recycling events, web updates, recycle program, etc.

Utility Billing Fund—To provide excellent customer service to all internal and external customers. To assist customers by phone or in person with their water, sewer, and garbage billing questions, new or disconnection of service, change in customer account information, complaints, adjustments, etc. To post all payments delivered by mail or in person to customer's accounts as received daily. Balance all revenue received daily to the cash receipts report. Compute, audit, print, and mail bills by cycles weekly. Audit delinquent accounts weekly by cycle and mail the customers disconnect notices if applicable. If delinquent balance is not paid within 10 days of notice, meter is disconnected for non-payment.

Utility Administration Fund—Performs administrative, budgeting, planning, engineering, purchasing, and inventory control for the Water and Wastewater divisions within the Utilities Department; file permits with various federal, state and county agencies for projects; file monthly operating reports to state agencies; functions as support staff for City Hall; provides courteous service in response to citizen requests/complaints.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA

	<u>Central Garage Fund</u>	<u>Utility Billing Fund</u>	<u>Utility Administration Fund</u>	<u>Totals</u>
Assets				
Current Assets				
Cash and Investments	\$ -	\$ 77,446	\$ 54,517	\$ 131,963
Accounts Receivable, Net of Allowance for Uncollectible Accounts	202	7,277	-	7,479
Prepaid Expenses	-	1,731	-	1,731
Inventories	43,883	-	-	43,883
Total Current Assets	<u>44,085</u>	<u>86,454</u>	<u>54,517</u>	<u>185,056</u>
Non-Current Assets				
Capital Assets, Net of Accumulated Depreciation	377,508	130,304	3,218	511,030
Total Non-Current Assets	<u>377,508</u>	<u>130,304</u>	<u>3,218</u>	<u>511,030</u>
Total Assets	<u>421,593</u>	<u>216,758</u>	<u>57,735</u>	<u>696,086</u>
Liabilities				
Current Liabilities				
Accounts Payable and Accrued Expenses	9,967	6,689	7,358	24,014
Due to Other Funds	44,675	-	-	44,675
Compensated Absences	18,511	6,732	26,754	51,997
Total Current Liabilities	<u>73,153</u>	<u>13,421</u>	<u>34,112</u>	<u>120,686</u>
Total Liabilities	<u>73,153</u>	<u>13,421</u>	<u>34,112</u>	<u>120,686</u>
Net Position				
Net Investment in Capital Assets	377,508	130,304	3,218	511,030
Unrestricted	(29,068)	73,033	20,405	64,370
Total Net Position	<u>\$ 348,440</u>	<u>\$ 203,337</u>	<u>\$ 23,623</u>	<u>\$ 575,400</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Totals
Operating Revenues				
Charges for Services	\$ 836,606	\$ 511,025	\$ 386,000	\$ 1,733,631
Fees, Rentals, and Other	1,464	653	-	2,117
Total Operating Revenues	<u>838,070</u>	<u>511,678</u>	<u>386,000</u>	<u>1,735,748</u>
Operating Expenses				
Personal Services	248,424	302,006	341,853	892,283
Materials, Supplies, and Other	654,593	122,186	23,606	800,385
Depreciation and Amortization	45,037	61,879	390	107,306
(Total Operating Expenses)	<u>(948,054)</u>	<u>(486,071)</u>	<u>(365,849)</u>	<u>(1,799,974)</u>
Operating (Loss) Income	<u>(109,984)</u>	<u>25,607</u>	<u>20,151</u>	<u>(64,226)</u>
Non-Operating Income (Expense)				
Other Non-Operating Income (Expense)	3,150	144	176	3,470
Gain on Disposal of Capital Assets	65,752	-	-	65,752
Total Non-Operating Income (Expense)	<u>68,902</u>	<u>144</u>	<u>176</u>	<u>69,222</u>
Income Before Transfers	<u>(41,082)</u>	<u>25,751</u>	<u>20,327</u>	<u>4,996</u>
Transfers				
Transfers in	15,000	-	-	15,000
Transfers (out)	(15,000)	(10,700)	-	(25,700)
Total Transfers	<u>-</u>	<u>(10,700)</u>	<u>-</u>	<u>(10,700)</u>
Change in Net Position	(41,082)	15,051	20,327	(5,704)
Total Net Position, Beginning of Year	<u>389,522</u>	<u>188,286</u>	<u>3,296</u>	<u>581,104</u>
Total Net Position, End of Year	<u>\$ 348,440</u>	<u>\$ 203,337</u>	<u>\$ 23,623</u>	<u>\$ 575,400</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Totals
Cash Flows from Operating Activities				
Cash Received for Interfund Services	\$ 838,091	\$ 509,111	\$ 386,000	\$ 1,733,202
Cash Received from Others	3,150	-	60	3,210
Cash Paid to Suppliers	(657,957)	(117,165)	(24,993)	(800,115)
Cash Paid to Employees	(244,248)	(305,632)	(340,330)	(890,210)
Net Cash Provided by (Used in) Operating Activities	<u>(60,964)</u>	<u>86,314</u>	<u>20,737</u>	<u>46,087</u>
Cash Flows from Noncapital Financing Activities				
Due to/from Other Funds	21,193	-	-	21,193
Operating Transfers in	15,000	-	-	15,000
Operating Transfers (out)	(15,000)	(10,700)	-	(25,700)
Total Cash Flows from Noncapital Financing Activities	<u>21,193</u>	<u>(10,700)</u>	<u>-</u>	<u>10,493</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds from the Sale of Capital Assets	90,831	-	-	90,831
Acquisition and Construction of Capital	(51,155)	(30,911)	-	(82,066)
Total Cash Flows from Capital and Related Financing Activities	<u>39,676</u>	<u>(30,911)</u>	<u>-</u>	<u>8,765</u>
Cash Flows from Investing Activities				
Interest Received on Investments	-	144	118	262
Net Increase (Decrease) in Cash and Cash Equivalents	(95)	44,847	20,855	65,607
Cash and Cash Equivalents, Beginning of Year	95	32,599	33,662	66,356
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 77,446</u>	<u>\$ 54,517</u>	<u>\$ 131,963</u>
<u>Included on the Accompanying Balance Sheet Under the Following Captions</u>				
Current Assets				
Cash and Investments	\$ -	\$ 77,446	\$ 54,517	\$ 131,963
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>				
Operating Income (Loss)	\$ (109,984)	\$ 25,607	\$ 20,151	\$ (64,226)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	45,037	61,879	390	107,306
Other Income (Expense)	3,150	-	60	3,210
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):				
Accounts Receivable	21	(2,567)	-	(2,546)
Inventories	(2,324)	-	-	(2,324)
Prepaid Expenses	-	13,093	-	13,093
Accounts Payable and Accrued Expenses	(1,040)	(8,072)	(1,388)	(10,500)
Compensated Absences	4,176	(3,626)	1,524	2,074
Total Adjustments	<u>49,020</u>	<u>60,707</u>	<u>586</u>	<u>110,313</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (60,964)</u>	<u>\$ 86,314</u>	<u>\$ 20,737</u>	<u>\$ 46,087</u>

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>General Employees' Pension Plan</u>	<u>Firefighters' and Police Officers' Pension Plan</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 1,672,748	\$ 1,726,388	\$ 3,399,136
Interest Receivable	32,600	44,053	76,653
Investments, at Fair Value:			
U.S. Government Bonds and Bills	684,452	900,337	1,584,789
Mortgages and Federal Agency Securities	1,824,401	2,329,929	4,154,330
Corporate Bonds	2,033,846	2,588,455	4,622,301
Real Estate Fund	2,302,603	2,636,892	4,939,495
Equities	13,883,096	16,083,902	29,966,998
Total Investments	<u>20,728,398</u>	<u>24,539,515</u>	<u>45,267,913</u>
Total Assets	<u>22,433,746</u>	<u>26,309,956</u>	<u>48,743,702</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Held in Trust for Pension Benefits	<u>\$ 22,433,746</u>	<u>\$ 26,309,956</u>	<u>\$ 48,743,702</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

	General Employees' Pension Plan	Firefighters' and Police Officers' Pension Plan	Total
Additions			
Contributions:			
State of Florida	\$ -	\$ 247,775	\$ 247,775
Employer	1,798,600	1,577,385	3,375,985
Plan Members	390,458	336,467	726,925
Total Contributions	<u>2,189,058</u>	<u>2,161,627</u>	<u>4,350,685</u>
Investment Earnings:			
Interest and Dividends	511,755	577,021	1,088,776
Net Increase in the Fair Value of Investments	(165,912)	(27,188)	(193,100)
Investment Expenses	(56,340)	(78,390)	(134,730)
Total Investment Earnings	<u>289,503</u>	<u>471,443</u>	<u>760,946</u>
Total Additions	<u>2,478,561</u>	<u>2,633,070</u>	<u>5,111,631</u>
Deductions			
Benefit Payments	1,864,185	1,905,761	3,769,946
Administrative Expense	61,326	74,679	136,005
(Total Deductions)	<u>(1,925,511)</u>	<u>(1,980,440)</u>	<u>(3,905,951)</u>
Change in Net Position	553,050	652,630	1,205,680
Net Position, Beginning of Year	<u>21,880,696</u>	<u>25,657,326</u>	<u>47,538,022</u>
Net Position, End of Year	<u>\$ 22,433,746</u>	<u>\$ 26,309,956</u>	<u>\$ 48,743,702</u>

**STATISTICAL SECTION
(UNAUDITED)**

**STATISTICAL SECTION
(UNAUDITED)**

This part of Fernandina Beach’s (the City) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and the required supplementary information says about the City’s overall financial health.

CONTENTS

	<u>Page</u>
Financial Trends Information	
These schedules contain trend information to help assess the City’s financial performance and well-being that have changed over time.	98-102
Revenue Capacity Information	
These schedules contain information to help the reader assess the City’s most significant sources of revenue.	103-106
Debt Capacity Information	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	107-111
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within the City’s financial activities.....	112-113
Operating Information	
These schedules contain information regarding the number of employees, the operating indicators and capital assets used in various functions and programs.....	114-116

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2003, with schedules presenting government-wide information beginning in that fiscal year.

SCHEDULE 1
CITY OF FERNANDINA BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net Investment in Capital Assets	\$ 24,367,016	\$ 23,584,000	\$ 22,959,982	\$ 22,255,738	\$ 21,363,150	\$ 20,086,968	\$ 22,804,829	\$ 21,599,826	\$ 23,627,554	\$ 24,136,361
Restricted	8,287,039	7,320,960	4,133,646	3,126,644	2,919,530	2,820,795	2,476,228	2,423,409	1,189,235	3,331,577
Unrestricted (2) (3) (4)	(1,795,780)	(4,860,371)	(4,182,808)	(4,916,921)	(6,495,182)	5,573,556	5,994,476	6,763,550	5,716,890	5,207,565
Total Governmental Activities Net Position	\$ 30,858,275	\$ 26,044,589	\$ 22,910,820	\$ 20,465,461	\$ 17,787,498	\$ 28,481,319	\$ 31,275,533	\$ 30,786,785	\$ 30,533,679	\$ 32,675,503
Business-type Activities:										
Net Investment in Capital Assets	\$ 26,496,040	\$ 24,293,174	\$ 19,971,800	\$ 21,758,186	\$ 21,519,553	\$ 19,562,429	\$ 15,190,218	\$ 15,990,795	\$ 15,990,513	\$ 16,644,662
Restricted	2,187,063	1,510,257	1,346,122	631,824	444,527	575,878	575,878	743,087	875,179	669,403
Unrestricted (2) (3) (4)	11,074,620	10,467,704	9,570,979	8,012,813	6,208,903	6,299,731	6,078,336	4,462,091	3,741,762	2,673,055
Total Business-type Activities Net Position	\$ 39,757,723	\$ 36,271,135	\$ 30,888,901	\$ 30,402,823	\$ 28,172,983	\$ 26,438,038	\$ 21,844,432	\$ 21,195,973	\$ 20,607,454	\$ 19,987,120
Total:										
Net Investment in Capital Assets (1)	\$ 50,863,056	\$ 47,877,174	\$ 42,931,782	\$ 44,013,924	\$ 42,882,703	\$ 39,649,397	\$ 37,995,047	\$ 37,590,621	\$ 39,618,067	\$ 40,781,023
Restricted	10,474,102	8,831,217	5,479,768	3,758,468	3,364,057	3,396,673	3,052,106	3,166,496	2,064,414	4,000,980
Unrestricted (2) (3) (4)	9,278,840	5,607,333	5,388,171	3,095,892	(286,279)	11,873,287	12,072,812	11,225,641	9,458,652	7,880,620
Total Net Position	\$ 70,615,998	\$ 62,315,724	\$ 53,799,721	\$ 50,868,284	\$ 45,960,481	\$ 54,919,357	\$ 53,119,965	\$ 51,982,758	\$ 51,141,133	\$ 52,662,623

(1) Fiscal year 2012 net investment in capital assets has been restated due to the implementation of GASB 63 and 65.

(2) Fiscal year 2014 unrestricted net position has not been restated due to the implementation of GASB 68.

SCHEDULE 2
CITY OF FERNANDINA BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EXPENSES										
Governmental Activities:										
General Government	\$ 4,794,176	\$ 4,645,880	\$ 4,163,808	\$ 3,789,868	\$ 3,720,751	\$ 3,515,960	\$ 4,131,552	\$ 4,057,760	\$ 4,192,186	\$ 4,617,752
Public Safety	11,595,342	11,077,039	10,358,556	9,830,929	9,614,391	9,879,821	9,665,601	9,418,922	9,595,305	9,000,313
Physical Environment	1,506,579	1,639,299	3,429,751	2,094,050	1,972,165	1,955,405	2,296,174	2,587,248	1,933,203	2,450,640
Transportation	2,694,817	3,403,051	52,414	47,184	47,379	35,494	38,311	73,245	47,705	63,162
Economic Environment	77,153	783,494	55,418	45,666	172,992	497,085	39,013	57,167	68,127	83,989
Human Services	55,418	52,811	2,639,833	2,685,529	2,964,980	2,344,731	2,289,114	2,285,784	2,966,906	2,962,155
Culture and Recreation	2,813,869	2,631,741	90,328	93,298	98,484	113,432	139,921	159,436	176,497	274,557
Interest on Long-term Debt	54,271	73,810	20,780,356	18,583,729	18,591,142	18,341,928	18,599,686	18,639,562	18,979,929	19,452,568
Total Governmental Activities Expenses	23,591,625	24,307,125	17,883,079	14,992,208	14,503,599	16,436,664	16,560,269	15,397,395	15,095,346	14,806,016
Total Expenses	\$ 38,752,892	\$ 38,680,501	\$ 38,613,435	\$ 33,575,937	\$ 33,094,741	\$ 34,778,592	\$ 35,159,955	\$ 34,036,957	\$ 34,075,275	\$ 34,258,584
Business-type activities:										
Golf Course	1,701,757	1,644,592	1,666,591	1,649,065	1,704,365	1,665,949	1,742,779	1,812,640	1,707,322	1,467,057
Airport	1,423,977	1,474,615	1,047,074	1,147,472	1,131,745	1,110,268	1,404,547	1,246,794	1,248,391	1,656,875
Sanitation	2,377,519	2,362,448	2,263,923	2,307,671	2,209,587	2,130,278	2,089,886	2,054,352	2,011,406	1,959,710
Sewer and Water	7,324,589	7,562,630	7,714,073	7,274,661	6,998,895	9,004,523	9,066,428	7,875,780	7,769,936	7,492,164
Stormwater	1,175,464	649,258	553,591	435,834	276,939	199,478	30,987	127,057	112,884	121,315
Marina	1,157,961	679,833	4,587,827	2,177,505	2,182,068	2,326,168	2,225,642	2,280,772	2,245,407	2,108,895
Total Business-type Activities Expenses	15,161,267	14,373,376	17,883,079	14,992,208	14,503,599	16,436,664	16,560,269	15,397,395	15,095,346	14,806,016
Total Expenses	\$ 38,752,892	\$ 38,680,501	\$ 38,613,435	\$ 33,575,937	\$ 33,094,741	\$ 34,778,592	\$ 35,159,955	\$ 34,036,957	\$ 34,075,275	\$ 34,258,584
PROGRAM REVENUES										
Governmental Activities:										
Charges for services:										
General Government	\$ 223,716	\$ 343,119	\$ 159,242	\$ 105,652	\$ 80,073	\$ 64,535	\$ 73,499	\$ 59,434	\$ 38,940	\$ 47,137
Public Safety	3,107,967	3,528,505	2,271,875	1,925,961	1,727,680	1,594,369	1,711,177	1,438,222	1,353,638	1,485,985
Physical Environment	185,444	198,011								
Transportation										
Economic Environment										
Human Services										
Culture and Recreation	1,595,600	1,941,137	1,588,940	1,432,328	1,219,871	1,122,999	1,078,207	1,056,424	1,012,146	898,093
Operating Grants and Contributions	2,966,057	2,313,984	1,262,691	217,650	246,238	334,065	559,775	1,008,600	261,959	218,809
Capital Grants and Contributions		63,450	10,226	632,805	1,559,532	1,345,976	393,435	746,548	279,950	125,158
Total Governmental Activities Program Revenues	8,078,784	8,388,206	5,292,974	4,314,396	4,833,394	4,461,944	3,816,093	4,309,228	2,946,633	2,775,182
Business-type activities:										
Charges for services:										
Golf Course	\$ 1,327,190	\$ 1,297,173	\$ 1,257,703	\$ 1,270,514	\$ 1,343,072	\$ 1,315,098	\$ 1,401,263	\$ 1,585,420	\$ 1,418,049	\$ 1,286,942
Airport	875,909	674,692	651,350	663,190	600,851	576,008	583,265	566,381	567,660	504,692
Sanitation	2,385,670	2,395,312	2,330,575	2,254,588	2,245,416	2,190,580	2,099,526	2,120,375	2,031,099	1,996,979
Sewer and Water	11,664,072	11,120,309	11,114,482	9,987,960	9,406,734	9,082,896	8,698,240	8,652,651	8,433,433	7,657,136
Stormwater	879,548	847,771	303,450	277,181	271,299	270,857	258,267	432	230	-
Marina	125,939	296,773	333,876	2,264,613	2,210,050	2,341,395	2,153,071	2,131,261	2,106,478	1,919,159
Operating Grants and Contributions	216,618	13,562	2,184	289,864	-	788,868	1,721,983	436,193	-	1,045,384
Capital Grants and Contributions	1,017,264	2,842,464	2,025,660	16,917,910	18,393,857	16,565,702	16,950,543	15,493,713	15,805,875	14,410,292
Total business-type activities program revenues	18,492,210	19,488,056	18,019,280	16,917,910	18,393,857	16,565,702	16,950,543	15,493,713	15,805,875	14,410,292
Total program revenue	\$ 26,570,994	\$ 27,876,262	\$ 23,312,254	\$ 21,232,306	\$ 23,227,251	\$ 21,027,646	\$ 20,766,636	\$ 19,801,941	\$ 18,752,508	\$ 17,185,474
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (15,512,841)	\$ (15,918,919)	\$ (15,487,382)	\$ (14,269,333)	\$ (13,757,748)	\$ (13,879,984)	\$ (14,783,593)	\$ (14,330,334)	\$ (16,033,296)	\$ (16,677,386)
Business-type Activities	3,330,943	5,114,680	186,201	1,925,702	3,890,258	1,259,038	390,274	95,318	710,529	(395,724)
Total (Expense)/Revenue	\$ (12,181,898)	\$ (10,804,239)	\$ (15,301,181)	\$ (12,343,631)	\$ (9,867,490)	\$ (13,750,946)	\$ (14,393,319)	\$ (14,235,016)	\$ (15,322,767)	\$ (17,073,110)

SCHEDULE 2
CITY OF FERNANDINA BEACH, FLORIDA
CHANGES IN NET POSITION, continued
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property Taxes	\$ 12,859,437	\$ 12,104,097	\$ 11,040,874	\$ 10,356,519	\$ 9,894,587	\$ 9,680,522	\$ 9,337,768	\$ 8,476,798	\$ 8,079,352	\$ 8,568,587
Franchise and Utility Taxes	3,296,296	3,234,806	3,216,047	3,188,719	3,167,234	2,970,994	3,021,388	3,089,275	2,843,187	2,891,648
Half-cent Sales Tax	910,955	877,989	810,556	772,617	729,203	673,908	617,427	575,090	579,504	558,241
State Revenue Sharing	357,847	341,595	325,671	309,451	302,846	295,693	291,794	291,380	289,429	288,813
Discretionary Sales Surtax	2,179,554	1,941,118	1,873,713	1,778,306	1,683,460	1,556,723	1,426,792	1,333,581	1,338,433	1,296,945
Other taxes	247,774	225,101	228,954	224,176	-	569,516	-	-	-	-
Other Miscellaneous	218,561	216,543	331,378	412,372	558,488	324,125	41,656	427,558	468,549	234,059
Investment Earnings	174,403	90,392	63,263	41,351	26,333	12,190	-	62,769	126,467	102,085
Gain on Disposal of Fixed Assets	-	2,272	-	-	-	-	-	-	-	-
Transfers	81,700	58,685	42,285	(136,215)	(183,836)	(301,620)	(34,000)	326,989	166,460	58,409
Total Governmental Activities	20,326,527	19,092,598	17,932,741	16,947,296	16,178,315	15,212,535	15,272,341	14,583,440	13,891,381	13,998,787
Business-type activities:										
Other Miscellaneous	88,374	174,222	310,193	153,837	34,860	32,790	614,973	799,356	60,994	(2,203)
Investment Earnings	148,971	38,213	31,969	14,086	17,373	3,393	19,108	20,834	15,271	47,026
Gain on Disposal of Fixed Assets	-	157,969	-	-	-	-	-	-	-	-
Transfers	(81,700)	(58,685)	(42,285)	136,215	183,836	301,620	34,000	(326,989)	(166,460)	(58,409)
Total Business-type Activities	155,645	311,719	299,877	304,138	236,069	337,803	668,081	493,201	(90,195)	(13,586)
Total	\$ 20,482,172	\$ 19,404,317	\$ 18,232,618	\$ 17,251,434	\$ 16,414,384	\$ 15,550,338	\$ 15,940,422	\$ 15,076,641	\$ 13,801,186	\$ 13,985,201
CHANGE IN NET POSITION										
Governmental Activities	\$ 4,813,686	\$ 3,173,679	\$ 2,445,359	\$ 2,677,963	\$ 2,420,567	\$ 1,332,551	\$ 488,748	\$ 253,106	\$ (2,141,915)	\$ (2,678,599)
Business-type Activities	3,486,588	5,426,399	486,078	2,229,840	4,126,327	466,841	1,058,355	588,519	620,334	(409,310)
Total	\$ 8,300,274	\$ 8,600,078	\$ 2,931,437	\$ 4,907,803	\$ 6,546,894	\$ 1,799,392	\$ 1,547,103	\$ 841,625	\$ (1,521,581)	\$ (3,087,909)

SCHEDULE 3
CITY OF FERNANDINA BEACH, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Nonspendable	\$ 618,052	\$ 1,043,011	\$ 1,023,966	\$ 905,428	\$ 634,185	\$ 782,063	\$ 851,549	\$ 1,250,214	\$ 1,290,987	\$ 669,141
Restricted	3,253,168	2,429,327	1,398,046	1,004,250	793,374	512,378	261,776	601,261	145,548	309,071
Committed	4,548,761	4,510,708	4,402,869	3,987,271	3,664,922	3,509,190	3,447,973	3,378,327	63,939	
Assigned	728,532	769,951	1,167,461	1,191,699	718,233	638,759	159,623	591,921	23,531	
Unassigned	2,519,317	1,132,201	623,782	975,530	1,482,841	1,148,343	1,235,633	314,412	3,874,692	5,699,420
Total General Fund	\$ 11,667,830	\$ 9,885,198	\$ 8,616,124	\$ 8,064,178	\$ 7,293,555	\$ 6,590,733	\$ 5,956,554	\$ 6,136,135	\$ 5,398,697	\$ 6,677,632
All Other Governmental Funds										
Nonspendable	\$ -	\$ 122,371	\$ 1,600,000	\$ -	\$ 4,000	\$ 138,233	\$ 4,000	\$ -	\$ 4,000	\$ 4,000
Restricted	5,033,871	4,925,247	3,896,645	3,633,965	2,126,156	2,308,417	2,214,452	1,822,148	104,968	1,546,134
Committed	1,268,487	1,026,918	974,146	933,449	878,709	823,278	786,275	756,573	765,336	688,465
Assigned	56,720	416,836	92,048	1,133,821	825,811	529,383	1,284,727	2,118,137	110,775	78,907
Unassigned	(444,589)	-	(293,149)	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 5,914,489	\$ 6,491,372	\$ 6,269,690	\$ 5,701,235	\$ 3,834,676	\$ 3,799,311	\$ 4,289,454	\$ 4,702,108	\$ 2,920,775	\$ 3,026,506

SCHEDULE 4
CITY OF FERNANDINA BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes, Licenses and Permits	\$ 22,058,467	\$ 22,009,415	\$ 17,958,345	\$ 16,798,549	\$ 15,825,898	\$ 15,177,234	\$ 14,776,009	\$ 13,745,886	\$ 12,968,447	\$ 13,518,391
Intergovernmental	2,766,962	3,565,064	2,350,148	1,661,536	1,922,392	2,323,299	1,846,101	1,827,043	1,410,842	1,224,925
Fines and Forfeitures	1,598,099	58,643	87,785	89,123	117,506	93,791	51,857	797,215	183,355	355,404
Charges for Services	214,329	1,477,078	1,446,796	1,494,628	1,380,703	1,331,053	1,382,899	1,272,422	1,289,935	1,008,252
Other	322,598	263,060	1,244,664	1,036,059	1,226,549	958,129	975,321	807,583	714,232	586,787
Total Revenues	26,960,455	27,373,260	23,087,738	21,079,895	20,473,048	19,883,506	19,032,187	18,450,149	16,566,811	16,693,759
Expenditures										
General Government	4,692,625	4,461,902	4,069,837	3,514,919	3,214,122	3,373,043	3,970,807	3,800,453	3,515,365	3,474,545
Public Safety	11,258,634	10,625,934	9,758,426	9,769,412	9,391,242	9,209,143	9,092,873	8,877,495	8,917,911	8,570,609
Physical Environment	1,506,579	1,639,299	2,948,493	1,719,952	1,547,868	1,478,862	1,457,184	1,586,752	1,072,525	1,137,593
Transportation	2,146,026	2,930,090	52,414	47,184	47,379	35,494	38,311	73,245	65,202	63,162
Economic Environment	74,459	782,268	52,414	37,913	172,992	497,085	39,013	57,167	68,127	83,989
Human Services	55,418	52,811	45,666	37,913	172,992	497,085	39,013	57,167	68,127	83,989
Culture and Recreation	2,285,030	2,138,614	2,093,649	2,291,180	2,560,053	1,887,808	1,853,064	1,800,960	2,494,091	2,489,139
Debt Service:										
Principal	1,186,339	1,168,951	977,860	694,999	636,934	620,495	1,617,878	639,885	506,727	464,223
Interest	58,932	78,365	94,812	97,652	102,744	117,597	143,992	163,389	219,935	279,061
Capital Outlay	2,572,364	2,491,609	1,954,965	2,268,612	1,883,691	2,233,323	1,383,300	1,155,021	962,590	689,900
Contingency Loss	-	-	-	-	-	-	-	-	376,000	1,000,000
Total Expenditures	25,836,406	26,369,843	21,996,122	20,441,823	19,557,025	19,452,850	19,596,422	18,154,367	18,198,473	18,252,221
Excess (Deficiency) of Revenues Over (Under) Expenditure	1,124,049	1,003,417	1,091,616	638,072	916,023	430,656	(564,235)	295,782	(1,631,662)	15,693,759
Other Financing Sources (Uses)										
Capital Lease		427,154		3,216,109				1,884,000	5,663,581	
Proceeds from Notes Payable				(1,030,784)					(5,583,045)	
Payment on Note Refunding				1,962,550	2,259,355	1,463,904	2,360,536	1,319,054	961,312	2,751,409
Transfers In	2,749,688	2,164,466	2,209,800	(2,148,765)	(2,437,191)	(1,750,524)	(2,388,536)	(980,065)	(794,852)	(2,693,000)
Transfers Out	(2,667,988)	(2,104,281)	(2,181,015)	(2,148,765)	(177,836)	(286,620)	(28,000)	2,222,989	246,996	58,409
Total Other Financing Sources (Uses)	81,700	487,339	28,785	1,999,110	(177,836)	(286,620)	(28,000)	2,222,989	246,996	58,409
Net Change in Fund Balance	\$ 1,205,749	\$ 1,490,756	\$ 1,120,401	\$ 2,637,182	\$ 738,187	\$ 144,036	\$ (592,235)	\$ 2,518,771	\$ (1,384,666)	\$ 15,752,168
Debt Service as a Percentage of Non Capital Expenditures	5.35%	5.22%	5.35%	4.36%	4.19%	4.29%	9.67%	4.73%	4.22%	4.23%

SCHEDULE 5
CITY OF FERNANDINA BEACH, FLORIDA
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Property	Taxes	Franchise and Utility Tax	Half-cent Sales Tax	State Revenue Sharing	Discretionary Sales Surtax	Total					
2019	\$	12,859,437	\$	3,296,296	\$	910,955	\$	357,847	\$	1,847,705	\$	19,272,240
2018		12,104,097		3,234,806		877,989		341,595		1,941,118		18,499,605
2017		11,040,874		3,216,047		810,556		325,671		1,873,713		17,266,861
2016		10,356,519		3,188,719		772,617		309,451		1,778,306		16,405,612
2015		9,894,587		3,167,234		729,203		302,846		1,683,460		15,777,330
2014		9,680,522		2,970,994		673,908		295,693		1,556,723		15,177,840
2013		9,337,768		3,021,388		617,427		291,794		1,426,792		14,695,169
2012		8,476,798		3,089,275		575,090		291,380		1,333,581		13,766,124
2011		8,079,352		2,843,187		579,504		289,429		1,338,433		13,129,905
2010		8,568,587		2,891,648		558,241		288,813		1,296,945		13,604,234
Change 2010-2019												
		50.08%		13.99%		63.18%		23.90%		42.47%		41.66%

SCHEDULE 6
CITY OF FERNANDINA BEACH, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	REAL PROPERTY				LESS EXEMPTIONS:			Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property	Industrial Property	Other*	Real Property	Personal Property					
2019	\$ 1,768,916	239,602	66,426	224,570	\$ 424,324	\$ 18,043	\$ 1,857,147	\$ 6.0482	\$ 2,299,513	80.76%	
2018	1,612,673	222,294	67,728	215,163	379,199	16,010	1,722,649	6.2097	2,117,858	81.34%	
2017	1,488,441	211,702	66,971	196,684	378,463	16,717	1,568,618	6.3044	1,963,799	79.88%	
2016	1,604,556	217,339	60,254	203,704	367,512	16,797	1,701,544	6.3044	2,085,853	81.58%	
2015	1,526,322	206,742	57,316	193,771	359,449	16,348	1,608,355	6.3663	1,984,152	81.06%	
2014	1,488,738	201,651	55,905	189,000	354,340	37,579	1,543,377	6.5080	1,935,295	79.75%	
2013	1,499,761	203,144	56,319	190,399	352,847	36,395	1,560,382	6.3001	1,949,624	80.04%	
2012	1,572,588	213,009	59,054	199,645	370,372	37,125	1,636,799	5.4335	2,044,295	80.07%	
2011	1,633,891	221,313	61,356	207,428	381,304	33,232	1,709,451	4.9365	2,123,987	80.48%	
2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.4855			

Source: Nassau County Property Appraiser.
N/A - 2010 information was not available.

SCHEDULE 7
CITY OF FERNANDINA BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Fiscal Year	Tax Roll Year	OVERLAPPING RATES									
		City of Fernandina Beach Operating	City of Fernandina Beach Debt	Nassau County	St. Johns River Water Management	Nassau County Schools	Florida Inland Navigational District	Amelia Isl Mosquito Control	Amelia Isl Beach MSTU		
2019	2018	\$ 5.8553	\$ 0.1929	\$ 7.4278	\$ 0.2562	\$ 6.3170	\$ 0.0320	\$ 0.1412	\$ 0.1021		
2018	2017	6.0000	0.2097	6.5670	0.2724	6.5980	0.0320	0.1495	0.1021		
2017	2016	6.0682	0.2362	6.5670	0.2885	6.7940	0.0320	0.1587			
2016	2015	6.1021	0.2023	6.5670	0.3023	7.1530	0.0320	0.1472			
2015	2014	6.1021	0.2642	6.5670	0.3164	7.2160	0.0345	0.1522			
2014	2013	6.2844	0.2236	5.5670	0.3283	7.3590	0.0345	0.1474			
2013	2012	6.0277	0.2724	5.5670	0.3313	7.5430	0.0345	0.1453			
2012	2011	5.1759	0.2576	5.5670	0.3313	7.8080	0.0345	0.1372			
2011	2010	4.6612	0.2753	5.5670	0.4158	7.8080	0.0345	0.1294			
2010	2009	4.2420	0.2435	5.5670	0.4158	7.8080	0.0345	0.1175			

Source: Nassau County Property Appraiser

**SCHEDULE 8
CITY OF FERNANDINA BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Westrock CP, LLC	\$ 161,621,729	1	7.03%	\$ 156,544,576	1	8.35%
Rayonier Performance Fibers	64,333,360	2	2.80%	70,210,364	2	3.74%
Rocktenn CP, LLC	39,109,503	3	1.70%	40,320,709	3	2.15%
Eight Flags Energy	34,132,111	4	1.48%			
Island Walk Station, LLC	17,400,000	5	0.76%	10,093,626	5	0.54%
Florida Public Utilities, Co	17,351,233	6	0.75%	22,133,510	4	1.18%
Amelia Island Hotel Group, LLC	11,538,681	7	0.50%			
Chesapeake Utilities Corp	10,661,455	8	0.46%			
Fairway Sadler LLC	8,727,637	9	0.38%			
Peoples Gas System	7,293,787	10	0.32%			
Amelia Harbor View, LLC				6,303,763	6	0.34%
RRG of Amelia Inc.				3,098,690	10	0.17%
Wal-Mart Stores #977				3,130,761	9	0.17%
First Coast Community Bank				3,638,764	8	0.19%
Fernandina Beach Hotel Group				4,137,517	7	0.22%
Totals	<u>\$ 372,169,496</u>		<u>16.18%</u>	<u>\$ 319,612,280</u>		<u>17.04%</u>

Source: Nassau County Property Appraiser and Nassau County
Not all 2010 information was available.

**SCHEDULE 9
CITY OF FERNANDINA BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Roll Year	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections in Subsequent Years	Total Collections To Date	
			Amount	Percentage of Levy		Amount*	Percentage of Levy
2019	2018	\$ 12,860,995	\$ 12,834,672	99.80%	\$	\$ 12,834,672	99.80%
2018	2017	12,123,361	12,089,983	99.72%	16,112	12,106,095	99.86%
2017	2016	10,971,228	10,824,778	98.67%	8,725	10,833,503	98.74%
2016	2015	10,447,275	10,350,806	99.08%	45,791	10,396,597	99.51%
2015	2014	9,814,954	9,716,219	98.99%	5,712	9,721,931	99.05%
2014	2013	9,824,000	9,686,556	98.60%	16,883	9,703,439	98.77%
2013	2012	9,416,621	9,326,945	99.05%	(6,035)	9,320,910	98.98%
2012	2011	8,835,312	8,438,041	95.50%	10,823	8,448,864	95.63%
2011	2010	8,066,170	8,054,135	99.85%	38,756	8,092,891	100.33%
2010	2009	8,257,156	7,288,461	88.27%	25,726	7,314,187	88.58%

*Amounts are for the general fund operations only and are exclusive of discounts, interest and penalties

Source: Nassau County Tax Collector

SCHEDULE 10
CITY OF FERNANDINA BEACH, FLORIDA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business Type Activities			Total	Percentage of Estimated Actual Taxable Value of Real property(1)	Per Capita (2)
	GENERAL OBLIGATION BONDS	Revenue Bonds and Notes	Capital Leases	Revenue Bonds and Notes	Line of Credit	Capital Leases			
2019	\$ 821,000	\$ 1,146,796	\$ 280,217	\$ 32,435,534	\$ 4,820,002	\$	39,503,549	2,299,513	3,058.73
2018	1,216,000	1,707,115	511,237	34,596,821	695,001		38,726,174	2,117,858	3,034.73
2017	1,602,000	2,261,562	312,588	35,643,980		41,637	39,861,767	1,963,799	3,176.24
2016	1,982,000	2,775,746	396,264	37,631,402		81,927	42,867,339	2,085,853	3,505.38
2015	2,351,000	1,312,683		38,605,721		151,494	42,420,898	1,984,152	3,585.87
2014	2,712,000	1,588,617		40,491,393		233,499	45,025,509	1,935,295	3,785.56
2013	3,065,000	1,856,113		42,172,504		117,306	47,210,923	1,949,624	4,090.71
2012	3,410,000	3,128,990		43,358,969		157,985	50,055,944	2,044,295	4,348.91
2011	3,745,000	1,479,305	70,569	45,151,711		194,896	50,641,481	2,123,987	4,408.59
2010	3,961,919	1,613,061	138,003	46,790,427			52,503,410	N/A	4,570.68

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 6 for estimated actual taxable value of real property.

(2) See Schedule 14 for population data.

N/A - Property Appraiser 2010 information was not available.

**SCHEDULE 11
CITY OF FERNANDINA BEACH, FLORIDA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Total Taxable Assessed Value	GENRAL OBLIGATION BONDS	Less: Amounts Available in Debt Service Funds	Net Bonds Outstanding	Percentage of Estimated Actual Taxable Value of Real property(1)	Per Capita (2)
2019	\$ 2,299,513,071	\$ 821,000	\$ 4,464	\$ 816,536	0.04%	63.22
2018	2,117,858,482	1,216,000	4,442	1,211,558	0.06%	94.94
2017	1,963,798,534	1,602,000	4,442	1,597,558	0.08%	127.30
2016	2,085,853,231	1,982,000	4,316	1,977,684	0.09%	161.72
2015	1,984,151,696	2,351,000	121,867	2,229,133	0.11%	188.43
2014	1,935,294,915	2,712,000	118,371	2,593,629	0.13%	218.06
2013	1,949,623,795	3,065,000	165,938	2,899,062	0.15%	251.20
2012	2,044,295,497	3,410,000	165,930	3,244,070	0.16%	281.85
2011	2,123,987,062	3,745,000	165,786	3,579,214	0.17%	311.59
2010	N/A	3,970,000	95,194	3,874,806		337.32

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 6 for estimated actual taxable value of real property.

(2) See Schedule 14 for population data.

N/A - 2010 information was not available.

**SCHEDULE 12
CITY OF FERNANDINA BEACH, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019**

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property Taxes			
Nassau County*	28,270,288	31.8%	<u>8,994,546</u>
Subtotal Overlapping Debt			8,994,546
City direct debt			14,330,219
Totals			<u>\$ 23,324,765</u>

* Fiscal year 2019 outstanding debt from Nassau County unavailable. Fiscal Year 2018 debt is presented.

Source: Nassau County Clerk of the Court/Comptroller

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issues and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using the City's assessed taxable value and dividing it by Nassau County's assessed taxable value.

**SCHEDULE 13
CITY OF FERNANDINA BEACH, FLORIDA
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Operatating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2019	\$ 10,364,923	\$ 4,521,496	\$ 5,843,427	1,290,000	\$ 1,172,250	2.37
2018	10,221,053	4,283,204	5,937,849	1,230,000	1,233,750	2.41
2017	10,079,472	4,267,823	5,811,649	1,085,000	1,277,150	2.46
2016	9,411,710	3,877,659	5,534,051	1,045,000	1,311,850	2.35
2015	9,131,153	3,702,025	5,429,128	1,000,000	1,355,617	2.30
2014	9,095,086	3,808,621	5,286,465	720,000	1,378,750	2.52
2013	8,852,666	4,924,928	3,927,738	420,000	1,901,580	1.69
2012	8,626,689	4,040,116	4,586,573	905,000	1,517,994	1.89
2011	8,439,791	3,842,094	4,597,697	869,980	1,548,758	1.90
2010	7,649,601	3,852,732	3,796,869	840,000	1,578,527	1.57

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

SCHEDULE 14
CITY OF FERNANDINA BEACH, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Population Income (Amounts in Thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2019	12,915	N/A	N/A	2.6
2018	12,761	949,609	41,816	3.0
2017	12,550	881,703	38,925	3.5
2016	12,229	818,978	36,577	4.2
2015	11,830	803,471	33,032	4.7
2014	11,894	792,211	31,896	5.4
2013	11,541	728,395	31,323	5.9
2012	11,510	725,119	31,411	7.5
2011	11,487	674,988	31,936	8.6
2010	11,487	654,548	30,019	10.4

N/A - Data is unavailable

Sources: Population information provided by the University of Florida, Bureau of Economic and Business Research. Per capita income provided by U.S. Census Bureau. Unemployment rate information provided by U.S. Department of Labor: U.S. Bureau of Labor Statistics.

**SCHEDULE 15
CITY OF FERNANDINA BEACH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Nassau County School District	1,598	1	12.37%	1485	1	12.93%
Nassau County Government	672	2	5.20%	676	2	5.88%
WestRock CP, LLC	445	3	3.45%	482	3	4.20%
Baptist Medical Center Nassau	420	4	3.25%	365	4	3.18%
Rayonier Advanced Materials	300	5	2.32%	280	6	2.44%
City of Fernandina Beach	261	6	2.02%	335	5	2.92%
Publix	200	7	1.55%	- (1)	7	0.00%
Walmart - Fernandina Beach	126	8	0.98%	- (1)	10	0.00%
Florida Public Utilities	60	9	0.46%	- (1)	9	0.00%
Winn Dixie	60	10	0.46%	- (1)	8	0.00%
Totals	4,142		32.07%	3,623		31.54%

Source: City of Fernandina Beach Building Department, Nassau County Economic Board and Nassau County

(1) 2010 data not available

SCHEDULE 16
CITY OF FERNANDINA BEACH, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
City Clerk	4.00	4.00	4.00	4.00	3.50	4.50	4.50	4.50	4.50	5.50
City Manager	4.00	4.25	3.50	4.00	3.90	3.90	4.00	3.00	3.00	3.00
Finance	8.00	7.84	6.90	6.40	6.40	6.50	6.00	7.50	7.50	7.50
Information Technology	3.00	3.00	2.60	2.60	2.60	3.00	2.00	3.50	2.50	2.50
Human Resources	3.00	3.17	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Legal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development-Planning	6.00	4.38	4.00	3.30	3.40	3.10	4.30	6.40	5.20	5.00
Public Safety										
Police										
Officers	38.00	37.50	35.50	33.50	32.50	32.50	32.50	34.50	36.50	37.50
Civilians	8.00	5.50	5.50	5.50	10.50	10.50	10.00	12.00	12.00	11.00
Fire										
Firefighters and Officers	34.00	33.00	33.00	31.00	31.00	30.50	32.00	33.00	33.00	33.00
Civilians	1.00	1.00	1.00	1.00	0.50	1.00	1.00	1.00	1.00	1.00
Building	10.00	9.90	7.70	6.15	6.15	5.80	5.10	8.40	6.30	9.50
Code Enforcement	2.50	1.73	1.90	2.10	1.50	1.10	1.10	0.00	0.00	0.00
Public Works										
Streets	20.50	18.50	18.50	17.50	15.50	15.50	15.00	9.00	8.50	9.50
Facility Maintenance	6.50	6.50	7.00	6.00	6.00	6.00	5.50	7.50	6.50	5.50
Culture and Recreation	31.00	31.00	29.00	34.00	34.00	34.00	34.00	31.50	41.50	34.50
Enterprise Funds										
Water	12.50	12.50	12.50	11.50	10.50	10.50	11.00	11.00	12.00	11.00
Airport	2.00	2.00	2.00	1.50	1.50	1.60	1.50	1.50	1.50	2.00
Golf Course									11.00	29.50
Marina										7.00
Wastewater	13.50	13.50	13.50	13.00	13.00	13.00	16.00	18.00	17.00	17.00
Stormwater	6.00	4.75	2.50	0.50	0.00	0.50	0.00	1.00	1.00	0.50
Internal Service Funds										
Central Garage	3.0	3.0	3.0	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Utility Billing	5.0	5.0	5.0	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Utilities Administration	3.0	3.0	3.0	3.00	4.00	4.00	3.50	3.50	4.00	3.00

Data obtained from City of Fernandina Beach Finance Department

SCHEDULE 17
CITY OF FERNANDINA BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police										
Physical Arrests	350	386	255	362	675	675	686	572	631	793
Parking Violations	500	430	556	673	1,000	500	496	682	474	278
Traffic Violations	3,000	3,081	925	1,131	1,250	1,500	1,122	1,191	1,714	1,814
Number of calls answered	19,309	19,309	21,914	21,525	22,500	22,000	21,548	23,392	21,152	19,837
Fire										
Number of calls answered	3,057	3,057	2,678	2,200	2,200	2,200	2,200	1,858	3,620	3,190
Rescue Transports	1,516	1,516	1,448	1,300	1,200	1,200	1,200	1,200	N/A	N/A
Inspections	271	271	198	200	220	200	200	158	192	150
Transportation										
Street Resurfacing (in tons of asphalt used)	5,000	5,000	4,000	4,000	4,000	4,000	6,000	6,000	3,800	0
Potholes repaired (in tons of cold mix used)	25	25	30	30	30	30	43	43	50	60
Culture and Recreation										
Participants - After school tutoring	50	50	50	50	50	50	57	57	55	50
Participants - Summer Camp	220	220	220	166	220	216	214	214	212	190
Participants - Adult Softball Leagues	700	700	700	700	700	640	629	629	501	421
Participants - Senior Programs	935	360	360	360	850	521	554	554	732	607
Water										
Number of Active Accounts	8,675	7,951	8,541	8,064	7,888	8,482	8,487	8,487	8,487	8,559
Annual Daily Pumpage (millions of gallons)	3,340	3,301	3,285	5,071	4,964	5,099	3,326	3,739	3,463	3,454
Wastewater										
Annual daily sewage treatment (millions of gallons)	1,741	1,669	1,593	1,741	1,755	1,802	1,550	1,54	1,85	1,80
Stormwater										
Streets Cleaned (miles)	5,000	5,000	5,000	5,000	5,000	5,000	5,004	5,004	5,000	5,000
Drainage Cleaning (man hours)	2,000	2,000	2,000	2,000	2,000	2,000	1,206	1,206	N/A	N/A
Golf										
Rounds Played	46,317	39,057	46,317	41,904	42,231	39,674	49,003	49,003	49,594	58,066
Memberships	727	765	827	190	244	202	289	289	320	N/A
Marina										
Diesel Pumped (gallons)	0 *	0 *	0 *	503,500	398,354	195,000	272,651	279,613	263,760	338,315
Gas Pumped (gallons)	0 *	0 *	0 *	79,897	68,268	72,000	56,676	57,456	91,557	86,263
Boat Night Count	15,000	15,145	15,145	19,900	22,650	15,500	13,754	12,225	8,965	6,050

N/A - data not reported

* - Marina closed due to Hurricane Matthew damage

Data obtained from City of Fernandina Beach Finance Department

SCHEDULE 18
CITY OF FERNANDINA BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets (miles)	99.00	77.16	77.16	76.05	76.03	75.09	75.09	75.09	75.09	75.09
Street lights	1,178	1,178	1,178	1,173	1,168	1,168	1,190	1,239	1,042	1,206
Culture and Recreation										
Community Centers	3	3	3	3	3	3	3	3	3	3
Parks	18	18	18	18	18	18	18	18	16	16
Parks Acreage	446	446	446	446	446	446	446	446	418	418
Pickleball Courts	4	4	0	0	0	0	0	0	0	0
Golf Course	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	130	124	121	120	120	117	117	117	144	144
Maximum daily capacity (thousands of gallons)	18.2	18.0	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.2
Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sewer lines (miles)	102	102	98	97	97	95	95	95	65	65
Maximum daily treatment capacity (millions of gallons)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Treatment Plants	2	2	2	2	2	2	2	2	2	2
Stormwater										
Stormwater pipe (miles)	66	66	66	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Drainage Structures	1,453	1,453	1,453	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City maintained ponds	4	4	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Statistical data not accounted for
Statistical information obtained from the City's Finance Department

OTHER INFORMATION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

Federal and State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State CSFA Number	Contract Number	Program Amount	Expenditures
Federal Financial Awards					
U.S. Department of Homeland Security					
Passed-Through Florida Division of Emergency Management (FEMA):					
Disaster Grants - Public Assistance	97.036			\$ 1,510,907	\$ 1,510,907 (1)
Disaster Grants - Public Assistance	97.039		H0104	103,324	58,502
Total U.S. Department of Homeland Security				<u>1,614,231</u>	<u>1,569,409</u>
U.S. Department of Justice					
Federal Equitable Sharing Agreement	16.922		N/A	175,107	70,406
Passed-Through Florida Department of Law Enforcement: Edward Byrne Memorial Justice Assistance Grant	16.738		2017-JAGD-NASS-2-H4-053	1,873	1,873
Total U.S. Department of Justice				<u>176,980</u>	<u>72,279</u>
U.S. Department of Transportation					
Airport Improvement Program:					
AWOS Replacement	20.106		3-12-022-027-2018	150,000	150,000
Runway 4-22 Pavement, Lighting and Drainage Rehabilitation	20.106		3-12-0022-028-2019	148,500	34,155
Construct 9% of Airport Terminal	20.106		3-12-0022-026-2017	356,355	17,643
Total U.S. Department of Transportation				<u>654,855</u>	<u>201,798</u>
U.S. Department of Commerce, National Oceanic and Atmospheric Administration					
Passed-Through Florida Department of Environmental Protection: Coastal Zone Management Administration Award	11.419		CM936	37,500	28,996
Total U.S. Department of Commerce, National Oceanic and Atmospheric Administration				<u>37,500</u>	<u>28,996</u>
U.S. Department of Housing and Urban Development					
Passed-Through Florida Department of Economic Opportunity (FDEO): Florida Small Cities Community Development Block Grant (CDBG) Program	14.218		86DDB-68-04-55-12-E47	101,181	-
Total U.S. Department of Housing and Urban Development				<u>101,181</u>	<u>-</u>
Total Federal Awards				<u>2,584,747</u>	<u>1,872,482</u>

(1) The Office of Management and Budget (OMB) requires that only expenditures that were approved by FEMA during the fiscal year are to be reported on the Schedule of Expenditures of Federal Awards (SEFA). The remaining expenditures will be reported on the SEFA in future years, when approved by FEMA.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
(Concluded)**

Federal and State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State CSFA Number	Contract Number	Program Amount	Expenditures
State Financial Assistance Projects					
Florida Department of Environmental Protection					
Statewide Surface Water Restoration and Wastewater Projects:					
N. Fletcher Drainage Improvements - Area 5	37.039		LP45011	\$ 500,000	\$ 33,085
Fernandina Beach Stormwater Shoreline Stabilization	37.039		LP45013	450,000	53,661
Subtotal CSFA #37.039				950,000	86,746
Increasing Access, Stewardship and Resiliency of Fernandina Beach					
Coastal Resources			R1921	75,000	-
Nassau County Beach Restoration	37.003		13NA2	1,183,320	477,661
Total Florida Department of Environmental Protection				2,208,320	564,407
Florida Department of Transportation					
Aviation Development Grants:					
Runway 13/31 Markings		55.004	G1474	40,000	39,924
Runway 4-22 Pavement, Lighting and Drainage Rehabilitation		55.004	G1C71	10,000	2,277
Airport Fuel Farm		55.004	G0Z26	320,000	22,400
Total Florida Department of Transportation				370,000	64,601
Total State Financial Assistance				2,578,320	629,008
Total Federal Awards and State Financial Assistance				\$ 5,163,067	\$ 2,501,490

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
CITY OF FERNANDINA BEACH, FLORIDA**

Note 1 - General

The accompanying schedule of expenditures of federal awards and state financial assistance projects presents the activity of all federal awards programs and state financial assistance projects of the City of Fernandina Beach, Florida (the City).

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2019. All federal awards and state financial assistance received directly from federal agencies or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards and state financial assistance projects is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis, as described in Note 1 to the City's financial statements.

Note 3 - De Minimis Indirect Cost Rate Election

The City did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA**

1. Summary of Audit Results

Financial Statements

I. Type of Audit Report Issued on Financial Statements

Unmodified Opinion

II. Significant Deficiency and/or Material Weaknesses in Internal Control

Audit disclosed no significant deficiencies in internal control over financial reporting.

III. Non-Compliance Material to Auditee Financial Statements

Audit disclosed no material instances of non-compliance.

Federal Awards

IV. Significant Deficiencies and/or Material Weaknesses in Internal Control Over Major Federal Programs

Audit disclosed no significant deficiencies and/or material weaknesses in internal control over major federal programs that are required to be reported in the schedule of findings and questioned costs.

V. Type of Audit Report Issued on Compliance with Requirements Applicable to Major Federal Programs

Unmodified Opinion

VI. Audit Findings Relative to Major Federal Programs

The audit disclosed no findings required to be reported under 2 CFR 200.516(a).

VII. Programs Tested as Major Federal Programs Included

■ **Federal Programs**

Disaster Grants – Public Assistance

CFDA No.

97.036

VIII. Dollar Threshold Used to Distinguish Between Type A and Type B Federal Programs

■ **Federal Programs**

\$750,000

IX. Low-Risk Auditee

The City did not qualify as a low-risk auditee.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CITY OF FERNANDINA BEACH, FLORIDA
*(Concluded)***

Financial Statement Findings

No matters are reported

Federal Awards Findings and Questioned Costs

No matters are reported

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

Report on Compliance for Each Major State Project

We have audited the City of Fernandina Beach, Florida’s, (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the City’s major Federal program for the year ended September 30, 2019. The City’s major Federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with Federal Statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for the City’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major Federal program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended September 30, 2019.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.*

The Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major Federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, non-compliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



March 12, 2020
Gainesville, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 12, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.*

The Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 12, 2020
Gainesville, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

We have examined the City of Fernandina Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes during the period ended September 30, 2019, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the City, its management, and is not intended to be, and should not be, used by anyone other than these specified parties.



March 12, 2020
Gainesville, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.*

MANAGEMENT LETTER

The Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Fernandina Beach, Florida (the City) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 12, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 12, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.*

The Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

MANAGEMENT LETTER

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is included in Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.(a) and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.(c) and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.(d), *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

The Honorable Mayor and City Commissioners
City of Fernandina Beach
Fernandina Beach, Florida

MANAGEMENT LETTER

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

March 12, 2020
Gainesville, Florida

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Pauline Testagrose, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Fernandina Beach which is a municipality of the State of Florida;
2. The City of Fernandina Beach adopted (Ordinance No. 2005-2, 95-6, 2013-21, 2014-35, 2014-36, 2015-16 and 2018-44) implementing an impact fee; and
3. The City of Fernandina Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.




 Pauline Testagrose

STATE OF FLORIDA
COUNTY OF NASSAU

SWORN TO AND SUBSCRIBED before me this 3rd day of March, 2020.





 NOTARY PUBLIC
 Print Name Susan Carless

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

2/26/22

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com