

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2019



**CITY OF ST. AUGUSTINE, FLORIDA**

**Frank B. Butler, owner of the Palace Market grocery store (pictured on the cover) was a local African American businessman and leader in St. Augustine's civil rights movement. In addition to Mr. Butler's success with the Palace Market, he also opened College Park Realty Company, becoming a well-known real-estate investor. After purchasing ocean front property on Anastasia Island, Frank Butler opened Butler Beach, the only beach between Jacksonville and Daytona open to African Americans during segregation. Frank Butler passed away in 1973.**

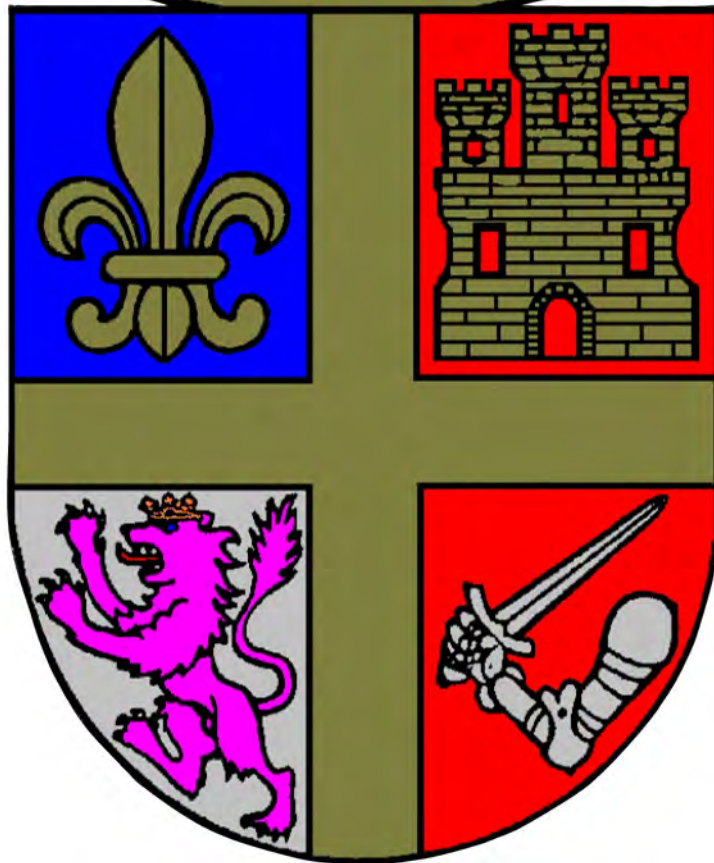
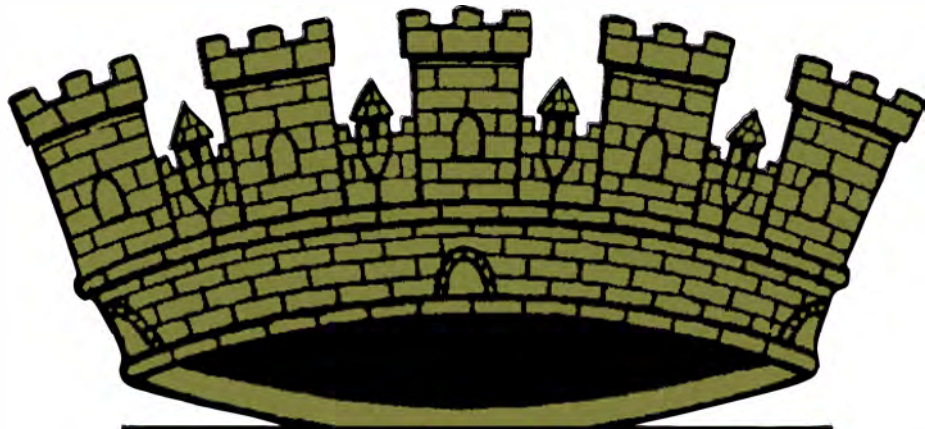
*Cover Photo: St. Augustine Historical Society Research Library  
Interior of Frank Butler's Grocery Store, 54 Washington Street, Circa 1924*

# **City of St. Augustine, Florida**

## **Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2019**

Prepared By:  
**Financial Services Department**







**CITY OF ST. AUGUSTINE, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended September 30, 2019**

**TABLE OF CONTENTS**

Table of Contents.....	i-iv
 <b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal.....	1-15
Certificate of Achievement.....	17
Principal City Officials.....	19-21
Organizational Chart.....	23-25
 <b><u>FINANCIAL SECTION</u></b>	
Independent Auditor’s Report.....	29-33
Management Discussion and Analysis.....	35-51
 Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	55
Statement of Activities.....	56-57
 Fund Financial Statements	
Balance Sheet – Governmental Funds.....	58-59
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.....	60
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	62-63
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	64
Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund - Budget and Actual.....	66
Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Fund HACRA - Budget and Actual.....	67
Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Fund LCRA - Budget and Actual.....	68
Statement of Net Position – Proprietary Funds.....	70-73
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	74-75
Statement of Cash Flows – Proprietary Funds.....	76-79
Statement of Net Position – Fiduciary Funds.....	80
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	81

(continued)

## TABLE OF CONTENTS

(continued)

### FINANCIAL SECTION (continued)

Notes to the Financial Statements.....	82-125
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios	
General Employees' Retirement Systems.....	129
Police Employees' Retirement Systems.....	130
Fire Employees' Retirement Systems.....	131
Schedule of Changes in the City's Net OPEB Liability and Related Ratios.....	132
Combining Statements	
Combining Statement of Fiduciary Net Position – Fiduciary Funds.....	135
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	136
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	137-139
Schedule of Expenditures of Federal Awards and State Financial Assistance Notes.....	140

### STATISTICAL SECTION

Table of Contents.....	143
Net Position by Component.....	144-145
Change in Net Position.....	146-147
Fund Balances, Governmental Funds.....	148-149
Changes in Fund Balances, Governmental Funds.....	150-151
Total Assessed Valuations and Total Exemptions.....	152-153
Property Tax Rates and Tax Levies, Direct and Overlapping .....	154
Principal Taxpayers.....	155
Property Tax Levies and Collections.....	156
Ratio of Net General Bonded Debt to Assessed Value and Net	
Bonded Debt Per Capita.....	157
Ratio of Annual Debt Service Expenditures for General Bonded	
Debt to Total General Expenditures.....	158
Utility Revenue Bond Coverage .....	159
Ratios of Outstanding Debt by Type.....	160
Direct and Overlapping Governmental Activities Debt.....	161-162
Computation of Legal Debt Margin.....	163
Summary of Pledged Funds.....	164
Demographic Statistics.....	165
Major Employers in the St. Augustine Area.....	166
Summary of Ten Largest Water Customers .....	167
Historical Utility Customers and Sales of the System .....	168-169
Water and Wastewater Treatment Plants Summary of Historical Daily Flows.....	170
Water and Sewer Utilities Historical Rate Structures .....	171
Building Permit Activity.....	172

(continued)



**TABLE OF CONTENTS**

(continued)

Property Value, Construction, and Bank Deposits .....	173
Miscellaneous Statistical Data.....	174-175
Full-Time Equivalent City Employees by Function .....	176
Operating Indicators by Function.....	177
Capital Asset Statistics by Function.....	178

**COMPLIANCE SECTION**

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	181-182
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes...	183
Independent Auditor’s Report On Compliance For Each Major Program and State Project and Report On Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General.....	185-186
Schedule of Findings and Questioned Costs.....	187-188
Management Letter.....	189-191

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# **INTRODUCTORY SECTION**

This Section Contains the Following:

**Letter of Transmittal**

**Certificate of Achievement**

**Principal City Officials**

**Organizational Chart**



# **Letter of Transmittal**





May 13, 2020

Honorable Mayor and Commissioners  
City of St. Augustine, Florida

Mayor and Commissioners:

The Comprehensive Annual Financial Report of the City of St. Augustine, Florida, for the fiscal year ended September 30, 2019, is submitted herewith, pursuant to Florida Statutes Chapter 166.241 (4) and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This Comprehensive Annual Financial Report was prepared by the staff of the City's Financial Services Department, therefore, responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of activity of its various funds, and all disclosures necessary to enable the readers to gain maximum understanding of the City's financial activity have been included.

The City is responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements, and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits. The evaluation of this relationship is a responsibility of City management. We believe these controls adequately safeguard City assets as well as provide reasonable assurance for properly recording transactions.

The independent accounting firm of Masters, Smith & Wisby, P.A., whose report is included herein, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatements. 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 City management, and evaluating the overall financial statement presentation. Based upon the audit, Masters, Smith & Wisby, P.A. concluded there is a reasonable basis for

rendering an unmodified opinion that the City's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States.

## **GOVERNMENT PROFILE**

Often called the City of the Centuries because of its antiquity, St. Augustine was founded by Spain in 1565 and is the oldest continuously occupied settlement of European origin in what is now the United States. The City was founded 42 years before the arrival of British colonists in Jamestown, 55 years before the Pilgrims landed at Plymouth Rock, and was already two centuries old at the time of the American Revolution.

Four flags have flown over St. Augustine: Spanish, British, Confederate and American. For nearly two centuries (1565-1763), St. Augustine was a Spanish possession. This 200-year period is referred to as the First Spanish Period. Britain obtained possession of Florida and St. Augustine in 1763 for 20 years (1763-1783). This period included the American Revolution and is known as the British Period. Spain regained possession of St. Augustine and the rest of Florida in 1784 and maintained it until Florida became a possession of the United States in 1821; this is known as the second Spanish Period.

Florida, with St. Augustine as the capital of East Florida, maintained its territorial status until 1845 when it was admitted to the United States as the 27th state. St. Augustine was briefly under the Confederate flag when Florida seceded from the Union in 1861, but the City was captured by Union forces early during the War Between the States and was occupied during most of the hostilities.

During its earliest years, St. Augustine was a collection of palm thatch huts. These gave way to board-sided houses with thatched roofs in the 17th century. After the town was burned in 1702 during an attack by Carolinians, the populace erected temporary straw or thatch shelters until they could build with more permanent materials such as tabby, the colonial equivalent of modern concrete, or coquina, a native shell stone quarried on Anastasia Island across the Matanzas River.

Many of the City's colonial structures have been carefully preserved and restored, and there is a continuing program to restore and reconstruct other buildings on their original foundations. Historic sites, buildings, and St. Augustine's old-world charm are found throughout the colonial City. A number of groups, both private and governmental, have and continue to pursue active roles in the restoration, preservation, and interpretation of St. Augustine's history.

Today, the City of St. Augustine is a full-service municipality located within the boundaries of St. Johns County. The City derives its government authority from a charter granted by the legislature of the State of Florida. The City operates under a City Manager form of government. Five



commission members, including the mayor, are elected at-large on a non-partisan basis. Four of the seats are staggered four-year terms with the mayor's seat elected every two years. The City Commission appoints the City Manager who directs the business of the City and its various departments. The City Commission determines policy, adopts legislation, approves the budget, sets taxes, and appoints the City Attorney, the City Clerk, and members of various boards and committees.

The City budget process begins in March and concludes in September with two public hearings. The budgets are prepared by each department and submitted to the budget committee for review. The budgets are then balanced and approved by the legal governing body. The General Fund, Special Revenue Fund and all Proprietary Funds have legally adopted annual budgets. The legal level of budgetary control is at the fund level without approval of the governing body. Actual spending, however, can exceed the appropriated amount of the fund to the extent revenues exceed the fund's budget.

### **ECONOMIC CONDITIONS AND OUTLOOK**

The City of St. Augustine is located within St. Johns County on the northeast coast of Florida. The City's limited economy is concentrated in tourism, although major employers provide some diversification and security. Flagler College, a four-year liberal arts college, the State Headquarters of the Florida National Guard, and the Florida State School for the Deaf and the Blind contribute greatly to a stable economy.

Founded by the Spanish 454 years ago, St. Augustine's historical and resort attractions draw millions of visitors every year. Tourism is responsible for more than \$1.1 billion annually and 22,000 jobs for St. Johns County. It is estimated nearly 9.6 million tourists visit St. Johns County annually with St. Augustine being the principal destination. St. Johns County estimates that just less than half of these people visit and return home the same day. This type of tourism, short-term and daily visitors, is less affected by downturns in the economy, and has even seen an increase as people avoid popular high-priced venues.

As predicted, the City's ad valorem tax revenues increased in fiscal year 2019. The growth has been due to new construction and renovation activity. For 2019 the City's total taxable value increased to \$1,761,801,063. This represents the total taxable value for the 2020 budget year and results in ad valorem revenue of approximately \$12,553,000.

### **MAJOR INITIATIVES/PROGRAMS**

Management's purpose is to continue to provide the same or an improved level of service while managing future growth through sound fiscal management and being cognizant of limited

resources. The City is very fortunate to continue experiencing substantial growth in both development and tourism within the local economy. The City's challenge now is managing the growth in a way that promotes a successful economic environment and protects the quality of life for the community.

### ***Strategic Planning***

The City continues to integrate its strategic planning initiative at every organizational level to guide and implement planning and resource allocation that is engrained in community engagement, broad transparency, and measured results. After completing a community-wide visioning exercise to update the City's Vision Plan, the Commission developed a strategic action plan that reflected the community's priorities to be incorporated into the City's budget process and business plan. The strategic plan is updated annually.

The City completed three years of the National Citizen Survey and plans to complete additional surveys every other year going forward. These results are used to review the Strategic Plan prior to the budget process and proposed business plan. Our most recent Citizen Survey indicated that 87% of respondents rated the City as an excellent or good place to live.

### ***Fiscal Management***

The City continues to conduct financial reviews and policy adoptions that show the City's commitment to the highest level of fiscal management. The City has developed a long-term revenue forecasting model for the General Fund that identifies anticipated future revenue to forecast with five years of predicted expenditures for operations and capital outlays. This five-year budget has enabled the Commission to make decisions and establish policies that impact the City beyond the next fiscal year.

The City's current bond ratings are favorable. Our current S&P ratings range from AA to A+. Our current Moody's ratings are Aa3 for both Capital Improvement Refunding Revenue Bonds. In layman's terms, these are excellent credit ratings that have been achieved by a hard fought, long-term commitment to raise the City's credit rating. This was made possible by a commitment from elected officials, management and all departments, with outstanding leadership by our Finance team. S&P's most recent report highlighted the strength of the City's management as follows:

*The City's good Financial Management Assessment (FMA) incorporates our view of the City's:*

- *Employment of conservative budgeting practices and assumptions, incorporating historical trend analysis, third-party consultants, and revenue and capital expenditure forecasts (the City has also hired a budgeting and performance management director to align budgets with performance-based metrics, which we view positively);*
- *Strong budgetary monitoring, including the regular review of revenue and expenditures and the monthly reporting of budget-to-actual results to the City commission;*

City of St. Augustine, Florida  
Letter of Transmittal

- *Multiyear revenue projections across all revenue sources, to provide insights for budgetary decisions;*
- *Maintenance of a five-year capital plan that includes funding sources and is updated annually;*
- *Adoption of the state's investment and cash management policies; and*
- *Local emergency reserve policy, which stipulates that the general fund shall maintain committed reserves equal to four months of budgeted revenue and that other funds shall maintain reserves equal to three months of revenue.*

***Police Department Accreditation***

The City of St. Augustine Police Department is currently in the process of completing accreditation through the Florida Police Accreditation Coalition. During fiscal year 2017, the St. Augustine Police Department completed an assessment to determine the needs and readiness of the agency and the City of St. Augustine. Four major points were identified during the assessment to successfully achieve the accreditation: the need for an accreditation manager, acquiring the proper software (PowerDMS), completing an on-site inspection by accreditation officials and becoming a member of the FLA-PAC website. Three of the four major points were addressed during fiscal year 2018. The Accreditation Manager position was approved and filled. PowerDMS was purchased and implemented, and the Police Department is now a member of the FLA-PAC. The St. Augustine Police Department has filed the necessary application for accreditation and the contract is now being reviewed. The on-site inspection will not be requested until the Police Department feels ready for full certification; however, a mock assessment is expected to be scheduled around June of 2020.

***Public Affairs***

The work of the Public Affairs Department can be divided into two general areas, Public Information and Event Management, each managed by the Public Information Coordinator and the Event and Venue Coordinator.

Public Information includes not only providing timely and useful information to the community on topics related to City services, programs and activities, but also encouraging the public to participate in opportunities through which their input may be considered by their government.

In fiscal year 2019, the Public Affairs Department greatly increased its use of social media across Facebook, Instagram, Twitter, and Nextdoor, to share public information with the community. This increase was also felt in the issuance of media releases, web site stories, the creation and distribution of informational videos, regular weekly and on-time delivery of the e-newsletter, *News & Notes*, and the continued broadcasting of The Break Room, a weekly public affairs radio program on Flagler College Radio.

The greatest accomplishment by the Public Information Coordinator was the development and launch of a new web site within an accelerated time frame meeting the launch goal of the last week in September. This was accomplished only through the strong planning and collaborative management of a 20-member team that represented every aspect of the City's operations.

Event Management includes both managing events produced by the City as well as numerous smaller ceremonies such as ribbon cuttings and award presentations, which are coordinated with private organizations producing events on public property or within the City's rights-of-ways.

In fiscal year 2019, the Public Affairs Department strengthened its management of non-City produced events by mandating that organizers meet with the Events Review Committee and implemented restrictions on the time and place for events including Francis Field, Plaza de la Constitución and rights-of-way.

During the year the department produced numerous small ceremonial events on behalf of the City, managed the presentations of Order of La Florida Award, the de Avilés Award, the Adelaide Sanchez Award, the annual Citizenship Awards, and the annual Arbor Day Ceremony. Additionally, the department produced the City's two largest single day events, *Light-Up! Night*, the kickoff to the annual 10-week long *Nights of Lights*, and *Fireworks Over The Matanzas* on July 4th. The department also produced the 29th season of one of the community's longest running free concert series, *Concerts in the Plaza*, a weekly musical series held in the Gazebo of the Plaza de la Constitución.

The two most prominent accomplishments by the Event and Venue Coordinator was the completion of the first comprehensive rewrite of the Event Guidelines in over six years, and the successful negotiation of changing the 60+ year tradition of the St. Augustine Easter Parade being held on Easter Sunday, resulting in the parade now being held on Easter Saturday.

### ***Salt Run Dredging***

The City has secured grant funding from FIND totaling \$200,000 and \$50,000 from the SAPWBD for phase 10 of our Salt Run maintenance dredging. The City began dredging in the winter of 2019 utilizing funds secured in fiscal years 2017, 2018 and 2019.

### ***Historic Alcazar Hotel***

The City has budgeted money in fiscal year 2020 to restore and reinstall "ALCAZAR" on top of the Lightner Museum building. This project was approved by HARB and is expected to be completed by the end of the fiscal year.

## **OTHER CITY PROJECTS**

### ***Utility Rates***

New utility rates were implemented in 2016, as the first year of a five-year rate plan, incorporating a tiered/block rate structure to aid in water conservation. This offered a lower base rate and a reduction in surcharges for services provided outside the City. The new rate analysis and subsequently adopted rates combined a revenue sufficiency analysis, 10-year capital improvement plan outlook, and analysis of the utility connection fees. The adopted rate structure is approved through 2020, which will provide revenue stability and reliability. The rates were re-assessed in 2018 and the previous rate increases were recommended to be maintained through 2020. Proposed rates for 2021 through 2028 were also recommended.

### ***Utility Capital Improvements***

A major water and sewer construction project currently underway, Charlotte Street utility replacements and brick street refurbishment, was delayed for archaeology investigations and is scheduled to be completed in 2020. Projects completed in 2019 include the North City watermain replacement.

Lift station maintenance, to include improved motor controls and communications, continues to be a high priority as well as slip-lining aging sewers to significantly extend the system's lifespan.

Another top priority of the strategic plan, the 10-year Capital Improvement Plan and the 5-year Utility Rate Plan is to increase capital spending in order to improve our water and wastewater infrastructure. This improves system reliability, resiliency and customer service.

The City is utilizing operating funding to manage smaller projects that help improve the maintenance and operability of the system. Projects include hydrant maintenance and flushing, valve assessment and exercising, and unidirectional flushing. These projects will improve the reliability of the system and keep the system flushed, reducing occurrences of sediment or discoloration in the distribution system.

Significant efforts continue to reduce the amount of inflow and infiltration into the sanitary sewer system. Sewer cleaning, inspection, sewer and manhole lining and general sewer maintenance continue to be a high priority as well as upgrading the sewer pumping stations (lift stations). The City experienced two hurricanes within fiscal year 2017 and resulted in more than 13 pumping stations damaged by the hurricanes and sanitary sewer overflows. The City has developed a master plan to upgrade pump stations within the flood zone to improve resiliency in the event of future flooding. This work is eligible for Public Assistance (PA) funding from Federal Emergency Management Agency (FEMA) for replacement of the damaged pump stations. Design for these 13 stations began in fiscal year 2017, continued in 2018 and 2019 with construction anticipated to begin in 2020.

### ***Meter Upgrades and Water Conservation***

A feasibility study completed in 2015 concluded 50% of the meters were greater than 15 years old with 19 different manufacturers represented in the meter inventory. With growing concerns over inefficiencies, increasing labor costs and opportunities for improvement in water conservation and customer service, the City partnered with the St. Johns River Water Management District (SJRWMD) to conduct a pilot project using funding assistance through a cost-share grant to upgrade manual, visually read water meters to automatic water meter readers. The pilot project (775 meters) was completed in 2016. Phase 1 (2,700 meters) of the meter replacement project funded by State Revolving Loan Fund (SRF) commenced in 2017. Phase 2 (2,400 meters) was completed in 2018. Phase 3 (2,500 meters) meters have been ordered and are scheduled for installation in 2020. The final phase (Phase 4 - 3,000+ meters) is anticipated to be completed in 2021.

### ***Stormwater***

The stormwater system remains on the forefront of major infrastructure issues for the City. With three hurricanes (Matthew, Irma and Dorian), building resiliency and adaptability into the City's stormwater program has become one of the top issues facing the Public Works Department and the City. The City was awarded a cost-share partnership with the St. Johns River Water Management District (SJRWMD) for three flood control/stormwater quality improvement projects in 2017: South Dixie Highway box culvert replacement (completed in 2018), Tide-Check valves for Davis Shores (14 valves installed in 2018) and Lincolnvile Stormwater improvements (Phase 1 completed in 2018, Phase 2 – under construction in 2020, and Phase 3 – under design in 2020).

The City was awarded additional cost-share dollars in fiscal year 2018 from SJRWMD for a flood control project for tide check valves at the Macaris Street Stormwater Outfall (two valves were installed in 2019). The City was awarded a grant from the Florida Department of Environmental Protection through its Florida Resilient Coastlines Program to install 10 more tide check valves in 2020. The City is scheduled to complete its Master Stormwater Outfall Resiliency Retrofit Plan in 2020 to prioritize the remaining 80+ stormwater outfalls for tide check valve retrofits within the City. Additionally, for fiscal year 2019 the City was awarded funding from the Department of Economic Opportunity through the Community Development Block Grant Program for additional flood control/stormwater quality improvement projects in Lincolnvile (Phase 3). Furthermore for fiscal year 2019, the City has been awarded cost share funding from FEMA through its Hazard Mitigation Grant Program (HMGP) for two projects to begin Phase 1 (design and permitting): the Lake Maria Sanchez Flood Mitigation and Drainage Improvement project and the South Whitney and West King Street Flood Mitigation and Drainage improvement project.

The City has participated in numerous workshops and training sessions related to sea level rise and is positioning for planning initiatives and technical understanding of these issues to help guide future decision-making on these issues.

## **CHALLENGES AND CONCERNS**

### ***COVID-19***

As of the date of publication of this CAFR, the nation and world are navigating through the impacts of COVID-19. At this time, we do not know what challenges it will bring to current and future fiscal years. Any impacts to economic development will be analyzed and reported in future CAFRs.

### ***Utility and Stormwater Infrastructure***

Development continued to grow through fiscal year 2019 for new connections and the re-start of dormant projects. Demand for services and revenue continues to grow, placing burdens on limited staff resources. After years of aggressively attacking water line replacements, the City is preparing to move into a capital plan focused on the sewer system and its infrastructure to improve its reliability and resiliency to flooding.

## **ECONOMIC DEVELOPMENT**

### ***Historic Downtown***

A major redevelopment of the site at 14 St. George Street, which is part of the Oldest Wooden School House properties, with three new commercial buildings, is underway and anticipated to be completed in the Summer of 2020. This property is located close to the City Gates, where visitors to St. Augustine begin to explore St. Augustine.

### ***Marriott Renaissance Hotel – The San Marco Hotel***

A new Marriott Renaissance Hotel is under construction and is anticipated to be completed by Fall 2020. This is an 89 room full-service luxury hotel at the intersection of San Marco Avenue and Castillo Drive, north of the Visitor Information Center, and directly adjacent to the Historic Downtown Parking Facility. This redevelopment eliminated three outdated commercial buildings at the entrance to the Historic District and provide an additional hotel experience for St. Augustine visitors.

### ***Marriott Tribute Hotel – 5 Prawn Street***

A new Marriott Tribute Hotel is under construction and is anticipated to be completed by Fall 2020. This is a 51 room luxury boutique hotel on the San Sebastian River, adjacent to King Street and Prawn Street, on an entry corridor to the downtown Historic Districts.

### ***Hilton Homewood Suites Hotel – 10 Prawn Street***

A new Hilton Homewood Suites is under construction and is anticipated to be completed by Fall 2020. This is a 117 room full-service hotel and marina on the San Sebastian River on Prawn Street, with direct access to downtown St. Augustine and the Historic Districts.

***Comfort Suites Hotel – US 1 North***

A new Comfort Suites Hotel has been permitted and is expected to break ground in 2020. This is an 86 room hotel with easy access to Highway US 1 and downtown.

***Lincolnvile Development Activity***

The Lincolnvile Community Redevelopment Area (LCRA) and the St. Augustine Community Redevelopment Agency (CRA) has funded various aspects of community redevelopment for this fiscal year. This includes the popular “fix-it-up” program, a partnership with the St. Johns Housing Partnership, to rehabilitate distressed homes for qualified individuals in the neighborhood. A new program to rehabilitate distressed historic church and institutional properties has also been funded. Property values are increasing in Lincolnvile with the construction of new homes and renovation of older ones. This neighborhood is experiencing dynamic positive change as properties are being refurbished and transformed.

***San Marco Avenue***

Along San Marco Avenue, the continued rehabilitation of the City-owned Waterworks Building is about to begin its final phase. Also on San Marco Avenue, at the May Street intersection, the Florida Department of Transportation will complete a lengthy redevelopment of this busy intersection in 2020, which will improve access to St. Augustine and the Beaches.

***Antigua at St. Augustine***

The Antigua at St. Augustine development includes a high-end apartment development with 200 units, which has recently been completed and a townhouse and single family home development with 165 units which is also under construction. Docks and viewing platforms have been constructed along the north side of the development for residential access to the water and a public access walkway is planned for the apartment site. These developments will continue into 2020.

***Plantation Island Drive South (PIDS)***

This commercial corridor on Anastasia Island continues to develop with mixed office and retail services such as a pharmacy, banking and medical offices.

***Fish Island***

The State of Florida purchased an important 57 acre site on Anastasia Island in late 2019 to create a passive public park on this environmentally and historically important site and the City of St. Augustine has agreed to manage the property.

***The Landing***

The Landing is a multifamily development of 585 apartments, located on the west side of U.S.1 North, south of the St. Johns County Government courthouse complex, the first phase is completed and the final phase is under construction and will be completed in 2020.



### ***Madeira***

Madeira is a fully entitled 750-unit residential development with companion commercial development and a future 11-acre public park along the east side of U.S. 1 North. This project is currently under construction in Phase 1. The civil engineering plans for Phase 2 have been approved for the infrastructure and the final subdivision plat for this phase will be recorded in early 2020.

### ***Real Estate Development, Business Development and Regulatory Updates***

Real estate development in the city was robust in 2019. Currently, there are three new hotels under construction (a Marriott Renaissance, a Marriott Tribute and a Hilton Homewood Suites) as well as two additional new hotels (a Hilton Garden Inn and a Comfort Suites) that are in permit review. In addition to this, there are two large apartment developments that have added over 500 new apartment units to St. Augustine in 2019 and there is an additional phase of apartment development that is under construction for 250 more units. Building permits for new single family homes continue to be strong. New businesses activity is also very active, with the food and beverage industry and vacation rental industry showing particular interest in St. Augustine. The Planning and Building Department manages all aspects of building permit review, building permit inspections and business licensing.

The Planning and Building Department is undertaking several major projects along with managing this period of growth and gentrification in St. Augustine. A complete update to the city's Comprehensive Plan has been the focus of our Planning Division this year and has resulted in over a dozen public hearings and countless neighborhood and business association meetings. Included in this statutorily required update is a new Water Supply Work Plan, a new Mobility Plan and the new "Perils of Flooding" plan to address sea level rise and resiliency. The department transmitted our updated comprehensive plan to the State of Florida in November 2019.

The department finished the update to the King Street Design Standards in 2019, a zoning overlay district which regulates the appearance of new development along this important entry corridor to downtown. The Planning and Building Department continues to process updates to the Land Development Code as well as annexations, rezoning and amendments to the Future Land Use Map of the Comprehensive Plan.

### ***Historic Preservation Activity***

The Historic Preservation Division of the Planning and Building Department remains very active with tremendous construction activity within our historic districts. In addition to this, they completed a Historic Preservation Master Plan in 2018 and began implementation of the plan in 2019 as well as administering a total of 5 preservation grants representing \$740,000 of value to the city.

### ***Transportation and Mobility Planning***

One of our top strategic planning priorities is to address transportation initiatives that improve mobility. The City's commitment is evident by the long-term trend of increased expenditures on transportation projects and programs.

#### ***Mobility Planning***

The City hosts millions of visitors a year. The success of tourism has strained the transportation and parking systems in the City. The number one strategic initiative resulting from the "Visioning 2014 and Beyond" study was to improve mobility. In an effort to ease congestion and parking stress, the City has embarked on a phased master plan that included the completion of a Mobility Framework in 2016, a pedestrian and bicycle safety assessment in 2017, a parking study in 2017 and a street network analysis in 2018. Currently, the City is working on a Complete Street Master Plan for King St (one of the City's entry corridors) and a statutorily compliant mobility plan that will be incorporated in the City's Comprehensive Plan Update. The adoption of the mobility plan in the Comprehensive Plan will provide long range guiding principles on the development of the City's mobility initiatives.

While the Mobility Plan continues to evolve, the City is concurrently implementing several of the derived Mobility Improvements. A shuttle system for transporting visitors from satellite parking lots to the City's Visitor Information Center is in its fourth year. It was implemented during the 4<sup>th</sup> of July weekend in 2016, on Saturdays during the Nights of Lights season and during events in the spring. As the shuttle system progresses, it is intensely monitored and improved. Ridership increased by 42% from the spring of 2017 to the spring of 2018. Ridership in 2019 exceeded 18,000 passengers during the Nights of Lights.

This year also included the reorganization of City divisions under a newly formed Mobility Division within the Public Works Department. The Mobility Division now houses the parking division, garage division, traffic operations, traffic calming and speed management initiatives, park and ride operations, bike share operations and mobility planning. The reorganization's purpose is to integrate divisions involved with mobility strategy under one department so that policies can be established and implemented in an efficient and organized manner.

#### ***Smart Parking and Freight Loading Zone Management Study***

Maintaining commerce in a congested, historic City presents its challenges to keep businesses and restaurants well provisioned with goods and supplies. Handling and managing the amount of deliveries is a challenge.

In 2015, a Truck Parking Management Plan was prepared by the North Florida Transportation Planning Organization, and the City is working on implementing its recommendations. Initiatives include modifications to City parking lots, such as the Tolomato Lot, for construction of additional freight delivery parking.

All Loading Zones throughout the City have been inventoried and are being improved as budget and time allows. Truck routes have been developed and are being improved. The City has selected parking vendors and launched a smart parking system for the City's on street and off-street parking lots. New services have been deployed such as a mobile pay application to pay for parking and a new parking management platform that creates a real-time parking enforcement environment and allows for parking citations to be paid online. This upcoming year the City will be overhauling the parking garage's access management system and integrating it into the on street and off-street parking system to create a fully integrated parking system. The City will also be creating digital permits that can be managed and issued through the newly deployed parking management system.

### ***San Marco Intersection***

In May 2015, the City reached a settlement agreement with the property owner at the corner of May Street and San Marco Avenue with the City agreeing to purchase the property. The intent of the City's purchase was to use the property for improving traffic congestion at this major intersection. Being that both streets are owned by the Florida Department of Transportation (FDOT), the City and state worked together during the course of several months to conceptually design a solution that was both effective for moving traffic and accommodating growth while simultaneously being acceptable to the community. The intersection improvements were completed this year and the solution is providing to alleviate the traffic congestion.

### ***Plantation Island Drive Sidewalk***

The City constructed an 8-ft wide sidewalk along Plantation Island Drive that connects a business park, assisted living facility and condominiums. The sidewalk provides a continuous facility to reach downtown and the beach. This mobility initiative brought to fruition is a great example of creating a more complete street that is available to all users of the right-of-way.

### ***Bikeshare***

The City entered a contract with Gotcha, LLC to operate a bikeshare system within city limits. The program is funded by sponsorship. Flagler Health Plus is the main sponsor and has agreed to sponsor the program for five (5) years. All permits and board approvals were acquired in 2019. The system plans to launch in Summer 2020.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Included in the Financial Section of this Comprehensive Annual Financial Report is the Management Discussion and Analysis. This section provides a broad overview and analysis of the City's activities and should be used in conjunction with the Letter of Transmittal.

**DEBT ADMINISTRATION**

The City does not have any outstanding property tax supported debt. Each of the proprietary debt issues are considered to be self-supporting because revenues derived from operations provide for the debt requirements on an annual basis. A summary of outstanding bond issues and long-term notes payable as of September 30, 2019, for the City are as follows:

<b>Outstanding Bond Issue</b>	<b>Balance</b>
Drinking Water Revolving Fund Loan, DW 550410	7,244,572
Capital Improvement Refunding Revenue Bonds, Series 2017	18,110,000
Water and Sewer Refunding Bonds, Series 2016	2,050,000
Water and Sewer Refunding Bonds, Series 2013	18,065,000
Water and Sewer Refunding Bonds, Series 2012	6,640,000
Capital Improvement Bonds, Series 2011B	6,270,000
<b>Total Outstanding Debt</b>	<b>\$ 58,379,572</b>

City of St. Augustine, Florida  
Letter of Transmittal

The table below shows the City's debt service coverage for the Utility Fund for the year ended September 30, 2019.

<b>Fiscal Year Ended</b>	<b>Gross Revenue</b>	<b>Operating Expenses</b>	<b>Net Revenue</b>	<b>Debt Service Requirements</b>	<b>Debt Service Coverage</b>
2019	19,787,256	10,519,220	9,268,036	3,966,008	2.34

**REPORTING ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Augustine, Florida, for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. This is the 27th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

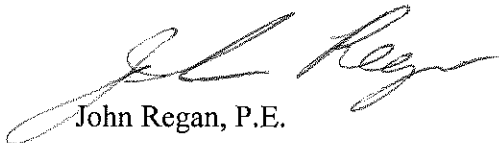
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

**ACKNOWLEDGEMENTS**

The presentation of this report was accomplished with the efficient and dedicated service of the City of St. Augustine's Finance, Budget and Management Department, and the CPA firm of Masters, Smith & Wisby, P.A.

We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. We would also like to thank the Mayor and the members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



John Regan, P.E.

City Manager

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of St. Augustine  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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# **Principal City Officials**



# City of St. Augustine

## **Comprehensive Annual Financial Report For the Year Ended September 30th, 2019**

### **Principal City Officials**

#### **City Commission**

Mayor-Commissioner.....	Tracy Upchurch
Vice Mayor-Commissioner.....	Leanna Freeman
Commissioner.....	Nancy Sikes Kline
Commissioner.....	John Valdes
Commissioner.....	Roxanne Horvath

#### **City Staff**

City Manager.....	John Regan
City Attorney.....	Isabelle Lopez
City Clerk.....	Darlene Galambos
Assistant City Manager.....	Timothy Burchfield
Director, Financial Services.....	Mark Litzinger
Director, Budget & Performance Management.....	Meredith Breidenstein
Police Chief.....	Barry Fox
Fire Chief.....	Carlos Aviles
Director, General Services.....	James Piggott
Director, Human Resources.....	Donna Hayes
Director, Planning & Building.....	David Birchim
Director, Public Affairs.....	Paul Williamson
Director, Public Works.....	Mike Cullum

### **City Boards & Committees**

Civil Service Board  
Code Enforcement, Adjustments & Appeals Board  
Firefighters' Retirement Board of Trustees  
General Employees' Retirement Board  
Historic Architectural Review Board (HARB)  
Lincolnton Community Redevelopment Area Steering Committee  
Planning & Zoning Board (PZB)  
Police Officers' Retirement Board  
Street Tree Advisory Committee (STAC)

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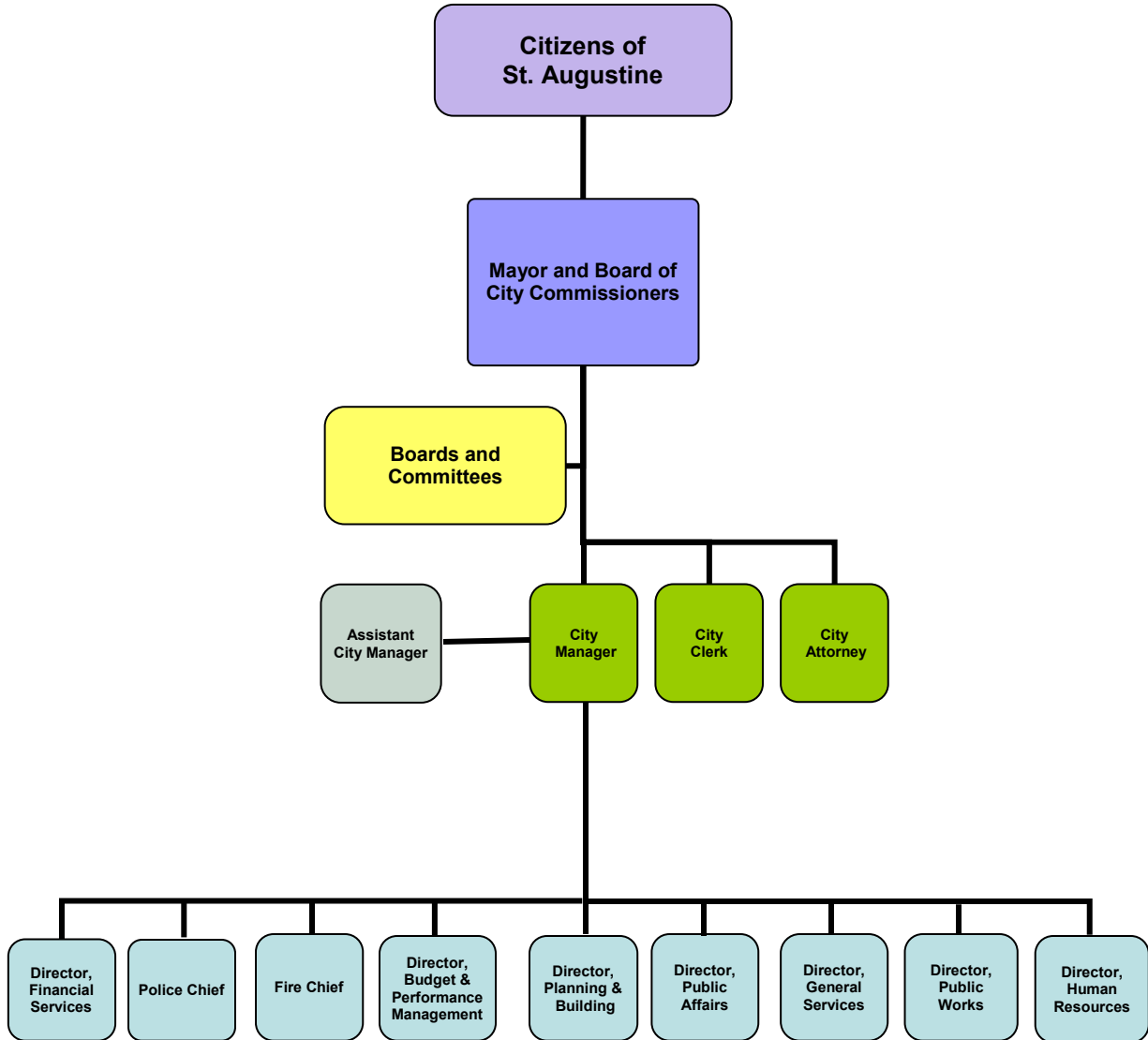
# **Organizational Chart**



# City of St. Augustine

## Comprehensive Annual Financial Report For the Year Ended September 30th, 2019

### City Government Organizational Chart



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# **FINANCIAL SECTION**

This Section Contains the Following:

**Independent Auditors' Report**

**Management Discussion and Analysis  
(MD&A)**

**Basic Financial Statements**

**Required Supplementary Information  
Other than MD&A**

**Combining Statements**

**Schedule of Expenditures of  
Federal Awards and  
State Financial Assistance**



# **Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Commission  
Mr. John Regan, City Manager  
City of St. Augustine, Florida  
St. Augustine, 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 St. Augustine, 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.

### *Managements 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 presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Fire Pension Trust Fund, which represents 17%, 17%, and 16%, respectively of the assets, net position and additions to the pension trust fiduciary fund. Those statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the Fire Pension Trust Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity'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 entity'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.

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

### ***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, and the respective budgetary comparison for the general fund and special revenue funds revenue funds for the year then ended in conformity 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 and required supplementary information as listed in the table of contents (collectively, the required supplementary information) 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 financial statements, schedule of expenditures of federal awards and state financial assistance and statistical section as listed in the table of contents 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 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.

The combining financial statements 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 financial statements and the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory and statistical section have not been subjected to the auditing procedures applied in the audit of the 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 a report dated May 15, 2020 on our consideration of the City's internal control over financial reporting and 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.

*McStee, Smick + Wisby P.A.*

Certified Public Accountants  
Jacksonville, Florida

May 15, 2020

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# **Management Discussion & Analysis**



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## Management Discussion and Analysis

The City of St. Augustine's Management Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City of St. Augustine's financial activities based on currently known facts, decisions and conditions. It is intended to provide a broad overview and short-term and long-term analysis of the City's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position, distinguish material deviations from the approved budget and recognize any individual fund concerns.

The information contained within this MD&A is designed to focus on the current year's activities, resulting changes and currently known facts and is only a component of the entire financial statement report. We encourage readers to consider the information contained in this discussion in conjunction with additional information contained in our transmittal letter beginning on page one in the front of this report, and the City's audited financial statements.

### Financial Highlights

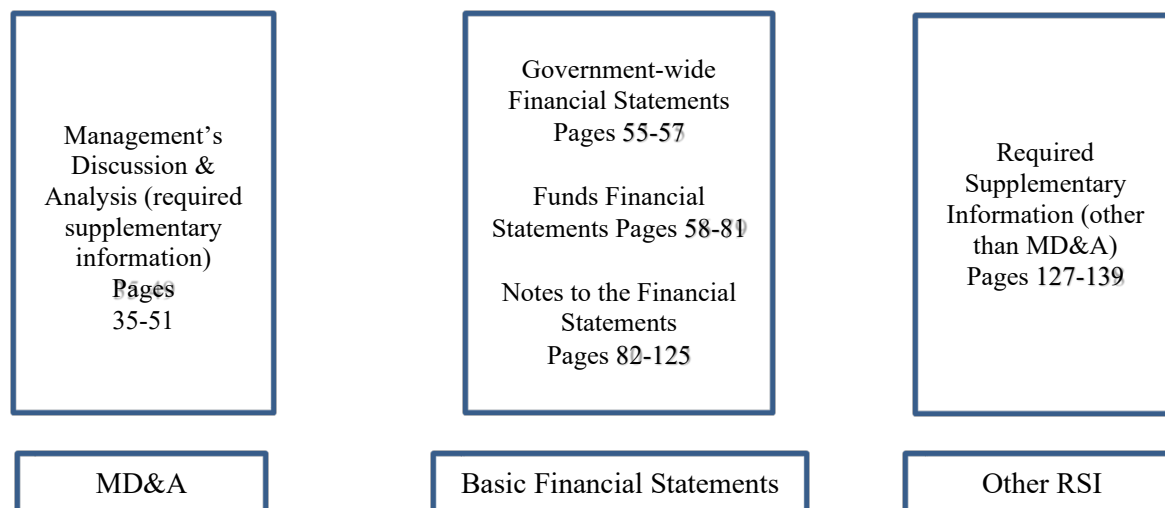
- The City's total assets and deferred outflow of resources exceeded its total liabilities and deferred inflow of resources at September 30, 2019 by \$126,176,240 (net position). Of this, \$23,868,136 (unrestricted) can be used to meet the government's ongoing obligations to citizens and creditors. The City's net position increased during the fiscal year by \$12,815,210 (11%)
- Governmental net position increased by \$1,618,215 (11%) for the current fiscal year and governmental unrestricted net assets were equal to \$5,048,152 compared to \$3,464,098 in the prior year. The General Fund is the largest of the governmental funds. Revenues in the General Fund came in as expected, but expenditures were less than planned, contributing to the increase in governmental unrestricted net assets.
- Business-type net position increased by \$11,196,995 (11%) for the current fiscal year and business-type unrestricted net assets were equal to \$18,819,984, compared to \$18,766,230 in the prior year.
- The governmental activities program revenues increased by \$3,136,373. The current year's activities produced an increase in net assets of \$1,618,215 compared to the previous year's increase of \$3,121,423.
- The business-type activities program revenue increased by \$7,479,147. Charges for Services increased by \$2,798,424, primarily due to the Municipal Marina being fully operational in 2019 as compared to prior years with hurricane damage. Business-type activities reported \$2,585,950 in Capital Grants and Contributions in the prior fiscal year. This year, those revenues made up \$7,266,673 of business-type activities, of which \$2,200,284 were grants for the Municipal Marina's hurricane recovery.
- The City's total debt associated with bonds and lease obligations decreased by a net \$4,309,032 during the fiscal year. This decrease is primarily due to the \$3.4 million loan payoff of the Series 2018 Capital Improvement Note borrowed by for the Marina's central dock systems. As all grants were received for the Municipal Marina's hurricane damage, the note was repaid in full.

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## Overview of the Financial Statements

### *Using the Annual Report*

The following chart is provided for your review to better understand this report's layout.



The City's basic financial statements are comprised of three components: Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements. The report also includes Required Supplementary Information in addition to the basic financial statements.

### ***Government-wide Financial Statements***

The government-wide financial statements found on pages **55-57**, report on the City as a whole. The statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. There are two government-wide statements. Both distinguish functions of the City that are principally supported by taxes, licenses and permits, and intergovernmental 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 statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being 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 weakening. However, other factors should be considered such as the condition of the City's capital assets to assess the overall health of the City.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. 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.

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### ***Fund Financial Statements***

The fund financial statements found on pages **58-81**, are more familiar to the traditional users of governmental 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 legal compliance with finance-related legal requirements. The City chose to include the required budget-to-actual comparisons in the fund financial statements of its financial report. The City has three fund categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds report basic services, which focus on near-term inflows and outflows of available resources and their balances at year-end. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences are reconciled between government-wide activities (reported in the statement of net position and the statement of activities) and governmental funds on separate schedules following the respective governmental funds.

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City opted to report all funds as major funds which include the following: General Fund, Debt Service Fund, Special Revenue Funds, Capital Projects Fund and Permanent Fund.

The City of St. Augustine adopts an annual appropriated budget for its General Fund and Special Revenue Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budget. Proprietary funds are used to account for revenues and expenses from services provided on a user-charge basis to the public. Proprietary fund activities are reported on the same accounting basis and measurement focus as the statement of activities, which is similar to that found in the private sector and provides a periodic measurement of net income. The City's proprietary activities are accounted for in enterprise funds. The City opted to report all funds as major funds which include the following: Utility Fund, Stormwater Fund, Solid Waste Fund, Municipal Marina Fund and Visitor Information Center Fund.

Fiduciary funds report information about financial arrangements in which the City acts solely as an agent or trustee for others. The City is responsible for ensuring these resources are used for their intended purposes. Since the funds are not resources of the City, but are held for the benefit of others, we exclude these activities from the government-wide statements. The City's fiduciary funds include the following: General Pension Fund, Police Pension Fund and Fire Pension Fund.

### ***Notes to the Financial Statements & Other Information***

The notes to the financial statements begin on page **82**, provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The required supplementary information includes the schedules of funding progress and contributions for the fiduciary funds. The combining statements include the fiduciary funds combined. Additional statistical information is presented to give users of the report a historical perspective and to assist in determining current financial trends of the City.

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## Financial Analysis

### *City as a whole*

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$126,176,240 as of September 30, 2019. A portion of the City's net position of \$95,810,461 (76%) reflects the net investments in capital assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending.

Restricted net position of the City in the amount of \$6,497,643 is reported in both governmental and business-type activities. This restricted net position has limits on its use that are externally imposed.

Unrestricted net position of the City in the amount of \$23,868,136 can be used to meet the City's ongoing obligations to citizens and creditors. The terms restricted and unrestricted are governed by generally accepted accounting principles and do not fully consider City management decisions regarding spending limitations. Accounting principles may not restrict some amounts that have been earmarked for future uses governed by policy decisions and plans.

Above average levels of growth and increased tourism are evident throughout the City's financials in both the government and business-type activities. Property tax revenue from new construction and rehabilitation continues to grow annually. Additionally, building permit activities and the related fees are consistently exceeding budgeted revenues. In recent weeks, the COVID-19 outbreak in the United States has resulted in a temporary reduction of building permit activities. These recent developments cannot be reasonably estimated of its long-term impact on property values at this time.

The tourism economy and revenue associated to this industry, including parking fees, sales tax and tourist development taxes continues to directly reflect this market annually. However, in December 2019, a novel strain of coronavirus was reported to have surfaced in China. The spread of this virus began to cause some business disruption through reduced net revenue and tourism in mid-March of 2020. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the City expects this matter to negatively impact its operating results, the subsequent financial impact and duration cannot be reasonably estimated at this time.

As noted earlier, the statement of activities presents information showing how the government's net position changed during the most recent fiscal year.

**CITY OF ST. AUGUSTINE, FLORIDA**

**Summary of Net Position as of September 30th, 2019 with comparative data for 2018**

(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 16,838	\$ 15,189	\$ 30,972	\$ 26,719	\$ 47,810	\$ 41,908
Capital Assets	32,508	33,934	122,916	119,196	155,424	153,130
<b>Total Assets</b>	<b>\$ 49,346</b>	<b>\$ 49,123</b>	<b>\$ 153,888</b>	<b>\$ 145,915</b>	<b>\$ 203,234</b>	<b>\$ 195,038</b>
Contributions to Pension Plans	5,389	4,426	1,409	1,213	6,798	5,639
Unamortized Loss on Refunding	2,080	2,174	758	909	2,838	3,083
<b>Total Deferred Outflow of Resources</b>	<b>\$ 7,469</b>	<b>\$ 6,600</b>	<b>\$ 2,167</b>	<b>\$ 2,122</b>	<b>\$ 9,636</b>	<b>\$ 8,722</b>
Current and Other Liabilities	12,352	12,374	8,489	7,123	20,841	19,497
Long-Term Debt Outstanding	24,938	25,548	37,514	42,180	62,452	67,728
<b>Total Liabilities</b>	<b>\$ 37,290</b>	<b>\$ 37,922</b>	<b>\$ 46,003</b>	<b>\$ 49,303</b>	<b>\$ 83,293</b>	<b>\$ 87,225</b>
Pension Deferrals	2,320	2,421	349	323	2,669	2,744
OPEB Deferrals	497	290	235	139	732	429
<b>Total Deferred Inflow of Resources</b>	<b>\$ 2,817</b>	<b>\$ 2,711</b>	<b>\$ 584</b>	<b>\$ 462</b>	<b>\$ 3,401</b>	<b>\$ 3,173</b>
Net Position:						
Invested in Capital Assets, Net of Related Debt	9,650	11,228	86,160	78,892	95,810	90,120
Restricted	2,010	398	4,488	613	6,498	1,011
Unrestricted	5,048	3,464	18,820	18,766	23,868	22,230
<b>Total Net Position</b>	<b>\$ 16,708</b>	<b>\$ 15,090</b>	<b>\$ 109,468</b>	<b>\$ 98,271</b>	<b>\$ 126,176</b>	<b>\$ 113,361</b>

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Activities for Year Ended September 30, 2019 with comparative data for 2018**  
(In thousands)

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$9,576	\$5,889	\$ 33,016	\$30,217	\$ 42,591	\$36,107
Operating Grants and Contributions	103	45	-	-	103	45
Capital Grants and Contributions	166	775	7,267	2,585	7,433	3,360
General Revenues						
Taxes	16,996	16,069	-	-	16,996	16,069
Fees	1,759	1,738	-	-	1,759	1,738
Revenue Sharing	767	577	-	-	767	577
Investment Income	373	223	560	332	933	555
Miscellaneous	539	1,742	702	1,098	1,241	2,840
<b>Total Revenues</b>	<u>30,279</u>	<u>27,058</u>	<u>41,545</u>	<u>34,233</u>	<u>71,823</u>	<u>61,291</u>
<b>Program Expenses Including</b>						
<b>Indirect Expenses</b>						
General Administration	8,860	8,265	-	-	8,860	8,265
Public Safety	12,079	9,048	-	-	12,079	9,048
Physical Environment	3,144	2,509	-	-	3,144	2,509
Transportation	3,923	3,156	-	-	3,923	3,156
Culture Recreation	1,561	1,245	-	-	1,561	1,245
Interest Fiscal Charges on Long-term Debt	1,106	1,263	-	-	1,106	1,263
Utilities	-	-	15,597	14,019	15,597	14,019
Stormwater	-	-	1,443	1,250	1,443	1,250
Solid Waste	-	-	4,055	4,621	4,055	4,621
Municipal Marina	-	-	3,056	3,561	3,056	3,561
Visitor Information Center	-	-	4,184	3,772	4,184	3,772
<b>Total Expenses</b>	<u>30,673</u>	<u>25,487</u>	<u>28,335</u>	<u>27,223</u>	<u>59,008</u>	<u>52,710</u>
<b>Increase in Net Position</b>						
<b>Before Transfers</b>	<u>(395)</u>	<u>1,571</u>	<u>13,210</u>	<u>7,010</u>	<u>12,815</u>	<u>8,581</u>
<b>Transfers</b>	<u>2,013</u>	<u>1,551</u>	<u>(2,013)</u>	<u>(1,551)</u>	<u>-</u>	<u>-</u>
<b>Increase (Decrease) in Net Position</b>	<u>1,618</u>	<u>3,121</u>	<u>11,197</u>	<u>5,459</u>	<u>12,815</u>	<u>8,581</u>
<b>Net Position - Beginning</b>	<u>15,090</u>	<u>11,969</u>	<u>98,271</u>	<u>92,812</u>	<u>113,361</u>	<u>104,781</u>
<b>Net Position - Ending</b>	<u>\$16,708</u>	<u>\$15,090</u>	<u>\$109,468</u>	<u>\$98,271</u>	<u>\$126,176</u>	<u>\$113,361</u>

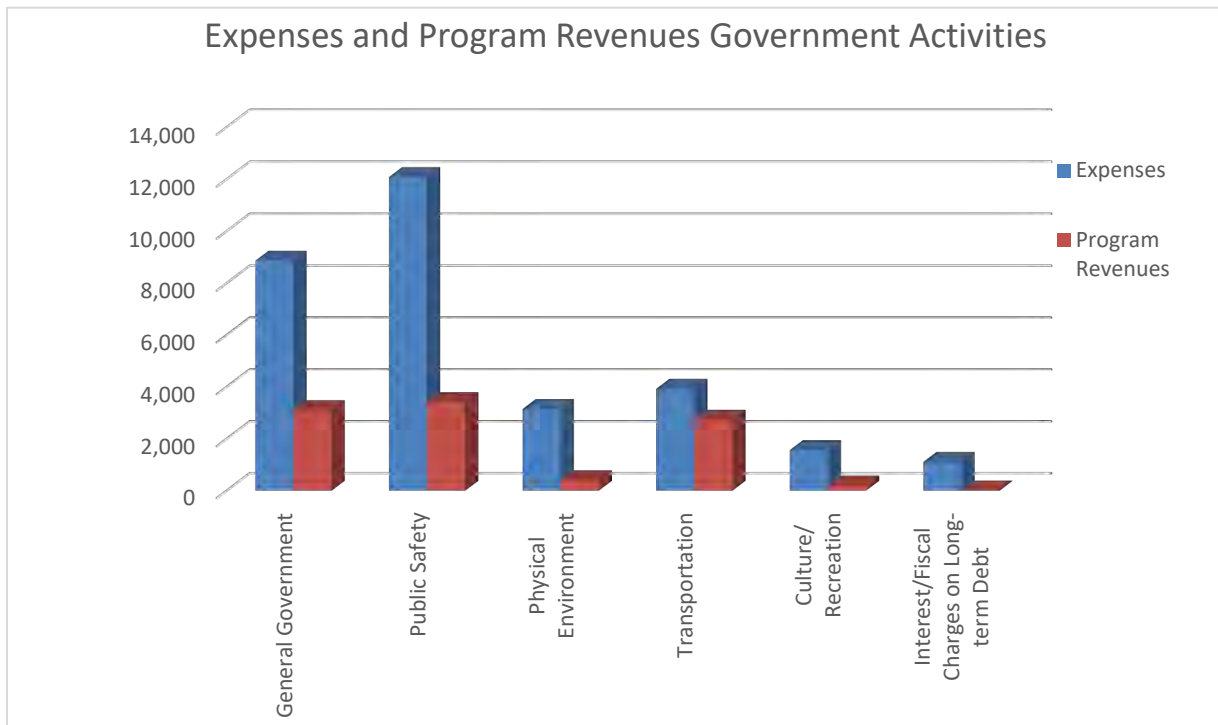


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**Governmental Activities**

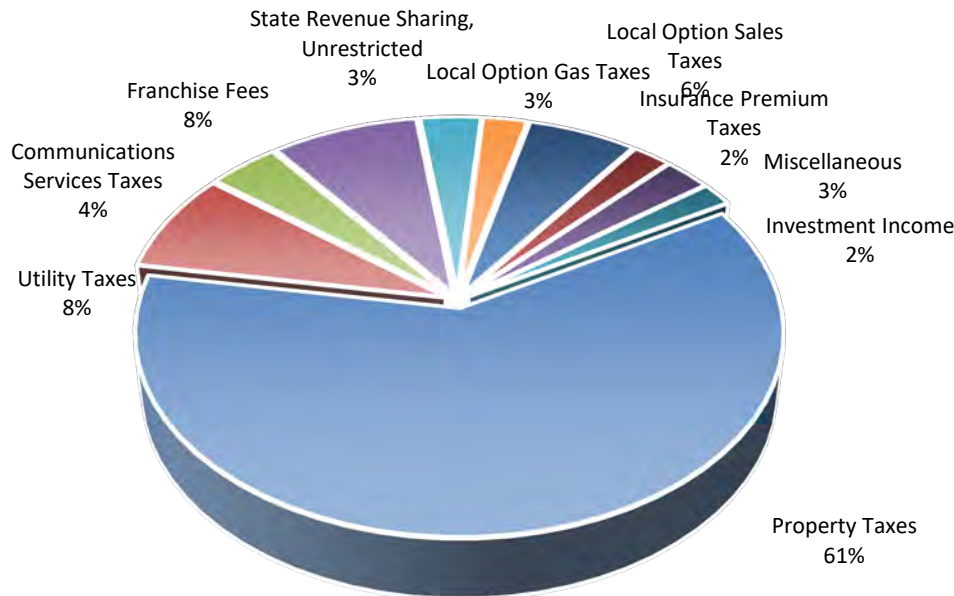
Governmental activities resulted in an increase in the City’s net position of \$1,618,215.

Program revenues are revenues that can be assigned or are attributable to a specific program. These revenues account for \$9,845,465 (19%) of total governmental activities revenue. The chart above shows governmental activities by program with their respective expenses and revenues.



General revenues are revenues that fail to meet the criteria of program specific revenues. General revenues account for \$20,433,233 (70%) of total governmental activities revenue. The chart below shows total general revenues by category.

### General Revenue - Governmental Activities



#### ***Business-type Activities***

Business-type activities increased the City’s net position by \$11,196,995. Key elements of this increase are as follows:

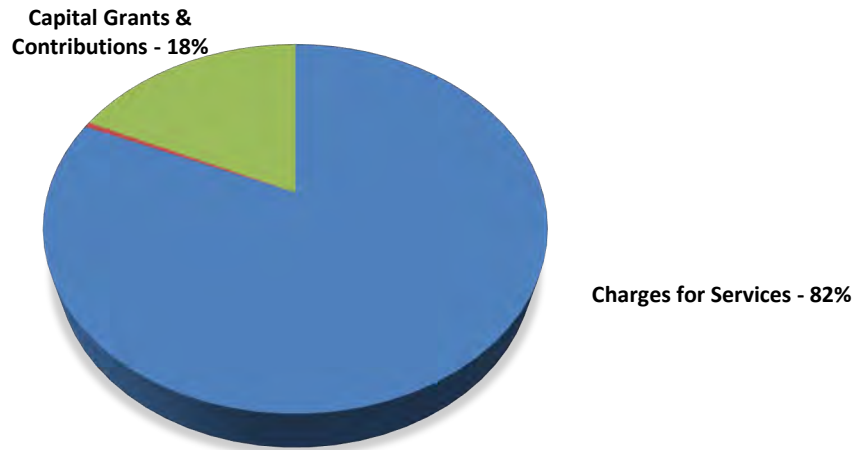
- The Utility Fund received capital grants and contributions of \$4,422,442 and program revenue generated from charges for services increased by 7% to \$19,862,800.
- The Stormwater Fund received capital grants and contributions totaling \$463,237 for various capital projects currently in progress.
- The Solid Waste Fund received capital grants and contributions totaling \$180,710 that were final reimbursements from expenditures related to Hurricane Irma.
- The Municipal Marina Fund received capital grants and contributions of \$2,200,284. This was a reimbursement from FEMA for storm damage incurred by Hurricanes Matthew and Irma. This reimbursement allowed the Fund to repay the debt taken out to make repairs from these storms.
- The Visitor Information Center generated program revenues from charges for services of \$4,754,595, a 3% increase over the previous fiscal years program revenues.

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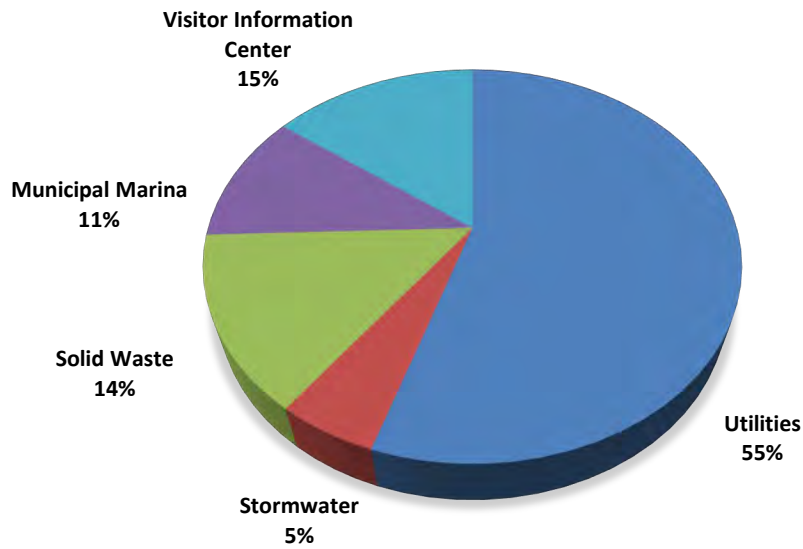
Program revenues are revenues that can be assigned or are attributable to a specific program. These revenues account for \$40,282,472 of total business-type activities revenue.

The charts below show business-type activities by program with their respective expenses and revenues.

### Program Revenues - Business-Type Activities



### Expenses by Program - Business Type Activities



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### ***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in assessing the City's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,715,515, an increase of \$2,603,928 (21%) from the previous fiscal year. A \$1.14 million increase in ad valorem tax collections combined with \$813 thousand decline in capital outlays were the primary reasons for this increase.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,430,654, while the total fund balance was \$13,597,815. The total fund balance shows an increase of \$2,271,086 (20%) from the previous fiscal year and the unassigned fund balance of the General Fund shows an increase of \$1,117,420 compared to the previous year.

As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to the total fund expenditures.

The Debt Service Fund is the fund used to set aside resources to meet current debt service requirements on general long-term debt.

The Special Revenue Funds maintains certain revenue to be used for a specific purpose. The City's Special Revenue Funds report the Historic Area Community Redevelopment Area and the Lincolnville Community Redevelopment Area.

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support the City's programs.

### ***Proprietary Funds***

The City's proprietary funds provide the same type of information provided in the government-wide statements, but in more detail. The tables below list the net position summaries for the various enterprise funds.

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Summary of Changes in Net Position – Proprietary Funds**  
**For the Year Ended September 30, 2019**

	<b>Utility</b>	<b>Stormwater Drainage</b>	<b>Solid Waste</b>	<b>Municipal Marina</b>	<b>Visitors Information Center</b>	<b>Total Proprietary</b>
Net Position - Beginning	\$79,285,253	\$15,431,146	\$1,530,261	\$4,837,577	(\$2,813,322)	\$98,270,915
Changes in Net Position	8,612,940	(17,192)	(177,828)	2,531,778	247,297	11,196,995
Net Position	\$87,898,193	\$15,413,954	\$1,352,433	\$7,369,355	(\$2,566,025)	\$109,467,910

**Net Position as of September 30, 2019**

	<b>Utility</b>	<b>Stormwater Drainage</b>	<b>Solid Waste</b>	<b>Municipal Marina</b>	<b>Visitors Information Center</b>	<b>Total Proprietary</b>
Invested in Capital Assets Net of Related Debt	\$69,286,892	\$14,208,714	\$1,435,622	\$6,571,328	\$(5,342,476)	\$86,160,079
Restricted	4,487,846	-	-	-	-	4,487,846
Unrestricted	14,123,455	1,205,240	(83,187)	798,025	2,776,451	18,819,983
<b>Total Net Position</b>	<b>\$87,898,193</b>	<b>\$15,413,953</b>	<b>\$1,352,435</b>	<b>\$7,369,353</b>	<b>(\$2,566,025)</b>	<b>\$109,467,909</b>

Cumulatively, the proprietary funds had a \$11,196,995 increase in net position. Key factors pertaining to this increase are as follows:

- The Utility Fund had operating income of \$4,551,756 and capital grants and other capital contributions of \$4,422,442.
- The Stormwater Fund incurred an operating loss of (\$464,745). Net transfers out of (\$49,849) and capital grants revenue of \$463,237 resulted in a decrease in net position of (\$17,192).
- The Solid Waste Fund had an operating loss of (\$99,230). Net transfers out of (\$271,208) and operating grants of \$180,710 lead to an overall decrease in net position of (\$177,828).
- The Municipal Marina Fund incurred operating income of \$551,537. Interest expense of \$142,614, net transfers out of (\$141,327) and capital grant contributions of \$2,200,284 lead to an overall increase in net position.
- The Visitor Information Center Fund had operating income of \$1,436,346, interest expense of \$866,054 and net transfers out of \$591,407 resulting in an increase in net position of \$247,297 for this fund.
- The operating income of each fund is structured so that it meets or exceeds operating expenses. Operating income that exceeds operating expense is used to meet non-operating needs such as interest expense and transfers out to other funds.

***General Fund Budgetary Highlights***

There are no material differences between the original budget and the final amended budget for appropriations (expenditures) in the General Fund. There were no material budgetary changes to the General Fund budgets and all budgetary policies and controls were adhered to throughout the year. (See budget to actual comparison on page 64-66.)

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## Capital Asset and Long-term Debt Administration

### Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$155,424,569 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,798,692	\$ 8,046,036	\$ 1,376,195	\$ 1,145,803	\$ 8,174,887	\$ 9,191,839
Buildings	8,274,979	8,717,256	26,733,998	29,616,722	35,008,977	38,333,978
Infrastructure	14,454,840	14,420,406	88,357,512	79,973,499	102,812,352	94,393,905
Machinery	2,648,935	2,527,289	3,066,967	3,309,793	5,715,902	5,837,082
<b>Total</b>	<b>32,177,446</b>	<b>33,710,987</b>	<b>119,534,672</b>	<b>114,045,817</b>	<b>151,712,118</b>	<b>147,756,804</b>
Work in Progress	330,624	222,773	3,381,827	5,150,101	3,712,451	5,372,874
<b>Total</b>	<b>\$ 32,508,070</b>	<b>\$ 33,933,760</b>	<b>\$ 122,916,499</b>	<b>\$ 119,195,918</b>	<b>\$ 155,424,569</b>	<b>\$ 153,129,678</b>

The following reconciliation summarizes the change in capital assets, which is presented in detail on pages 94-96 of the Notes to the Financial Statements.

	Governmental Activities	Business-Type Activities	Total
<b>Beginning Balance</b>	\$33,933,760	\$119,195,919	\$153,129,679
Additions	2,167,329	14,743,813	16,911,142
Retirement	(1,531,987)	(3,982,811)	(5,514,798)
Depreciation	(2,061,031)	(7,040,423)	(9,101,454)
<b>Ending Balance</b>	<b>\$32,508,070</b>	<b>\$122,916,499</b>	<b>\$155,424,569</b>

### Governmental Activities:

The City currently has the following construction work-in-progress:

Charlotte Street Reconstruction	\$ 228,646
Mobility and Parking Improvements	50,451
Computer Server Project	29,031
Tolomato Lot Improvement	20,451
Seawall Reconstruction	2,045
<b>Total</b>	<b>\$330,624</b>

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**Business Type Activities:**

Construction in progress is composed of the following at September 30, 2019:

Charlotte Street Reconstruction Project	\$	946,495
Construction Bond Capitalized Interest		519,893
Tideflex Valves Improvements		452,465
May Street Intersection (Phase II)		381,926
West Augustine Legislative Funding		292,445
Lincolnville Drainage Project 2		218,195
R0218 Well D-3 Invest & Repairs		182,317
Coquina Avenue Outfall Improvement Rollup		102,074
Wastewater Treatment Plant Headworks Structural Rehabilitation		85,575
S Whitney & W King Stormwater Improvement		83,679
2017 Stormwater Project		33,931
Lincolnville Drainage Project 1		18,868
St Francis Sewer Replacement (R0228)		16,800
Wastewater Treatment Plant Motor Control Center 2 Replacement		15,588
Water Treatment Plant Filter Building Rehabilitation		15,489
Community Development Block Grant Project 1		12,617
Court Theophila-Edna Project		3,470
<b>Total</b>	<b>\$</b>	<b>3,381,827</b>

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**Long-Term Debt**

Moody's Investors Services undertook routine surveillance on the City's water and sewer credit rating in December 2018. The result of that process was an upgrade of the bond rating from A1 to Aa3. The upgrade reflected strong and improving debt service coverage, satisfactory liquidity and adequate legal provisions. The rating also refracted the small but growing size of the system and very low debt burden.

At the end of fiscal year 2019, the City had total debt outstanding (excluding compensated absences and other post-employment benefits) of **\$60,338,876**. All of this debt is secured solely by specified revenue sources.

More detail on the long-term debt is presented on pages **99-107** of the Notes to the Financial Statements.

<b>Outstanding Debt at Year End</b>		
	<b>2019</b>	<b>2018</b>
<b>General Long-Term Debt &amp; Obligations</b>		
Capital Improvement and Refunding Revenue Bonds	\$ 22,824,854	\$ 23,294,165
Capital Lease Obligation	-	46,283
<b>Total General Long-Term Obligations</b>	<b>\$ 22,824,854</b>	<b>\$ 23,340,448</b>
<b>Proprietary Fund Long-Term Obligations</b>		
Capital Improvement and Refunding Revenue Bonds	\$ 19,620,144	\$ 20,470,835
Water and Sewer Revenue Bonds	8,690,000	11,050,000
Marina Capital Improvement Revenue Note	-	3,420,000
Revolving Fund Loan DW 550410	7,244,572	4,025,754
Unamortized (Premium) Discount	1,959,306	2,246,379
<b>Total Proprietary Long-Term Obligations</b>	<b>\$ 37,514,022</b>	<b>\$ 41,212,968</b>
<b>Total Long-Term Debt &amp; Obligations</b>	<b>\$ 60,338,876</b>	<b>\$ 64,552,916</b>

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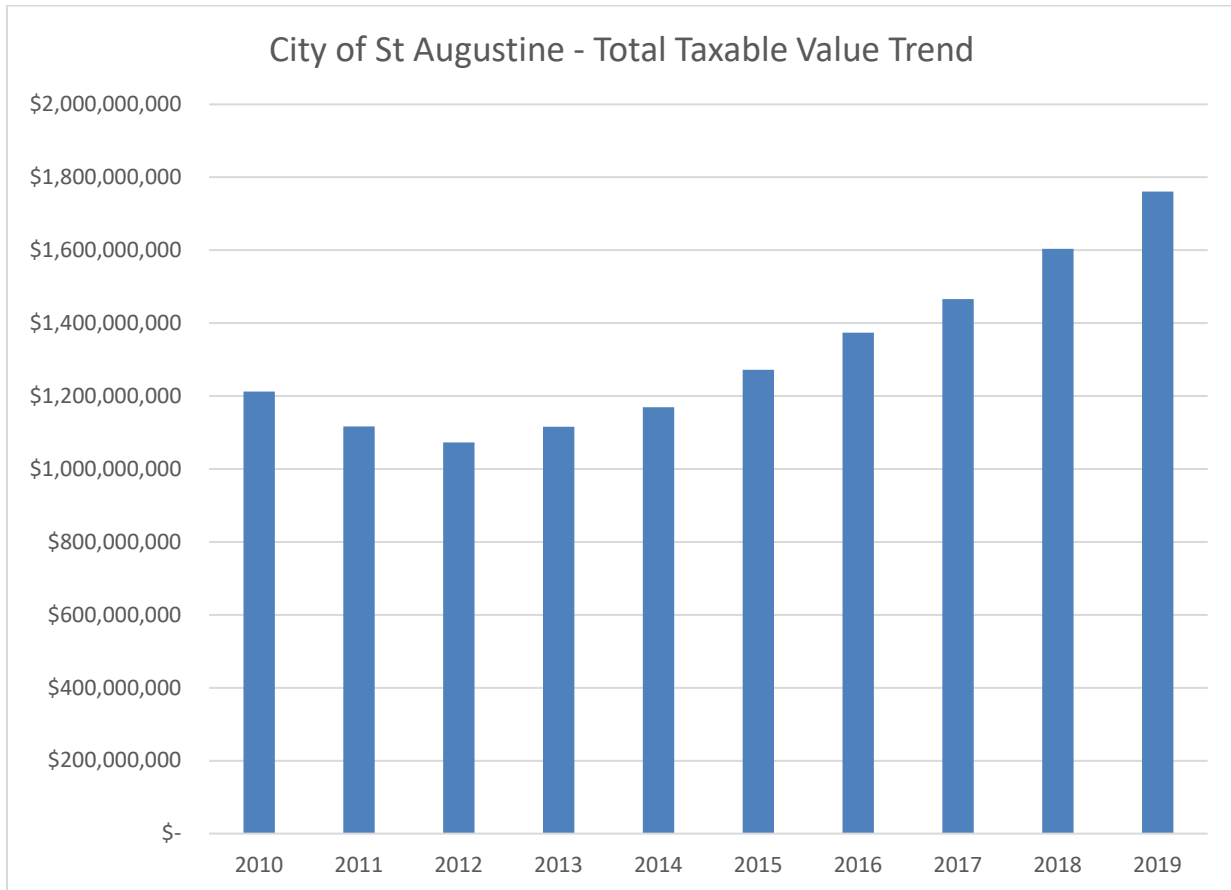


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## Economic Factors

The City primarily relies on property and a limited array of permitted or other taxes and fees for governmental activities. There are a number of state-shared revenues and recurring and non-recurring grants from both the state and federal governments. In addition to new construction and renovations, the tax values of existing properties have seen high rates of increase. This trend is expected to continue in the 2019-2020 fiscal year, although we will continue to evaluate the impacts of the COVID-19 outbreak.

The City regularly competes with the County for growth and expansion of services in an attempt to offset cost and lower customer fees. The level of taxes, fees and charges for services will have a bearing on the City's specific competitive ability to annex additional land into its corporate limits and encourage development to locate within its jurisdiction.



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 questions about the report or need additional financial information, contact the Finance Department office located at the Financial Services Center, 50 Bridge Street, St. Augustine, Florida 32084, (904) 825-1030.

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# **Basic Financial Statements**



**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Net Position**  
**September 30, 2019**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,619,779	\$ 24,763,922	\$ 37,383,701
Receivables (Net)	1,039,923	3,185,588	4,225,511
Due from Other Governments	32,630	1,999,220	2,031,850
Internal Balances	19,748	(19,748)	-
Inventories	786,507	294,254	1,080,761
Prepaid Items	431,133	77,198	508,331
Restricted Assets:			
Cash and Cash Equivalents	1,908,342	671,291	2,579,633
Capital Assets:			
Non-Depreciable	7,129,316	4,758,022	11,887,338
Depreciable (Net)	25,378,754	118,158,477	143,537,231
<b>Total Assets</b>	<b>49,346,132</b>	<b>153,888,224</b>	<b>203,234,356</b>
<b>Deferred Outflows of Resources:</b>			
Pension Related	5,388,897	1,408,787	6,797,684
Unamortized Loss on Refunding	2,080,539	757,603	2,838,142
<b>Total Deferred Outflows of Resources</b>	<b>7,469,436</b>	<b>2,166,390</b>	<b>9,635,826</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	2,045,099	2,767,476	4,812,575
Deposits	-	671,291	671,291
Unearned Revenue	77,448	1,014	78,462
<b>Non-Current Liabilities:</b>			
Due Within One Year:			
Compensated Absences	104,465	40,829	145,294
Note and Bonds Payable	578,773	3,864,801	4,443,574
Due in More Than One Year			
Net OPEB Liability	1,157,059	562,667	1,719,726
Net Pension Liability	6,076,108	3,702,812	9,778,920
Compensated Absences	2,891,754	742,435	3,634,189
Note and Bonds Payable	24,359,455	33,649,221	58,008,676
<b>Total Liabilities</b>	<b>37,290,161</b>	<b>46,002,546</b>	<b>83,292,707</b>
<b>Deferred Inflows of Resources:</b>			
Pension Related	2,320,012	349,317	2,669,329
OPEB Related	497,065	234,841	731,906
<b>Total Deferred Inflows of Resources</b>	<b>2,817,077</b>	<b>1,090,600</b>	<b>3,401,235</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,650,381	86,160,080	95,810,461
Restricted for:			
Community Redevelopment Agencies	796,148	-	796,148
Renewal and Replacement	809,730	4,487,846	5,297,576
Permanent Fund	321,552	-	321,552
Other	82,367	-	82,367
Unrestricted	5,048,152	18,819,984	23,868,136
<b>Total Net Position</b>	<b>\$ 16,708,330</b>	<b>\$ 109,467,910</b>	<b>\$ 126,176,240</b>

See accompanying notes to basic financial statements

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Activities**  
**For Year Ended September 30, 2019**

FUNCTION/PROGRAM ACTIVITIES	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 8,860,101	\$ 2,915,541	\$ 20,090	\$ 165,790
Public Safety	12,078,733	3,328,874	83,228	-
Physical Environment	3,144,070	400,088	-	-
Transportation	3,923,139	2,733,166	-	-
Culture/Recreation	1,561,380	198,688	-	-
Interest/Fiscal Charges on Long-term Debt	1,105,849	-	-	-
<b>Total Governmental Activities</b>	<b>30,673,272</b>	<b>9,576,357</b>	<b>103,318</b>	<b>165,790</b>
<b>Business-type Activities:</b>				
Utilities	15,596,758	19,862,800	-	4,422,442
Stormwater	1,443,220	978,475	-	463,237
Solid Waste	4,054,695	3,955,463	-	180,710
Municipal Marina	3,055,543	3,464,466	-	2,200,284
Visitor Information Center	4,184,303	4,754,595	-	-
<b>Total Business-type Activities</b>	<b>28,334,519</b>	<b>33,015,799</b>	<b>-</b>	<b>7,266,673</b>
<b>Total Primary Government</b>	<b>\$ 59,007,791</b>	<b>\$ 42,592,156</b>	<b>\$ 103,318</b>	<b>\$ 7,432,463</b>

**General Revenues:**

- Property Taxes
- Utility Taxes
- Communication Service Taxes
- Franchise Fees
- State Revenue Sharing, Unrestricted
- Local Option Gas Taxes
- Local Option Sales Taxes
- Insurance Premium Taxes
- Other Taxes
- Miscellaneous
- Investment Income

Transfers

**Total General Revenues and Transfers**

**Change in Net Position**

**Net Position - Beginning of Year**

**Net Position - End of Year**

*See accompanying notes to basic financial statements*

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (5,758,680)	\$ -	\$ (5,758,680)
(8,666,631)	-	(8,666,631)
(2,743,982)	-	(2,743,982)
(1,189,973)	-	(1,189,973)
(1,362,692)	-	(1,362,692)
(1,105,849)	-	(1,105,849)
<b>(20,827,807)</b>	<b>-</b>	<b>(20,827,807)</b>
-	8,688,484	8,688,484
-	(1,508)	(1,508)
-	81,478	81,478
-	2,609,207	2,609,207
-	570,292	570,292
<b>-</b>	<b>11,947,953</b>	<b>11,947,953</b>
<b>(20,827,807)</b>	<b>11,947,953</b>	<b>(8,879,854)</b>
12,376,972	-	12,376,972
1,608,071	-	1,608,071
811,896	-	811,896
1,758,617	-	1,758,617
766,573	-	766,573
505,278	-	505,278
1,247,571	-	1,247,571
446,206	-	446,206
-	-	-
538,561	701,759	1,240,320
373,488	560,072	933,560
2,012,789	(2,012,789)	-
<b>22,446,022</b>	<b>(750,958)</b>	<b>21,695,064</b>
<b>1,618,215</b>	<b>11,196,995</b>	<b>12,815,210</b>
<b>15,090,115</b>	<b>98,270,915</b>	<b>113,361,030</b>
<b>\$ 16,708,330</b>	<b>\$ 109,467,910</b>	<b>\$ 126,176,240</b>

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2019**

	General	Debt Service	Special Revenue HACRA
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,619,357	\$ -	\$ 422
Receivables (Net of Allowance for Uncollectibles)	1,039,923	-	-
Due from Other Funds	100,648	-	-
Due from Other Governments	32,630	-	-
Inventories, At Cost	786,507	-	-
Prepaid Expenditures	431,133	-	-
Restricted Assets:			
Cash and Cash Equivalents	766,140	-	-
<b>Total Assets</b>	<b>\$ 15,776,338</b>	<b>\$ -</b>	<b>\$ 422</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 1,947,294	\$ -	\$ -
Unearned Revenue	77,448	-	-
Accrued Expenditures	73,229	-	-
Due to Other Funds	80,552	-	-
<b>Total Liabilities</b>	<b>2,178,523</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>			
Nonspendable:			
Inventories	786,507	-	-
Prepaid Expenditures	431,133	-	-
Restricted for:			
Police Education/Confiscation/Donations	82,367		
Trust	-	-	-
Capital Projects	791,785	-	422
Committed	8,508,568	-	-
Assigned	1,566,801	-	-
Unassigned	1,430,654	-	-
<b>Total Fund Balances</b>	<b>13,597,815</b>	<b>-</b>	<b>422</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,776,338</b>	<b>\$ -</b>	<b>\$ 422</b>

*See accompanying notes to basic financial statements*



Special Revenue LCRA	Permanent	Total Governmental
\$ -	\$ -	\$ 12,619,779
-	-	1,039,923
-	-	100,648
-	-	32,630
-	-	786,507
-	-	431,133
-	-	-
820,302	321,900	1,908,342
<b>\$ 820,302</b>	<b>\$ 321,900</b>	<b>\$ 16,918,962</b>

\$ 24,576	\$ -	\$ 1,971,870
-	-	77,448
-	-	73,229
-	348	80,900
<b>24,576</b>	<b>348</b>	<b>2,203,447</b>

-	-	786,507
-	-	431,133
-	-	-
-	-	82,367
-	321,552	321,552
759,440	-	1,551,647
-	-	8,508,568
36,286	-	1,603,087
-	-	1,430,654
<b>795,726</b>	<b>321,552</b>	<b>14,715,515</b>
<b>\$ 820,302</b>	<b>\$ 321,900</b>	<b>\$ 16,918,962</b>

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**September 30, 2019**

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**Total Governmental Fund Balances** \$ 14,715,515

*Amounts reported for governmental activities in the Statement of Net Assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	62,961,771	
Less accumulated depreciation	<u>(30,453,701)</u>	32,508,070

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities (net of discounts/premiums and deferred amounts on refunding) at year-end consist of:

Governmental bonds and capital lease payable	(24,938,228)	
Compensated absences	(2,996,219)	
Net pension liability	(6,076,108)	
OPEB Obligation	<u>(1,157,059)</u>	(35,167,614)

Deferred outflows of resources related to pension experience and assumptions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. 5,055,200

Deferred inflows of resources related to pensions earnings, experience, and assumptions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. (1,986,315)

Deferred inflows of resources related to retiree healthcare are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. (497,065)

Deferred inflows of resources on the gain on refunding of debt are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. 2,080,539

**Net Position of Governmental Activities** **\$ 16,708,330**

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*See accompanying notes to basic financial statements*

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**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2019**

	General	Debt Service	Special Revenue HACRA
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 11,721,413	\$ -	\$ 391,549
Sales, Use and Gas Taxes	951,484	-	-
Utility and Communications Service Taxes	2,419,967	-	-
Grants	249,018	-	-
Intergovernmental	2,401,044	-	-
Franchise Fees	1,758,617	-	-
Licenses, Permits and Other Fees	5,525,750	-	-
Fines and Forfeitures	317,319	-	-
Administrative Overhead Charges	3,733,288	-	-
Investment Income	365,726	-	-
Miscellaneous	1,660,536	-	-
<b>Total Revenues</b>	<b>31,104,162</b>	<b>-</b>	<b>391,549</b>
<b>EXPENDITURES</b>			
Current Operating:			
General Government	8,625,083	-	-
Public Safety	11,198,645	-	-
Physical Environment	2,914,985	-	-
Transportation	2,685,795	-	-
Culture/Recreation	1,447,614	-	-
Capital Outlay	2,489,834	-	-
Debt Service:			
Principal Retirement	-	515,592	-
Interest and Other	-	1,106,835	-
<b>Total Expenditures</b>	<b>29,361,956</b>	<b>1,622,427</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,742,206</b>	<b>(1,622,427)</b>	<b>391,549</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	4,117,913	1,622,427	564,169
Transfers (Out)	(3,725,173)	-	(955,296)
Sale of capital assets	136,140	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>528,880</b>	<b>1,622,427</b>	<b>(391,127)</b>
<b>Net Change in Fund Balances</b>	<b>2,271,086</b>	<b>-</b>	<b>422</b>
<b>Net Position - Beginning</b>	<b>11,326,729</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 13,597,815</b>	<b>\$ -</b>	<b>\$ 422</b>

*See accompanying notes to basic financial statements*

<b>Special Revenue LCRA</b>	<b>Permanent</b>	<b>Total Governmental</b>
\$ 264,010	\$ -	\$ 12,376,972
-	-	951,484
-	-	2,419,967
-	-	249,018
-	-	2,401,044
-	-	1,758,617
-	-	5,525,750
-	-	317,319
-	-	3,733,288
-	7,762	373,488
-	-	1,660,536
<b>264,010</b>	<b>7,762</b>	<b>31,767,483</b>
328,102	-	8,953,185
-	-	11,198,645
-	-	2,914,985
-	-	2,685,795
-	-	1,447,614
-	-	2,489,834
-	-	-
-	-	515,592
-	-	1,106,835
<b>328,102</b>	<b>-</b>	<b>31,312,485</b>
<b>(64,092)</b>	<b>7,762</b>	<b>454,998</b>
388,750	-	6,693,259
-	-	(4,680,469)
-	-	136,140
<b>388,750</b>	<b>-</b>	<b>2,148,930</b>
324,658	7,762	2,603,928
471,068	313,790	12,111,587
<b>\$ 795,726</b>	<b>\$ 321,552</b>	<b>\$ 14,715,515</b>

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2019**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 2,603,928

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital and related assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Expenditures for capital assets	2,489,834	
Cost of fixed assets sold or retired (net)	(1,854,493)	
Less: current year depreciation and amortization	(2,061,031)	(1,425,690)

The issuance of debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal debt payments - governmental funds	515,593	
Amortization of bond discount and premium	94,492	
Amortization of gain and loss on bond refunding	(93,506)	516,579

Changes in net pension obligations are reported only in the statement of activities. 296,405

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 governmental funds.

Change in long-term compensated absences	(422,757)	
Net retiree healthcare asset (obligation)	49,750	(373,007)

**Change in Net Position of Governmental Activities** **\$ 1,618,215**

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*See accompanying notes to basic financial statements*

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**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 14,750,171	\$ 15,025,171	\$ 15,092,864	\$ 67,693
Intergovernmental	2,652,929	3,111,255	2,650,062	(461,193)
Licenses, Permits and Fees	6,524,249	7,115,924	7,284,367	168,443
Fines and Forfeitures	344,000	354,395	317,319	(37,076)
Administrative Service Charges	3,733,288	3,733,288	3,733,288	-
Investment Income	220,450	350,450	365,726	15,276
Miscellaneous	1,306,810	1,433,622	1,660,536	226,914
<b>Total Revenues</b>	<b>29,531,897</b>	<b>31,124,105</b>	<b>31,104,162</b>	<b>(19,943)</b>
<b>EXPENDITURES</b>				
Current Operating:				
General Government	8,264,275	8,980,106	8,625,083	355,023
Public Safety	10,907,902	11,375,063	11,198,645	176,418
Physical Environment	3,527,921	3,260,996	2,914,985	346,011
Transportation	3,009,152	3,161,168	2,685,795	475,373
Culture/Recreation	1,619,096	1,632,119	1,447,614	184,505
Capital Outlay	2,279,450	3,369,103	2,489,834	879,269
<b>Total Expenditures</b>	<b>29,607,796</b>	<b>31,778,555</b>	<b>29,361,956</b>	<b>2,416,599</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(75,899)</b>	<b>(654,450)</b>	<b>1,742,206</b>	<b>2,396,656</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,685,962	3,893,784	4,117,913	224,129
Transfers (Out)	(3,647,155)	(3,849,255)	(3,725,173)	124,082
Sale of capital assets	37,092	42,092	136,140	94,048
<b>Total Other Financing Sources (Uses)</b>	<b>75,899</b>	<b>86,621</b>	<b>528,880</b>	<b>442,259</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(567,829)</b>	<b>2,271,086</b>	<b>2,838,915</b>
<b>Fund Balances - Beginning</b>	<b>11,326,729</b>	<b>11,326,729</b>	<b>11,326,729</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 11,326,729</b>	<b>\$ 10,758,900</b>	<b>\$ 13,597,815</b>	<b>\$ 2,838,915</b>

*See accompanying notes to basic financial statements*



**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Special Revenue Fund - Historic Area Community Redevelopment Agency**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 387,208	\$ 387,208	\$ 391,549	\$ 4,341
Investment Income	-	-	-	-
<b>Total Revenues</b>	<b>387,208</b>	<b>387,208</b>	<b>391,549</b>	<b>4,341</b>
<b>EXPENDITURES</b>				
Current Operating:				
General Government	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues Over Expenditures</b>	<b>387,208</b>	<b>387,208</b>	<b>391,549</b>	<b>4,341</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	568,088	568,088	564,169	(3,919)
Transfers (Out)	(955,296)	(955,296)	(955,296)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(387,208)</b>	<b>(387,208)</b>	<b>(391,127)</b>	<b>(3,919)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>422</b>	<b>422</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 422</b>	<b>\$ 422</b>

*See accompanying notes to basic financial statements*

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**  
**Special Revenue Fund - Lincolnville Community Redevelopment Agency**  
**For the Year Ended September 30, 2019**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 266,012	\$ 266,012	\$ 264,010	\$ (2,002)
Investment Income	-	-	-	-
<b>Total Revenues</b>	<b>266,012</b>	<b>266,012</b>	<b>264,010</b>	<b>(2,002)</b>
<b>EXPENDITURES</b>				
Current Operating:				
General Government	737,584	1,197,855	328,102	869,753
Capital Outlay	65,000	65,000	-	65,000
<b>Total Expenditures</b>	<b>802,584</b>	<b>1,262,855</b>	<b>328,102</b>	<b>934,753</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(536,572)</b>	<b>(996,843)</b>	<b>(64,092)</b>	<b>932,751</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	536,572	826,697	388,750	(437,947)
Transfers (Out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>536,572</b>	<b>826,697</b>	<b>388,750</b>	<b>(437,947)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(170,146)</b>	<b>324,658</b>	<b>494,804</b>
<b>Fund Balances - Beginning</b>	<b>471,068</b>	<b>471,068</b>	<b>471,068</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 471,068</b>	<b>\$ 300,922</b>	<b>\$ 795,726</b>	<b>\$ 494,804</b>

*See accompanying notes to basic financial statements*

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**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2019**

	Utility	Stormwater Drainage	Solid Waste
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 18,506,881	\$ 965,487	\$ 783,013
Accounts Receivable (Net)	2,799,186	62,231	290,701
Due from Other Governments	1,305,369	460,054	22
Inventories, at Cost	53,485	-	-
Prepaid Expenses	46,568	3,098	13,343
Total Current Assets	22,711,489	1,490,870	1,087,079
<b>Non-Current Assets:</b>			
<b>Restricted Assets</b>			
Cash and Cash Equivalents	671,281	-	-
Total Restricted Assets	671,281	-	-
<b>Property, Plant and Equipment:</b>			
Land and Improvements	1,145,803	230,392	-
Buildings and Structures	30,317,887	-	333,163
Infrastructure	115,196,090	16,461,181	51,165
Machinery and Equipment	4,280,776	432,113	3,204,789
Construction in Progress	2,260,194	939,678	-
Accumulated Depreciation	(67,251,156)	(3,854,650)	(2,153,495)
Net Property, Plant and Equipment:	85,949,594	14,208,714	1,435,622
Total Non-Current Assets	86,620,875	14,208,714	1,435,622
<b>Total Assets</b>	<b>109,332,364</b>	<b>15,699,584</b>	<b>2,522,701</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Contributions to Pension Plan	872,193	53,919	239,210
Unamortized Loss on Refunding	16,729	-	-
<b>Total Deferred Outflow of Resources</b>	<b>888,922</b>	<b>53,919</b>	<b>239,210</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable and Accrued Expenses	\$ 1,542,674	\$ 140,657	\$ 436,992
Customer Deposits	671,281	-	-
Notes and Revenue Bonds Payable, Current Portion	3,239,308	-	-
Unearned Revenues - Other	-	-	-
Due to Other Funds	-	-	-
Compensated Absences, Current Portion	17,075	1,001	10,002
Total Current Liabilities	5,470,338	141,658	446,994
<i>(Continued)</i>			

See accompanying notes to basic financial statements

<b>Municipal Marina</b>	<b>Visitor Information Center</b>	<b>Total Proprietary</b>
-----------------------------	---	------------------------------

\$ 1,523,186	\$ 2,985,355	\$ 24,763,922
4,827	28,643	3,185,588
233,775	-	1,999,220
63,396	177,373	294,254
6,910	7,279	77,198
<b>1,832,094</b>	<b>3,198,650</b>	<b>30,320,182</b>

-	10	671,291
-	10	671,291

-	-	1,376,195
2,921,408	24,996,816	58,569,274
7,568,796	1,321,423	140,598,655
181,609	173,126	8,272,413
-	181,955	3,381,827
(4,100,485)	(11,922,079)	(89,281,865)
<b>6,571,328</b>	<b>14,751,241</b>	<b>122,916,499</b>
<b>6,571,328</b>	<b>14,751,251</b>	<b>123,587,790</b>
<b>8,403,422</b>	<b>17,949,901</b>	<b>153,907,972</b>

126,866	116,599	1,408,787
-	740,874	757,603
<b>126,866</b>	<b>857,473</b>	<b>2,166,390</b>

\$ 615,304	\$ 32,863	\$ 2,768,490
-	10	671,291
-	928,620	4,167,928
-	-	-
19,748	-	19,748
3,697	9,054	40,829
<b>638,749</b>	<b>970,547</b>	<b>7,668,286</b>

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2019**  
(Continued)

	Utility	Stormwater Drainage	Solid Waste
<b>LIABILITIES</b>			
<b>Non-Current Liabilities:</b>			
Net Pension Liability	\$ 2,326,853	\$ 133,851	\$ 619,342
Net OPEB Liability	336,762	22,309	107,703
Notes Payable, Less Current Portion	6,707,123	-	-
Revenue Bonds Payable, Less Current Portion	6,733,000	-	-
Compensated Absences, Less Current Portion	395,273	19,721	130,530
Total Non-Current Liabilities	16,499,011	175,881	857,575
<b>Total Liabilities</b>	<b>21,969,349</b>	<b>317,539</b>	<b>1,304,569</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Pension Plan	213,012	11,822	62,309
OPEB Plan	140,732	10,188	42,600
Total Deferred Inflow of Resources	<b>353,744</b>	<b>22,010</b>	<b>104,909</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	69,286,892	14,208,714	1,435,622
Restricted			
Renewal and Replacement	4,487,846	-	-
Unrestricted	14,123,455	1,205,240	(83,189)
<b>Total Net Position</b>	<b>\$ 87,898,193</b>	<b>\$ 15,413,954</b>	<b>\$ 1,352,433</b>

See accompanying notes to basic financial statements

<b>Municipal Marina</b>	<b>Visitor Information Center</b>	<b>Total Proprietary</b>
\$ 338,123	\$ 284,643	\$ 3,702,812
46,992	48,901	562,667
-	-	6,707,123
-	19,905,971	26,638,971
84,177	112,734	742,435
469,292	20,352,249	38,354,008
<b>1,108,041</b>	<b>21,322,796</b>	<b>46,022,294</b>
32,522	29,652	349,317
20,370	20,951	234,841
<b>52,892</b>	<b>50,603</b>	<b>584,158</b>
6,571,328	(5,342,476)	86,160,080
-	-	4,487,846
798,027	2,776,451	18,819,984
<b>\$ 7,369,355</b>	<b>\$ (2,566,025)</b>	<b>\$ 109,467,910</b>

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2019**

	Utility	Stormwater Drainage	Solid Waste
<b>OPERATING REVENUES</b>			
User Charges	\$ 17,025,629	\$ 978,475	\$ 3,895,302
Fees	2,743,997	-	44,407
Rental	-	-	-
Other	93,174	-	15,754
<b>Total Operating Revenues</b>	<b>19,862,800</b>	<b>978,475</b>	<b>3,955,463</b>
<b>OPERATING EXPENSES</b>			
Salaries, Wages and Employee Benefits	4,512,097	331,188	1,267,338
Utilities	768,441	902	9,723
Supplies and Materials	703,966	13,451	209,680
Contractual Services	560,616	14,191	1,427,023
Repairs and Maintenance	1,090,105	34,176	312,612
Cost of Goods Sold	-	-	-
Other	453,176	20,993	53,741
Administrative Overhead Charges	2,430,819	334,508	497,098
Depreciation and Amortization	4,791,824	693,811	277,480
<b>Total Operating Expenses</b>	<b>15,311,044</b>	<b>1,443,220</b>	<b>4,054,695</b>
<b>Operating Income (Loss)</b>	<b>4,551,756</b>	<b>(464,745)</b>	<b>(99,232)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	406,237	34,165	6,533
Interest Expense and Fiscal Charges	(285,714)	-	-
Gain (Loss) on Sale of Capital Assets	71,669	-	5,369
Other	405,548	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>597,740</b>	<b>34,165</b>	<b>11,902</b>
<b>Income Before Contributions and Transfers</b>	<b>5,149,496</b>	<b>(430,580)</b>	<b>(87,330)</b>
<b>Capital Grants and Contributions</b>	4,422,442	463,237	180,710
<b>Transfers In</b>	4,429,925	213,319	15,000
<b>Transfers (Out)</b>	(5,388,923)	(263,168)	(286,208)
<b>Change in Net Position</b>	<b>8,612,940</b>	<b>(17,192)</b>	<b>(177,828)</b>
<b>Net Position - Beginning</b>	<b>79,285,253</b>	<b>15,431,146</b>	<b>1,530,261</b>
<b>Net Position - Ending</b>	<b>\$ 87,898,193</b>	<b>\$ 15,413,954</b>	<b>\$ 1,352,433</b>

See accompanying notes to basic financial statements



<b>Municipal Marina</b>	<b>Visitor Information Center</b>	<b>Total Proprietary</b>
\$ 3,425,099	\$ 756,675	\$ 26,081,180
-	3,923,255	6,711,659
13,684	978	14,662
25,683	73,687	208,298
<b>3,464,466</b>	<b>4,754,595</b>	<b>33,015,799</b>
697,523	1,021,542	7,829,688
90,828	136,080	1,005,974
32,985	37,044	997,126
5,625	164,925	2,172,380
69,574	249,278	1,755,745
1,412,478	305,594	1,718,072
155,075	104,454	787,439
240,079	230,784	3,733,288
208,762	1,068,548	7,040,425
<b>2,912,929</b>	<b>3,318,249</b>	<b>27,040,137</b>
<b>551,537</b>	<b>1,436,346</b>	<b>5,975,662</b>
33,290	79,847	560,072
(142,614)	(866,054)	(1,294,382)
1,560	138	78,736
29,048	188,427	623,023
<b>(78,716)</b>	<b>(597,642)</b>	<b>(32,551)</b>
<b>472,821</b>	<b>838,704</b>	<b>5,943,111</b>
2,200,284	-	7,266,673
27,031	955,296	5,640,571
(168,358)	(1,546,703)	(7,653,360)
<b>2,531,778</b>	<b>247,297</b>	<b>11,196,995</b>
<b>4,837,577</b>	<b>(2,813,322)</b>	<b>98,270,915</b>
<b>\$ 7,369,355</b>	<b>\$ (2,566,025)</b>	<b>\$ 109,467,910</b>

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2019**

	Utility	Stormwater	Waste
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash Flows from Operating Activities:</b>			
Received from Customers	\$ 18,388,981	\$ 682,281	\$ 4,531,906
Payment to Suppliers for Goods and Services	(5,396,975)	(335,828)	(2,521,893)
Paid to Employees	(4,512,097)	(331,188)	(1,267,338)
Other Revenues (Expenses)	405,548	-	-
<b>Net Cash Flows from Operating Activities</b>	<b>8,885,457</b>	<b>15,265</b>	<b>742,675</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Principal Paid on Outstanding Bond Issues	(2,628,506)	-	-
Interest Paid on Outstanding Bond Issues	(415,927)	-	-
Acquisition and Construction of Capital Assets	(8,295,925)	(1,260,563)	(11)
Proceeds from Sale of Assets	71,669	-	5,369
Bond Costs	-	-	-
Proceeds from borrowing	3,487,322	-	-
Capital Contributions and Grants	4,422,442	463,237	180,710
<b>Net Cash Flows from Capital and Related Financing Activities</b>	<b>(3,358,925)</b>	<b>(797,326)</b>	<b>186,068</b>
<b>Cash Flows from Investing Activities:</b>			
Interest Income	406,237	34,165	6,533
<b>Net Cash Flows from Investing Activities</b>	<b>406,237</b>	<b>34,165</b>	<b>6,533</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Payments Under Interfund Loan Agreements	-	-	-
Transfers from Other Funds	4,429,925	213,319	15,000
Transfers (to) Other Funds	(5,388,923)	(263,168)	(286,208)
<b>Net Cash Flows from Non-Capital Financing Activities</b>	<b>(958,998)</b>	<b>(49,849)</b>	<b>(271,208)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>4,973,771</b>	<b>(797,745)</b>	<b>664,068</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>14,204,391</b>	<b>1,763,232</b>	<b>118,945</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 19,178,162</b>	<b>\$ 965,487</b>	<b>\$ 783,013</b>

*(Continued)*

*See accompanying notes to basic financial statements*

<b>Municipal Marina</b>	<b>Visitor Information Center</b>	<b>Total Proprietary</b>
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\$ 5,320,288	\$ 4,753,593	\$ 33,677,049
(2,039,150)	(1,273,591)	(11,567,437)
(697,523)	(1,021,542)	(7,829,688)
29,048	188,427	623,023
<b>2,612,663</b>	<b>2,646,887</b>	<b>14,902,947</b>

(3,420,000)	(850,692)	(6,899,198)
(142,614)	(871,445)	(1,429,986)
(1,204,505)	-	(10,761,004)
1,560	138	78,736
-	-	-
-	-	3,487,322
2,200,284	-	7,266,673

<b>(2,565,275)</b>	<b>(1,721,999)</b>	<b>(8,257,457)</b>
--------------------	--------------------	--------------------

33,290	79,847	560,072
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<b>33,290</b>	<b>79,847</b>	<b>560,072</b>
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-	-	-
27,031	955,296	5,640,571
(168,358)	(1,546,703)	(7,653,360)

<b>(141,327)</b>	<b>(591,407)</b>	<b>(2,012,789)</b>
------------------	------------------	--------------------

<b>(60,649)</b>	<b>413,328</b>	<b>5,192,773</b>
-----------------	----------------	------------------

<b>1,583,835</b>	<b>2,572,037</b>	<b>20,242,440</b>
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<b>\$ 1,523,186</b>	<b>\$ 2,985,365</b>	<b>\$ 25,435,213</b>
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**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2019**  
(Continued)

	Utility	Stormwater Drainage	Solid Waste
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Operating Income</b>	<b>\$ 4,551,756</b>	<b>\$ (464,745)</b>	<b>\$ (99,232)</b>
<b>Adjustments to Reconcile Net Operating Income to Net Cash Flows from Operating Activities:</b>			
Depreciation and Amortization	4,791,824	693,811	277,480
Provision for Uncollectible Accounts	287,815	30,000	38,485
Other Revenues (Expenses)	405,548	-	-
<b>Changes in Operating Assets and Liabilities:</b>			
Accounts Receivable	(1,532,436)	(296,194)	576,443
Inventories	(8,277)	-	-
Prepays	451	748	(56)
Deferred Outflow of Resources	(117,641)	(9,557)	(31,929)
Accounts Payable and Compensated Absences	382,757	55,816	(36,173)
Net Pension Liability	62,905	5,172	17,280
Net OPEB liability	(70,981)	(5,558)	(20,319)
Deferred Inflow of Resources	73,119	5,772	20,696
Deposits Payable	58,617	-	-
Total Adjustments	<b>4,333,701</b>	<b>480,010</b>	<b>841,907</b>
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 8,885,457</b>	<b>\$ 15,265</b>	<b>\$ 742,675</b>

**Non-Cash Transactions (transactions/amounts not included in the Statement of Cash Flows):**

Amortization of unamortized bond refunding loss to interest expense of \$135,603

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*See accompanying notes to basic financial statements*

<b>Municipal Marina</b>	<b>Visitor Information Center</b>	<b>Total Proprietary</b>
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**\$ 551,537    \$ 1,436,346    \$ 5,975,662**

208,762      1,068,548      7,040,425  
 -              -              356,300  
 29,048      188,427      623,023

1,855,822      5,752      609,387  
 11,217      (28,448)      (25,508)  
 (588)      (749)      (194)  
 (17,113)      (19,113)      (195,353)  
 (35,536)      (7,952)      358,912  
 9,261      10,344      104,962  
 (10,628)      (10,816)      (118,302)  
 10,881      11,302      121,770  
 -      10      58,627  
 -      (6,764)      (6,764)

**2,061,126      1,210,541      8,927,285**

**\$ 2,612,663    \$ 2,646,887    \$ 14,902,947**

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2019**

	<b>Employee Retirement Funds</b>
<b>ASSETS</b>	
Cash and Short-Term Investments	\$ 2,473,725
Receivables:	
Interest and Dividends	
Due from State	29,004
<b>Total Receivables</b>	<b>29,004</b>
Prepaid Expense	650
Investments, at Fair Value:	
Fixed income securities	13,069,153
Equity securities	47,730,558
Alternative strategies	3,867,568
Real Estate Fund	11,848,248
<b>Total Investments</b>	<b>76,515,527</b>
<b>Total Assets</b>	<b>79,018,906</b>
<b>LIABILITIES</b>	
Expenses Payable	51,413
<b>Total Liabilities</b>	<b>51,413</b>
<b>NET POSITION, Restricted For Pensions</b>	<b>\$ 78,967,493</b>

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*See accompanying notes to basic financial statements*

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2019**

	<b>Employee Retirement Funds</b>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
Members	\$ 750,951
City	3,988,500
State Insurance Premium Tax from General Fund	446,204
<b>Total Contributions</b>	<b>5,185,655</b>
<b>Other Income</b>	
Other Income	23,493
<b>Total Other Income</b>	<b>23,493</b>
<b>Investment Income:</b>	
Net Increase in Fair Value of Investments	556,492
Interest and Dividends on Investments	1,843,695
<b>Total Investment Income</b>	<b>2,400,187</b>
<b>Less Investment Expenses</b>	<b>232,559</b>
<b>Net Income from Investing Activities</b>	<b>2,167,628</b>
<b>Total Additions</b>	<b>7,376,776</b>
<b>DEDUCTIONS</b>	
Benefit Payments	4,702,844
Termination Payments	161,452
DROP Payments	-
Administrative Expenses	198,659
<b>Total Deductions</b>	<b>5,062,955</b>
<b>Change in Net Position</b>	<b>2,313,821</b>
<b>Net Position - Beginning</b>	<b>76,653,672</b>
<b>NET POSITION - ENDING</b>	<b>\$ 78,967,493</b>

*See accompanying notes to basic financial statements*

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The City of St. Augustine, Florida (the City), was established in 1925, by Special Legislative Act 11148 of the Florida Legislature. The City operates under a commission-manager form of government and provides the following services as authorized by its charter: General Government, Public Safety, Public Works, Public Utilities, Culture, Recreation, and Community Development.

The accounting and reporting policies of the City relating to the funds included in the Basic Financial Statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principals prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governments* and by the Financial Accounting Standards Board (when applicable).

**A. Financial Reporting Entity**

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of St. Augustine, Florida, and its fiduciary funds. The fiduciary funds discussed here are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The City currently has separate and distinct defined benefit pension plans for the City's general employees, police officers and firefighters. These plans are legally separate from the City and are governed by board members who are both elected by their peers and appointed by the City Commission. For financial reporting purposes, these plans are reported as if they were part of the City's operations as the sole purpose of the plans are to provide retirement benefits for the City's employees. These plans have separately issued financial statements that can be obtained through the City Clerk's office.

**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 City. 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 expense 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. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to meeting the operational and 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 proprietary funds are reported as separate columns in the fund financial statements.

**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.



**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

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 soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures are generally recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenue, licenses and permits, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

Since the fund level statements for governmental activities are presented using a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following governmental fund level statements. The reconciliation briefly explains the adjustments necessary to convert the fund level statements into the government-wide governmental column presentations.

**The City reports the following funds:**

**Major Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund and Special Revenue Fund have legally adopted annual budgets. The following are the City's major governmental funds:

**a. General Fund**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Resources are generated primarily from local property and utility services taxes, franchises, licenses, permits and fees, intergovernmental revenues and charges for services. Expenditures are incurred to provide public safety, general government, public works, parks and recreation services.

**b. Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest of the governmental funds.

**c. Special Revenue Funds**

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Special Revenue Funds are as follows; The St. Augustine Community Redevelopment Agency fund was established by ordinance in 2000 to assist the City in redeveloping the Historic Area Community Redevelopment Area (HACRA), a blighted transportation and parking geographical area principally located in the historic downtown area. The Lincolnville Community Redevelopment Area (LCRA) was established in 2013. The primary focus of the CRA is maintaining Lincolnville's residential character. The St. Augustine Community Redevelopment Agencies (CRA) are funded by "increment," or the difference between appraised property values from an established base year in each of the two redevelopment areas, to the current year in the area. The CRA funds receive this amount of money from each taxing entity yearly.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**d. Capital Projects Fund**

The City utilizes a Capital Projects Fund internally to segregate activity that is not an ordinary part of the general fund. At year-end the City combines the capital projects fund with the general fund. When necessary, the City uses this fund to account for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

**e. Permanent Fund**

Permanent fund is used to report resources available to support the City's programs, that are legally restricted so that only earnings (and not principal) may be used. The Permanent Fund includes the Anderson Trust Fund, Woodman Trust Fund, and Sanchez House Trust Fund and accounts for assets held by the City as a trustee for individuals.

**Major Proprietary Funds**

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. Proprietary funds used by the City are:

**a. Utility Fund**

The Utility Fund accounts for the operation, maintenance and construction of the City-owned water and sewer system.

**b. Stormwater Drainage Fund**

The Stormwater Drainage Fund accounts for the operation, maintenance and construction of the City-owned stormwater drainage system.

**c. Solid Waste Fund**

The Solid Waste Fund accounts for the operation, maintenance and construction of the City-owned solid waste pick-up and disposal service.

**d. Municipal Marina Fund**

The Marina Fund accounts for operation, maintenance and construction of the City-owned Municipal Marina facilities.

**e. Visitor Information Center Fund**

The Visitor Information Center Fund accounts for the operation, maintenance and construction of the City-owned Visitor Information Center and Historic Downtown Parking Facility.

**Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the City as a trustee or agent. Fiduciary Funds used by the City are:

**a. General Employees' Pension Plan**

The General Employees' Pension Plan accounts for the contributions of the general employees and the City, along with the benefits paid to the retired participants of the plan.

**b. Police Officers' Pension Plan**

The Police Officers' Pension Plan accounts for the contributions of the police officer employees, the City and the State of Florida, along with the benefits paid to the retired participants of the plan.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**c. Firefighters' Pension Plan**

The Firefighters' Pension Plan accounts for the contributions of the firefighter employees, the City and the State of Florida, along with benefits paid to the retired participants of the plan.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administration overhead charges between the general fund and the funds benefited. Elimination of these charges would distort the direct costs for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

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 City's proprietary funds are charges to customers for goods and services. Operating expenses for the proprietary 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

The budget is prepared on a GAAP basis. The legal level of control for budget variations is at the fund level. However, actual spending can exceed the appropriated amount of the fund to the extent revenues exceed the fund's adopted budget.

**D. Cash**

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested with the State Board of Administration (SBA) Pool and two fully collateralized investment accounts with qualified public depositories. All of these investments are considered cash equivalents due to their liquidity and similarity to cash.

**E. Investments**

Investments within the Pension Trust Funds are made through financial brokers and are held by trustees. These assets are stated at fair value as determined by various levels of input as described in Note 2.B.

**F. Fair Value Measurement and Application**

GASB 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Fair value is described as an exit price. Fair value measurements assume a transaction takes place in a government's principal market, or a government's most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest. Fair value should not be adjusted for transaction costs.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**G. Receivables and Allowance for Uncollectible Accounts**

All receivables are reported at gross value and, where appropriate, are reduced by the portion that is expected to be uncollectible. Estimated unbilled revenues from the Utility, Stormwater and Solid Waste Funds are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the year. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are classified as “due to/due from other funds”.

**H. Inventories**

Inventories held by the General Fund are valued at cost using the first-in/first-out (FIFO) method. Because the consumption method is used, the inventory items are recorded as expenditures at the time they are withdrawn from central stores. The inventory value has been recorded as an asset, offset by a reserve in an equal amount. Inventories in the Proprietary Funds are valued at the lower of cost (using FIFO method) or market. Inventories of these funds are expensed as used.

**I. Prepaid Items**

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. The consumption method is used for these items.

**J. Restricted Assets**

These assets consist of cash restricted for debt service, construction, renewal and replacement, and customer deposits (See Note 2).

**K. Capital Assets**

Capital outlays are recorded as expenditures in the Governmental Fund Financial Statements, and as assets in the Government-wide Financial Statements to the extent the City’s capitalization threshold of \$5,000 is met. In accordance with GASB Statement No. 34, infrastructure has been capitalized. Infrastructure consists primarily of streets, curbs and sidewalks. Depreciation is recorded on general capital assets (except for land and construction in progress) on a government-wide basis using the straight-line method over the following estimated useful lives:

Buildings	30 years
Furniture and Other Equipment	3-20 years
Infrastructure	20-50 years

To the extent the City’s capitalization threshold of \$5,000 is met, capital outlays of the Proprietary Funds are recorded as capital assets and depreciated over their estimated useful lives on a straight-line basis on both the fund basis and the government-wide basis using the following estimated useful lives:

Buildings	10-50 years
Furniture and Other Equipment	2-10 years
Infrastructure & Improvements	10-40 years

All capital assets were valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. The City does not capitalize historical treasures or works of art. The City maintains many items and buildings of historical significance. The City does not require the proceeds from the sale of historical treasures or works of art be used to acquire other items for the collection.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations in the government-wide financial statements.

**L. Deferred Inflows/Outflows of Resources**

Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets. Deferred inflows of resources represents the acquisition of net position that is applicable to a future reporting period. Deferred inflows have a negative effect on net position, similar to liabilities.

**M. Compensated Absences**

Annual vacation leave is accumulated in the following manner:

General, Municipal & Police Employees: 80 hours per year with 5 years or less, 88 hours with 6 years, 96 hours with 7 years, 104 hours with 8 years, 112 hours with 9 years, 120 hours with 10 to 15 years, 128 hours with 16 years, 136 hours with 17 years, 144 hours with 18 years, 152 hours with 19 years, maximum per employee is 160 hours with 20 or more years of service.

Fire Department Employees: 120 hours per year with 5 years of less, 156 hours with 6 years, 165 hours with 7 years, 174 hours with 8 years, 183 hours with 9 years, 192 hours with 10 to 15 years, 216 hours with 16 years, 228 hours with 17 years, 241 hours with 18 years, maximum per employee is 252 hours with 20 or more years of service.

Sick leave is available to be paid at termination, retirement, or resignation as follows:

General and Municipal Employees:	160 hours per year, no maximum
Police Department Employees:	160 hours per year, no maximum
Fire Department Employees:	224 hours per year, no maximum

The City has accrued for sick and vacation leave earned but unused at year end. This accrual was based on unused sick and vacation hours available to employees as maintained by the City's payroll system and as multiplied by each eligible employees individual hourly pay rate. Liquidation of the accrued sick and vacation leave has historically come from the general fund.

**N. Other Post-Employment Benefits (OPEB)**

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The City currently provides these benefits in accordance with the vesting and retirement requirements for its employees.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

The City is financing the post employee benefits on a pay-as-you-go basis. As determined by an actuarial evaluation, the City records a net OPEB obligation in its government-wide financial statements related to the implicit and explicit subsidy. See Note 12 for further information.

**O. Long-Term Obligations**

In the government-wide financial statements, governmental long-term debt and other governmental long-term obligations are reported as liabilities in the governmental activities column of the Statement of Net Assets. Long-term debt and other long-term obligations of the proprietary funds are reported as liabilities in the business-type activities column of the Statement of Net Assets and the appropriate proprietary fund in the fund level statements.

**P. Unearned Revenue**

Governmental funds and business-type funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

**Q. 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 three 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.

**R. Fund Balance Classifications**

In fiscal year 2011, the City Commission implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* by adopting a fund balance policy. GASB No. 54 provides more clearly defined fund balance categories to make the nature and extent of the constraints place on a government's fund balances more transparent. The policy was adopted by resolution No. 2013-09, therefore any modifications to the policy would require a subsequent resolution and majority vote by the Commission. This policy establishes the Commission as the body authorized to assign amounts to these categories. The following classifications describe the relative strength of the spending constraints.

**Non-spendable fund balance** - is established to report items that are not expected to be converted to cash such as inventory and prepaid items; items not currently in cash form such as the long-term amount of loans and notes receivable as well as property acquired for resale; and, items legally or contractually required to be maintained intact.

**Restricted Fund Balance** – amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. A number of items that would otherwise qualify as restricted fund balance of the General Fund may be reported in special revenue funds or capital project funds as appropriate.

The following Restricted Fund Balance classifications are examples of those that may be used in reporting the City's financial position:

**Unspent Bond Proceeds** – The Unspent Bond Proceeds Reserve reflects those amounts relating to debt issued by the City for specific purposes and which are thereby restricted to be used for those purposes.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**Grants Earned But Not Spent** – The Grants Earned But Not Spent Reserve reflect those amounts relating to legally obligated proceeds issued to the City by another authority.

**Committed Fund Balance** – amounts constrained to specific purposes by the City itself by Commission approval. Commitment of fund balance may be made from time-to-time by ordinance by the City Commission. Commitments may be changed or lifted only by the City Commission taking the same formal action that imposed the constraint originally. The use (appropriation) of committed fund balances will be considered in conjunction with the annual budget adoption process or by budget amendment approved by the City Commission during the fiscal year.

**Assigned Fund Balance** – assignment of fund balance may be a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Assigned fund balance shall reflect management's intended use of resources as established by either (1) the annual budget process (and any amendments thereto) or (2) by agreement of the City's administration prior to the end of each fiscal year. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

The following Assigned Fund Balance classifications are an example of ones that may be used in reporting the City's financial position:

**Designated Carry Forward** – The Designated Carry Forward Fund Balance Reserve is assigned by the City as set forth in the annual budget and any amendments thereto to provide funds for open encumbrances.

**Unassigned Fund Balance** – amounts that are available for any purpose.

**Spending of Fund Balance** - The General Fund is the only governmental fund that can report a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, if necessary, other governmental funds must report a negative unassigned fund balance when appropriate.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as needed. When unrestricted resources (committed, assigned and unassigned) are available for use in any governmental fund, it is the City's practice to use committed resources first, then assigned, and then unassigned as needed.

In 2013, the City Commission adopted a Resolution establishing a stabilization arrangement. This Resolution is in compliance with the Governmental Accounting Standards Board's issued Statement No. 54, Fund Balance Report and Governmental Fund Type Definitions. It establishes a minimum Committed Fund Balance in the General Fund Reserve in an amount equal to no less than 33.33% percent (four months) of the City's budgeted general operating revenues as the emergency reserve level.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**S. Unamortized Bond Premium (Discount)**

Unamortized bond premium (discount) represent the amount received above or below par on various bond issues. These costs are being amortized over the life of the respective bond issues using the straight-line method, which is comparable to the effective interest method. Unamortized costs at September 30, 2019 are as follows:

	<u>Original Cost</u>	<u>Accumulated Amortization</u>	<u>Unamortized Costs</u>
Beginning of year	\$ 6,187,780	\$ (1,733,535)	\$ 4,454,245
Current year additions	-	(381,563)	(381,563)
Current year retirements	-	-	-
End of year	<u>\$ 6,187,780</u>	<u>\$ (2,115,098)</u>	<u>4,072,682</u>

**T. Revenue Recognition – Property Taxes**

Property tax revenue is recognized when it becomes available and measurable. Property taxes, under Florida law, are levied on November 1 by the County Tax Appraiser and collected by the County Tax Collector and become a lien on the property on November 1.

The law allows a four percent discount if paid in November, a three percent discount if paid in December, a two percent discount if paid in January, and a one percent discount if paid in February. Taxes become delinquent on April 1 of each year. Delinquent real estate taxes are advertised during the month of May. Tax certificates are sold on May 30, at a public sale, against property on which the current taxes have not been paid. If not redeemed within two years, the property will be subject to an application for tax deed.

In accordance with National Council on Governmental Accounting (NCGA) Interpretation 3, property taxes that are measurable but not available are reported as deferred revenue. The deferred revenues are recognized in the fiscal year in which they become available. The City had no taxes subject to this deferral at year-end.

**U. Community Redevelopment Area**

The City established the HACRA and the LCRA Community Redevelopment special revenue funds to account for revenues and expenditures related to the community redevelopment areas. The financial results of the areas are presented as blended component units through the use of a special revenue funds.

For fiscal year ended September 30, 2019, the funds received \$655,559 in property tax revenue and a \$952,919 transfer from the general fund. The City transfer included the City’s portion of the tax increment.

**V. Expenditures**

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased. The General Fund applies an administrative charge to Proprietary Funds for administrative services and overhead costs, which is included in direct expenses.



**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**W. Future Accounting Pronouncements**

- a. Statement No. 84, "Fiduciary Activities." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019.
- b. Statement No. 87, "Leases." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020.
- c. Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." The requirements of this Statement will take effect for reporting periods starting after December 15, 2019.
- d. Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The requirements of this Statement will take effect for reporting periods starting after December 15, 2019.
- e. Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for reporting periods starting after December 15, 2020.

**NOTE 2. DEPOSITS AND INVESTMENTS:**

**A. Cash and Cash Equivalents**

The City maintains a cash and investment pool that is designed for use by all funds. For the purposes of cash flows, the City considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. In addition, investments are separately held and accounted for by several of the City's funds where contractual agreements and bond covenants provide for and require such arrangements.

At September 30, 2019, the carrying amount of cash on hand was \$2,167,309 and the related bank balance was \$2,184,643. Monies, which are placed on deposit with financial institutions in the form of demand deposit accounts, are defined as Public Deposits and as such are secured as provided for in Chapter 280, Florida Statutes. Financial institutions, which meet the requirements for this chapter, can be designated as qualified public depositories eligible to receive Public Deposits. This chapter also created the Public Deposit Security Trust Fund to facilitate the recovery of administrative penalties resulting from the default or insolvency of any qualified Public Depository and the subsequent payment of any losses to Public Depositors. When Public Deposits are made in accordance with this statute, no Public Depositor shall be liable for any loss thereof. Thus, all deposits at year-end are insured or collateralized with securities pursuant to Chapter 280, Florida Statutes.

State Statutes govern the City's investment policies. The basic allowable investment instruments include the Local Government Surplus Funds Trust Fund (State Board); Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating; interest-bearing time deposits or savings accounts in qualified public depositories; direct obligations of the United States Treasury; Federal agencies and instrumentalities; other investments authorized by law or ordinance for a county or municipality.

The State Board consists of the Local Government Surplus Trust Fund (Florida PRIME). The Florida PRIME is currently considered a SEC 2a7-like fund, thus the account balance should also be considered the fair value of the investment. Florida PRIME is rated by Standard & Poor's and currently has a rating of AAAM. The Florida PRIME balance of \$37,210,941 maturity as of September 30, 2019. A government money market account with a qualified public depository was established by the City in 2008. This account is fully collateralized and held a balance of \$551,362 as of September 30, 2019. A second account with a qualified public depository was established by the City in 2018. This account held a balance of \$0 as of September 30, 2019 due to the account being closed during the fiscal year.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 2. DEPOSITS AND INVESTMENTS: (continued)**

**B. Investment Measurement at Fair Value**

**Fair Value Hierarchy**

The accounting standards break down the fair value hierarchy into three levels based on how observable the inputs are that make up the valuation. The most observable inputs are classified as Level 1 where the unobservable inputs are classified as Level 3.

**Level 1 Inputs** -to the Valuation Methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

As a general rule, any asset that has a daily closing price and is actively traded will be classified as a Level 1 input.

**Level 2 Inputs** -are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in active markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

As a general rule, if an asset or liability does not fall into the requirements of a Level 1 or Level 3 input, it would default to Level 2. With Level 2 inputs, there is usually data that can be easily obtained to support the valuation, even though it is not as easily obtained as a Level 1 input would be.

**Level 3 Inputs** -to the valuation methodology are unobservable and significant to the fair value measurement.

As a general rule, Level 3 inputs are those that are difficult to obtain on a regular basis and require verification from an outside party, such as an auditor or an appraisal, to validate the valuation.

Net asset value (NAV) is a common measurement of fair value for Level 1, Level 2, and Level 3 investments. A fund's NAV is simply its assets less its liabilities, and is often reported as a per share amount for fair value measurement purposes. The Plan would multiply the NAV per share owned to arrive at fair value. Level 1 investment in funds such as mutual funds report at a daily NAV per share and are actively traded. NAV also comes in to play for Level 2 and 3 investments. As a matter of convenience (or referred to in accounting literature as a "practical expedient"), a Plan can use the NAV per share for investments in a nongovernmental entity that does not have a readily determined fair value, such as an alternative investment. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund's reported NAV as a matter of convenience.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 2. DEPOSITS AND INVESTMENTS: (continued)**

	September 30, 2019	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>General Pension Plan</b>				
Fixed Income Securities	\$ 4,867,279	\$ -	\$ 4,867,279	\$ -
Equity Securities	26,784,534	-	26,784,534	-
Alternative Strategies	3,203,227	-	3,203,227	-
Real Estate Funds	7,816,863	-	-	7,816,863
Investment at Fair Value	\$ 42,671,903	\$ -	\$ 34,855,040	\$ 7,816,863
<b>Police Pension Plan</b>				
Fixed Income Securities	\$ 3,546,230	\$ 156,195	\$ 3,390,035	\$ -
Equity Securities	13,039,916	6,425,116	6,614,800	-
Alternative Strategies	-	-	-	-
Real Estate Funds	4,031,385	-	-	4,031,385
Investment at Fair Value	\$ 20,617,531	\$ 6,581,311	\$ 10,004,835	\$ 4,031,385
<b>Fire Pension Plan</b>				
Fixed Income Securities	\$ 4,655,644	\$ 2,124,191	\$ 2,531,453	\$ -
Equity Securities	7,906,108	7,305,560	600,548	-
Alternative Strategies	664,341	-	664,341	-
Real Estate Funds	-	-	-	-
Investment at Fair Value	\$ 13,226,093	\$ 9,429,751	\$ 3,796,342	\$ -
<b>Total Investment at Fair Value</b>	<b>\$ 76,515,527</b>	<b>\$ 16,011,062</b>	<b>\$ 48,656,217</b>	<b>\$ 11,848,248</b>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 2. DEPOSITS AND INVESTMENTS: (continued)**

**C. Investments – General Pension Plan**

Interest Rate Risk

The General Pension Plan Investment Policy limits interest rate risk by limiting the fixed-income portfolio duration to less than 135% of the market index duration, including investments in government issues, corporate bonds with an average rating of A or higher and/or Government National Mortgage Association pooled obligations. There may be exceptional circumstances indicating the use of longer maturities, but these exceptions should be few. As of September 30, 2019, the General Employee’s Pension Plan had the following fixed income investments and maturities at PAR value. :

Investment Type	PAR Value	Investment Maturities (in Years)			
		Less Than 1	Between 1 and 5	Between 6 and 10	More Than 10
Fixed	\$ 4,586,262	\$ 300,000	\$ 1,826,061	\$ 1,026,684	\$ 1,433,517

Credit Risk and Concentration of Credit Risk

Excessive concentration of assets will be avoided. Excessive Concentration is defined as having more than five percent on a cost basis of the equity portfolio in any single common stock or having more than five percent on a cost basis of the portfolio in fixed-income securities of one specific issue, with the exception of the securities of the U.S. Government and its agencies and high quality market funds, as stated in the plan’s investment policy.

Foreign Currency

Investment in Foreign Securities is allowed under the investment plan; however, not more than twenty-five percent of the total fund market value may be invested in foreign securities.

**D. Investments – Police Pension Plan**

Interest Rate Risk

The Police Pension Plan Investment Policy limits fixed income securities to 135% of the duration of the market index, including investments in government issues, corporate bonds having an average quality rating of A or higher and/or securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. There may be exceptional circumstances indicating the use of longer maturities, but these exceptions should be few. As of September 30, 2019, the Police Officer’s Pension Plan had the following investments and maturities:

Investment Type	% of Fund	Fair Value	Rating	Effective Duration
Carillon Core Plus	47.61%	\$ 1,688,216	AAA-B	5.80
T. Rowe Price Spectrum	47.99%	1,701,819	AAA-B or below	4.34
iShares Short Treasury	4.40%	156,195	AAA	N/A
	100.00%	\$ 3,546,230		

Credit Risk and Concentration of Credit Risk

Excessive concentration of assets will be avoided. Excessive Concentration is defined as having more than five percent on a cost basis of the equity portfolio in any single common stock or having more than five percent on a cost basis of the portfolio in fixed-income securities of one specific issue, with the exception of the securities of the U.S. Government and its agencies and high quality market funds, as stated in the plan’s investment policy. Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with state law the Plan’s investment guidelines limit its fixed income investments to a quality of “A” or equivalent as rated by Moody’s or by Standard & Poor’s board rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 2. DEPOSITS AND INVESTMENTS: (continued)**

Foreign Currency

Investment in foreign securities is allowed under the investment plan; however, not more than twenty-five percent of the total fund market value may be invested in foreign securities.

**E. Investments – Firefighter Pension Plan**

Interest Rate Risk

The Firefighter Pension Plan Investment Policy limits all investments in corporate fixed income securities to those that hold a rating of investment grade or higher. There is no limit imposed on investment in fixed income securities issued directly by the U.S. Government. The Plan limits the effective duration of its investment portfolio through the adoption of the Merrill Lynch Government/Corporate Bond Index bench mark. It is expected that the average duration of the total fixed income portfolio will not exceed 150% of the duration of the Index. As of September 30, 2019, the Firefighter Pension Plan held the following fixed income investments:

<u>Investment Type</u>	<u>% of Fund</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Effective Duration</u>
US Government Securities & Agencies	41.4%	\$ 2,124,191	AA	10.0-15.0
Corporate Bonds	37.4%	1,921,933	A	11.0
International fixed income investment	11.9%	609,521	BBB-A	2.0-5.0
Temporary investment funds	9.3%	479,238	AAA	Daily
	<u>100%</u>	<u>\$ 5,134,883</u>		

Credit Risk and Concentration of Credit Risk

Excessive concentration of assets will be avoided. Excessive Concentration is defined as having more than five percent on a cost basis of the equity portfolio in any single common stock or having more than five percent on a cost basis of the portfolio in fixed-income securities of one specific issue, with the exception of the securities of the U.S. Government and its agencies and high quality market funds, as stated in the plan's investment policy.

Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with state law the Plan's investment guidelines limit its fixed income investments to a quality of "A" or equivalent as rated by Moody's or by Standard &

Poor's board rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity.

Foreign Currency Risk

Investment in foreign securities is allowed under the plan; however, no more than twenty-five percent of the plan's total assets may be invested in foreign securities.

**NOTE 3. ACCOUNTS RECEIVABLE:**

Receivables at September 30, 2019, consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 1,039,923	\$ 3,185,588	\$ 4,225,511
Intergovernmental	32,630	1,999,220	2,031,850
Gross Receivables	<u>\$ 1,072,553</u>	<u>\$ 5,184,808</u>	<u>\$ 6,257,361</u>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 4. CAPITAL ASSETS:**

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2019:

<b>Governmental Activities</b>	<b>Balance 09/30/18</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 09/30/19</b>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 8,046,036	\$ 239,506	\$(1,486,850)	\$ 6,798,692
Construction in Progress	222,773	322,506	(214,655)	330,624
Total Capital Assets Not Being Depreciated	<u>8,268,809</u>	<u>562,012</u>	<u>(1,701,505)</u>	<u>7,129,316</u>
Other Capital Assets:				
Buildings	21,542,535	88,052	(17,741)	21,612,846
Infrastructure	23,320,645	1,132,403	(289,568)	24,163,480
Furniture and Other Equipment	9,482,540	946,874	(373,285)	10,056,129
Total Other	<u>54,345,720</u>	<u>2,167,329</u>	<u>(680,594)</u>	<u>55,832,455</u>
Less Accumulated Depreciation For:				
Buildings	(12,825,279)	(512,588)	-	(13,337,867)
Infrastructure	(8,900,239)	(808,401)	-	(9,708,640)
Furniture and Other Equipment	(6,955,251)	(740,042)	288,099	(7,407,194)
Total Accumulated Depreciation	<u>(28,680,769)</u>	<u>(2,061,031)</u>	<u>288,099</u>	<u>(30,453,701)</u>
Other Capital Assets, Net	<u>25,664,951</u>	<u>106,298</u>	<u>(392,495)</u>	<u>25,378,754</u>
<b>TOTAL</b>	<u><u>\$ 33,933,760</u></u>	<u><u>\$ 668,310</u></u>	<u><u>\$(2,094,000)</u></u>	<u><u>\$ 32,508,070</u></u>

Depreciation was allocated to Governmental Activities as follows:

General Government	\$ 1,934,401
Public Safety	15,274
Physical Environment	111,356
Transportation	-
Culture & Recreation	-
<b>Total</b>	<u><u>\$ 2,061,031</u></u>

Construction in progress is composed of the following at September 30, 2019:

Charlotte Street Reconstruction	\$ 228,646
Mobility and Parking Improvements	50,451
Computer Server Project	29,031
Tolomato Lot Improvement	20,451
Seawall Reconstruction	2,045
<b>Total</b>	<u><u>\$ 330,624</u></u>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 4. CAPITAL ASSETS: (continued)**

**Business-Type Activities**

	<u>Balance</u> <u>09/30/18</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>09/30/19</u>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 1,145,803	\$ 230,392	\$ -	\$ 1,376,195
Construction in Progress	<u>5,747,757</u>	<u>1,035,014</u>	<u>(3,400,944)</u>	<u>3,381,827</u>
Total Capital Assets Not Being Depreciated	<u>6,893,560</u>	<u>1,265,406</u>	<u>(3,400,944)</u>	<u>4,758,022</u>
Other Capital Assets:				
Buildings	58,837,840	2,395	(270,960)	58,569,275
Infrastructure	128,188,979	13,047,676	(638,002)	140,598,653
Furniture and Other Equipment	8,092,975	428,336	(248,898)	8,272,413
Total Other	<u>195,119,794</u>	<u>13,478,407</u>	<u>(1,157,860)</u>	<u>207,440,341</u>
Less Accumulated Depreciation For:				
Buildings	(29,818,774)	(2,016,503)	-	(31,835,277)
Infrastructure	(48,215,480)	(4,328,727)	303,066	(52,241,141)
Furniture and Other Equipment	<u>(4,783,181)</u>	<u>(695,195)</u>	<u>272,930</u>	<u>(5,205,446)</u>
Total Accumulated Depreciation	<u>(82,817,435)</u>	<u>(7,040,425)</u>	<u>575,996</u>	<u>(89,281,864)</u>
Other Capital Assets, Net	<u>112,302,359</u>	<u>6,437,982</u>	<u>(581,864)</u>	<u>118,158,477</u>
<b>TOTAL</b>	<u>\$ 119,195,919</u>	<u>\$7,703,388</u>	<u>(\$3,982,818)</u>	<u>\$122,916,499</u>

Depreciation was allocated to Business-Type Activities as follows:

Utility Fund	\$ 4,791,824
Stormwater Drainage Fund	693,811
Solid Waste Fund	277,480
Municipal Marina Fund	208,762
Visitor Information Center	<u>1,068,548</u>
<b>Total</b>	<u>\$ 7,040,425</u>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 4. CAPITAL ASSETS: (continued)**

Construction in progress is composed of the following at September 30, 2019:

Charlotte Street Reconstruction Project	\$	946,495
Construction Bond Capitalized Interest		\$519,893
Tideflex Valves Improvements		452,465
May Street Intersection (Phase II)		381,926
West Augustine Legislative Funding		292,445
Lincolnvillle Drainage Project 2		218,195
R0218 Well D-3 Invest & Repairs		182,317
Coquina Avenue Outfall Improvement Rollup		102,074
Wastewater Treatment Plant Headworks Structural Rehabilitation		85,575
S Whitney & W King Stormwater Improvement		83,679
2017 Stormwater Project		33,931
Lincolnvillle Drainage Project 1		18,868
St Francis Sewer Replacement (R0228)		16,800
Wastewater Treatment Plant Motor Control Center 2 Replacement		15,588
Water Treatment Plant Filter Building Rehabilitation		15,489
Community Development Block Grant Project 1		12,617
Court Theophila-Edna Project		3,470
<b>Total</b>	<b>\$</b>	<b><u>3,381,827</u></b>

**NOTE 5. RISK MANAGEMENT, LITIGATION AND COMMITMENTS:**

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. A small portion of the risk is covered by commercial insurance. The majority of this risk (Workers Compensation, Property and Liability) is covered through the Florida Municipal Insurance Trust (the "Trust"). The City pays an annual premium to the Trust for its coverage. The premiums are designed to fund the liability risk assumed by the Trust and are based on certain actual exposures and appropriate classifications of each member. The coverage provided for Workers Compensation is \$1,000,000 for each occurrence. Coverage provided Property and Liability is \$200,000 for each person and \$300,000 for each occurrence with a maximum up to \$1,000,000. The City also has Specific Excess Coverage of \$1,000,000 through the Trust. There were no claims paid that exceeded coverage in the past three fiscal years. Employee medical benefits are covered by commercial insurance.

The City Attorney estimates that the amount of any actual or potential claims against the City as of September 30, 2019, will not materially affect the financial condition of the City. Therefore, the financial statements contain no provision for estimated claims. The City has received notice pursuant to the requirements of the J. Bert Harris Private Property Rights Protection Act of a claim for damages exceeding \$3,400,000 allegedly arising out of the denial by the City Commission of approval for demolition of structures designated as historically significant. The City satisfied the requirements of the Harris Act by responding to that claim with a bona fide offer of settlement and a ripeness decision.



**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 5. RISK MANAGEMENT, LITIGATION AND COMMITMENTS (CONTINUED):**

The City denied the claim and expressly denied the damages asserted. The owners filed suit in pursuit of this claim. The presiding judge entered judgment in favor of the City, holding that the plaintiffs failed to pursue this claim in a timely manner. The owners appealed this judgment, and the appellate court reversed the trial court and entered an order retreating from their previous decision and finding the owners' claim and lawsuit timely, returning the case to circuit court. The presiding judge again entered judgment in favor of the City, and granted the City's motion for summary judgment. Plaintiffs have stated that they intend to appeal this decision. The City Attorney's Office has engaged the law firm of Marks Gray, P.A. in defense of the claim and intends to defend the action vigorously.

At September 30, 2019, the City had outstanding commitments of approximately \$5,237,193 relating to construction contracts.

**NOTE 6. LONG-TERM DEBT:**

**Governmental Funds**

**Capital Improvement Refunding Revenue Bonds, Series 2011B:**

On December 28, 2011, the City issued Capital Improvement Refunding Revenue Bonds totaling \$10,440,000. The Bonds are being issued for the purpose of (i) currently refunding all of the City's outstanding Public Service Tax and Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2001, and (ii) paying certain costs of issuance incurred with respect thereto, including the premium for a Municipal Bond Insurance Policy. The proceeds of the Refunded Bonds were used to finance (i) the current refunding of the City's outstanding Public Service Tax and Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 1992, (ii) the acquisition, relocation, construction and/or equipping of a parking garage, a fire station and related facilities on different sites of the City and other capital projects of the City, (iii) the capitalization of interest on a portion of the Refunding Bonds, (iv) the purchase of a surety bond to fund the Reserve Account relating to the Refunded Bonds, and (v) the cost of issuance with respect to the Refunded Bonds. This issuance results in an \$814,718 difference in cash flow requirements with a present value economic gain of \$574,623.

Principal payments are due annually on October 1, and interest payments (2.0% to 3.25%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2019 is as follows:

<u>Year Ended</u> <u>September 30,</u>	<b>Capital Improvement Revenue Bonds</b> <b>Series 2011B</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	314,326	165,548	479,874
2021	327,702	156,118	483,820
2022	337,733	145,468	483,201
2023	347,765	133,225	480,990
2024	361,141	120,618	481,759
2025-2029	2,039,776	370,291	2,410,067
2030-2033	464,801	20,335	485,136
	<u>\$ 4,193,244</u>	<u>\$ 1,111,603</u>	<u>\$ 5,304,847</u>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 6: LONG TERM DEBT (continued):**

**Capital Improvement and Refunding Revenue Bonds, Series 2013:**

On February 15, 2013, the City issued Capital Improvement and Refunding Revenue Bonds totaling \$20,645,000 to advance refund a portion of the outstanding principal amount of the City's Capital Improvement and Refunding Revenue Bonds, Series 2004 maturing on October 1, 2016 and all of the Series 2004 Bonds maturing on October 1, in the years 2017 through and including 2029 and in 2034; and to finance the acquisition, construction and equipping of a portion of the cost of various capital improvement projects located within the City, including without limitation, the Historic Downtown Parking Facility and other municipal capital improvement projects to City facilities and infrastructure on file with the City; and to pay the costs of issuing the Series 2013 Bonds. This issuance savings results in a \$1,377,123 difference in cash flow requirements with a present value economic gain of \$1,078,678.

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2019 is as follows:

<b>Year Ended September 30,</b>	<b>Capital Improvement Revenue Bonds Series 2013</b>		
<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2020	7,619	76,253	83,872
2021	7,832	76,024	83,856
2022	8,046	75,789	83,835
2023	8,365	75,548	83,913
2024	8,525	75,297	83,822
2025-2029	48,432	371,060	419,492
2030-2034	84,130	359,037	443,167
2035-2039	937,500	255,186	1,192,686
2040-2042	438,750	33,187	471,937
	<b>\$ 1,549,199</b>	<b>\$ 1,397,381</b>	<b>\$ 2,946,580</b>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 6: LONG TERM DEBT (continued):**

**Capital Improvement and Refunding Revenue Bonds, Series 2017:**

On December 14, 2017, the City issued Capital Improvement and Refunding Revenue Bonds totaling \$18,395,000 to advance refund the remaining outstanding principal amount of the City's Capital Improvement and Refunding Revenue Bonds, Series 2004 maturing on October 1, 2030 and all of the Series 2011 Bonds maturing on October 1, 2041; and to finance the costs of the design, installation, acquisition, construction reconstruction and equipping of various capital projects of the City including without limitation, capital improvements to the City's parking and access management system; and to pay the costs of issuing the Series 2017 Bonds. This issuance savings results in a \$2,709,447 difference in cash flow requirements with a present value economic gain of \$1,913,284.

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2019 is as follows:

Year Ended September 30,	Capital Improvement Revenue Bonds Series 2017		
	Principal	Interest	Total
2020	155,638	845,632	1,001,270
2021	165,070	839,406	1,004,476
2022	169,787	832,803	1,002,590
2023	174,503	826,012	1,000,515
2024	183,936	819,032	1,002,968
2025-2029	18,866	4,057,899	4,076,765
2030-2034	1,084,747	3,846,138	4,930,885
2035-2039	10,267,374	2,805,724	13,073,098
2040-2043	4,862,492	367,635	5,230,127
	\$ 17,082,413	\$15,240,281	\$ 32,322,694

**Enterprise Funds**

**Capital Improvement Refunding Revenue Bonds, Series 2011B:**

On December 28, 2011, the City issued Capital Improvement Refunding Revenue Bonds totaling \$10,440,000. The Bonds are being issued for the purpose of (i) currently refunding all of the City's outstanding Public Service Tax and Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2001, and (ii) paying certain costs of issuance incurred with respect thereto, including the premium for a Municipal Bond Insurance Policy. The proceeds of the Refunded Bonds were used to finance (i) the current refunding of the City's outstanding Public Service Tax and Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 1992, (ii) the acquisition, relocation, construction and/or equipping of a parking garage, a fire station and related facilities on different sites of the City and other capital projects of the City, (iii) the capitalization of interest on a portion of the Refunding Bonds, (iv) the purchase of a surety bond to fund the Reserve Account relating to the Refunded Bonds, and (v) the cost of issuance with respect to the Refunded Bonds. This issuance results in an \$814,718 difference in cash flow requirements with a present value economic gain of \$574,623.

Principal payments are due annually on October 1, and interest payments (2.0% to 3.25%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2019 is as follows:

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 6. LONG-TERM DEBT: (continued)**

<b>Year Ended September 30,</b>	<b>Capital Improvement Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	155,674	81,989	237,663
2021	162,298	77,320	239,618
2022	167,267	72,045	239,312
2023	172,235	65,981	238,216
2024	178,859	59,738	238,597
2025-2029	1,010,224	183,390	1,193,614
2030-2033	230,199	10,071	240,270
	<b>\$ 2,076,756</b>	<b>\$ 550,534</b>	<b>\$ 2,627,290</b>

**Water and Sewer Revenue Refunding Bonds, Series 2012:**

On December 11, 2012, the City issued Water and Sewer Revenue Refunding Bonds, Series 2012 totaling \$15,930,000, to advance refund a portion of the outstanding principal amount of the City's Water and Sewer Revenue Bonds, Series 2003 maturing on October 1, 2013 and all of the outstanding principal amount maturing on and after October 1, 2014; to finance the costs of certain capital improvements to the City's Water and Sewer System, including without limitation water main and pipeline replacements (\$4,530,000); to pay Assured Guaranty Municipal Corp. a premium for insuring the 2012 Bonds; to purchase for deposit to the Reserve Account, a Reserve Fund Surety Bond issued by Assured securing the 2012 Bonds and certain other bonds issued on a parity with the 2012 Bonds; and to pay the costs of issuing the 2012 Bonds. This issuance results in a \$1,672,283 difference in cash flow requirements with a present value economic gain of \$1,522,648.

Principal payments are due annually on October 1, and interest payments (2.0% to 3.25%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2019 is as follows

<b>Year Ended September 30,</b>	<b>Water &amp; Sewer Revenue Refunding Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	2,455,000	302,550	2,757,550
2021	490,000	204,350	694,350
2022	1,805,000	184,750	1,989,750
2023	1,890,000	94,500	1,984,500
	<b>\$ 6,640,000</b>	<b>\$ 786,150</b>	<b>\$ 7,426,150</b>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 6. LONG-TERM DEBT: (continued)**

**Capital Improvement and Refunding Revenue Bonds, Series 2013:**

On February 15, 2013, the City issued Capital Improvement and Refunding Revenue Bonds totaling \$20,645,000 to advance refund a portion of the outstanding principal amount of the City's Capital Improvement and Refunding Revenue Bonds, Series 2004 maturing on October 1, 2016 and all of the Series 2004 Bonds maturing on October 1, in the years 2017 through and including 2029 and in 2034; and to finance the acquisition, construction and equipping of a portion of the cost of various capital improvement projects located within the City, including without limitation, the Historic Downtown Parking Facility and other municipal capital improvement projects to City facilities and infrastructure on file with the City; and to pay the costs of issuing the Series 2013 Bonds. This issuance results in a \$1,377,123 difference in cash flow requirements with a present value economic gain of \$1,078,678.

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2019 is as follows:

<b>Year Ended September 30,</b>	<b>Capital Improvement &amp; Refunding Revenue Bonds Series 2013</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	707,381	713,747	1,421,128
2021	727,168	692,526	1,419,694
2022	746,954	670,711	1,417,665
2023	776,635	648,302	1,424,937
2024	791,475	625,003	1,416,478
2025-2029	4,496,568	2,621,440	7,118,008
2030-2034	7,810,870	1,505,213	9,316,083
2035-2039	312,500	85,064	397,564
2040-2042	146,250	11,063	157,313
	<b>\$ 16,515,801</b>	<b>\$ 7,573,069</b>	<b>\$ 24,088,870</b>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 6. LONG-TERM DEBT: (continued)**

**Water and Sewer Revenue Refunding Bonds, Series 2016:**

On July 15<sup>th</sup>, 2016, the City issued Series 2016 Bond pursuant to Chapter 11148, Laws of Florida, Special Acts of 1925, as amended, Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. 86-5 adopted by the City Commission of the City (the "Commission") on June 25, 1986, as amended and supplemented, and as particularly amended by Resolution Nos. 90-09, 96-12 and 2003-26 adopted by the Commission on March 22, 1990, May 30, 1996 and November 4, 2003, respectively, and as may be further amended and supplemented from time to time, and as particularly amended and supplemented by a resolution adopted by the Commission on July 11, 2016 (collectively, the "Resolution") to provide for the deposit of the proceeds of the Series 2016 Bond to various funds and accounts established pursuant to the Resolution for the following purposes:

- (a) To currently refund the outstanding principal amount of the City's Water and Sewer Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds"); and
- (b) To pay the costs of issuing the Series 2016 Bond (the "Issuance Expenses").

Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the meanings as those set forth in the Resolution or in Sections 1.148-1 through 1.148-10 and Section 1.150-1 of the Income Tax Regulations (the "Regulations").

- (c) The refunding of the Series 2005 Bonds is being undertaken by the City in order to realize a significant present value interest cost savings. The Series 2005 Bonds will be redeemed on August 19, 2016, which is less than 90 days from the date hereof. The Series 2005 Bonds were issued for the purpose of (a) currently refunding the City's Water and Sewer Revenue Refunding Bonds, Series 1995A and Series 1995B (collectively, the "Series 1995 Bonds"); (b) currently refunding the City's Water and Sewer Revenue Refunding Bonds, Series 1996 (the "Series 1996 Bonds"); (c) advance refunding the City's Water and Sewer Revenue Bonds, Series 1999 (the "Series 1999 Bonds"); and (d) financing the costs of acquiring and constructing certain capital improvements to the water and sewer system (the "System") owned and operated by the City (the "2005 Project"). The Series 1995 Bonds and Series 1996 Bonds were issued to refund separate portions of the City's Water and Sewer Revenue Refunding Bonds, Series 1986 (the "Series 1986 Bonds"). The Series 1986 Bonds were issued to advance refund the City's Water and Sewer Revenue Refunding Bonds, Series 1985 (the "Series 1985 Bonds"). The Series 1985 Bonds were issued to advance refund the City's Water and Sewer Revenue Bonds, Series 1984 (the "Series 1984 Bonds"). The Series 1984 Bonds were issued to advance refund the City's Water and Sewer Refunding Revenue Bonds, Series 1983 (the "Series 1983 Bonds") and to finance certain capital improvements to the System (the "1984 Project"). The Series 1983 Bonds were issued to refund certain prior bonds of the City (the "Prior Refunded Bonds") originally issued to finance or refinance capital improvements to the System (the "Prior Projects"). The 1999 Bonds were issued to finance the acquisition and construction of certain capital improvements to the System (the "1999 Project"). The Prior Projects, 1984 Project, 1999 Project and 2005 Project are hereinafter collectively referred to as the "Refinanced Projects." This issuance savings results in a \$346,367 difference in cash flow requirements with a present value economic gain of \$331,880.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 6. LONG-TERM DEBT: (continued)**

Principal payments are due annually on October 1, and interest payments are due semi-annually on April 1 and October 1. The annual requirement to amortize bonded debt outstanding as of September 30, 2019 is as follows:

<b>Year Ended September 30,</b>	<b>Water &amp; Sewer Revenue Refunding Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	-	28,905	28,905
2021	2,050,000	28,905	2,078,905
2022	-	-	-
2023	-	-	-
	<b>\$ 2,050,000</b>	<b>\$ 57,810</b>	<b>\$ 2,107,810</b>

**Capital Improvement and Refunding Revenue Bonds, Series 2017:**

On December 14, 2017, the City issued Capital Improvement and Refunding Revenue Bonds totaling \$18,395,000 to advance refund the remaining outstanding principal amount of the City's Capital Improvement and Refunding Revenue Bonds, Series 2004 maturing on October 1, 2030 and all of the Series 2011 Bonds maturing on October 1, 2041; and to finance the costs of the design, installation, acquisition, construction reconstruction and equipping of various capital projects of the City including without limitation, capital improvements to the City's parking and access management system; and to pay the costs of issuing the Series 2017 Bonds. This issuance savings results in a \$2,709,447 difference in cash flow requirements with a present value economic gain of \$1,913,284.

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2019 is as follows:

<b>Year Ended September 30,</b>	<b>Capital Improvement &amp; Refunding Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	9,362	50,868	60,230
2021	9,930	50,494	60,424
2022	10,213	50,097	60,310
2023	10,497	49,688	60,185
2024	11,064	49,268	60,332
2025-2029	1,134	244,101	245,235
2030-2034	65,253	231,362	296,615
2035-2039	617,626	168,776	786,402
2040-2043	292,508	22,115	314,623
	<b>\$ 1,027,587</b>	<b>\$ 916,769</b>	<b>\$ 1,944,356</b>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 6. LONG-TERM DEBT: (continued)**

**State Revolving Fund Loan – DW 550410:**

On May 9<sup>th</sup>, 2017, the State of Florida Department of Environmental Protection, State Revolving Fund Loan was obtained for the purpose of providing financing for the planning, design and construction of various public water systems projects. The loan is payable from and secured by pledged gross revenues of the water and/or sewer system. Principal and interest paid for the current fiscal year was \$274,502 and pledged revenues were \$7,343,735. At September 30, 2019, principal and interest to maturity in 2032 to be paid from pledged future revenues totaled \$4,098,455. As of September 30, 2019, outstanding principal, including capitalized interest, was \$7,244,572. The loan bears interest at 1.24%. The City must fix, establish, maintain and collect water and/or sewer system revenues which will at least equal 115% of the debt service requirements each fiscal year plus 100% of all additional debt service requirements.

Principal and interest payments are due semi-annually on June 15<sup>th</sup> and December 15<sup>th</sup>. Estimated annual debt service requirements to maturity based on the outstanding balance of the loan as of September 30, 2019 are as follows:

<b>Year Ended September 30,</b>	<b>State Revolving Fund Loan DW 550410 Series 2017</b>		
<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2020	537,445	11,559	549,004
2021	538,145	10,859	549,004
2022	538,813	10,191	549,004
2023	539,481	9,523	549,004
2024	540,126	8,878	549,004
2025-2029	2,710,800	34,220	2,745,020
2030-2032	1,839,762	13,933	1,853,695
	<b>\$ 7,244,572</b>	<b>\$ 99,163</b>	<b>\$ 7,343,735</b>



**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 7. CHANGES IN LONG-TERM DEBT:**

	<u>Balance</u> <u>09/30/18</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>09/30/19</u>	<u>Current</u> <u>Portion</u>
<b>General Long-Term Debt &amp; Obligations</b>					
Capital Improvement and Refunding Revenue Bonds	\$23,294,165	\$ -	\$ (469,311)	\$22,824,854	\$ 472,866
Unamortized Premium (Discount)	2,207,866	-	(94,492)	2,113,374	94,493
Capital Lease Obligation	46,283	-	(46,283)	-	-
Accrued Compensated Absences	2,573,462	1,767,062	(1,344,305)	2,996,219	104,465
Net Pension Liability:	5,308,379	767,729	-	6,076,108	-
Net OPEB Obligation	1,414,219	-	(257,160)	1,157,059	-
<b>Total General Long-Term Debt &amp; Obligations</b>	<b>\$ 34,844,374</b>	<b>\$ 2,534,791</b>	<b>\$(2,211,551)</b>	<b>\$35,167,614</b>	<b>\$ 671,824</b>
<b>Proprietary Fund Long-Term Debt &amp; Obligations</b>					
Capital Improvement and Refunding Revenue Bonds	\$20,470,835	\$ -	\$(850,691)	\$ 19,620,144	\$ 872,134
Water and Sewer Revenue Bonds	11,050,000	-	(2,360,000)	8,690,000	2,455,000
Taxable Capital Improvement Revenue Note	3,420,000	-	(3,420,000)	-	-
Revolving Fund Loan DW 550410	4,025,754	3,487,324	(268,506)	7,244,572	537,447
Unamortized (Premium) Discount	2,246,379	-	(287,073)	1,959,306	303,347
Accrued Compensated Absences	675,753	571,362	(463,851)	783,264	40,829
Net Pension Liability	3,597,850	104,962	-	3,702,812	-
Net OPEB Obligation	680,969	-	(118,302)	562,667	-
<b>Total Proprietary Long-Term Debt &amp; Obligations</b>	<b>\$ 46,167,540</b>	<b>\$ 4,163,648</b>	<b>\$(7,768,423)</b>	<b>\$ 42,562,765</b>	<b>\$4,208,757</b>
<b>Total Long-Term Debt &amp; Obligations</b>	<b>\$ 81,011,914</b>	<b>\$ 6,698,439</b>	<b>\$(9,979,974)</b>	<b>\$ 77,730,379</b>	<b>\$ 4,880,581</b>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 8. INTERFUND RECEIVABLES, PAYMENTS, AND TRANSFERS:**

A. As of September 30, 2019, interfund payments and transfers are as follows:

<u>Fund Type/Fund</u>	<u>Transfer-in</u>	<u>Transfers-out</u>
<b>GOVERNMENTAL FUNDS</b>		
General Fund	\$ 3,561,708	\$ 3,725,173
Debt Service Fund	1,622,426	-
Special Revenue Fund-HACRA	564,169	955,296
Special Revenue Fund-LCRA	388,750	-
Capital Projects Fund	556,205	-
Permanent Fund	-	-
<b>PROPRIETARY FUNDS</b>		
Utility Fund	4,429,925	5,388,923
Stormwater Fund	213,319	263,168
Solid Waste Fund	15,000	286,208
Municipal Marina Fund	27,031	168,358
Visitor Information Center	955,296	1,546,703
	<u>\$ 12,333,829</u>	<u>\$ 12,333,829</u>

Transfers are used to move unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and to segregate money for anticipated capital projects.

<u>Fund Type/Fund</u>	<u>Administrative Overhead Charges</u>	<u>Administrative Overhead Expenses</u>
<b>GOVERNMENTAL FUNDS</b>		
General Fund	\$ 3,733,288	\$ -
<b>PROPRIETARY FUNDS</b>		
Utility Fund	-	2,430,819
Stormwater Fund	-	334,508
Solid Waste Fund	-	497,098
Municipal Marina Fund	-	240,079
Visitor Information Center	-	230,784
	<u>\$ 3,733,288</u>	<u>\$ 3,733,288</u>

Administrative overhead charges are primarily used to move funds from proprietary funds to the General Fund for an allocated amount of overhead. These charges are not eliminated in the financial statements as such elimination would not accurately report the activities of the funds benefited.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 8. INTERFUND RECEIVABLES, PAYMENTS, AND TRANSFERS: (continued)**

B. As of September 30, 2019, interfund receivables are as follows:

<u>Fund Type/Fund</u>	<u>Due to</u>	<u>Due from</u>
<b>GOVERNMENTAL FUNDS</b>		
General Fund	\$ 80,552	\$ 100,648
Debt Service Fund	-	-
Special Revenue Fund-HACRA	-	-
Special Revenue Fund-LCRA	-	-
Permanent Fund	348	-
<b>PROPRIETARY FUNDS</b>		
Utility Fund	-	-
Stormwater Fund	-	-
Solid Waste Fund	-	-
Municipal Marina Fund	19,748	-
Visitor Information Center	-	-
	<u>\$ 100,648</u>	<u>\$ 100,648</u>

Interfund balances represent amounts loaned to or borrowed from other funds to assist in financing the operations of the borrowing fund.

**NOTE 9. OPERATING LEASES:**

The City leases various City and State owned buildings and properties under the terms of operating leases. The cost of the buildings and properties leased is not specifically identifiable as most of the leases are for only a portion of the building or property occupied. Future rental income expected from these leases is as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2020	1,247,951
2021	1,285,389
2022	1,323,951
Total future minimum rentals	<u>\$ 3,857,291</u>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 10. RETIREMENT SYSTEMS:**

The City of St. Augustine has established three pension trust funds: General Employees' Retirement System (GERS), Police Officers' Retirement System (PORS) and Fire Fighters' Retirement System (FFRS). All full-time employees are covered under one of these three separate single-employer defined benefit plans. Each plan is a governmental benefit plan and is tax exempt under the IRS Code. Each plan is administered by a Board of Trustees in which City administration and members of the plans are represented. Each plan presents separate financial statements, and are included as part (reporting as pension trust funds) of the City's financial reporting entity since they are not "legally separate". The plans issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained through the City Clerk's office. The General Fund would be used to liquidate any of the obligations for these pension funds or any other post-employment benefit.

**A. Membership**

As of September 30, 2019, employee membership data related to the pension plans were:

	<b>GERS</b>	<b>PORS</b>	<b>FFRS</b>	<b>Total</b>
Active Participants	242	52	32	326
Inactive Members or Beneficiaries Receiving Benefits	152	27	24	203
Drop Retirees	-	1	-	1
Disabled Members	-	3	2	5
Vested Terminated	15	8	4	27
Inactive or Limited Participants	37	2	-	39
<b>Total Participants</b>	<b>446</b>	<b>93</b>	<b>62</b>	<b>601</b>
<b>Total Covered Payroll</b>	<b>\$11,360,507</b>	<b>\$3,428,854</b>	<b>\$2,040,395</b>	<b>\$16,829,756</b>

**B. Plan Descriptions – General**

**1. General Employees' Retirement System (GERS)**

The City of St. Augustine General Employees' Retirement System (GERS) was authorized in its original form by City Ordinance 88-54, amending Chapter 20, Article IV of the Code of the City of St. Augustine, effective September 26, 1988. The Ordinance, along with five additional amendments, is used to govern the plan.

As stipulated by City Ordinance 88-54, authority to establish and amend benefit provisions of the GERS rest with the City Commission, along with the authority to provide for cost of living adjustments. Benefits are calculated using the average of the highest five years of earnings within ten years of retirement or termination. For each year of credited service to a maximum of 35 years, monthly benefits shall be earned at the rate of two and a half percent of the member's average final salary. A supplemental annuity benefit is available to senior managers and directors pay grade 32 and above who retire after March 31, 2002, with ten or more years of credited service earned after March 31, 2002. The annuity amount is .5 percent of final average compensation times credited service up to 35 years for service in pay grades 32 through 35 and 1 percent of final average compensation times credited service up to 35 years for pay grades 36 and higher. Benefits are paid for the life of the participant with 60 percent continued to a surviving eligible spouse, unless optional forms of payments are elected. Eligibility for normal retirement is the earlier of age 65 and 5 years of service, age 60 and 10 years of service, or age 55 and 25 years of service. No benefits will be paid to a member upon termination if the termination occurs prior to the completion of ten years of service. The member, however, will receive his or her contribution to the plan, along with 3 percent interest.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 10. RETIREMENT SYSTEMS: (continued)**

If a member of the GERS dies a non-duty death or becomes disabled prior to five years of service, the member or beneficiary will receive a refund of the member's contribution to the fund. If a member dies in the line of duty or has 5 years of service, the eligible spouse will receive 60 percent of the projected benefits (with service credit extended to age 60) and eligible children will receive 10 percent of the projected benefits to a maximum of 20 percent.

Duty related disability with five or more years of service provides benefits under the group disability insurance contract. Upon termination of insurance, the pension benefit is computed as a normal retirement with additional service credit granted.

Members with ten or more years of service who have attained age and service conditions for normal retirement but are within five years of the earliest normal retirement date may elect to have their terminated benefits calculated as if the member had retired at an eligible normal retirement date up to five years earlier on or after February 13, 2006. Benefits that would have been payable are accumulated at interest to date of termination and paid or rolled over in a single sum, and payments are made directly to the member thereafter.

In the event the Plan terminates, the assets of the GERS shall be apportioned and distributed in accordance with the established provisions of Section 20-135 of the City of St. Augustine Code, which provides for the distribution of assets in the following order:

- a. To provide for all expenses of the Plan including any cost of liquidation; then
- b. To provide for the payment of each participant and non-retired former participant an amount equal to his or her accumulated participant contributions; then
- c. To provide for the continuance of retirement allowances to retirees and beneficiaries; then
- d. To provide for the potential rights of participants and former participants entitled to a vested termination retirement allowance; then
- e. To revert back to the City if any excess exists after satisfying subsections a through d above.

**2. Police Officers' Retirement System (PORS)**

The St. Augustine Police Officers' Retirement System (PORS) was created June 1, 1957, by the City of St. Augustine, Article X of the St. Augustine Code, under the provisions of general law pertaining to Municipal Police Officers' Retirement Trust Fund (Chapter 185, Florida Statutes).

As stipulated by City Ordinance 88-75, authority to establish and amend benefit provisions of the retirement system rests with the City Commission, along with the authority to provide cost of living adjustments. Benefits are calculated using the average of the highest five years of earnings within ten years of retirement or termination. For each year of creditable service, monthly benefits shall be earned at the rate of 2.5 percent to 3.0 percent of the member's average final salary. Benefits are paid for life with 120 monthly payments guaranteed. Eligibility for normal retirement is the earlier of age 55 and 10 years of service or 25 years of service regardless of age. No benefits will be paid to a member upon termination if termination occurs prior to the completion of 10 years of service.

The Deferred Retirement Option Program (DROP) allows participants eligible for regular retirement to continue employment for a maximum of five years, and receive retirement benefits during this period. Employee contributions to the plan are discontinued, and the retirement benefits are transferred to the DROP reserve monthly, payable in full upon retirement. As of September 30, 2019, the balance of the Police Officers' Retirement System DROP plan is \$43,445.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 10. RETIREMENT SYSTEMS: (continued)**

If a retirement system member dies before becoming eligible for any retirement benefits, the beneficiary will receive a refund, not including interest, of the deceased's member contributions to the fund. If ten years of creditable service had been attained, then the accrued benefit of the member is due to the surviving spouse, payable in 120 monthly payments. Disability benefits are based on the accrued benefit and are due to the member as of the disability retirement date. Minimum benefit is 42 percent of the average monthly earnings if the disability occurred in the line of duty, otherwise, the minimum benefit would be 25 percent of the average monthly benefits.

In the event the plan terminates, or upon written notice to the Board of Trustees that contributions they are under are being permanently discontinued, the assets of the retirement system shall be apportioned and distributed in accordance with the established provisions of Section 185.37, Florida Statutes. The amount of benefits which at the time of termination has accrued to the member or beneficiary shall not be affected, except to the extent that the assets of the retirement system may be determined to be inadequate.

**3. Fire Fighters' Retirement System (FFRS)**

The City of St. Augustine Firefighters' Retirement System (FFRS) was authorized in its present form by City Ordinance 87-60, amending Chapter 20, Article V of the Code of the City of St. Augustine, effective December 4, 1987.

As stipulated by City Ordinance 87-60, authority to establish and amend benefit provisions of the Fund rests with the City Commission, along with the authority to provide for cost of living adjustments. Benefits are calculated using the average of the highest five years of earnings within ten years of retirement or termination. For each year of credited service to a maximum of 35 years, monthly benefits shall be earned at the rate of 3.0 percent of the member's average final compensation. Benefits are paid for the life of the participant with ten years certain. Eligibility for normal retirement is the earlier of age 55 and 10 years of credited service or 25 years of credited service, regardless of age. No benefits will be paid to a participant if termination occurs prior to the completion of ten years of service. Such participants, however, will receive their contributions to the plan along with three percent interest.

The Deferred Retirement Option Program (DROP) allows participants eligible for regular retirement to continue employment for a maximum of five years, and receive retirement benefits during this period. Employee contributions to the plan are discontinued, and the retirement benefits are transferred to the DROP reserve monthly, payable in full upon retirement. As of September 30, 2019, the balance of the Fire Fighters' Retirement System DROP plan is \$-0-.

If a member of the Fund dies a non-duty death prior to five years of service, the beneficiary will receive the member's contribution with three percent interest. If a member dies in the line of duty or has five years of credited service, the beneficiary will receive the value of accrued benefits based on the member's average final compensation (AFC) and credited service. Disability benefits, as determined by the Board of Trustees, are the member's accrued benefits, but not less than 42 percent of AFC for service incurred and 25 percent for non-service incurred disabilities. Benefits are paid in the form of a ten-year certain and life annuity.

In the event the plan terminates, the assets of the retirement system shall be apportioned and distributed in accordance with the established provisions of Section 20-210 of the Code of the City of St. Augustine. The amount of benefits, which at the time of termination has accrued to the member or beneficiary shall not be affected except to the extent that the assets of the retirement system may be determined to be inadequate.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 10. RETIREMENT SYSTEMS: (continued)**

**A. Actuarial Assumptions**

The total pension liability was determined by actuarial valuations as of October 01, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>GERB</b>	<b>PORS</b>	<b>FFRS</b>
Inflation	3.00%	3.00%	2.50%
Salary Increases	Service based	Service based	Service based
Investment Rate of return, including inflation	7.60%	7.60%	7.50%
Mortality	Table 1	Table 1	Table 2

<b>Mortality Table 1:</b>	
<u>Mortality Rate Healthy Lives:</u>	
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.	
Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.	
<u>Mortality Rate Disabled Lives:</u>	
Female: 100% RP2000 100% Disable Female set forward two years, no projection scale.	
Male: 100% RP2000 Disabled Male setback four years, no projection scale.	

<b>Mortality Table 2:</b>	
<u>Mortality Rate Healthy Lives:</u>	
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.	
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.	
<u>Mortality Rate Disabled Lives:</u>	
Female: 60% RP2000 100% Disable Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.	
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale	

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 10. RETIREMENT SYSTEMS: (continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These estimates 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 pension plan's target asset allocation are summarized in the following table:

<u>Development of Long Term Discount Rate – General Employee Retirement System</u>			
	Inflation	Policy Allocation	Long Term Expected Real Rate of Return
Domestic Equity	3.00%	55.0%	9.50%
Foreign Equity	3.00%	10.0%	10.50%
Bonds	3.00%	15.0%	5.50%
Real Estate	3.00%	15.0%	7.50%
Treasuries & Other Gov't Obligations	3.00%	5.0%	5.50%
Cash	3.00%	0.0%	2.0%

<u>Development of Long Term Discount Rate – Police Officer Retirement System</u>			
	Inflation	Policy Allocation	Long Term Expected Real Rate of Return
Domestic Equity	3.00%	55.0%	9.50%
Foreign Equity	3.00%	10.0%	10.50%
Corporate Bonds	3.00%	20.0%	5.50%
Real Estate	3.00%	15.0%	7.50%
U. S. Treasuries & Other Gov't Agencies	3.00%	0.0%	5.00%
Cash	3.00%	0.0%	1.0%

<u>Development of Long Term Discount Rate – Fire Fighters Retirement System</u>			
	Inflation	Policy Allocation	Long Term Expected Real Rate of Return
Domestic Equity	2.50%	50.0%	7.50%
Foreign Equity	2.50%	10.0%	8.50%
Fixed Income	2.50%	30.0%	2.50%
Alternative	2.50%	5.0%	3.50%



**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 10. RETIREMENT SYSTEMS: (continued)**

*Discount Rate:* The discount rate used to measure the total pension liability was 7.60% for the GERS and PORS and 7.50% for the FFRS. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to be made at actuarially determined contribution rates based on the funding requirements of Florida Statutes, taking into account the applicable member rate. Based on those assumptions, the pension plan's fiduciary net position was 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 used as the discount rate and 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:* The following presents the net pension liability of the City, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<b>City's net pension liability (asset)</b>	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
GERS (current rate of 7.60%)	\$ 22,454,277	\$ 9,059,115	\$ (474,056)
PORS (current rate of 7.60%)	\$ 3,017,531	\$ 671,245	\$ (1,475,439)
FFRS (current rate of 7.50%)	\$ 1,760,592	\$ 48,561	\$ (1,375,581)

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 10. RETIREMENT SYSTEMS: (continued)**

**Statement of Fiduciary Net Position (FNP)**

	<b>GERS</b>	<b>PORS</b>	<b>FFRS</b>	<b>Total</b>
<b>Assets</b>				
Cash & Cash Equivalents	\$ 1,204,156	\$ 790,331	\$ 479,238	\$ 2,473,725
Receivables	-	-	29,004	29,004
Fixed Income	4,867,279	3,546,230	4,655,644	13,069,153
Equities	26,784,534	13,039,916	7,906,108	47,730,558
Real Estate	7,816,863	4,031,385	-	11,848,248
Alternative Strategies	3,203,227	-	664,341	3,867,568
Prepaid	-	-	650	650
<b>Total Assets</b>	<b>\$ 43,876,059</b>	<b>\$ 21,407,862</b>	<b>\$ 13,734,985</b>	<b>\$ 79,018,906</b>
<b>Liabilities</b>				
Accounts Payable	\$ 16,735	\$ 19,349	\$ 15,329	\$ 51,413
<b>Total Liabilities</b>	<b>\$ 16,735</b>	<b>\$ 19,349</b>	<b>\$ 15,329</b>	<b>\$ 51,413</b>
<b>Net Position Held In Trust</b>				
For Pension Benefits – (a)	\$ 43,859,324	\$ 21,388,513	\$ 13,719,656	\$ 78,967,493

**Statement of Changes in Total Pension Liability**

	<b>GERS</b>	<b>PORS</b>	<b>FFRS</b>	<b>Total</b>
Service cost at 10/01/18	\$ 1,212,444	\$ 548,320	\$ 325,027	\$ 2,085,791
Interest	3,899,090	1,619,097	964,117	6,482,305
Change in Excess State Money	-	-	-	-
Share Plan Allocation	-	-	11,011	11,011
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience	(690,749)	(413,933)	84,337	(1,020,345)
Changes to Assumptions	279,598	212,449	-	492,047
Benefit Payments, including Refunds Of Employee Contributions	(3,076,009)	(1,045,032)	(743,255)	(4,864,296)
<b>Net Change in Total Pension Liability</b>	<b>\$ 1,624,374</b>	<b>\$ 920,901</b>	<b>\$ 641,237</b>	<b>\$ 3,183,512</b>
Total Pension Liability at 10/01/18	\$51,294,064	\$ 21,138,857	\$ 13,126,980	\$ 85,559,901
Total Pension Liability at 09/30/19 (b)	\$52,918,438	\$ 22,059,758	\$ 13,768,217	\$ 88,746,413
<b>Net Pension Liability (a) – (b)</b>	<b>\$(9,059,114)</b>	<b>\$ (671,245)</b>	<b>\$ (48,561)</b>	<b>\$ (9,778,920)</b>

**B. Funding Policy, Contributions, Status and Progress:**

**1. General Employees' Retirement System (GERS)**

The City of St. Augustine General Employees' Retirement System is funded under the provisions of Chapter 20, Article IV, St. Augustine Code and Chapter 112, Florida Statutes. Funding arrangements include contributions by retirement system members, the City of St. Augustine, and investment income from retirement system assets. Administrative costs of the System are financed through investment earnings.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 10. RETIREMENT SYSTEMS: (continued)**

Effective November 8, 1988, contributions by retirement system members are based on four percent of compensation while the City of St. Augustine contributes one percent of compensation on behalf of the employees. Previously, retirement system members contributed five percent of compensation.

The System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. For the year ended September 30, 2019, the City made an actuarial contribution of 24.94 percent in addition to the required one percent contributed on behalf of the employees.

**2. Police Officers' Retirement System (PORS)**

The St. Augustine Police Officers' Retirement System is funded under the provisions of Article X, Section 10.03, St. Augustine Code and Chapter 185.07, Florida Statutes. Funding arrangements include contributions by retirement system members, the City of St. Augustine, percentage of casualty insurance premiums collected on property located within the corporate limits of the City of St. Augustine, accretions to the fund by way of interest on bank deposits or otherwise, and any other source of income authorized by law to increase the retirement fund. At September 30, 2019, contributions by retirement system members are based on 5.5 percent of compensation while the City of St. Augustine contributes a minimum of 2.5 percent of compensation. Previously, retirement system members contributed four percent of fixed monthly compensation. The Board of Trustees for the Plan anticipates the above funding methods will result in all members' benefits being fully provided for by the time of their retirement. Effective October 1, 1993, the member contributions were changed from after tax compensation to pre-tax compensation.

Administrative costs are funded by City and member contributions.

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The City made an actuarial contribution of 16.14 percent during the fiscal year ended September 30, 2019.

**3. Fire Fighters' Retirement System (FFRS)**

The City of St. Augustine Firefighters' Retirement System plan was created in 1987 under City Ordinance 87-60 amending Section 20, Article V of the Code of the City of St. Augustine, Florida. The Plan was substantively amended in 1993, 1995, 2000, 2001 and 2005. In addition, the Plan is a local law plan subject to provisions of Chapter 175 of the State of Florida Statutes. Funding arrangements include contributions by retirement system members, the City of St. Augustine, 1.85 percent premium tax for property insurance and investment income from the retirement system assets. Administrative costs of the fund are financed through investment earnings. For the current fiscal year the state premium tax revenue was \$184,434.

Effective September 22, 2008, contributions by retirement system members are based on 5 percent of compensation while the City of St. Augustine contributes one percent of compensation on behalf of members. Previously, retirement system members contributed four percent.

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The City was required to make an actuarial contribution of 16.58 percent during the fiscal year ended September 30, 2019, in addition to the ordinance-required contribution of 3.5 percent.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 11. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOW OF RESOURCES RELATED TO PENSIONS:**

**C. Concentrations**

As of September 30, 2019, the Plans had no investments that exceeded five percent of the Plans' net position as of that date.

For the year September 30, 2019, the City recognized pension expense as follows:

General Employees' Pension Plan	\$ 2,814,311
Police Officers' Pension Plan	438,439
Fire Fighters' Pension Plan	375,329
Total	<u>\$ 3,628,079</u>

At September 30, 2019 the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

Deferred Outflow of Resources:

	GERS	PORS	FFRS	Total
Differences between expected and actual experience	\$ 781,610	\$ 563,955	\$ 403,205	\$1,748,770
Changes in Assumption	1,348,367	593,552	147,404	2,089,323
Net difference between projected and actual earnings on investments	1,980,222	595,026	384,343	2,959,591
	<u>\$4,110,199</u>	<u>\$1,752,533</u>	<u>\$ 934,952</u>	<u>\$6,797,684</u>

Deferred Inflow of Resources:

Differences between expected and actual experience	\$ 552,600	\$ 380,812	\$ -	\$ 933,412
Changes in Assumption	-	-	-	-
Net difference between projected and actual earnings on investments	813,099	605,369	317,449	1,735,917
	<u>\$1,365,699</u>	<u>\$ 986,181</u>	<u>\$ 317,449</u>	<u>\$2,669,329</u>

Amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30,</u>	GERS	PORS	FFRS	Total
2020	\$ 827,502	\$ (2,895)	\$ 114,222	\$ 938,829
2021	802,688	105,767	162,774	1,071,229
2022	711,169	273,221	163,602	1,147,992
2023	403,141	319,703	162,848	885,692
2024	-	99,341	14,057	113,398
2025	-	(28,785)	-	(28,785)
	<u>\$2,744,500</u>	<u>\$ 766,352</u>	<u>\$ 617,503</u>	<u>\$4,128,355</u>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB):**

Pursuant to Section 112.0801 of the Florida Statutes, the City is required to permit participation in the single-employer defined benefit health insurance plan (the "Plan") by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees.

Based on Governmental Accounting Standards Board (GASB) approval of Statement Nos. 74 and 75 which set forth the guidelines for reporting and disclosure of Other Post-Employment Benefits (OPEB), the City had an actuary calculate future funding requirements using an appropriate actuarial cost method. The valuation was performed as of September 30, 2019 and covers subsidies for medical insurance benefits. The City has implemented the provisions of GASB Statement No. 75 prospectively. The City's annual OPEB cost for the Plan is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The individual entry age actuarial cost method is specifically identified in GASB Statement 75 as the only appropriate method for determining a plan's Total OPEB Liability (TOL), which is the portion of the present value of benefits attributable to past service.

**1. Plan Description:**

The City provides optional post-employment benefits to all eligible individuals including lifetime medical, prescription, dental, and certain life insurance coverage. Eligible individuals include all employees of the City of St. Augustine who retire from active service under one of the pension plans sponsored by the City.

Under certain conditions, eligible individuals also include spouses and dependent children. As of September 30, 2019, there were 321 future retirees, 13 retired and disabled participants receiving benefits, no spouses receiving benefits and no other dependents receiving benefits for a total of 334 included in the valuation. The Plan does not issue a publicly available financial report.

**2. Funding Policy:**

The City Commission is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. The City Commission establishes the contributions requirements of plan members and the City. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost. Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on whether the retiree elects single, single plus spouse, single plus dependents, or family coverage. Currently, the City's subsidy to OPEB benefits is unfunded. There are no separate Trust Funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City's cost of the OPEB benefits, funded on a pay-as-you-go basis, was \$438,632 for the year ended September 30, 2019. The ultimate implicit and explicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. Under GASB Statement 75, the City's expected discount rate of 3.75% reflects the 20-year tax-exempt municipal bond yield or index rate which is based on the assumption that the plan will not be funded. This is consistent with GASB Statement No. 75 guidance.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB): (continued)**

**A. Actuarial Assumptions**

Significant Actuarial Assumptions and methods used to estimate the OPEB liability are as follows:

Valuation date.....	October 01, 2018	
Actuarial cost method.....	Individual Entry Age	
Medical Inflation rate.....	5%	
Discount rate.....	3.75% per annum	
Aging Factor.....	<u>Under 65</u>	<u>65-85</u>
	3.00%	1.50%
Plan Expenses.....	Assumed payable outside of plan.	
Payroll Growth Rate.....	4.00%	
Projected Salary Increases.....	N/A	
Healthcare Trend Rates.....	5.0%	
Ad hoc post-employment benefit changes.....	None	
Retirement Rates Based Service and Age		

<u>Age</u>	<u>General Employee</u>		
	<u>Years of Service</u>		
	<u>5-9</u>	<u>10-24</u>	<u>25+</u>
54 and under	0%	0%	0%
55-59	5%	5%	5%
60-61	5%	15%	15%
62-63	5%	25%	25%
64-65	25%	40%	75%
66	25%	40%	40%
67-68	50%	40%	40%
69	50%	100%	100%
70 and over	100%	100%	100%

<u>Age</u>	<u>Police</u>				
	<u>20% immediate at retirement, 80% 5-year DROP</u>				
	<u>Years of Service</u>				
	<u>10-24</u>	<u>25</u>	<u>26-28</u>	<u>29</u>	<u>30+</u>
45 and under	0%	0%	0%	0%	0%
46-51	0%	10%	10%	10%	10%
52-54	0%	20%	20%	20%	20%
55-56	25%	50%	50%	50%	50%
57-59	50%	50%	50%	50%	50%
60 and over	100%	100%	100%	100%	100%

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB): (continued)**

Retirement Rates Based Service and Age (continued)

Fire	
20% immediate at retirement, 80% 5-year DROP	
<u>#Years After 1<sup>st</sup> Eligibility for</u>	<u>Rate</u>
<u>Normal Retirement</u>	
0	33%
1	33%
2+	100%

Termination Rates Based on Age:

General Employee							
Years of Service - Male							
<u>Age</u>	<u>0</u>	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5+</u>
Under 30	35.4%	24.6%	17.5%	18.2%	14.3%	17.6%	8.0%
30-54	35.4%	24.6%	17.5%	18.2%	14.3%	17.6%	4.5%
55+	35.4%	24.6%	17.5%	18.2%	14.3%	17.6%	7.1%
Years of Service - Female							
<u>Age</u>	<u>0</u>	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>	<u>5+</u>
Under 30	33.3%	34.5%	5.0%	19.0%	7.1%	5.0%	3.0%
30-54	33.3%	34.5%	5.0%	19.0%	7.1%	5.0%	8.3%
55+	33.3%	34.5%	5.0%	19.0%	7.1%	5.0%	10.9%

Police			
Years of Service - Male			
<u>Age</u>	<u>0-3</u>	<u>3-5</u>	<u>5+</u>
Under 40	20.0%	20.0%	20.0%
40+	5.0%	5.0%	5.0%
Years of Service - Female			
<u>Age</u>	<u>0-3</u>	<u>3-5</u>	<u>5+</u>
Under 35	33.0%	2.0%	2.0%
35-39	33.0%	2.0%	10.0%
40-44	15.0%	2.0%	2.0%
45-49	15.0%	2.0%	10.0%
50-54	15.0%	2.0%	2.0%
55+	15.0%	2.0%	0.0%

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB): (continued)**

Disability Incidence Rates:

<u>Age</u>	<u>General</u>	<u>Police</u>		<u>Fire</u>
	<u>All</u>	<u>Male</u>	<u>Female</u>	<u>All</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
25	0.05%	0.07%	0.04%	0.08%
35	0.13%	0.15%	0.12%	0.12%
45	0.28%	0.36%	0.28%	0.33%
55	0.76%	1.18%	0.83%	0.50%

Medical Plan Retiree Election Rates

<u>Retirement</u>	<u>Single</u>	<u>With Dependent</u>
Under 65	15.00%	15% elect single; 5% of 85% elect dependent coverage
Continue at 65	25% of 15%	4%
Over 65	4%	4%

It is assumed that retirees do not reenroll after they drop coverage.

Mortality Rates.....General                      Police & Fire  
Table 1                      Table 2

<b>Mortality Table 1:</b>
<u>Mortality Rate Healthy Lives:</u> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB.

<b>Mortality Table 2:</b>
<u>Mortality Rate Healthy Lives:</u> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB.

*Discount Rate:* The discount rate used to measure total OPEB liability was 3.75%. There was no change in the discount rate from the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the City are neither mandated nor guaranteed. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.



**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB): (continued)**

*Sensitivity of the net OPEB liability to changes in the discount rate:* The following presents the net OPEB liability of the City, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1.0% Decrease in Discount Rate 2.75%	Current Single Discount Rate 3.75%	1.0% Increase in Discount Rate 4.75%
Discount Rate			
Total OPEB Liability (TOL)	\$1,475,841	\$1,719,726	\$2,028,242
Plan Net Fiduciary Position	-	-	-
Net OPEB Liability	<u>\$1,475,841</u>	<u>\$1,719,726</u>	<u>\$2,028,242</u>
Plan Net Fiduciary Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Annual Covered Payroll	14,013,232	14,013,232	14,013,232
Net OPEB Liability as a Percentage of Covered Employee Payroll	10.53%	12.27%	14.47%

**3. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:**

At September 30, 2019, the City reported its proportionate share of the City's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

Deferred Outflow of Resources:

	OPEB
Differences between expected and actual experience	\$ -
Changes in Assumption	-
Net difference between projected and actual earnings on investments	-
	<u>\$ -</u>

Deferred Inflow of Resources:

Differences between expected and actual experience	\$ 293,176
Changes in Assumption	438,730
Net difference between projected and actual earnings on investments	-
	<u>\$ 731,906</u>

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB): (continued)**

Amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended September 30,</u>	<u>Expense</u>
2020	\$ 165,103
2021	165,103
2022	165,103
2023	165,103
2024	71,494
	<u>\$ 731,906</u>

**NOTE 13. 457 TAX-DEFERRED COMPENSATION PLAN:**

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. On August 20, 1996, Section 457 of the Code was amended with the passage of the Small Jobs Protection Act of 1996. The Code now requires employers to maintain the plan assets in a trust, custodial account or annuity for each individual member as of January 1, 1999. Since the inception of its plan on October 1, 1993, the City has deposited all funds in a custodial account with The Variable Annuity Life Insurance Company.

In October 1997, the GASB issued Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This statement allows the employer to not report the assets and liabilities in their financial statements if the employer has met the new criteria of the Internal Revenue Code, Section 457 and does not retain fiduciary accountability for the plan assets. In fiscal year 1998, the City amended its deferred compensation plan to reflect the changes in the Internal Revenue Code and, in the opinion of management, does not retain fiduciary accountability for plan assets. Accordingly, the City has implemented GASB No. 32 and is no longer including the assets and liabilities of the deferred compensation plan in its financial statements. There is no effect on the City's overall fund balance as the plan was an agency fund in which plan assets equal liabilities.

**NOTE 14. DEFICIT NET POSITION**

The Visitor Information Center (VIC) Fund had a deficit net position of \$2,566,025 at September 30, 2019. This deficit has been the result of the funds debt service payments for the construction of the Historic District Parking Facility. The VIC Fund operating revenue exceeds its operating expenses for the current year and has done so for the previous five (5) years. The City began to appropriate funds beginning in 2019 fiscal year to eliminate the deficit and build reserves equal to three months of operations. The estimated timeline for this to be complete is five years.

**CITY OF ST AUGUSTINE, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2019**

**NOTE 15. SUBSEQUENT EVENT**

Since December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The City has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended September 30, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the City for future periods.

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**Required Supplementary  
Information Other than  
Management Discussion & Analysis  
(MD&A)**



**CITY OF ST. AUGUSTINE, FLORIDA**

**General Employees' Retirement Systems  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last 6 Fiscal Years**

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 1,212,444	\$ 1,070,512	\$ 934,169	\$ 877,693	\$ 803,520	\$ 773,148
Interest	3,899,091	3,662,089	3,354,032	3,199,137	2,974,850	2,922,230
Differences Between Expected and Actual						
Experience	(690,749)	1,205,174	-	292,529	957,468	524,737
Changes of Assumptions	279,597	270,413	2,259,593	293,019	64,099	-
Contributions - Buy Back	-	-	-	-	-	-
Benefit Payments, Including Refunds of						
Employee Contributions	<u>(3,076,009)</u>	<u>(2,806,416)</u>	<u>(2,560,373)</u>	<u>(2,318,001)</u>	<u>(2,445,651)</u>	<u>(1,946,951)</u>
Net Change in Total Pension Liability	1,624,374	3,401,772	3,987,421	2,344,377	2,354,286	2,273,164
Total Pension Liability - Beginning	<u>51,294,064</u>	<u>47,892,292</u>	<u>43,904,875</u>	<u>41,560,498</u>	<u>39,206,212</u>	<u>36,933,048</u>
Total Pension Liability - Ending	<u><u>52,918,438</u></u>	<u><u>51,294,064</u></u>	<u><u>47,892,292</u></u>	<u><u>43,904,875</u></u>	<u><u>41,560,498</u></u>	<u><u>39,206,212</u></u>
Plan Fiduciary Net Position						
Contributions - Employer	3,054,301	2,720,877	2,199,188	1,981,476	1,890,973	1,818,974
Contributions - Employee	464,544	440,965	417,923	403,094	388,933	299,058
Contributions - State	-	-	-	-	-	-
Contributions - Buy Back	-	-	-	-	-	-
Net Investment Income (loss)	849,095	2,977,936	4,487,841	2,936,911	712,816	3,220,400
Benefit Payments, Including Refunds of						
Employee Contributions	(3,076,009)	(2,806,415)	(2,560,372)	(2,318,001)	(2,445,651)	(1,946,951)
Administrative Expenses	<u>(68,479)</u>	<u>(65,056)</u>	<u>(59,340)</u>	<u>(57,582)</u>	<u>(39,139)</u>	<u>(88,525)</u>
Net Change in Plan Fiduciary Net Position	1,223,452	3,268,307	4,485,240	2,945,898	507,932	3,302,956
Plan fiduciary net position - beginning	<u>42,635,872</u>	<u>39,367,565</u>	<u>34,882,325</u>	<u>31,936,427</u>	<u>31,428,495</u>	<u>28,125,539</u>
Plan fiduciary net position - ending	<u><u>43,859,324</u></u>	<u><u>42,635,872</u></u>	<u><u>39,367,565</u></u>	<u><u>34,882,325</u></u>	<u><u>31,936,427</u></u>	<u><u>31,428,495</u></u>
Net Pension Liability	9,059,114	8,658,192	8,524,727	9,022,550	9,624,071	7,777,717
Plan Fiduciary Net Position as a Percentage of the Total Liability	82.88%	83.12%	82.20%	79.45%	76.84%	80.16%
Actuarial determined contributions	\$ 2,725,709	\$ 2,514,305	\$ 2,065,477	\$ 1,907,612	\$ 1,791,789	\$ 1,749,201
Contributions in relation to the actuarially determined contributions	<u>3,171,892</u>	<u>2,825,631</u>	<u>2,283,857</u>	<u>2,058,258</u>	<u>1,964,248</u>	<u>1,893,589</u>
	<u>(446,183)</u>	<u>(311,326)</u>	<u>(218,380)</u>	<u>(150,646)</u>	<u>(172,459)</u>	<u>(144,388)</u>
Covered Payroll	<u>11,360,507</u>	<u>10,272,429</u>	<u>9,681,447</u>	<u>9,396,015</u>	<u>9,168,707</u>	<u>8,704,913</u>
Contribution as a percent of covered employee payroll	<u>27.92%</u>	<u>27.51%</u>	<u>23.59%</u>	<u>21.91%</u>	<u>21.42%</u>	<u>21.75%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>79.74%</u>	<u>84.30%</u>	<u>88.05%</u>	<u>96.03%</u>	<u>104.97%</u>	<u>89.35%</u>

**Notes to Schedule:**

Valuation Date: - September 30, 2019  
Actuarial Cost Method - Individual Entry Age, Level Percent of Pay  
Amortization Method - Level Dollar, Closed  
Remaining Amortization Period - 13 to 15 years based on year established  
Asset Valuation Method - Actuarial Value, based on 5-year recognition of returns greater or  
less than assumed investment return  
Inflation - 3.25%  
Salary Increases - 3.5% to 7.0%  
Investment Rate of Return - 7.65%  
Retirement Age - Schedule of probabilities based on age and service, increasing as age and  
service increase  
Morality RP-2000 Morality Table Dynamic with projection to valuation year.

**CITY OF ST. AUGUSTINE, FLORIDA**

**Police Employees' Retirement Systems  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last 6 Fiscal Years**

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 548,320	\$ 675,379	\$ 540,900	\$ 535,582	\$ 514,463	\$ 461,946
Interest	1,619,097	1,483,635	1,381,385	1,667,171	1,218,700	1,208,257
Differences Between Expected and Actual						
Experience	(413,933)	782,820	-	(19,092)	(234,101)	(109,454)
Changes of Assumptions	212,449	114,054	501,237	93,784	19,821	-
Contributions - Buy Back	-	-	-	-	-	-
Benefit Payments, Including Refunds of						
Employee Contributions	(1,045,032)	(1,019,276)	(1,440,875)	(799,841)	(689,626)	(876,479)
Net Change in Total Pension Liability	920,901	2,036,612	982,647	1,477,604	829,257	684,270
Total Pension Liability - Beginning	21,138,857	19,102,245	18,119,598	16,641,994	15,812,737	15,128,467
Total Pension Liability - Ending	22,059,758	21,138,857	19,102,245	18,119,598	16,641,994	15,812,737
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	575,062	541,133	478,581	399,211	411,658	387,688
Contributions - Employee	184,388	170,931	178,168	153,529	164,848	140,007
Contributions - State	261,770	246,831	194,937	175,835	181,087	167,880
Contributions - Buy Back	-	-	-	-	-	-
Net Investment Income (loss)	832,584	1,766,632	2,159,405	1,654,228	123,357	1,619,894
Benefit Payments, Including Refunds of						
Employee Contributions	(1,045,032)	(1,019,276)	(1,440,875)	(799,841)	(689,626)	(876,479)
Administrative Expenses	(75,736)	(60,925)	(50,802)	(59,938)	(40,273)	(47,946)
Net Change in Plan Fiduciary Net Position	733,036	1,645,326	1,519,414	1,523,024	151,051	1,391,044
Plan fiduciary net position - beginning	20,655,477	19,010,151	17,490,737	15,967,713	15,816,662	14,425,618
Plan fiduciary net position - ending	21,388,513	20,655,477	19,010,151	17,490,737	15,967,713	15,816,662
Net Pension Liability	671,245	483,380	92,094	628,861	674,281	(3,925)
<b>Plan Fiduciary Net Position as a Percentage of the Total Liability</b>	96.96%	97.71%	99.52%	96.53%	95.95%	100.02%
Actuarial determined contributions	\$ 828,511	\$ 704,412	\$ 613,512	\$ 606,441	\$ 578,501	\$ 538,160
Contributions in relation to the actuarially determined contributions	868,841	818,301	699,448	597,329	610,097	571,885
	(40,330)	(113,889)	(85,936)	9,112	(31,596)	(33,725)
Covered Payroll	3,428,854	3,615,909	2,943,236	2,646,904	2,867,573	2,812,632
Contribution as a percent of covered employee payroll	25.34%	22.63%	23.76%	22.57%	21.28%	20.33%
Net Pension Liability as a Percentage of Covered Payroll	19.58%	13.37%	3.13%	23.76%	23.51%	-0.14%

**Notes to Schedule:**

Valuation Date: - September 30, 2019

Actuarial Cost Method - Individual Entry Age, Level Percent of Pay

Amortization Method - Level Dollar, Closed

Remaining Amortization Period - 13 to 15 years based on year established

Asset Valuation Method - Actuarial Value, based on 5-year recognition of returns greater or less than assumed investment return

Inflation - 3.25%

Salary Increases - 3.5% to 7.0%

Investment Rate of Return - 7.65%

Retirement Age - Schedule of probabilities based on age and service, increasing as age and service increase

Mortality RP-2000 Mortality Table Dynamic with projection to valuation year.



**CITY OF ST. AUGUSTINE, FLORIDA**

**Fire Employees' Retirement Systems  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last 6 Fiscal Years**

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 325,027	\$ 311,731	\$ 275,743	\$ 234,355	\$ 230,062	\$ 209,592
Interest	980,843	893,103	740,339	787,330	721,743	753,466
Changes in excess state money	-	(389,245)	88,941	(295,791)	90,698	9,746
Share plan allocation	11,011	116,195	-	378,685	165,171	29,234
Changes of Benefit Terms	(2,835)					
Differences Between Expected and Actual						
Experience	84,337	316,244	160,964	124,845	-	-
Changes of Assumptions	-	-	(32,498)	393,462	-	-
Contributions - Buy Back	-	-	-	924	13,864	3,178
Benefit Payments, Including Refunds of						
Employee Contributions	(750,061)	(753,841)	(767,735)	(700,051)	(643,641)	(765,357)
Net Change in Total Pension Liability	648,322	494,187	465,754	923,759	577,897	239,859
Total Pension Liability - Beginning	13,126,980	12,632,793	12,167,039	11,243,280	10,665,383	10,425,524
Total Pension Liability - Ending	13,775,302	13,126,980	12,632,793	12,167,039	11,243,280	10,665,383
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	359,136	349,974	225,053	196,389	243,834	270,792
Contributions - State	184,434	176,271	163,451	157,404	180,080	186,295
Contributions - Employee	102,020	97,030	92,832	81,793	80,812	78,484
Contributions - Buy Back	-	-	-	924	13,864	3,178
Net Investment Income (loss)	516,332	1,063,931	1,158,206	1,082,244	(138,907)	1,107,564
Benefit Payments, Including Refunds of						
Employee Contributions	(750,061)	(753,841)	(767,735)	(700,051)	(643,641)	(765,357)
Administrative Expenses	(47,443)	(41,140)	(47,428)	(47,394)	(37,717)	(24,882)
Net Change in Plan Fiduciary Net Position	364,418	892,225	824,379	771,309	(301,675)	856,074
Plan fiduciary net position - beginning	13,362,323	12,470,098	11,645,719	10,874,410	11,176,085	10,320,011
Plan fiduciary net position - ending	13,726,741	13,362,323	12,470,098	11,645,719	10,874,410	11,176,085
Net Pension Liability	48,561	(235,343)	162,695	521,320	368,870	(510,702)
Plan Fiduciary Net Position as a Percentage of the Total Liability	99.65%	101.79%	98.71%	95.71%	96.70%	104.83%
Actuarial determined contributions	\$ 437,053	\$ 438,963	\$ 334,010	\$ 303,615	\$ 350,237	\$ 381,591
Contributions in relation to the actuarially determined contributions	532,559	688,965	301,274	336,351	350,237	381,591
	(95,506)	(250,002)	32,736	(32,736)	-	-
Covered Payroll	2,040,395	1,940,595	1,856,640	1,635,855	1,645,062	1,569,689
Contribution as a percent of covered employee payroll	26.10%	35.50%	16.23%	20.56%	21.29%	24.31%
Net Pension Liability as a Percentage of Covered Payroll	2.38%	-12.12%	8.77%	31.87%	22.42%	-32.54%

**Notes to Schedule:**

**Changes of assumptions:**

For measurement date 09/30/2019, 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.

For measurement date 09/30/2016, the following method and assumption changes have been incorporated, based on results of a special Experience Study, dated July 26, 2016.

Salary Scale - Change from a flat rate for all years of Credited Service to an assumption based on credited Service.

Normal Retirement rates - Modified based on age and years of Credited Services.

Investment Return - Lowered from 7.90% to 7.85%. Additional reductions will occur with future valuations according to the below table:

10/01/2017 - 7.80%

10/01/2018 - 7.50%

Withdrawal - change from age-based to service-based rates.

Mortality - Incorporation of rates pursuant to Chapter 2015-157, Laws of Florida

Actuarial Cost Method - Changed from Aggregate to Entry Age Normal Actuarial Cost Method.

Changes to Unfunded Actuarial Accrued Liability will be amortized as level dollar according to the type of base as follows:

Gains/Losses - 10 years

Method/Assumption changes - 20 years

Benefit Changes - 30 years

Furthermore 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.

**CITY OF ST. AUGUSTINE, FLORIDA**

**Required Supplementary Information**  
**Schedule of Changes in the City's Net OPEB Liability and Related Ratios**  
 Last 2 Fiscal Years

	2019	2018	2017
Total OPEB Liability			
Service Cost	\$ 154,075	\$ 81,206	\$ -
Interest	170,941	76,692	-
Differences Between Expected and Actual			
Experience	(286,270)	-	-
Changes of Assumptions	(281,500)	123,660	-
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of			
Employee Contributions	(132,808)	(58,167)	-
Net Change in Total OPEB Liability	(375,562)	223,391	-
Total OPEB Liability - Beginning	2,095,288	1,871,897	-
Total OPEB Liability - Ending	<u>1,719,726</u>	<u>2,095,288</u>	<u>-</u>
Plan Fiduciary Net Position			
Contributions - Employer	-	-	-
Contributions - Employee	-	-	-
Contributions - Buy Back	-	-	-
Net Investment Income (loss)	-	-	-
Benefit Payments, Including Refunds of			
Employee Contributions	-	-	-
Administrative Expenses	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability	1,719,726	2,095,288	-
Plan Fiduciary Net Position as a Percentage of the Total Liability	0.00%	0.00%	0.00%
Actuarial determined contributions	\$ 438,632	\$ 415,625	\$ 245,055
Contributions in relation to the actuarially determined contributions	52,743	62,316	58,167
	<u>385,889</u>	<u>353,309</u>	<u>186,888</u>
Covered Payroll	<u>14,013,232</u>	<u>16,374,771</u>	<u>15,744,972</u>
Contribution as a percent of covered employee payroll	<u>0.38%</u>	<u>0.38%</u>	
Net OPEB Liability as a Percentage of Covered Payroll	<u>12.27%</u>	<u>12.80%</u>	

**Notes to Schedule:**

Valuation Date - October 1, 2019  
 Actuarial Cost Method - Individual Entry Age  
 Amortization Method - Level Dollar, Closed  
 Remaining Amortization Period - 6 years  
 Asset Valuation Method - N/A  
 Medical Inflation - 5.0%  
 Salary Increases - 3.5% to 7.0%  
 Investment Rate of Return - 3.9%  
 Retirement Age - 100% at Normal Retirement System Mortality Table  
 Morality - Florida Retirement System Mortality Table

# Combining Statements



**CITY OF ST. AUGUSTINE, FLORIDA**

**Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2019**

	<b>General Employees' Pension Fund</b>	<b>Police Officers' Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total Employee Retirement Funds</b>
<b>ASSETS</b>				
Cash and Short-term Investments	\$ 1,204,156	\$ 790,331	\$ 479,238	\$ 2,473,725
Receivables:				
Interest and Dividends	-	-	29,004	29,004
<b>Total Receivables</b>	<b>-</b>	<b>-</b>	<b>29,004</b>	<b>29,004</b>
Prepaid Expense	-	-	650	650
Investments, at Fair Value:				
Fixed income securities	4,867,279	3,546,230	4,655,644	13,069,153
Equity securities	26,784,534	13,039,916	7,906,108	47,730,558
Alternative strategies	3,203,227	-	664,341	3,867,568
Real estate fund	7,816,863	4,031,385	-	11,848,248
<b>Total Investments</b>	<b>42,671,903</b>	<b>20,617,531</b>	<b>13,226,093</b>	<b>76,515,527</b>
<b>Total Assets</b>	<b>43,876,059</b>	<b>21,407,862</b>	<b>13,734,985</b>	<b>79,018,906</b>
<b>LIABILITIES</b>				
Expenses Payable	16,735	19,349	15,329	51,413
<b>Total Liabilities</b>	<b>16,735</b>	<b>19,349</b>	<b>15,329</b>	<b>51,413</b>
<b>NET POSITION, Restrictd For Pensions</b>	<b>\$ 43,859,324</b>	<b>\$ 21,388,513</b>	<b>\$ 13,719,656</b>	<b>\$ 78,967,493</b>

**CITY OF ST. AUGUSTINE, FLORIDA**

**Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended September 30, 2019**

	<b>General Employees' Pension Fund</b>	<b>Police Officers' Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total Employee Retirement Funds</b>
<b>ADDITIONS</b>				
<b>Contributions</b>				
Members	\$ 464,544	\$ 184,388	\$ 102,020	\$ 750,952
City	3,054,301	575,062	359,136	3,988,499
State Insurance Premium Tax, from General Fund	-	261,770	184,434	446,204
<b>Total Contributions</b>	<b>3,518,845</b>	<b>1,021,220</b>	<b>645,590</b>	<b>5,185,655</b>
<b>Other Income</b>				
Other Income	18,924	2,618	1,951	23,493
<b>Total Other Income</b>	<b>18,924</b>	<b>2,618</b>	<b>1,951</b>	<b>23,493</b>
<b>Investment Income</b>				
Net Increase in Fair Value of Investments	61,886	473,839	20,767	556,492
Interest and Dividends on Investments	878,468	428,159	537,068	1,843,695
<b>Total Investment Income</b>	<b>940,354</b>	<b>901,998</b>	<b>557,835</b>	<b>2,400,187</b>
<b>Less Investment Expenses</b>	<b>110,182</b>	<b>72,032</b>	<b>50,345</b>	<b>232,559</b>
<b>Net Investment Income</b>	<b>830,172</b>	<b>829,966</b>	<b>507,490</b>	<b>2,167,628</b>
<b>Total Additions</b>	<b>4,367,941</b>	<b>1,853,804</b>	<b>1,155,031</b>	<b>7,376,776</b>
<b>DEDUCTIONS</b>				
Benefit Payments	2,933,531	1,026,058	719,582	4,679,171
Termination Payments	142,478	18,974	23,673	185,125
Administrative Expenses	68,480	75,736	54,443	198,659
<b>Total Deductions</b>	<b>3,144,489</b>	<b>1,120,768</b>	<b>797,698</b>	<b>5,062,955</b>
<b>Change in Net Position</b>	<b>1,223,452</b>	<b>733,036</b>	<b>357,333</b>	<b>2,313,821</b>
<b>Net Position - Beginning</b>	<b>42,635,872</b>	<b>20,655,477</b>	<b>13,362,323</b>	<b>76,653,672</b>
<b>NET POSITION - ENDING</b>	<b>\$ 43,859,324</b>	<b>\$ 21,388,513</b>	<b>\$ 13,719,656</b>	<b>\$ 78,967,493</b>

**Schedule of Expenditures  
of Federal Awards  
and State Financial Assistance**





**CITY OF ST. AUGUSTINE, FLORIDA**  
**Schedule of Expenditures of Federal Awards and**  
**State Financial Assistance**  
**For the Fiscal Year Ended September 30, 2019**

Federal Grantor/Pass-through Grantor/Program	CFDA No.	Contract Number	Federal Expenditures
U.S. Department of Homeland Security/ FEMA Assistance to Firefighters Grant	97.044	EMW-2017-EO-03566	\$ 38,186
Florida Division of Emergency Management Disaster Grants - Public Assistance - Matthew	97.036	PA-04-FL-4283	122,718
Disaster Grants - Public Assistance - Irma	97.036	PA-00-04-405-4337	2,428,725
Hazard Mitigation Grant Program - Lake Maria Sanchez	97.039	4283-022-R/F59-6000420	370,854
Hazard Mitigation Grant Program - South Whitney	97.039	4283-87-R/59-6000420	<u>56,710</u>
Total U.S. Department of Homeland Security/ FEMA			3,017,193
U.S. Department of Environmental Protection Capitalization Grants for State Revolving Funds Florida Department of Environmental Protection Drinking Water State Revolving Fund	66.468	DW550410	3,487,324
U.S. Department of Housing and Urban Development State of Florida, Department of Economic Development Small Cities Community Development Block Grant	14.228	18DB-OM-04-65-02-N25	6,366
	14.228	18DB-OM-04-65-02-NE1	<u>8,452</u>
Total U.S. Department of Housing and Urban Development			14,818
U.S. Department of Justice Florida Department of Law Enforcement St. Augustine Police Dept. Equipment Program Part 7 St. Augustine Police Dept. Special Projects Part 3	16.738	2019-JAGC-STJO-N2-034	18,103
	16.738	2019-JAGD-STJO-N3-010	<u>5,125</u>
Total U.S. Department of Justice			23,228
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 6,542,563</u></u>
State Agency	CSFA No.	Contract Number	State Expenditures
Florida Inland Navigation District St. Augustine LE Patrol Boat St Augustine Municipal Marina Repairs	N/A	SJ-SA-17-196	\$ 60,000
	N/A	SJ-SA-17-200E	<u>378,537</u>
Total Florida Inland Navigation District			438,537
St. Johns River Water Management District LincolnvilLe Drainage Improvements Project Macarls Outfall Flood Protection Project Davis Shores Tidal Backflow Preventers	N/A	SJRWMD CSA32006	37,671
	N/A	SJRWMD CSA33514	33,940
	N/A	SJRWMD CSA32005	<u>5,267</u>
Total St. Johns River Water Management District			76,878
Florida Division of Emergency Management Disaster Grants - Public Assistance Disaster Grants - Public Assistance	N/A	PA-04-FL-4283	24,675
	N/A	PA-XX-FL-4337	<u>4,308</u>
Total Florida Division of Emergency Management			28,983
Department of Environmental Protection St. Augustine West 2nd Street Sanitary Sewer	37.039	LP55043	292,446
<b>Total Expenditures of State Financial Assistance</b>			<u><u>\$ 836,844</u></u>

**CITY OF ST. AUGUSTINE, FLORIDA**  
**NOTES TO SCHEDULE OF AWARDS**  
**Year Ended September 30, 2019**

**A. Basis of Presentation:**

The Schedule of Expenditures of Federal awards and State Financial Assistance presented on page 137 (the Schedule) includes the federal and state grant activity of the City of St. Augustine for the fiscal year ended September 30, 2019. The information in this schedule is presented in accordance with the 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), Chapter 69I-5, Schedule of Expenditures of State Financial Assistance, Rule of the Department of Financial services; and Chapter 10.550, Rules of the Auditor General. Therefore, some of the amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

**B. Indirect Cost Rate**

The City has elected not to use the 10% de minimums cost rate under the Uniform Guidance, all costs charged to federal grants are direct costs.

**C. Disaster Grants - Public Assistance**

The City of St. Augustine has been impacted by hurricanes Matthew and Irma. The City has requested and /or has been reimbursed for expenditures for Hurricane Matthew for the fiscal years ending September 2017, 2018 and 2019; and for Hurricane Irma for the fiscal years ending 2018 and 2019. These expenditures have been reported on the Schedule in accordance with Compliance Supplement( 2 CFR Part 200, Appendix XI) dated April 2017 for Department of Homeland Security, CFDA 97.036-DISASTER GRANTS - PUBLIC ASSSISTANCE (Presidentially Declared Disasters, section: IV. OTHER INFORMATION, Recording Expenditures on the Schedule of Expenditures of Federal Awards.

**D. Drinking Water State Revolving Fund**

On May 9, 2017 the City of St. Augustine entered into a loan agreement with the Florida Department of Environmental Protection to fund various water projects in the City funded by the U.S Department of Environmental Protection's Capitalization Grants for State Revolving Funds. The total funding amount available per agreement is \$9,403,394 of which \$7,244,572 has been expended.

# **STATISTICAL SECTION**



## Statistical Section

This section of the City of St. Augustine, Florida's comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures and required supplementary information about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>144-151</b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>152-156</b>
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	
<b>Debt Capacity</b>	<b>157-164</b>
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.	
<b>Demographic and Economic Information</b>	<b>165-173</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	<b>174-178</b>
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

**CITY OF ST. AUGUSTINE, FLORIDA**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b><u>Governmental Activities</u></b>				
Invested in Capital Assets, net of related debt	\$ 16,449,454	\$ 14,525,576	\$ 11,255,991	\$ 1,503,296
Restricted	194,949	741,252	5,620,856	1,936,545
Unrestricted	12,094,285	11,906,201	9,834,076	8,071,115
<b>Total governmental activities net position</b>	<b>\$ 28,738,688</b>	<b>\$ 27,173,029</b>	<b>\$ 26,710,923</b>	<b>\$ 11,510,956</b>
<b><u>Business-type activities</u></b>				
Invested in Capital Assets, net of related debt	\$ 41,464,233	\$ 48,685,820	\$ 51,779,723	\$ 60,744,774
Restricted	2,128,544	2,866,119	2,147,376	4,994,135
Unrestricted	14,587,206	9,058,342	9,505,607	15,838,640
<b>Total business-type activities net position</b>	<b>\$ 58,179,983</b>	<b>\$ 60,610,281</b>	<b>\$ 63,432,706</b>	<b>\$ 81,577,549</b>
<b><u>Primary Government</u></b>				
Invested in Capital Assets, net of related debt	\$ 57,913,687	\$ 63,211,396	\$ 63,035,714	\$ 62,248,070
Restricted	2,323,493	3,607,371	7,768,232	6,930,680
Unrestricted	26,681,491	20,964,543	19,339,683	23,909,755
<b>Total primary government net position</b>	<b>\$ 86,918,671</b>	<b>\$ 87,783,310</b>	<b>\$ 90,143,629</b>	<b>\$ 93,088,505</b>

2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
\$ 2,977,346	\$ 6,987,074	\$ 8,168,623	\$ 10,018,643	\$ 11,227,466	\$ 9,650,381
2,212,379	1,150,905	596,974	712,728	398,551	2,009,797
8,064,965	1,005,259	3,039,161	1,674,662	3,464,098	5,048,152
<u>\$ 13,254,690</u>	<u>\$ 9,143,238</u>	<u>\$ 11,804,758</u>	<u>\$ 12,406,033</u>	<u>\$ 15,090,115</u>	<u>\$ 16,708,330</u>
\$ 61,798,072	\$ 67,005,168	\$ 69,601,163	\$ 78,978,209	\$ 78,892,021	\$ 86,160,080
3,872,255	5,279,739	6,293,059	560,168	612,664	4,487,846
17,383,273	10,953,364	9,907,553	14,044,492	18,766,230	18,819,984
<u>\$ 83,053,600</u>	<u>\$ 83,238,271</u>	<u>\$ 85,801,775</u>	<u>\$ 93,582,869</u>	<u>\$ 98,270,915</u>	<u>\$ 109,467,910</u>
\$ 64,775,418	\$ 73,992,242	\$ 77,769,786	\$ 88,996,852	\$ 90,119,487	\$ 95,810,461
6,084,634	6,430,644	6,890,033	1,272,896	1,011,215	6,497,643
25,448,238	11,958,623	12,946,714	15,719,154	22,230,328	23,868,136
<u>\$ 96,308,290</u>	<u>\$ 92,381,509</u>	<u>\$ 97,606,533</u>	<u>\$ 105,988,902</u>	<u>\$ 113,361,030</u>	<u>\$ 126,176,240</u>

\*\*\*\*\*STATEMENT OF NET POSITION\*\*\*\*\*

CITY OF ST. AUGUSTINE, FLORIDA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

(In Thousands)  
"UNAUDITED"

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>EXPENSES</b>										
<b>Governmental Activities:</b>										
General Government	\$ 9,478	\$ 9,516	\$ 8,713	\$10,348	\$ 9,150	\$ 9,064	\$ 8,786	\$ 10,633	\$ 8,265	\$ 8,860
Public Safety	8,192	8,218	8,179	8,439	8,849	9,327	9,406	9,474	9,048	12,079
Physical Environment	3,464	3,836	3,679	3,681	3,982	2,572	2,707	2,643	2,509	3,144
Transportation	1,149	214	214	202	229	1,956	2,980	2,731	3,156	3,923
Culture & Recreation	518	521	447	485	471	1,456	425	1,438	1,245	1,561
Interest and Fiscal Charges	370	816	1,223	1,200	1,224	1,227	1,213	1,515	1,263	1,106
<b>Total Governmental Activities Expenses</b>	<b>\$23,171</b>	<b>\$23,121</b>	<b>\$22,455</b>	<b>\$24,355</b>	<b>\$23,904</b>	<b>\$25,599</b>	<b>\$26,518</b>	<b>\$ 28,433</b>	<b>\$ 25,487</b>	<b>\$ 30,673</b>
<b>Business-type Activities:</b>										
Utility	\$10,621	\$10,726	\$11,471	\$12,131	\$12,058	\$12,425	\$13,137	\$ 13,793	\$ 14,019	\$ 15,597
Stormwater Drainage	467	356	555	630	741	904	1,258	1,264	1,250	1,444
Solid Waste	2,681	2,849	2,970	3,275	3,120	3,569	3,945	5,727	4,621	4,055
Municipal Marina	2,208	2,587	2,410	2,243	2,347	2,238	2,138	2,423	3,561	3,056
Visitor Information Center	3,068	3,221	3,911	3,606	3,522	3,331	3,688	3,683	3,772	4,184
Heritage Tourism	1,712	1,842	-	-	-	-	-	-	-	-
<b>Total Business-type Activities Expenses</b>	<b>\$20,757</b>	<b>\$21,581</b>	<b>\$21,317</b>	<b>\$21,885</b>	<b>\$21,789</b>	<b>\$22,468</b>	<b>\$24,165</b>	<b>\$ 26,890</b>	<b>\$ 27,223</b>	<b>\$ 28,335</b>
<b>Total Primary Government Expenses</b>	<b>\$43,928</b>	<b>\$44,708</b>	<b>\$43,772</b>	<b>\$46,240</b>	<b>\$45,693</b>	<b>\$48,067</b>	<b>\$50,683</b>	<b>\$ 55,324</b>	<b>\$ 52,710</b>	<b>\$ 59,008</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities:</b>										
Charges for Services										
General Government	\$ 4,159	\$ 4,708	\$ 5,227	\$ 5,794	\$ 5,242	\$ 2,724	\$ 2,841	\$ 2,474	\$ 1,816	\$ 2,916
Public Safety	1,001	940	1,098	1,213	1,276	2,100	2,481	2,633	1,587	3,329
Physical Environment	302	319	353	380	399	373	505	335	-	400
Transportation	118	18	21	22	22	2,643	2,718	2,107	2,486	2,733
Culture/Recreation	47	43	43	46	77	190	256	190	-	199
Operating Grants and Contributions	265	72	27	81	76	30	43	1,000	45	103
Capital Grants and Contributions	763	765	1,062	164	1,803	1,481	284	20	775	166
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 6,655</b>	<b>\$ 6,865</b>	<b>\$ 7,831</b>	<b>\$ 7,700</b>	<b>\$ 8,896</b>	<b>\$ 9,540</b>	<b>\$ 9,128</b>	<b>\$ 8,758</b>	<b>\$ 6,709</b>	<b>\$ 9,845</b>
<b>Business-type activities (a):</b>										
Charges for Services										
Utility	\$11,471	\$11,936	\$12,364	\$12,759	\$13,221	13,888	\$15,689	\$ 18,182	\$ 18,569	\$ 19,863
Stormwater Drainage	747	747	750	749	875	\$ 944	926	920	950	978
Solid Waste	3,364	3,355	3,367	3,409	3,427	3,420	3,669	3,653	3,827	3,955
Municipal Marina	2,197	2,554	2,482	2,343	2,508	2,533	2,363	2,632	2,262	3,464
Visitor Information Center	1,328	1,850	3,188	2,825	3,066	3,871	4,084	3,847	4,609	4,755
Heritage Tourism	1,876	1,175	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	8	-	-	-	-
Capital Grants and Contributions	1,047	415	2,163	4,348	1,312	3,190	1,444	4,484	2,586	7,267
<b>Total Business-type Activities Program Revenues</b>	<b>\$22,030</b>	<b>\$22,032</b>	<b>\$24,314</b>	<b>\$26,433</b>	<b>\$24,409</b>	<b>\$27,853</b>	<b>\$28,174</b>	<b>\$ 33,718</b>	<b>\$ 32,803</b>	<b>\$ 40,282</b>
<b>Total Primary Government Revenues</b>	<b>\$28,685</b>	<b>\$28,897</b>	<b>\$32,145</b>	<b>\$34,133</b>	<b>\$33,305</b>	<b>\$37,302</b>	<b>\$37,302</b>	<b>\$ 42,476</b>	<b>\$ 39,512</b>	<b>\$ 50,128</b>

(continued)

**NOTES:**

(a) Business-type expenses do not include Debt Service, Capital Outlay, or Transfers.



**CITY OF ST. AUGUSTINE, FLORIDA**

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

**(In Thousands)**

**"UNAUDITED"**

(continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (16,516)	\$ (16,254)	\$ (14,624)	\$ (16,654)	\$ (15,008)	\$ (16,059)	\$ (17,390)	\$ (19,675)	\$ (18,778)	\$ (20,828)
Business-type Activities	1,273	451	2,997	4,548	2,620	5,385	4,009	6,827	5,580	11,948
Total primary government net expense	\$ (15,243)	\$ (15,803)	\$ (11,627)	\$ (12,106)	\$ (12,388)	\$ (10,674)	\$ (13,381)	\$ (12,848)	\$ (13,198)	\$ (8,880)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	\$ 10,691	\$ 9,125	\$ 8,309	\$ 8,042	\$ 8,354	\$ 8,767	\$ 9,699	\$ 10,509	\$ 11,235	\$ 12,377
Utility Taxes	962	1,043	1,015	1,104	1,207	1,213	1,341	1,496	1,577	1,608
Communication Service Taxes	1,047	1,133	1,108	1,080	818	919	902	1,484	916	812
Franchise Fees	1,415	1,534	1,448	1,368	1,450	1,588	1,642	1,602	1,738	1,759
State Revenue Sharing, Unrestricted	547	548	549	549	554	563	565	570	577	767
Local Option Gas Taxes	535	534	517	487	502	525	554	527	514	505
Local Option Sales Taxes	878	898	880	936	1,005	1,077	1,138	1,166	1,225	1,247
Insurance Premium Taxes	358	360	330	295	354	361	333	358	423	446
Other Taxes	99	94	153	108	142	149	162	160	178	-
Miscellaneous	920	1,473	661	999	1,133	1,088	2,131	2,162	1,742	539
Investment Income	41	26	36	29	52	50	67	119	223	373
Interfund Trans of Assets (net)	-	-	-	-	-	-	-	-	-	-
Transfers	(1,402)	(1,936)	(467)	(13,545)	1,181	2,139	1,516	121	1,551	2,013
Total Governmental Activities	\$ 16,091	\$ 14,832	\$ 14,539	\$ 1,452	\$ 16,752	\$ 18,439	\$ 20,051	\$ 20,276	\$ 21,899	\$ 22,446
Business-type activities (a):										
Unrestricted Invest Earnings	\$ 45	\$ 43	\$ 82	\$ 52	\$ 36	\$ 95	\$ 71	\$ 146	\$ 332	\$ 560
Interfund Trans of Assets (net)	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	929	1,098	702
Transfers	1,402	1,936	467	13,545	(1,181)	(2,139)	(1,516)	(121)	(1,551)	(2,013)
Total Business-type Activities	\$ 1,447	\$ 1,979	\$ 549	\$ 13,597	\$ (1,145)	\$ (2,044)	\$ (1,445)	\$ 954	\$ (121)	\$ (751)
Total Primary Government	\$ 17,538	\$ 16,811	\$ 15,088	\$ 15,049	\$ 15,607	\$ 16,395	\$ 18,606	\$ 21,230	\$ 21,778	\$ 21,695
<b>Change in Net Position</b>										
Governmental Activities	\$ (425)	\$ (1,422)	\$ (85)	\$ (15,202)	\$ 1,744	\$ 2,380	\$ 2,662	\$ 601	\$ 3,121	\$ 1,618
Business-type Activities	2,720	2,430	3,546	18,145	1,475	3,341	2,563	7,781	5,459	11,197
Total Primary Government	\$ 2,295	\$ 1,008	\$ 3,461	\$ 2,943	\$ 3,219	\$ 5,721	\$ 5,225	\$ 8,382	\$ 8,580	\$ 12,815

**NOTES:**

(a) Business-type expenses do not include Debt Service, Capital Outlay, or Transfers.

**CITY OF ST. AUGUSTINE, FLORIDA**

**FUND BALANCES GOVERNMENT FUNDS  
LAST TEN FISCAL YEARS  
"UNAUDITED"**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General Fund					
Nonspendable	\$ 772,028	\$ 1,679,414	\$ 610,785	\$ 671,931	\$ 634,204
Restricted	130,821	472,396	15,541,007	65,389	70,933
Committed	-	-	1,881,954	1,206,207	7,871,887
Assigned	-	-	425,560	219,170	555,497
Unassigned	10,704,273	23,770,779	7,193,586	8,071,115	798,893
<b>Total General Fund</b>	<b>11,607,122</b>	<b>25,922,589</b>	<b>25,652,892</b>	<b>10,233,812</b>	<b>9,931,414</b>
All Other Governmental Funds					
Nonspendable	-	-	63,743	63,829	312,977
Restricted	620,744	733,684	-	1,135,396	1,194,265
Committed	-	-	-	1,101,692	363,094
Assigned	-	-	-	-	-
Unassigned reported in:					
Capital Projects Fund	54,928	54,155	-	-	-
Debt Service	-	-	-	-	(430)
<b>Total All Other Governmental Funds</b>	<b>\$ 675,672</b>	<b>\$ 787,839</b>	<b>\$ 63,743</b>	<b>\$ 2,300,917</b>	<b>\$ 1,869,906</b>
<b>Total Governmental Funds</b>	<b>\$ 12,282,794</b>	<b>\$ 26,710,428</b>	<b>\$ 25,716,635</b>	<b>\$ 12,534,729</b>	<b>\$ 11,801,320</b>

CHANGES IN NET POSITION

2015	2016	2017	2018	2019
\$ 636,991	\$ 783,289	\$ 893,538	\$ 1,331,857	1,217,640
64,333	70,806	77,301	785,120	874,152
7,305,641	8,538,824	7,483,630	7,920,294	8,508,568
555,541	1,047,221	509,887	976,224	1,566,801
10,646	220,916	88,440	313,234	1,430,654
8,573,152	10,661,056	9,052,796	11,326,729	13,597,815
314,256	-	-	313,790	-
135,325	324,556	308,351	-	1,081,414
500,761	371,115	365,823	471,068	-
-	-	-	-	36,286
-	-	-	-	-
-	-	-	-	-
\$ 950,342	\$ 695,671	\$ 674,174	\$ 784,858	\$ 1,117,700
\$ 9,523,494	\$ 11,356,727	\$ 9,726,970	\$ 12,111,587	\$ 14,715,515

**CITY OF ST. AUGUSTINE, FLORIDA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>REVENUES</b>					
Ad Valorem Taxes	\$ 10,361,986	\$ 8,880,436	\$ 8,088,994	\$ 7,858,737	\$ 8,353,876
Sales and Use Taxes	892,825	894,378	846,498	781,883	856,593
Utility Excise Taxes	2,008,624	2,176,019	2,123,115	2,186,496	2,025,371
Licenses, Permits & Fees	2,567,238	2,746,002	3,218,885	3,780,188	3,311,962
Intergovernmental	1,892,676	1,823,510	1,824,800	1,814,169	1,730,263
Fines & Forfeitures	280,874	293,660	256,665	299,368	282,512
Interest Earnings	41,447	26,486	35,596	29,342	51,680
Administrative Service Charges	1,983,565	1,798,737	1,979,089	2,131,456	2,134,031
Other	4,119,474	4,995,917	4,464,133	3,818,462	5,720,966
<b>Total Revenues</b>	<b>24,148,709</b>	<b>23,635,145</b>	<b>22,837,775</b>	<b>22,700,101</b>	<b>24,467,254</b>
<b>EXPENDITURES</b>					
Current:					
General Government	8,020,835	6,707,477	6,976,904	8,573,559	8,064,638
Public Safety	8,143,485	8,199,851	8,160,380	8,235,598	8,858,310
Physical Environment	3,346,170	3,833,649	3,677,011	3,635,979	3,883,309
Transportation	1,112,354	213,003	213,598	188,283	223,122
Culture & Recreation	517,985	520,305	446,285	477,295	471,297
Capital Outlay	2,000,736	2,168,860	2,283,141	1,131,616	3,475,857
Debt Service:					
Principal Retirement	326,938	341,823	335,177	392,983	396,186
Interest and Fiscal Charges	369,659	815,610	1,222,551	1,200,327	1,223,670
Issuance Cost	-	-	158,142	-	-
<b>Total Expenditures</b>	<b>23,838,162</b>	<b>22,800,578</b>	<b>23,473,189</b>	<b>23,835,640</b>	<b>26,596,389</b>
Excess (deficiency) of revenues over (under) expenditures	310,547	834,567	(635,414)	(1,135,539)	(2,129,135)
<b>Other Financing Sources (Uses)</b>					
Borrowing from Capitalized Lease	-	-	-	-	215,000
Transfers In	3,276,693	3,620,608	4,995,305	7,071,268	5,387,354
Transfers (Out)	(4,679,164)	(5,556,714)	(5,462,473)	(20,616,655)	(4,206,628)
Sale of Capital Assets	-	-	-	-	-
Long-term Debt Issued	-	16,215,000	6,971,120	1,576,691	-
Retirement to Escrow Agent	-	-	(6,720,721)	-	-
Bonds Refunded	-	-	-	(197,083)	-
Bond Proceeds	-	-	-	-	-
Payments to Defeased Bonds	-	-	-	-	-
Discount on Long-Term Debt Issued	-	(685,827)	(74,404)	-	-
Premium on Long-Term Debt Issued	-	-	(67,206)	119,412	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,402,471)</b>	<b>13,593,067</b>	<b>(358,379)</b>	<b>(12,046,367)</b>	<b>1,395,726</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,091,924)</b>	<b>\$ 14,427,634</b>	<b>\$ (993,793)</b>	<b>\$ (13,181,906)</b>	<b>\$ (733,409)</b>
Debt Service as a percentage of noncapital expenditures	3.19%	5.61%	8.10%	7.02%	7.01%

	2015	2016	2017	2018	2019
\$	8,767,045	\$ 9,698,505	\$ 10,509,003	\$ 11,234,749	12,376,972
	885,819	886,755	527,151	423,187	951,484
	2,131,711	2,243,500	2,979,244	2,492,867	2,419,967
	3,698,959	3,655,864	3,483,221	819,746	7,284,367
	1,788,627	1,865,806	2,255,292	2,360,183	2,650,062
	466,019	621,657	360,707	384,656	317,319
	50,300	67,261	119,451	223,499	373,488
	2,532,364	3,536,037	3,423,132	3,545,795	3,733,288
	5,519,453	5,087,729	5,285,986	9,118,720	1,660,536
	25,840,297	27,663,114	28,943,187	30,603,402	31,767,483
	8,063,056	7,251,493	9,322,157	7,826,693	8,953,185
	9,263,984	9,784,975	9,600,675	10,395,600	11,198,645
	2,459,077	2,602,746	2,578,357	2,769,827	2,914,985
	1,949,930	2,979,462	2,772,239	3,802,800	2,685,795
	1,452,229	1,424,595	1,459,825	1,436,229	1,447,614
	5,398,703	1,634,176	3,416,681	3,303,643	2,489,834
	442,785	454,974	342,952	469,631	515,592
	1,226,945	1,213,391	1,201,548	1,262,847	1,106,835
	-	-	-	-	-
	30,256,709	27,345,812	30,694,434	31,267,270	31,312,485
	(4,416,412)	317,302	(1,751,247)	(663,868)	454,998
	-	-	-	-	-
	7,931,816	5,602,834	5,102,468	5,805,825	6,693,259
	(5,793,230)	(4,086,903)	(4,980,978)	(4,255,189)	(4,680,469)
	-	-	-	-	136,140
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	19,968,267	-
	-	-	-	(18,470,418)	-
	-	-	-	-	-
	-	-	-	-	-
	2,138,586	1,515,931	121,490	3,048,485	2,148,930
\$	(2,277,826)	\$ 1,833,233	\$ (1,629,757)	\$ 2,384,617	2,603,928
	6.72%	6.49%	5.66%	6.20%	5.18%

**CITY OF ST. AUGUSTINE, FLORIDA**

**TOTAL ASSESSED VALUATIONS AND TOTAL EXEMPTIONS  
LAST TEN FISCAL YEARS  
"UNAUDITED"**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Real Property	\$ 1,670,891,378	\$ 1,567,068,493	\$ 1,506,640,382	\$ 1,550,025,682	\$ 1,600,223,236
Personal Property	108,370,268	103,283,994	98,758,852	99,441,437	101,527,054
Railroad & Telegraph	2,230,412	2,304,747	2,148,694	2,558,367	2,928,245
<b>Total Assessed Valuations</b>	<b>1,781,492,058</b>	<b>1,672,657,234</b>	<b>1,607,547,928</b>	<b>1,652,025,486</b>	<b>1,704,678,535</b>
Homestead Exempt Property (a)	141,949,847	139,393,599	139,761,480	141,569,199	145,786,764
Other Exemptions	426,874,275	416,816,893	394,769,492	394,162,661	389,557,411
<b>Total Exempt Property</b>	<b>568,824,122</b>	<b>556,210,492</b>	<b>534,530,972</b>	<b>535,731,860</b>	<b>535,344,175</b>
<b>Total Taxable Value</b>	<b>\$ 1,212,667,936</b>	<b>\$ 1,116,446,742</b>	<b>\$ 1,073,016,956</b>	<b>\$ 1,116,293,626</b>	<b>\$ 1,169,334,360</b>
<b>Direct Rate</b>	<b>7.500</b>	<b>7.500</b>	<b>7.500</b>	<b>7.500</b>	<b>7.500</b>

**NOTES:**

**2016**

**(a) Real property is assessed at 100 percent of fair market value. Tangible Personal Property: Equipment is assessed at current depreciated value. Centrally Assessed Property: (1) State of Florida makes annual assessments of all operating property of railroad and railroad terminal companies in the State. Such assessment is apportioned to each county, based upon actual situs, and, in the case of property not having situs in a particular county, is apportioned based upon track miles. (2) All private car and freight line and equipment companies operating rolling stock in Florida other than in (1) above shall return for taxation the average number of their cars which are habitually present within Florida and shall state the fair market value thereof. Property is assessed as of January 1st. Tax bills are mailed November 1st. Four percent discount, if paid in November, three percent if paid in December, two percent if paid in January, one percent discount if paid in February, full amount due in March, delinquent April 1st.**

**Source: St. Johns County Property Appraiser, St. Johns County Tax Collector, Department of Revenue, State of Florida**

**(b) Figures are from the PRELIMINARY tax rolls. These could change once the final tax rolls are received.**

2015	2016	2017	2018	2019
\$ 1,718,302,003	\$ 1,829,080,525	\$ 1,917,447,480	\$ 2,065,250,505	\$ 2,258,662,327
103,628,284	103,885,128	114,084,278	124,468,101	126,260,505
3,369,083	3,695,243	3,872,697	3,900,865	3,917,574
1,825,299,370	1,936,660,896	2,035,404,455	2,193,619,471	2,388,840,406
150,699,482	155,237,830	160,319,086	164,471,795	167,642,609
402,135,455	407,304,069	409,105,684	425,129,343	459,904,126
552,834,937	562,541,899	569,424,770	589,601,138	627,546,735
\$ 1,272,464,433	\$ 1,374,118,997	\$ 1,465,979,685	\$ 1,604,018,333	\$ 1,761,293,671
7.500	7.500	7.500	7.500	7.500

**CITY OF ST. AUGUSTINE, FLORIDA**

**PROPERTY TAX RATES AND TAX LEVIEES  
DIRECT AND OVERLAPPING GOVERNMENTS**

**(In Thousands)  
September 30, 2019  
"UNAUDITED"**

<b>Fiscal Year Ended</b>	<b>Direct</b>	<b>Overlapping</b>				<b>Total</b>
	<b>St. Augustine</b>	<b>St. Johns County</b>	<b>School District</b>	<b>Management District</b>	<b>Other</b>	
2010	7.500	5.547	8.069	0.416	0.228	21.760
2011	7.500	5.937	7.979	0.331	0.228	21.976
2012	7.500	5.937	7.683	0.331	0.231	21.682
2013	7.500	5.937	7.544	0.328	0.231	21.540
2014	7.500	5.937	7.342	0.316	0.343	21.439
2015	7.500	5.875	7.228	0.302	0.273	21.178
2016	7.500	5.867	6.928	0.289	0.311	20.894
2017	7.500	5.867	6.543	0.272	1.717	21.900
2018	7.500	5.867	6.278	0.256	1.722	21.623
2019	7.500	5.867	6.136	0.241	1.680	21.425

**NOTES:**

**Millage rates are per \$1,000 of assessed valuation.**

**Source: St. Johns County Tax Collector**



**CITY OF ST. AUGUSTINE, FLORIDA**

**PRINCIPAL TAX PAYERS**

**30-Sep-19**

**(In Millions)**

**"UNAUDITED"**

Taxpayer	2018/2019		
	Taxable Assessed Value	Rank	Percent of Total Assessment
THE LANDING ONE LLC	\$16,891,133	1	1.05%
PATRIS REAL ESTATE LLC	\$14,148,394	2	0.88%
THE FLAGLER RESORT LTD	\$13,673,091	3	0.85%
116 SAN MARCO ST AUGUSTINE OWNER LLC	\$10,293,800	4	0.64%
SEBASTIAN HOTEL LLC	\$8,020,295	5	0.50%
SHP IV HARBOUR ISLAND LLC	\$7,842,645	6	0.49%
KASAM HOSPITALITY INC	\$7,476,592	7	0.47%
TARGET CORPORATION	\$6,866,856	8	0.43%
SEA WALL MOTOR LODGE INC	\$6,854,906	9	0.43%
PONCE HOSPITALITY INC	\$6,073,176	10	0.38%
	<u>98,140,888</u>		<u>6.12%</u>
	<u>\$ 1,604,018,333</u>		<u>100.00%</u>

Source: St. Johns County Property Appraiser's Office

**CITY OF ST. AUGUSTINE, FLORIDA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
"UNAUDITED"**

<b>Fiscal Year Ended</b>	<b>Total Tax Levy</b>	<b>Current Tax Collection</b>	<b>Percent (a) of Levy Collected</b>	<b>Assessed Taxable Value</b>	<b>Estimated Actual Value (Thousands)</b>	<b>Estimated % of Fair Market Value</b>
2010	10,352,987	9,939,071	96.00%	1,781,492,058	1,781,492	100%
2011	9,099,510	8,797,391	96.68%	1,672,657,234	1,672,657	100%
2012	8,341,338	8,088,994	96.97%	1,607,547,928	1,607,548	100%
2013	8,023,465	7,858,707	97.95%	1,652,025,486	1,652,025	100%
2014	8,366,909	8,136,439	97.25%	1,704,678,535	1,704,679	100%
2015	8,775,490	8,509,409	96.97%	1,825,299,370	1,825,299	100%
2016	9,502,422	9,338,782	98.28%	1,936,660,896	1,936,661	100%
2017	10,994,857	10,038,504	91.30%	1,465,979,685	1,465,979	100%
2018	11,011,494	10,684,346	97.03%	1,604,018,333	1,604,018	100%
2019	13,213,508	12,376,972	93.67%	1,761,874,600	1,761,874	100%

**NOTES:**

- (a) Florida Statutes provide for a discount of up to four percent for early payment of Ad Valorem Taxes.

**CITY OF ST. AUGUSTINE, FLORIDA**

**RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA**

**September 30, 2019**

**"UNAUDITED"**

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Assessed Value (In Thousands) (b)</b>	<b>Gross Bonded Debt</b>	<b>Debt Service Monies Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2010	13,719	1,781,492	-	-	-	-	-
2011	13,056	1,672,657	-	-	-	-	-
2012	13,092	1,607,548	-	-	-	-	-
2016	13,092	1,607,548	-	-	-	-	-
2013	13,271	1,652,025	-	-	-	-	-
2014	13,414	1,704,679	-	-	-	-	-
2015	13,590	1,825,299	-	-	-	-	-
2016	13,747	1,936,661	-	-	-	-	-
2017	13,862	2,036,999	-	-	-	-	-
2018	14,021	2,193,619	-	-	-	-	-
2019	14,031	2,389,593	-	-	-	-	-

**NOTES:**

**(a) City of St. Augustine, Planning & Building Department**

**(b) Previous year's preliminary tax role is adjusted to final role in current year.**

**CITY OF ST. AUGUSTINE, FLORIDA**

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

**September 30, 2019**

**(In Millions)**

**"UNAUDITED"**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Expenditures</b>	<b>Ratio of Debt Service to Total General Expenditures</b>
2010	326,938	369,659	696,597	21,979,202	3.17
2011	341,823	815,610	1,157,433	20,856,626	5.55
2012	335,177	1,222,551	1,557,728	20,778,307	7.50
2013	392,983	1,200,327	1,593,310	20,827,487	7.65
2014	396,186	1,223,670	1,619,856	21,858,437	7.41
2015	442,785	1,226,945	1,669,730	24,456,114	6.83
2016	454,974	1,213,391	1,668,365	24,289,220	6.87
2017	342,952	1,201,548	1,544,500	29,013,360	5.32
2018	469,631	1,262,847	1,732,478	29,434,497	5.89
2019	515,592	1,106,835	1,622,427	29,361,956	5.53

**CITY OF ST. AUGUSTINE, FLORIDA**  
**UTILITY REVENUE BOND COVERAGE**  
**LAST TEN FISCAL YEARS**  
**September 30, 2019**  
(In Millions)

<b>Fiscal Year Ended</b>	<b>Gross Revenue (a)</b>	<b>Operating Expenses (b)</b>	<b>Net Revenue (c)</b>	<b>Debt Service Requirements</b>	<b>Debt Service Coverage</b>
2010	11,876,944	6,979,489	4,897,455	3,288,337 (d)	1.49
2011	12,301,380	6,847,896	5,453,484	3,318,894 (d)	1.64
2012	12,293,699	7,586,408	4,707,291	3,344,052 (d)	1.41
2013	20,661,902	8,223,690	4,417,087	2,843,032 (d)	1.55
2014	12,864,764	8,264,157	4,600,607	2,833,938 (d)	1.62
2015	13,275,185	8,561,023	4,714,162	2,837,388 (d)	1.66
2016	15,230,758	8,907,224	6,323,535	3,828,544 (d)	1.65
2017	18,182,456	9,509,919	8,672,537	4,406,936 (d)	1.97
2018	18,429,492	9,919,482	8,510,010	3,041,968 (d)	2.80
2019	19,787,256	10,519,220	9,268,036	3,966,008 (d)	2.34

**NOTES:**

- (a) **Gross Revenue = Operating Revenue + Net Transfers In (Out) + Interest Revenue + Miscellaneous Revenue**
- (b) **Operating Expenses = Total Operating Expenses - Depreciation and Amortization**
- (c) **Net Revenue = Gross Revenue - Operating Expenses - Extraordinary Revenues + Extraordinary Expenses**
- (d) **Includes interest on zero-coupon bonds**

**CITY OF ST. AUGUSTINE, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
September 30, 2019  
(In Millions)

Fiscal Year	General Obligation Bonds Governmental Activities	Percentage of Taxable Value of Property (a)	Per Capita (b)	Percentage of Personal Income [c]
2010	7,331,955	0.60%	534	0.06%
2011	23,205,133	2.08%	1,777	0.20%
2012	23,120,355	2.15%	1,766	0.20%
2013	24,106,979	2.16%	1,817	0.21%
2014	23,710,792	2.03%	1,768	0.21%
2015	21,951,282	1.73%	1,597	0.17%
2016	22,895,020	1.67%	1,665	0.17%
2017	22,594,470	1.54%	1,611	0.16%
2018	25,548,314	1.74%	1,822	0.18%
2019	22,824,854	1.30%	1,627	0.13%

Fiscal Year	General Obligation Bonds Business-Type Activities	Percentage of Taxable Value of Property (a)	Per Capita (b)	Percentage of Personal Income [c]
2010	24,323,044	2.01%	1,773	0.21%
2011	23,909,867	2.14%	1,831	0.21%
2012	23,614,644	2.20%	1,804	0.21%
2013	23,663,021	2.12%	1,783	0.21%
2014	23,114,207	1.98%	1,723	0.20%
2015	23,908,718	1.88%	1,739	0.19%
2016	21,954,980	1.60%	1,597	0.16%
2017	21,225,530	1.45%	1,514	0.15%
2018	22,717,214	1.55%	1,620	0.16%
2019	19,620,144	1.11%	1,398	0.11%

Fiscal Year	Water Revenue Bonds	Total Primary Government (d)	Per Capita (b)	Percentage of Personal Income [c]
2010	23,799,012	70,914,012	4,042	0.21%
2011	22,191,968	68,926,967	5,308	0.20%
2012	20,508,832	68,278,832	5,136	0.18%
2013	21,800,000	68,624,999	5,242	0.19%
2014	19,815,000	65,675,000	4,968	0.17%
2015	17,750,000	63,610,000	4,627	0.14%
2016	15,650,000	60,500,000	4,401	0.11%
2017	13,365,000	57,185,000	4,079	0.09%
2018	11,050,000	59,315,528	4,230	0.08%
2019	8,690,000	51,134,998	3,644	0.05%

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

(a) Schedule for taxable property value data.

(b) Schedule for population data.

[c] See Schedule for total personal income data.

(d) Includes governmental activities debt and business-type activities debt.

**CITY OF ST. AUGUSTINE, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL**  
**ACTIVITIES DEBT**  
**September 30, 2019**  
(In Millions)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt Repaid with Property Taxes</b>			
St. Johns County Capital Improvement Revenue Bonds, Series 2012	4,873,000	5.63%	274,301
St. Johns County Revenue Sharing Revenue & Refunding Revenue Bonds, Series 2014	12,970,000	5.63%	730,080
St. Johns County Sales Tax Revenue Refunding Bonds, Series 2015	47,195,000	5.63%	2,656,603
St. Johns County Sales Tax Revenue Refunding Bonds, Series 2012	39,440,000	5.63%	2,220,075
St. Johns County Transportation Improvement Revenue Bonds, Series 2012	19,750,000	5.63%	1,111,726
St. Johns County Taxable Capital Improvement Revenue Bonds, Series 2014	3,065,000	5.63%	172,529
St. Johns County Community Redevelopment Agency Refunding Note, Series 2012	999,000	5.63%	56,234
St. Johns County Transportation Improvement Revenue Bonds, Series 2015	22,815,000	5.63%	1,284,255
St. Johns County Transportation Improvement Revenue Bonds, Series 2019	10,300,000	5.63%	579,786
			-
<b>Other Debt</b>			
St. Johns County School Board Certificates of Participation	81,452,976	5.63%	4,584,982
St. Johns County School Board General Obligation Bonds, Series, 2006A through 2014B	3,085,000	5.63%	173,654
			-
<b>Subtotal Overlapping Debt</b>			<b>\$ 13,844,224</b>
<b>City Direct Debt</b>			
Capital Improvement and Refunding Revenue Bonds	22,824,856	100%	22,824,856
			-
<b>Subtotal Direct Debt</b>			<b>\$ 22,824,856</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$ 36,669,080</b>

**Sources:** Assessed value data used to estimate applicable percentages provided by St. Johns County Property Appraiser. Debt outstanding data provided by each governmental unit.

**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 of St. Augustine. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by 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.

**CITY OF ST. AUGUSTINE, FLORIDA**

**DIRECT AND OVERLAPPING RATIOS**

**September 30, 2019**

**(In Millions)**

<b>Direct and Overlapping General Obligation Debt</b>	<b>\$</b>	<b>36,669,080</b>
<b>Per Capita</b>	<b>\$</b>	<b>2,785</b>
<b>As a Percentage of Taxable Assessed Valuation</b>		<b>1.64%</b>
<b>As a Percentage of Total Just Valuation</b>		<b>1.34%</b>



**CITY OF ST. AUGUSTINE, FLORIDA**

**COMPUTATION OF LEGAL DEBT MARGIN**

**September 30, 2019**

**(In Thousands)**

**The Constitution of the State of Florida, Florida Statutes 200.131, and  
the City of St. Augustine Charter set no legal debt margin.**

**CITY OF ST. AUGUSTINE, FLORIDA**

**SUMMARY OF PLEDGED FUNDS  
Public Service Tax/Guaranteed Entitlement Bonds  
(In Millions)  
"UNAUDITED"**

<b>Revenue Source</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Public Service Tax</b>					
Electric	\$ 1,146,071	\$ 1,291,612	\$ 1,445,175	\$ 1,525,928	\$ 1,559,461
Communication	918,884	902,282	1,483,667	916,000	811,896
Gas	66,756	49,607	50,402	50,939	48,609
Fuel Oil	-	-	-	-	-
Total	<u>\$ 2,131,711</u>	<u>\$ 2,243,501</u>	<u>\$ 2,979,244</u>	<u>\$ 2,492,867</u>	<u>\$ 2,419,966</u>
<b>Florida Revenue Sharing</b>					
Revenue Sharing	<u>\$ 562,696</u>	<u>\$ 565,395</u>	<u>\$ 570,421</u>	<u>\$ 576,587</u>	<u>\$ 581,797</u>
<b>Guaranteed Entitlements</b>					
Local Option Gas Tax	<u>\$ 524,651</u>	<u>\$ 553,516</u>	<u>\$ 527,151</u>	<u>\$ 514,361</u>	<u>\$ 505,278</u>
Total	<u>\$ 524,651</u>	<u>\$ 553,516</u>	<u>\$ 527,151</u>	<u>\$ 514,361</u>	<u>\$ 505,278</u>
<b>Total Pledged Funds</b>	<u><u>\$ 3,219,058</u></u>	<u><u>\$ 3,362,411</u></u>	<u><u>\$ 4,076,816</u></u>	<u><u>\$ 3,583,815</u></u>	<u><u>\$ 3,507,041</u></u>

**CITY OF ST. AUGUSTINE, FLORIDA**

**DEMOGRAPHIC STATISTICS**

September 30, 2019

Year	Population		Per Capita Personal Income	Total Personal Income (In Millions)	Unemployment Rate
	City of St. Augustine	St. Johns County			
2010	13,719	189,764 (est.)	\$ 49,327	\$ 9,377,675	9.6%
2011	13,056	192,570 (est.)	\$ 47,544	\$ 10,009,692	8.4%
2012	13,092	195,847 (est.)	\$ 52,205	\$ 10,957,330	6.9%
2013	13,271	201,325 (est.)	\$ 58,019	\$ 12,156,922	5.2%
2014	13,414	207,443 (est.)	\$ 59,102	\$ 12,886,864	4.9%
2015	13,590	226,640	\$ 60,441	\$ 13,698,259	4.0%
2016	13,747	235,078	\$ 60,441	\$ 13,698,259	4.3%
2017	13,862	229,715 (est.)	\$ 61,423	\$ 14,439,811	3.7%
2018	14,021(est.)	238,742 (est.)	\$ 64,177	\$ 15,647,080	3.3%
2019	14,031	254,412 (est.)	\$ 64,177	\$ 17,327,679	2.9%

Year	Population Projection	
	City of St. Augustine	St. Johns County
2020	14,042	256,127
2025	14,790	295,906
Avg Household Size:	2.30	2.49

**Source: City of St. Augustine, Planning & Building Department,  
St. Johns County Chamber of Commerce  
Office of Economic and Demographic Research**

**CITY OF ST. AUGUSTINE, FLORIDA**

**MAJOR EMPLOYERS IN ST. AUGUSTINE AREA**

September 30, 2019

Employer	Sector	2019	
		Approximate Employees	% of Total County Employment
St. Johns County School Board	Education	5,039	4.07%
Flagler Health+	Medical	1,564	1.26%
St. Johns County	Public Administration	1,299	1.05%
Northrop Grumman	Manufacturing	1,100	0.89%
Florida National Guard Headquarters Office	Military	900	0.73%
PGA Tour	Event Management	800	0.65%
St. Johns County Sheriff's Office	Public Safety	689	0.56%
Florida School for the Deaf & Blind	Education	682	0.55%
Carlisle Interconnect Technologies	Manufacturing	644	0.52%
Ringpower	Heavy Equipment Sales	548	0.44%
		13265	11%

**CITY OF ST. AUGUSTINE, FLORIDA**

**SUMMARY OF TEN LARGEST WATER CUSOMERS**  
**September 30, 2019**

<b>Customer</b>	<b>Usage for Fiscal Year Ended September 30, 2019 (in gallons)</b>
City of St. Augustine	25,261,600
DR Horton	18,749,100
Florida School for the Deaf & Blind	15,533,200
Flagler College	14,678,300
Flagler Hospital	13,461,600
St. Johns County Board of County Commissioners	13,189,400
St. Johns County School Board	10,487,700
Northrup Grumman Systems Corp	9,614,200
Madeira Community Development District	8,569,800
Flagler Resort LTD	7,136,800

**Source: City of St. Augustine Customer Service Department**

**CITY OF ST. AUGUSTINE, FLORIDA**

**HISTORICAL UTILITY CUSTOMERS AND SALES OF THE SYSTEM  
LAST TEN FISCAL YEARS**

**(In Thousands)  
"UNAUDITED"**

<b>Fiscal Year Ended</b>	<b>Water Customers</b>			<b>Sewer Customers</b>		
	<b>Inside City</b>	<b>Outside City</b>	<b>Total</b>	<b>Inside City</b>	<b>Outside City</b>	<b>Total</b>
2010	6,988	4,419	11,407	6,704	2,210	8,914
2011	6,793	4,440	11,233	6,374	2,332	8,706
2012	6,901	4,527	11,428	6,476	2,409	8,885
2013	6,826	4,532	11,358	6,727	2,408	9,135
2014	6,842	4,585	11,427	6,717	2,485	9,202
2015	6,771	4,714	11,485	6,624	2,534	9,158
2016	7,695	5,700	13,395	6,950	3,044	9,994
2017	7,623	5,790	13,413	6,862	3,174	10,036
2018	7,907	6,263	14,170	7,109	3,522	10,631
2019	8,040	6,424	14,464	7,172	3,673	10,845

**Source: City of St. Augustine Customer Service Department**

<b>Water Sales (Thousands of Gallons)</b>		
<b>Inside City</b>	<b>Outside City</b>	<b>Total</b>
521,691	344,701	866,392
540,729	374,552	915,281
542,757	398,102	940,859
535,938	366,881	902,819
595,408	391,182	986,590
540,026	368,309	908,335
563,563	404,526	968,089
587,371	425,859	1,013,230
557,225	421,331	978,556

**CITY OF ST. AUGUSTINE, FLORIDA**

**WATER AND WASTE WATER TREATMENT PLANTS  
SUMMARY OF HISTORICAL DAILY FLOWS**

**(In Millions)  
"UNAUDITED"**

<b>Fiscal Year Ended</b>	<b>Water Treatment Plant (a)</b>		<b>Wastewater Treatment Plant</b>	
	<b>Annual Average Daily Flow (Millions of Gallons Per Day)</b>	<b>Maximum Monthly Average Daily Flow (Millions of Gallons Per Day)</b>	<b>Annual Average Daily Flow (Millions of Gallons Per Day)</b>	<b>Maximum Monthly Average Daily Flow (Millions of Gallons Per Day)</b>
2010	3.356	3.769	3.033	9.030
2011	3.244	3.692	2.674	3.581
2012	3.058	3.601	3.587	5.772
2013	2.974	3.389	3.913	5.724
2014	2.959	3.178	3.678	4.614
2015	3.110	3.443	3.828	7.915
2016	3.320	3.702	3.213	4.429
2017	3.304	3.690	3516	5.553
2018	3.225	3.382	3.955	6.417
2019	3.223	3.629	3.453	5.177

**Source: City of St. Augustine Environmental Compliance**



**CITY OF ST. AUGUSTINE, FLORIDA**

**WATER AND SEWERS UTILITIES  
HISTORICAL RATE STRUCTURES**

**(In Thousands)  
"UNAUDITED"**

Effective October 1,	Service Area	Minimum Charge Flow Rate Gal./Month	Water		Sewer	
			Minimum Charge	Additional Charge Per 1,000 Gal.	Minimum Charge	Additional Charge Per 1,000 Gal.
2010	Inside City	3,000	16.19	4.47	22.35	5.66
	Outside City	3,000	20.20	5.59	27.92	7.07
2011	Inside City	3,000	16.46	4.56	22.69	5.77
	Outside City	3,000	20.54	5.70	28.34	7.21
2012	Inside City	3,000	16.83	4.68	22.99	5.87
	Outside City	3,000	20.99	5.85	28.70	7.33
2013	Inside City	3,000	17.12	4.76	23.40	5.98
	Outside City	3,000	21.37	5.95	29.22	7.46
2014	Inside City	3,000	17.30	4.82	23.40	6.06
	Outside City	3,000	21.61	6.03	29.22	7.56
2015 (a)	Inside City	0	11.53	2.50-10.62	11.77	5.56
	Outside City	0	14.30	3.10-13.17	14.59	6.89
2016	Inside City	0	11.53	2.50-10.62	11.77	5.56
	Outside City	0	14.30	3.10-13.17	14.59	6.89
2017	Inside City	0	12.19	2.64-11.26	12.45	6.14
	Outside City	0	14.99	3.25-13.85	15.31	7.55
2018	Inside City	0	12.89	2.79-11.66	13.17	6.47
	Outside City	0	15.73	3.40-14.23	16.07	7.89
2019	Inside City	0	14.26	2.85 - 12.74	14.67	6.69
	Outside City	0	17.25	3.45 - 15.42	17.75	8.09

(a) In 2015, the City changed to a conservation rate structure. There is no longer a minimum bill of 3,000 gallons of usage.

**CITY OF ST. AUGUSTINE, FLORIDA**

**BUILDING PERMIT ACTIVITY  
LAST TEN FISCAL YEARS**

**(In Thousands)**

**September 30, 2019**

**"UNAUDITED"**

<b>Fiscal Year</b>	<b>Single Family Units</b>	<b>Multi-Family Units</b>	<b>New Residential Valuation</b>	<b>New Non-Residential Valuations</b>	<b>Residential &amp; Non-Residential Additions/Alterations</b>	<b>Public Valuation</b>	<b>Total Valuation</b>
2010	13	-	2,417	3,547	526	921	7,411
2011	41	-	49,910	-	834	-	50,744
2012	38	-	7,986	3,561	-	-	11,547
2013	49	-	10,964	14,490	1	12,644	38,100
2014	67	-	12,135	9,069	65	8,153	29,422
2015	89	-	17,335	13,730	129	9,256	40,450
2016	61	-	11,523	25,918	84	9,256	46,781
2017	58	-	15,390	9,093	370	20,660	45,143
2018	71	524	56,812	15,815	135	12,538	85,168
2019	232	314	87,583	23,343	114	12,818	123,744

**Source: City of St. Augustine Planning & Building Department**

**CITY OF ST. AUGUSTINE, FLORIDA**

**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSIT  
(In Millions of Dollars)  
"UNAUDITED"**

Fiscal Year	Commercial Construction (a)		Residential Construction (a)		Bank Deposits (b)
	Number of Units	Value	Number of Units	Value	
2010	8	\$ 3,547	13	\$ 2,417	\$ 2,850,983
2011	-	\$ -	41	\$ 49,910	\$ 2,868,734
2012	30	\$ 3,561	38	\$ 3,986	\$ 2,833,072
2013	31	\$ 14,490	49	\$ 10,964	\$ 2,940,180
2014	33	\$ 15,779	104	\$ 13,578	\$ 3,100,391
2015	60	\$ 23,882	164	\$ 20,531	\$ 3,500,629
2016	16	\$ 25,918	61	\$ 11,523	\$ 3,879,785
2017	14	\$ 9,093	58	\$ 15,390	\$ 4,125,350
2018	15	\$ 15,815	595	\$ 56,812	\$ 4,267,208
2019	10	\$ 23,343	546	\$ 87,583	\$ 4,939,299

**NOTES:**

- (a) Planning and Building Division
  - (b) Deposits for St. Johns County (\$000)
- Source: [www.FDIC.gov](http://www.FDIC.gov)

**CITY OF ST. AUGUSTINE, FLORIDA**

**MISCELLANEOUS STATISTICAL DATA**  
**September 30, 2019**

<b>Date of Incorporation</b>	May 30, 1925
<b>Form of Government</b>	Commission - Manager
<b>Area:</b>	
Square Miles	13.89 Miles
Paved Streets	66.61
Unpaved Streets	10.5
Altitude	7 Feet Above Sea Level
<b>Education:</b>	
Elementary	3
Secondary	1
Post-Secondary	2
<b>Fire Protection:</b>	
Number of Fire Stations	2
Number of Firefighters	32
<b>Police Protection:</b>	
Number of Police Stations	1
Number of Police Officers	54
<b>Utility Customers:</b>	
Water	14,464
Sewer	10,845
Solid Waste	7,952
<b>Tourism Facts (St. Johns County):</b>	
Visitors (Per Year)	9,597,518
Airports	1
Attractions/Points of Interest	50 +
Camp Sites	1241
Condominium Units (Rentals)	4000
Hotel/Motel Units	5600
Marinas	10
Parks and Playgrounds	41
Public Golf Courses	5
Public Tennis Courts	28
Restaurants	200 +
Sightseeing Services	7
State Parks	5

**(continued)**

**CITY OF ST. AUGUSTINE, FLORIDA**

**MISCELLANEOUS STATISTICAL DATA**

**September 30, 2019**

**(continued)**

**Climate:**

<b>Average Temperature and Precipitation in St. Johns County</b>			
<b>Quarter</b>	<b>Average Daily Max. Temperature</b>	<b>Average Daily Min. Temperature</b>	<b>Total Rainfall</b>
October - December	74.06	50.65	12.55
January - March	68.92	53.45	6.58
April - June	83.22	68.68	9.24
July - September	87.41	73.72	13.08

**Source: St. Johns County Chamber of Commerce,  
Weather Underground**

**CITY OF ST. AUGUSTINE, FLORIDA**

**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION  
LAST FIVE FISCAL YEARS  
"UNAUDITED"**

FUNCTION	Full-Time Equivalent Employees as of September 30,				
	2015	2016	2017	2018	2019
<b>Governmental Activities:</b>					
General Government	56.5	53.5	53.5	56.5	57.5
Public Safety	102.5	100	104	105	103.5
Physical Environment	33	33	34.5	36.5	36
Transportation	17.5	18	18	18	18
Culture/Recreation	9	10	9	10	12
<b>Business-Type Activities</b>					
Utilities	63	63	60	63	61
Stormwater	3	3	3	4	5
Solid Waste	17	16	19	19	19
Municipal Marina	14	12	11.5	11.5	12
Visitor Information Center	17.5	19.5	21.5	21	22.5

**Source: City of St. Augustine Human Resources Department**

**CITY OF ST. AUGUSTINE, FLORIDA**

**OPERATING INDICATORS BY FUNCTION  
LAST FIVE FISCAL YEARS**

**September 30, 2019  
"UNAUDITED"**

<b>FUNCTION</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Police</b>					
Physical Arrests	1,333	1,336	979	1,345	1,222
Traffic Violations	3,253	2,818	2,012	1,105	1,968
Calls for Service	43,962	42,108	45,151	44,643	47,262
Parking Violations (includes those issued by Parking Enforcement)	16,981	13,696	11,880	12,835	14,229
<b>Fire</b>					
Number of calls answered	4,053	4,403	4,288	4,235	4,199
Inspections	572	489	432	218	420
Pre-fire tours	868	492	419	270	475
Hydrants Flow Tested	328	955	303	1,648	18
<b>Highways and Streets</b>					
New Street Pavings (miles)	-	-	-	-	0.48
Streets Resurfaced (miles)	6.4	3.5	3.7	6.6	5.03
<b>Sanitation</b>					
Refuse Collected (tons/day)	65.8	67.3	68.5	69.7	66.3
Recyclables Collected (tons/day)	5.0	8.6	9.5	10.5	18.9
<b>Culture and Recreation</b>					
Field Permits Issued	21	16	16	16	24
Lightner Museum Courtyard Permits Issued					304
Plaza Permits Issued	32	30	30	26	52
Other Event Permits Issued	54	51	52	62	75
<b>Water</b>					
New Connections	275	315	466	397	701
Average Daily Consumption (thousands of gallons)	2,841	3,320	3,304	3,225	3,223
<b>Wastewater</b>					
Average Daily Usage (thousands of gallons)	3,541	3,213	3,516	3,955	3,453

**Source: Various City Departments**

**CITY OF ST. AUGUSTINE, FLORIDA**

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST FIVE FISCAL YEARS**

**September 30, 2019  
"UNAUDITED"**

<b>FUNCTION</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Police</b>					
Stations	1	1	1	1	1
Boats	1	1	1	1	1
<b>Fire</b>					
Stations	2	2	2	2	2
Vehicles	8	9	10	10	10
Boats	1	1	2	2	2
<b>Sanitation</b>					
Collection Trucks	7	7	13	13	13
<b>Water</b>					
New Feet of Water Mains Added	3,779	18,400	12,475	10,404	16,958
Fire hydrants	1,105	1,127	1,173	1,177	1,206
Maximum Monthly Average Daily Flow (thousands of gallons)	3,443	3,702	3,690	3,382	3,629
<b>Wastewater</b>					
New Feet of Sanitary Sewer Added	12,860	10,544	12,306	9,327	3,217
New Feet of Storm Sewers Added	3,416	1,536	1,000	1,192	270
Maximum Monthly Average Daily Flow (thousands of gallons)	7,915	4,429	5,553	6,417	5,177

**Source: Public Works and Utilities Department**



# **Compliance Section**

This Section Contains the Following:

**Independent Auditors' 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***

**Independent Accountants' Report on Compliance With Section 218.415, Florida Statutes**

**Independent Auditors' Report On Compliance For Each Major Program and State Project and Report On Control Over Compliance Required by the Uniform Guidance and Chapter 215.97 Florida Single Audit Act.**

**Schedule of Findings and Questioned Costs**

**Management Letter**





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 GOVERNMENTAL AUDITING STANDARDS

Honorable Mayor and Members of the City Commission  
Mr. John Reagan, City Manager  
City of St. Augustine, Florida  
St. Augustine, Florida

We have audited, in accordance with the 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 St. Augustine, 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 May 15, 2020.

**Internal Control Over Financial Reporting:**

In planning and performing our audit, 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters:**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance 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.

*Master, Smith & Wisby P.A.*

Certified Public Accountants  
Jacksonville, Florida

May 15, 2020



STEVEN D. RAWLINS, CPA  
GARY M. HUGGETT, CPA  
DAVID W. HOWIE, CPA

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

Honorable Mayor and Members of the City Commission  
Mr. John Regan, City Manager  
City of St. Augustine, Florida  
St. Augustine, Florida

We have examined the City of St. Augustine, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year 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 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 on the City's compliance with specific requirements.

In our opinion, the City of St. Augustine, Florida 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 Florida House of Representatives, The Florida Auditor General, Federal and other granting agencies and pass through entities, The Mayor and City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Masters, Smith & Wisby P.A.*

Certified Public Accountants  
Jacksonville, Florida

May 15, 2020

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND STATE PROJECT AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL**

Honorable Mayor and Members of the City Commission  
Mr. John Regan, City Manager  
City of St. Augustine, Florida  
St. Augustine, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the City of St. Augustine, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2019. The City's major federal programs and state projects are 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 and state statutes, regulations, and the terms and conditions of its awards applicable to federal programs and state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Florida Auditor General. Those standards, the Uniform Guidance and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project 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 each major federal program and state projects. However, our audit does not provide a legal determination of the City's compliance.

## Opinion on Each Major Federal Program and 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 each of its major State projects for the year ended September 30, 2019.

## 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 each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, 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, noncompliance 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 noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 the the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

*Master, Smith & Wishy P.A.*

Certified Public Accountants  
Jacksonville, Florida

May 15, 2020



**CITY OF ST. AUGUSTINE, FLORIDA**  
**Schedule of Findings**  
**and Questioned Costs**  
**For the Year Ended September 30, 2019**

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**Financial Statements**

Type of Auditors' Report	Unmodified
Internal Control Over Financial Reporting:	
Material weakness identified?	No
Reportable conditions identified not considered to be material weakness?	None reported
Noncompliance material to financial statements noted?	No

**Federal Programs:**

Internal Control Over Major Programs:	
Material weaknesses identified?	No
Reportable condition identified not considered to be material weakness?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a), or Chapter 10.550, Rules of the Auditor General?	No

Identification of major programs:

<b><u>Federal Programs</u></b>	<b><u>CFDA No.</u></b>
Disaster Grants - Public Assistance	97.036
Drinking water State Revolving Fund	66.468

**State Projects**

FIND - St. Augustine Municipal Marina Repairs	N/A
FDEP - St. Augustine West 2nd Street Sanitary Sewer	37.039

Dollar threshold used to distinguish Type A and Type B programs	<b>Federal</b>	<b>State</b>	
	\$ 750,000	\$ 100,000	

Auditee qualified as low-risk auditee pursuant to Uniform Guidance	Yes
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(continued)

**CITY OF ST. AUGUSTINE, FLORIDA**  
**Schedule of Findings**  
**and Questioned Costs**  
**For the Year Ended September 30, 2019**

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(continued)

**Financial Statement Findings:**

No matters required to be reported.

**Major Federal Programs and State Projects Findings and Questioned Costs:**

No matters required to be reported.

**Other Issues**

A corrective Action Plan is not required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.

## MANAGEMENT LETTER

Honorable Mayor and Members of the City Commission  
Mr. John Regan, City Manager  
City of St. Augustine, Florida  
St. Augustine, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of St. Augustine, Florida (the City) as of and for the fiscal year ended September 30, 2019 and have issued our report thereon dated May 15, 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Rewards* (Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*.

### **Other Reporting Requirements**

We have issued our Independent Auditors' 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*, Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance and Independent Accountants' Report on an examination conducted in accordance with the *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 15, 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 report. Corrective actions had not been taken for the following prior year finding.

Finding and Recommendation 2017-1:

The City's year end closing of its books and records extended to over 90 days past year end and were still in need of adjustment at the time of the audit. Certain accounts had not been

reviewed prior to the City's initial closing which resulted in additional journal entries and a continual changing general ledger. In addition, detail for certain account balances was not readily available upon request. We again recommend the City take steps to ensure a more timely closing of its books which should include a review of all asset, liability, and fund balance accounts to ensure they are correct and fully supported by detail.

Response:

The City acknowledges that the closing of its books can be more timely and accurate and has reorganized staff to ensure adequate resources are in place for a timely fiscal year-end close with all accounts reconciled with sufficient detail for the independent auditor.

### **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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

### **Financial Condition**

Pursuant to Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report 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 identification of the specific conditions met. In connection with our audit, we determined 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. 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 the review of financial information provided by the 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 had the following finding and recommendation.

#### Finding and Recommendation 2019-1:

In reviewing individual inventory counts and extended costing for the final inventory detail produced by the City at the central warehouse it was noted that certain count quantities and extended cost figures appeared unusually high. Upon further review, it was determined that the individual count or extended cost of these items was incorrect due to posting errors which were not detected by the inventory staff. We recommend the City assign an individual to review the final inventory for reasonableness based on expected quantities and cost to help avoid any future errors going undetected.

Response:

The City acknowledges the existence of the errors found in the 2019 central warehouse inventory and will make every effort in the future to review the final inventory report for unexpected variances whether due to quantity or cost inaccuracies.

### **Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or likely to have occurred, that have an effect on the financial statements that is less than material but which 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 Mayor and City Commission members, management, the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and federal granting agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

*Mastros, Smith & Wisby P.A.*

Certified Public Accountants  
Jacksonville, Florida

May 15, 2020