

# 2020

City of Fernandina Beach, Florida

## Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2020

**CITY OF FERNANDINA BEACH, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

PREPARED BY:

FINANCE DEPARTMENT

**CITY OF FERNANDINA BEACH, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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March 29, 2021

To the Honorable Mayor and City Commissioners:

We are pleased to present the City of Fernandina Beach’s (the City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2020. State Law requires that all general-purpose local governments publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements included in this report conform with Generally Accepted Accounting Principles (GAAP) and are audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Purvis Gray & Company, a firm of licensed certified public accountants, has audited the City’s financial statements. The goal of the independent audit was to provide reasonable assurances that the financial statements of the City for the fiscal year ended September 30, 2020, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit and the reports of the auditors, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader federal mandated “Single Audit” designed to meet the special needs of the federal grantor agencies. The standard governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements and on the audited government’s internal controls over financial reporting and on compliance and other matters.

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

## **City Profile**

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

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

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

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

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

## **Local Economy**

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

The City residents and businesses derive a vast majority of their income and revenues from the Trade/Transportation/Utilities and Tourism sectors. This can be attributed in part to the City's coastal location and mild climate. The pandemic had an unprecedented effect on the state and local economy, especially with this sector, and local unemployment rate reached a peak of 12.1% in April. Since the peak



in April, there has been a steady decline with the City's unemployment rate to 4.1%, which is below the State average of 7.2% and Federal average of 7.9%.

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

The City hosts several events each year, but two of the most notable are the extravagant Amelia Island Councours d'Elegance (automobile shows and auctions; first weekend in March) and the popular Isle of Eight Flags Shrimp Festival (arts, crafts, and entertainment; first weekend in May). While the Councours d'Elegance event was held as scheduled and was not affected by the pandemic, the Isle of Eight Flags Shrimp Festival and other City sponsored events were cancelled throughout the year.

At the start of the pandemic and shut down of the local economy, the City Commission took the lead donating funds to several local non-profits. This funding was needed to supply food for the residents with free meals for seniors in crisis and the local food banks for distribution to adults and families in need. A second round of funding was initiated for non-profits specializing in mental health and domestic violence services.

During the fiscal year, the Building Department issued seventeen new commercial permits and ninety-one new single-family residential permits. Several major commercial/residential construction developments were submitted and approved.

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

The City's economy continues to improve from the effects of the pandemic and is expected to remain a favorite destination to vacation. As Florida's economy remains on track to a faster recovery, Fernandina Beach appeals as a location to purchase or rent a home. All indicators portray a City poised to capture both residential and commercial investors sooner than expected in light of the pandemic.

### **Long Term Financial Planning**

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

## Major Initiatives

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

- The City partnered with the North Florida Land Trust to identify and acquire properties in the City for land conservation to serve as park space and wildlife habitats. During the fiscal year, three parcels of land totaling 10.83 acres with a value \$684k were acquired. The City also received a generous anonymous donation with a matching donation program. In total the program raised just over \$315k earmarked to purchase conservation land.
- The Commission continued to move forward with the Waterfront Park concept and footprint. The Park will add a "living shoreline", amenities and events space while complementing the downtown business district. A virtual platform or Community Hub was developed to solicit public comments and input on the design elements.
- The City opened the rebuilt and reconfigured Marina in January 2020. Although fuel operations are still not available, actual revenues have exceeded expectations with the limited operations.
- The City is developing a Waterfront Resiliency Master Plan. This document will enable the City to effectively plan future infrastructure investments to ensure the preservation of our historic coastal downtown from the effects of rising sea levels and flooding.
- The City-owned Airport started the Runway 4-22 Rehabilitation Project. The project scope is to mill and replace the City's main runway asphalt surface by removing, re-grading, and placing new, FAA-specified airfield asphalt. This project will also replace incandescent runway lighting with new energy efficient LED lighting. The main challenge of this project is to phase the construction, impact to tenants, and the total time required to execute the improvements without major disruption to airport operations and businesses that depend on availability of the main runway, the longest at the airport.
- The City Commission approved the conceptual design for a new Fire Station at the City's Airport. The proposed new facility at the Airport will be centrally located to provide better overall response times. The conceptual plans include an accommodation of the City's first airport fire safety vehicle which will respond to incidents at the airport when needed.

In the past, the City sponsored a wide range of family-friendly seasonal events based on the criteria of community impact, longevity, and feedback from the community. Although the pandemic forced the Special Events Committee to cancel most of the events held in the City, planning has begun to change the events from the traditional in-person gathering to an event that is held in a safe socially distanced manner in accordance with the Centers for Disease Control guidelines. Together, these events enhance the quality of life for residents and attract visitors and tourism.

## Awards and Acknowledgements

The fiscal year ended September 30, 2020, represents the City of Fernandina Beach's second effort to receive the Certificate of Achievement for Excellence in Financial Reporting.

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

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

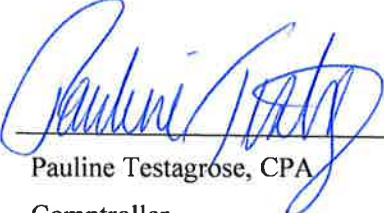
We would also like to thank the City Commission and other Charter Officers for their commitment to prudent fiscal management practices that emphasize long-term financial stability.

Respectfully submitted,



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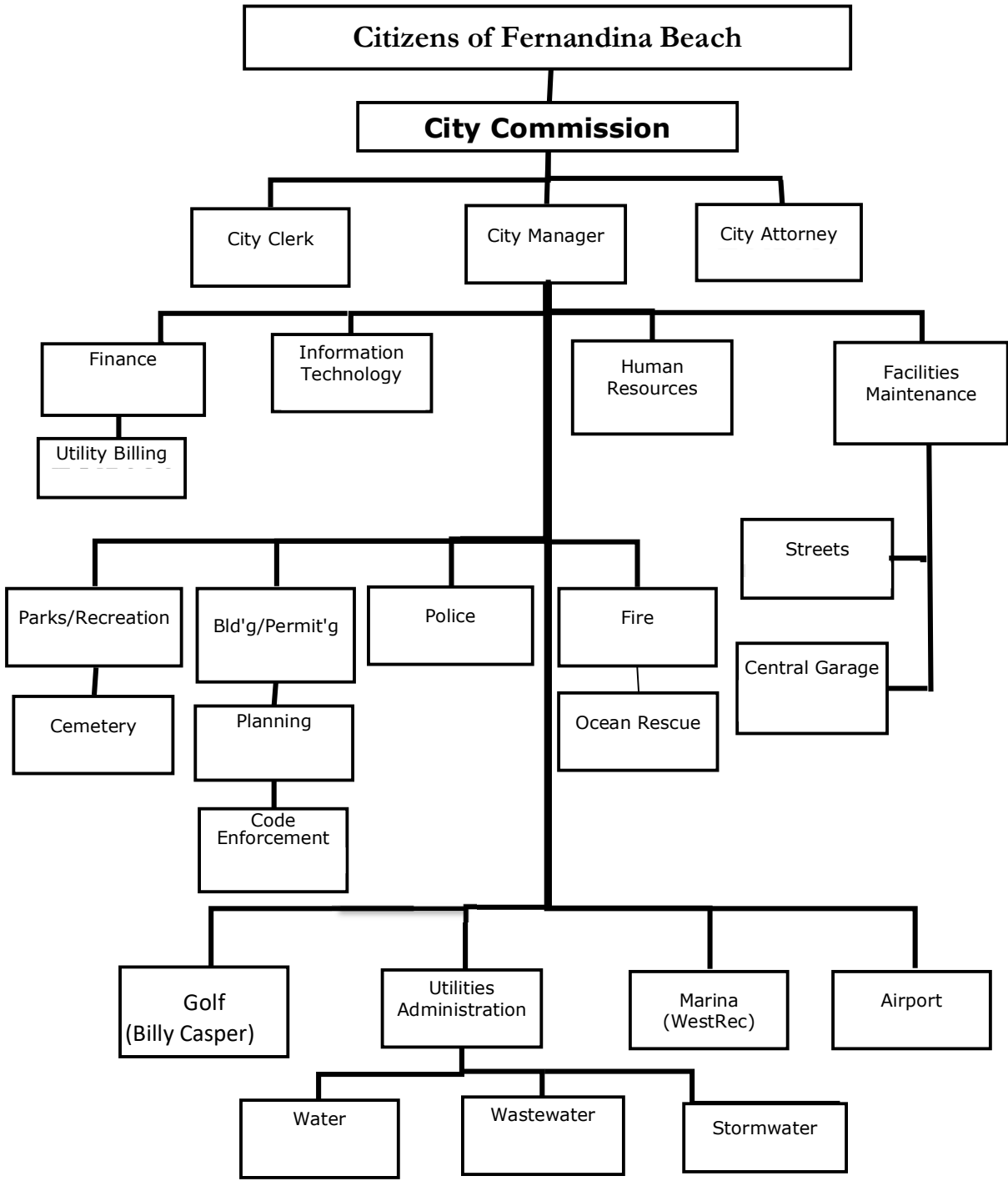
Dale L. Martin  
City Manager



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Pauline Testagrose, CPA  
Comptroller

# City of Fernandina Beach Organization Chart



**CITY OF FERNANDINA BEACH, FLORIDA**

**LIST OF PRINCIPAL OFFICIALS**

**AS OF SEPTEMBER 30, 2020**

**CITY COMMISSIONERS**

John A. Miller, Mayor

Len Kreger, Vice-Mayor

Mike Lednovich

Philip A. Chapman III

Ronald "Chip" Ross

**CITY MANAGER**

Dale Martin

**CITY CLERK**

Caroline Best

**CITY ATTORNEY**

Tammi E. Bach

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

CERTIFIED PUBLIC ACCOUNTANTS

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purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

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

## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14 and Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund, General Employees' Pension Plan – Schedule of Changes in Net Pension Liability and Related Ratios, General Employees' Pension Plan – Schedule of Contributions, General Employees' Pension Plan – Schedule of Investment Returns, Firefighters' and Police Officer's Pension Plan – Schedule of Changes in Net Pension Liability and Related Ratios, Firefighters' and Police Officers' Pension Plan – Schedule of Contributions, Firefighters' and Police Officers' Pension Plan – Schedule of Investment Returns, and Schedule of Changes in Total Other Postemployment Benefits (OPEB), and Related Ratios – Other Postemployment Benefit Plan on pages 55 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

### INDEPENDENT AUDITOR'S REPORT

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

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



March 29, 2021  
Gainesville, Florida



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**CITY OF FERNANDINA BEACH, FLORIDA**  
**SEPTEMBER 30, 2020**

The City of Fernandina Beach, Florida's (the City) financial statements are designed to provide the readers of the financial statements easy to understand information and analysis of the City's financial activities based on currently known facts, decisions and conditions. As management of the City, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. The Management's Discussion and Analysis should be read in conjunction with the transmittal letter beginning on page i and the City's financial statements which immediately follow this discussion.

**HIGHLIGHTS**

**Financial Highlights**

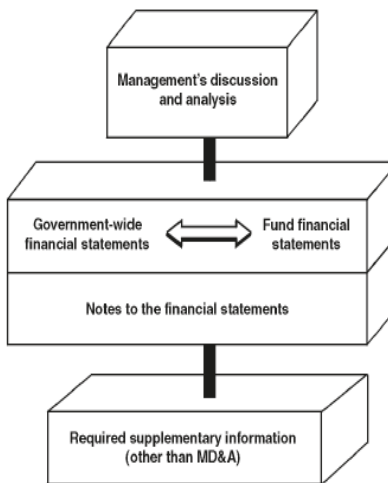
- The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$79,806,062. The Unrestricted portion of the City's Net Position is \$13,881,908. This compares to the Unrestricted Net Position last year of \$9,278,840. Pension and OPEB related changes caused Deferred Outflows of Resources to increase while Deferred Inflows of Resources decreased year over year. Liabilities also decreased due to a decrease in accounts payable and accrued expenses. Long Term Liabilities - Due within One Year increased as a result of the Marina Letters of Credit coming due in the next fiscal year.
- Revenues from Governmental activities decreased by (\$237,169) or (1%) when compared to fiscal year 2019. An increase in Property Taxes of \$2,938,793 was offset by decreases in Charges for Services for (\$1,541,646) and Operating Grants and Capital Grants Revenue by (\$1,524,795). The deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses of (\$2,557,959) in the General Fund compares to an excess of \$1,782,632 in 2019. This is due to the transfer of the Building Fee Reserve balance to a Special Revenue Fund. The excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses of \$1,437,372 for Total Governmental Funds compares to an excess of \$1,205,749 in 2019, an increase of \$231,623. The increase year over year is due to a refund from the US Army Corp of Engineers during fiscal year 2020.
- Business-type activities (the City's enterprise funds) total revenues increased by \$2,094,499 or 11.2%. The Sanitation Fund revenues increased by \$321,445, Stormwater Fund's Operating Revenue and Capital Grants increased by \$651,104, and the Marina increased by \$1,882,641 year over year. This increase is primarily due to additional grant funding for both Stormwater projects and in the Marina for construction related expenses due to the damage sustained during Hurricane Matthew (October 2016). These increases were partially offset by decreased Golf Revenues of (\$182,331), Airport Operating Revenue and Capital Grants decreases of (\$167,055), and the Sewer and Water Fund's Operating Revenue and Contributions were (\$495,653) less than 2019. Most of the decreased revenue is attributed to the closures caused by the COVID-19 pandemic. Total Expenses for all Business-type activities was relatively flat compared to 2019.
- The City increased the total ad valorem property tax rate to 6.5236 mils, increasing the operating ad valorem tax rate from 5.8553 in 2019 to 6.3553 in 2020. This ½ mil tax increase was levied to raise funds to purchase land for conservation. Voter-approved debt millage decreased from .1929 in 2019 to .1683 in 2020. The adjusted taxable value (comparable) increased \$166.5 million. This was the sixth increase after six years of declining property tax values.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Components of the Financial Section**



**Government-Wide Financial Statements**

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**CITY OF FERNANDINA BEACH, FLORIDA**  
**SEPTEMBER 30, 2020**

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

**Fund Financial Statements**

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

**Governmental Funds**

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

**Proprietary funds**

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

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

**Fiduciary funds**

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

**Notes to the Financial Statements**

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

**Other Information**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Summary of Net position**

The following table presents the condensed Summary of Net Position for fiscal year 2020 and fiscal year 2019:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2020	FYE 2019	FYE 2020	FYE 2019	FYE 2020	FYE 2019
Current and Other Assets	\$ 19,935,632	\$ 20,205,457	\$ 20,153,808	\$ 17,221,333	\$ 40,089,440	\$ 37,426,790
Capital Assets	28,481,040	26,615,029	67,388,910	63,638,108	95,869,950	90,253,137
<b>Total Assets</b>	<b>48,416,672</b>	<b>46,820,486</b>	<b>87,542,718</b>	<b>80,859,441</b>	<b>135,959,390</b>	<b>127,679,927</b>
<b>Deferred Outflows of Resources</b>	<b>5,235,942</b>	<b>4,668,097</b>	<b>1,031,809</b>	<b>949,773</b>	<b>6,267,751</b>	<b>5,617,870</b>
Current Liabilities	874,346	1,350,593	1,186,200	1,527,186	2,060,546	2,877,779
Non-Current Liabilities	17,662,997	17,737,890	41,368,365	40,348,613	59,031,362	58,086,503
<b>Total Liabilities</b>	<b>18,537,343</b>	<b>19,088,483</b>	<b>42,554,565</b>	<b>41,875,799</b>	<b>61,091,908</b>	<b>60,964,282</b>
<b>Deferred Inflows of Resources</b>	<b>1,068,658</b>	<b>1,541,825</b>	<b>260,513</b>	<b>175,692</b>	<b>1,329,171</b>	<b>1,717,517</b>
Net Position:						
Net Investment in Capital Assets	27,439,500	24,367,016	29,141,671	26,496,040	56,581,171	50,863,056
Restricted	7,286,508	8,287,039	2,056,475	2,187,063	9,342,983	10,474,102
Unrestricted	(679,395)	(1,795,780)	14,561,303	11,074,620	13,881,908	9,278,840
<b>Total Net Position</b>	<b>\$ 34,046,613</b>	<b>\$ 30,858,275</b>	<b>\$ 45,759,449</b>	<b>\$ 39,757,723</b>	<b>\$ 79,806,062</b>	<b>\$ 70,615,998</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2020, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$79,806,062.

The majority of the City's net position (70.9%) reflects its investment in capital assets, less any outstanding related debt and deferred outflow/inflows used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (11.7%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects (restricted assets). The remaining balance of unrestricted net position (17.4%) may be used to meet the City's ongoing obligations to its citizens.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

There was an overall increase in net position of \$9,190,064 for the current fiscal year. The increase of \$3,188,338 in the governmental activities is primarily due to an increase in Property Taxes. The increase of \$6,001,726 in business activities is primarily due to additional Capital Grant revenues.

**Summary of Activities**

The following table presents the condensed Summary of Activities for fiscal year 2020 and fiscal year 2019:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2020	FYE 2019	FYE 2020	FYE 2019	FYE 2020	FYE 2019
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 3,571,081	\$ 5,112,727	\$ 17,550,382	\$ 17,258,328	\$ 21,121,463	\$ 22,371,055
Operating Grants and Contrib.	574,767	2,966,057	708	216,618	575,475	3,182,675
Capital Grants and Contrib.	866,495	-	2,951,271	1,017,264	3,817,766	1,017,264
<b>General Revenues:</b>						
Property Taxes	15,798,230	12,859,437			15,798,230	12,859,437
Franchise and Utility Taxes	3,324,199	3,296,296			3,324,199	3,296,296
Sales and Use Taxes	2,962,989	3,090,509			2,962,989	3,090,509
Other Taxes (Insur Premium)	262,511	247,774			262,511	247,774
State Revenue Sharing	338,250	357,847			338,250	357,847
Investment Earnings	212,694	174,403	247,427	148,971	460,121	323,374
Other	175,226	218,561	74,266	88,374	249,492	306,935
<b>Total Revenues</b>	<b>28,086,442</b>	<b>28,323,611</b>	<b>20,824,054</b>	<b>18,729,555</b>	<b>48,910,496</b>	<b>47,053,166</b>
<b>EXPENSES</b>						
<b>Program Activities</b>						
<b>Governmental Activities:</b>						
General Government	5,071,080	4,794,176			5,071,080	4,794,176
Public Safety	12,632,726	11,595,342			12,632,726	11,595,342
Physical Environment	232,336	1,506,579			232,336	1,506,579
Transportation	2,296,521	2,694,817			2,296,521	2,694,817
Economic Environment	69,185	77,153			69,185	77,153
Human Services	383,930	55,418			383,930	55,418
Culture and Recreation	3,769,815	2,813,869			3,769,815	2,813,869
Interest	34,211	54,271			34,211	54,271
<b>Business-type Activities:</b>						
Golf			1,591,193	1,701,757	1,591,193	1,701,757
Airport			1,293,876	1,423,977	1,293,876	1,423,977
Sanitation			2,652,962	2,377,519	2,652,962	2,377,519
Sewer & Water			7,459,307	7,324,589	7,459,307	7,324,589
Stormwater			1,100,082	1,175,464	1,100,082	1,175,464
Marina			1,133,208	1,157,961	1,133,208	1,157,961
<b>Total Expenses</b>	<b>24,489,804</b>	<b>23,591,625</b>	<b>15,230,628</b>	<b>15,161,267</b>	<b>39,720,432</b>	<b>38,752,892</b>
Change in net position						
before transfers	3,596,638	4,731,986	5,593,426	3,568,288	9,190,064	8,300,274
Transfers	(408,300)	81,700	408,300	(81,700)	-	-
Change in Net Position	3,188,338	4,813,686	6,001,726	3,486,588	9,190,064	8,300,274
Net Position, beginning	30,858,275	26,044,589	39,757,723	36,271,135	70,615,998	62,315,724
Net Position, ending	\$ 34,046,613	\$ 30,858,275	\$ 45,759,449	\$ 39,757,723	\$ 79,806,062	\$ 70,615,998

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

**Revenues**

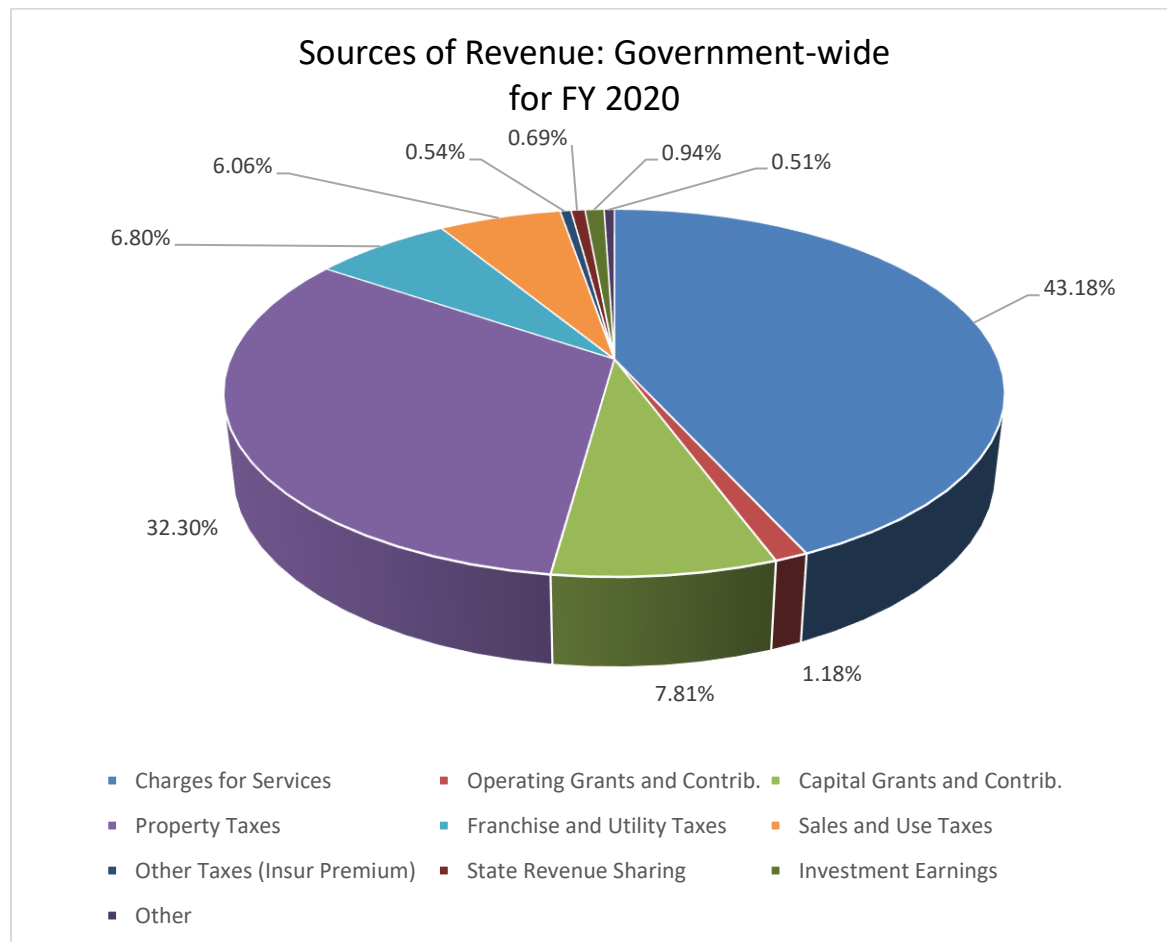
For the fiscal year ended September 30, 2020, revenues from governmental activities totaled \$28,086,442.

The City’s property tax revenue was \$15,798,230, an increase of \$2,938,793 or 22.8% compared to the previous fiscal year. The taxable value increased \$166.5 million on a comparable basis. The City also levied a 1/2 mil for the purpose of purchasing land for conservation, which generated \$1,207,836 in revenue.

Charges for services was (\$1,249,592) lower than last year. This was due to a decrease in building permits and impact fees along with the COVID-19 pandemic and the shutdown of the economy, resulting in the cancellation of City programs and events for several months.

Operating grants and contributions decreased by (\$2,607,200) from the prior year due to the receipt of FEMA federal and state grant funds in fiscal year 2019 for Hurricane Irma.

Revenue from capital grants and contributions increased by \$2,800,502 from fiscal 2019, due primarily to the partial completion of the Marina Rebuild and the associated obligation of FEMA reimbursements.



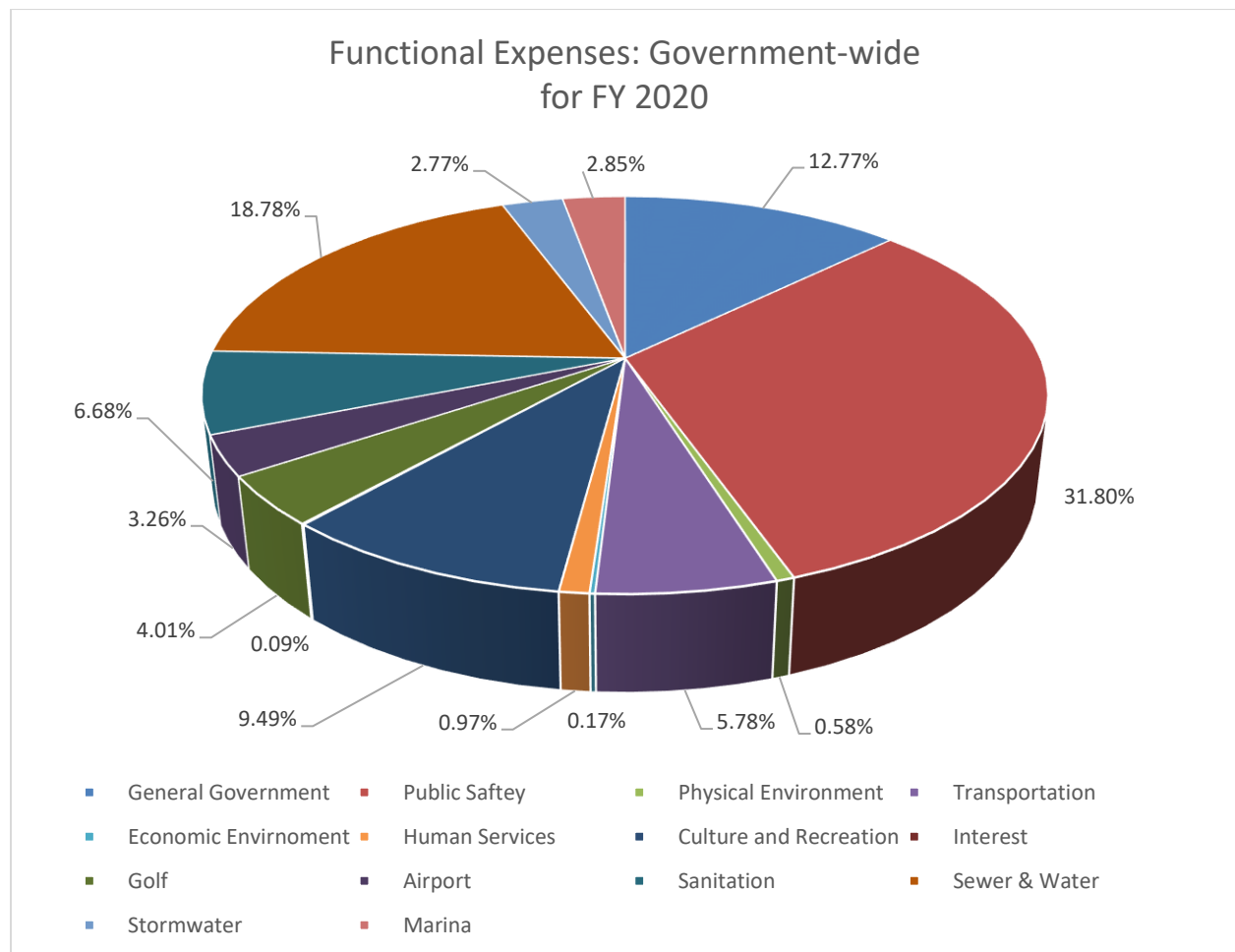
**MANAGEMENT’S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

**Expenses**

For the fiscal year ended September 30, 2020, expenses for governmental activities totaled \$24,489,804, an increase of \$898,179 from the prior fiscal year primarily due to Public Safety and COVID-19 related expenses. The City also hired a Parks Superintendent and moved the maintenance of the City’s parks from Physical Environment to Culture and Recreation.

Expenses for the City’s business-type activities, which provide water, sewer, sanitation, stormwater services and airport, golf and marina operations, totaled \$15,230,628. This is an increase of \$69,361 which is relatively flat from fiscal year 2019.

A supplementary schedule for the budgetary comparison at the object level detail can be found on the City’s website at [www.fbfl.org](http://www.fbfl.org). This schedule shows the budgetary comparison at the legal level of budgetary control.





**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

For the fiscal year ended September 30, 2020, the governmental funds reflect a combined fund balance of \$19,019,691, an increase of \$1,437,372 compared to the prior year. Approximately 96.4% of this total amount (\$18,325,401) represents spendable fund balance. The remainder of fund balance is non-spendable and not available for new spending because it has already been committed for prepaid items (\$694,290). The Other Governmental Funds fund balance increased by \$3,598,225 due to the transfer of the Building Fees Fund reserve balance to a Special Revenue Fund and the establishment of a Land Conservation Fund. The Capital Improvements Fund had an increase in fund balance of \$397,106 due to the beach renourishment program and reimbursements of \$664,651. The General Fund had a decrease in fund balance primarily due to the transfer of the Building Fees restricted reserve to a special revenue fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget was amended to account for \$435,000 in FEMA grant reimbursements. The largest change in the General Fund appropriations between the adopted budget and the amended budget was due to an increase of \$264,000 donated to local non-profits for food pantry programs and mental health services because of the pandemic.

<b>General Fund</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
<b>Revenues:</b>			
Taxes, Licenses, and Permits	\$ 20,207,192	\$ 20,207,192	\$ 19,951,164
Intergovernmental	1,447,361	1,882,361	2,014,709
Fines and Forfeitures	21,500	21,500	32,253
Charges for Services	1,408,500	1,408,500	1,134,284
Other	485,820	485,820	198,868
<b>Total</b>	<u>23,570,373</u>	<u>24,005,373</u>	<u>23,331,278</u>
<b>Expenditures</b>	<u>22,738,229</u>	<u>23,113,924</u>	<u>21,005,778</u>
<b>Excess of revenues over (under) expenditures</b>	<u>832,144</u>	<u>891,449</u>	<u>2,325,500</u>
<b>Other Financing sources (uses):</b>			
Transfers in	10,577,476	11,072,476	2,076,000
Transfers (out)	(10,577,476)	(11,072,476)	(7,388,924)
<b>Total</b>	<u>-</u>	<u>-</u>	<u>(5,312,924)</u>
<b>Net change in Fund Balance</b>	<u>\$ 832,144</u>	<u>\$ 891,449</u>	<u>\$ (2,987,424)</u>

Actual General Fund revenue decreased (\$674,095) when compared to the amended budget. The decreases in revenues for the General Fund are directly related to the shutdown of the State and Local economy due to COVID-19. Actual General Fund expenses decreased by \$2,108,146 when compared to the amended budget. This favorable variance was due to decreases in general government \$633,789, public safety for \$397,855, culture and recreation for \$899,067 and all others \$177,435. These reductions were a result of cancelled programs and events and lower staffing needs due to the COVID-19 pandemic.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

**CAPITAL ASSETS**

The City's capital assets for its governmental and business-type activities at the end of the fiscal year 2020 totaled \$95,869,950 (net of accumulated depreciation). Approximately 29.7% or 28,481,040 is related to governmental activities and includes land, construction in progress, building and improvements, machinery and equipment and infrastructure. Capital assets held by the City at the end of the current fiscal year are summarized as follows:

<b>Capital Assets at Year-End</b>						
(Net of Accumulated depreciation)						
	Governmental Activities		Business-Type		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 11,272,683	\$ 10,648,834	\$ 1,546,370	\$ 1,539,770	\$ 12,819,053	\$ 12,188,604
Construction in Progress	921,134	350,793	5,522,961	7,255,078	6,444,095	7,605,871
Building and Improvements	8,332,313	7,709,524	58,780,491	52,954,438	67,112,804	60,663,962
Machinery and Equipment	3,602,894	3,790,239	1,539,088	1,888,822	5,141,982	5,679,061
Infrastructure	4,352,016	4,115,639			4,352,016	4,115,639
Total	\$ <u>28,481,040</u>	\$ <u>26,615,029</u>	\$ <u>67,388,910</u>	\$ <u>63,638,108</u>	\$ <u>95,869,950</u>	\$ <u>90,253,137</u>

In the governmental funds major additions included land for conservation, 8 police vehicles, a license plate reader and gate access control system, a fire pumper truck, decontamination system, 2 facilities and street trucks, 5 grasshopper mowers, a scissor lift, generator, and the historic Peck Center windows.

In the business-type funds major additions included golf course equipment, fuel farm rehabilitation, 2 vehicles, solar panel field, 500,000-gallon water storage tank, new marina northern attenuator and docks, gravity line rehabilitation, submersible pumps, street sweeper, and various other utility and stormwater improvement projects.

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

**LONG-TERM DEBT**

At the end of the fiscal year, the City had total long-term debt outstanding of \$59,031,362. Of this amount, \$29,735,337 represents bonds and a direct borrowing secured solely by specified revenue sources. More detailed information about the City's long-term debt is presented in Note 8 to the financial statements.

The Series 2013A utility bonds continue to have an A1 rating by Moody's Investor Services. This rating reflects the utility's solid financial position and liquidity supported by ample cash reserves, a strong annual debt service coverage and sufficient capacity.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
CITY OF FERNANDINA BEACH, FLORIDA  
SEPTEMBER 30, 2020**

The City has two letters of credit Series 2018 and 2019 for a total amount drawn of \$7,968,352 for the construction of the Southern and Northern Attenuator and docks at the Marina. These Letters of Credit are due in July 2021. The City intends to refinance this debt long term.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

According to the Nassau County Property Appraiser the City of Fernandina Beach's current gross taxable value is \$2,748,780,293. This represents an increase of 9.6% or \$241,151,210 when compared to the prior year. The City's millage rate of \$5.4683 adopted for fiscal year 2021 is expected to generate \$15,031,155 in Ad Valorem taxes. The above increases are evidence that the outlook for fiscal 2021 is good.

While COVID-19 impacted the state and local economy, the economic recovery is evident. The City continues to see new businesses opening, citizens returning to work and tourists once again enjoying the City's beautiful beaches.

**REQUEST FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and Investments	\$ 18,097,702	\$ 13,478,179	\$ 31,575,881
Receivables, Net	522,870	1,767,333	2,290,203
Due from Other Governments	576,612	2,228,875	2,805,487
Inventories	44,158	68,586	112,744
Prepays	694,290	167,245	861,535
Restricted Assets:			
Cash and Investments	-	2,443,590	2,443,590
Capital Assets:			
Non-Depreciable	12,193,817	7,069,331	19,263,148
Depreciable, Net	16,287,223	60,319,579	76,606,802
<b>Total Assets</b>	<u>48,416,672</u>	<u>87,542,718</u>	<u>135,959,390</u>
<b>Deferred Outflows of Resources</b>			
Unamortized Refunding Loss	-	105,216	105,216
Pension Related	4,620,893	767,870	5,388,763
OPEB Related	615,049	158,723	773,772
<b>Total Deferred Outflows of Resources</b>	<u>5,235,942</u>	<u>1,031,809</u>	<u>6,267,751</u>
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	869,425	493,797	1,363,222
Unearned Revenue	-	243,310	243,310
Accrued Interest	4,921	154,595	159,516
Deposits	-	294,498	294,498
Long-Term Liabilities:			
Due Within One Year	2,377,415	10,372,241	12,749,656
Due in More Than One Year	15,285,582	30,996,124	46,281,706
<b>Total Liabilities</b>	<u>18,537,343</u>	<u>42,554,565</u>	<u>61,091,908</u>
<b>Deferred Inflows of Resources</b>			
Pension Related	602,866	140,310	743,176
OPEB Related	465,792	120,203	585,995
<b>Total Deferred Inflows of Resources</b>	<u>1,068,658</u>	<u>260,513</u>	<u>1,329,171</u>
<b>Net Position</b>			
Net Investment in Capital Assets	27,439,500	29,141,671	56,581,171
Restricted for:			
Building Inspection	3,030,206	-	3,030,206
Public Safety	143,980	-	143,980
Land Conservation	7,022	-	7,022
Community Development	95,967	-	95,967
Debt Service	-	137,333	137,333
Capital Improvements	4,009,333	1,919,142	5,928,475
Unrestricted	(679,395)	14,561,303	13,881,908
<b>Total Net Position</b>	<u>\$ 34,046,613</u>	<u>\$ 45,759,449</u>	<u>\$ 79,806,062</u>

See accompanying notes.

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 5,071,080	\$ 129,411	\$ 23,553	\$ -	\$ (4,918,116)	\$ -	\$ (4,918,116)
Public Safety	12,632,726	2,205,266	399,830	2,238	(10,025,392)	-	(10,025,392)
Physical Environment	232,336	129,126	98,095	-	(5,115)	-	(5,115)
Transportation	2,296,521	-	53,289	-	(2,243,232)	-	(2,243,232)
Economic Environment	69,185	-	-	-	(69,185)	-	(69,185)
Human Services	383,930	-	-	-	(383,930)	-	(383,930)
Culture and Recreation	3,769,815	1,107,278	-	864,257	(1,798,280)	-	(1,798,280)
Interest on Long-Term Debt	34,211	-	-	-	(34,211)	-	(34,211)
<b>Total Governmental Activities</b>	<b>24,489,804</b>	<b>3,571,081</b>	<b>574,767</b>	<b>866,495</b>	<b>(19,477,461)</b>	<b>-</b>	<b>(19,477,461)</b>
<b>Business-Type Activities</b>							
Golf	1,591,193	1,148,859	708	-	-	(441,626)	(441,626)
Airport	1,293,876	860,670	-	311,029	-	(122,177)	(122,177)
Sanitation	2,652,962	2,707,115	-	-	-	54,153	54,153
Sewer and Water	7,459,307	11,417,150	-	80,207	-	4,038,050	4,038,050
Stormwater	1,100,082	907,234	-	739,160	-	546,312	546,312
Marina	1,133,208	509,354	-	1,820,875	-	1,197,021	1,197,021
<b>Total Business-Type Activities</b>	<b>15,230,628</b>	<b>17,550,382</b>	<b>708</b>	<b>2,951,271</b>	<b>-</b>	<b>5,271,733</b>	<b>5,271,733</b>
<b>Total Government Activities</b>	<b>\$ 39,720,432</b>	<b>\$ 21,121,463</b>	<b>\$ 575,475</b>	<b>\$ 3,817,766</b>	<b>(19,477,461)</b>	<b>5,271,733</b>	<b>(14,205,728)</b>
<b>General Revenues</b>							
Property Taxes					15,798,230	-	15,798,230
Franchise and Utility Taxes					3,324,199	-	3,324,199
Half-Cent Sales Tax					836,880	-	836,880
State Revenue Sharing					338,250	-	338,250
Discretionary Sales Surtax					1,781,241	-	1,781,241
Local Option Gas Tax					344,868	-	344,868
Insurance Premium Tax					262,511	-	262,511
Other Miscellaneous					175,226	74,266	249,492
Investment Earnings					212,694	247,427	460,121
<b>Transfers</b>					<b>(408,300)</b>	<b>408,300</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>22,665,799</b>	<b>729,993</b>	<b>23,395,792</b>
<b>Change in Net Position</b>					<b>3,188,338</b>	<b>6,001,726</b>	<b>9,190,064</b>
<b>Net Position, Beginning of Year</b>					<b>30,858,275</b>	<b>39,757,723</b>	<b>70,615,998</b>
<b>Net Position, End of Year</b>					<b>\$ 34,046,613</b>	<b>\$ 45,759,449</b>	<b>\$ 79,806,062</b>

See accompanying notes.

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Investments	\$ 8,069,499	\$ -	\$ 10,013,165	\$ 18,082,664
Accounts Receivable, Net of Allowance for Uncollectible Accounts	513,655	-	8,500	522,155
Due from Other Funds	47,472	-	-	47,472
Due from Other Governments	566,301	-	10,311	576,612
Prepaid Expenses	694,290	-	-	694,290
<b>Total Assets</b>	<u>9,891,217</u>	<u>-</u>	<u>10,031,976</u>	<u>19,923,193</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable and Accrued Expenses	781,346	11	74,673	856,030
Due to Other Funds	-	47,472	-	47,472
<b>Total Liabilities</b>	<u>781,346</u>	<u>47,483</u>	<u>74,673</u>	<u>903,502</u>
<b>Fund Balances</b>				
Non-Spendable:				
Prepays	694,290	-	-	694,290
Restricted for:				
Building Inspection	-	-	3,030,206	3,030,206
Public Safety	2,759	-	141,221	143,980
Land Conservation	-	-	7,022	7,022
Community Development	-	-	95,967	95,967
Capital Improvements	-	-	4,009,333	4,009,333
Committed for:				
Conservation and Resource Management	-	-	280,036	280,036
Historical District Trust	-	-	56,332	56,332
Greenway Trust	334	-	-	334
Cemetery	-	-	1,097,874	1,097,874
Emergencies	4,556,477	-	-	4,556,477
Assigned for:				
Capital Improvements	-	-	-	-
Cemetery	-	-	27,449	27,449
Land Conservation	-	-	1,207,000	1,207,000
Debt Service	-	-	4,863	4,863
Subsequent Year's Budget	1,544,522	-	-	1,544,522
Unassigned	2,311,489	(47,483)	-	2,264,006
<b>Total Fund Balances</b>	<u>9,109,871</u>	<u>(47,483)</u>	<u>9,957,303</u>	<u>19,019,691</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 9,891,217</u>	<u>\$ -</u>	<u>\$ 10,031,976</u>	<u>\$ 19,923,193</u>

See accompanying notes.

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

<b>Fund Balance - Total Governmental Funds</b>		\$ 19,019,691
<b>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		28,139,751
Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:		
Deferred Outflows Related to Pensions and OPEB	\$ 5,235,942	
Deferred Inflows Related to Pensions and OPEB	<u>(1,068,658)</u>	4,167,284
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Net Pension Liability	(13,314,290)	
Total OPEB Liability	(1,971,291)	
Bonds Payable	(417,000)	
Notes Payable	(577,933)	
Capital Lease Payable	(46,606)	
Compensated Absences	(1,313,086)	
Accrued Interest	<u>(4,921)</u>	(17,645,127)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.		<u>365,014</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ 34,046,613</u></u>

See accompanying notes.



**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ 21,876,652	\$ -	\$ 1,880,686	\$ 23,757,338
Intergovernmental	2,014,709	877,526	200,955	3,093,190
Charges for Services	1,134,284	-	124,805	1,259,089
Fines and Forfeitures	32,687	-	26,726	59,413
Other	202,411	171,329	771,017	1,144,757
<b>Total Revenues</b>	<u>25,260,743</u>	<u>1,048,855</u>	<u>3,004,189</u>	<u>29,313,787</u>
<b>Expenditures</b>				
Current:				
General Government	4,752,929	630	14,232	4,767,791
Public Safety	10,351,031	-	1,205,776	11,556,807
Physical Environment	-	8,934	186,916	195,850
Transportation	1,533,888	150,942	-	1,684,830
Economic Environment	69,185	-	-	69,185
Human Services	383,930	-	-	383,930
Culture and Recreation	2,998,611	-	-	2,998,611
Debt Service:				
Principal	117,336	685,090	404,000	1,206,426
Interest	3,264	16,337	19,376	38,977
Capital Outlay	795,604	1,245,516	2,504,588	4,545,708
<b>(Total Expenditures)</b>	<u>(21,005,778)</u>	<u>(2,107,449)</u>	<u>(4,334,888)</u>	<u>(27,448,115)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>4,254,965</u>	<u>(1,058,594)</u>	<u>(1,330,699)</u>	<u>1,865,672</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	576,000	1,455,700	4,928,924	6,960,624
Transfers (out)	(7,388,924)	-	-	(7,388,924)
<b>Total Other Financing Sources (Uses)</b>	<u>(6,812,924)</u>	<u>1,455,700</u>	<u>4,928,924</u>	<u>(428,300)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(2,557,959)</u>	<u>397,106</u>	<u>3,598,225</u>	<u>1,437,372</u>
<b>Fund Balances, Beginning of Year</b>	<u>11,667,830</u>	<u>(444,589)</u>	<u>6,359,078</u>	<u>17,582,319</u>
<b>Fund Balances, End of Year</b>	<u>\$ 9,109,871</u>	<u>\$ (47,483)</u>	<u>\$ 9,957,303</u>	<u>\$ 19,019,691</u>

See accompanying notes.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

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

**Net Change in Fund Balance - Total Governmental Funds** \$ 1,437,372

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

Expenditures for Capital Assets	\$ 4,545,708	
(Current Year Depreciation)	<u>(2,517,892)</u>	2,027,816

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, transfers, trade-ins, donations) are not recorded in the governmental fund statements.

Loss on Disposal of Fixed Assets	(125,587)
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Repayments of installment/bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Repayments of Principal	1,206,426
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until measurable and available. This is the net effect of timing differences in revenue recognition between the accrual basis and modified accrual basis of accounting.

	(1,292,790)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Accrued Interest Payable	4,767	
Compensated Absences	(70,313)	
Change in Pension Liabilities and Related Deferred Outflows/Inflows	93,073	
Change in OPEB Liabilities and Related Deferred Outflows/Inflows	<u>(109,000)</u>	(81,473)

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

	<u>16,574</u>
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**Change in Net Position of Governmental Activities** \$ 3,188,338

See accompanying notes.

**STATEMENT OF FUND NET POSITION  
 PROPRIETARY FUNDS  
 SEPTEMBER 30, 2020  
 CITY OF FERNANDINA BEACH, FLORIDA**

	<b>Airport Fund</b>	<b>Sanitation Fund</b>	<b>Sewer and Water Fund</b>	<b>Marina Fund</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Services Fund</b>
<b>Assets</b>							
Current Assets:							
Cash and Investments	\$ 622,617	111,643	\$ 12,349,502	\$ 551	\$ -	\$ 13,084,313	\$ 408,904
Accounts Receivable, Net of Allowance for Uncollectible Accounts	69,007	372,458	1,199,489	1,984	117,607	1,760,545	7,503
Due from Other Governments	127,783	-	-	1,753,092	348,000	2,228,875	-
Due from Other Funds	-	-	6,049,084	-	-	6,049,084	-
Prepaid Expenses	1,001	-	1,884	153,813	8,730	165,428	1,817
Inventories	-	-	27,951	-	40,636	68,587	44,158
<b>Total Current Assets</b>	<b>820,408</b>	<b>484,101</b>	<b>19,627,910</b>	<b>1,909,440</b>	<b>514,973</b>	<b>23,356,832</b>	<b>462,382</b>
Non-Current Assets:							
Restricted Cash and Investments	21,900	49,882	2,352,562	418	18,828	2,443,590	-
Capital Assets, Net, Where Applicable, of Accumulated Depreciation	16,711,957	-	30,103,387	12,055,741	8,448,112	67,319,197	411,002
<b>Total Non-Current Assets</b>	<b>16,733,857</b>	<b>49,882</b>	<b>32,455,949</b>	<b>12,056,159</b>	<b>8,466,940</b>	<b>69,762,787</b>	<b>411,002</b>
<b>Total Assets</b>	<b>17,554,265</b>	<b>533,983</b>	<b>52,083,859</b>	<b>13,965,599</b>	<b>8,981,913</b>	<b>93,119,619</b>	<b>873,384</b>
<b>Deferred Outflows of Resources</b>							
Unamortized Loss on Refunding	-	-	105,216	-	-	105,216	-
Pension Related	49,759	-	611,117	-	106,994	767,870	-
OPEB Related	7,936	-	130,946	-	19,841	158,723	-
<b>Total Deferred Outflows of Resources</b>	<b>57,695</b>	<b>-</b>	<b>847,279</b>	<b>-</b>	<b>126,835</b>	<b>1,031,809</b>	<b>-</b>

See accompanying notes.

**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**  
*(Concluded)*

	<b>Airport Fund</b>	<b>Sanitation Fund</b>	<b>Sewer and Water Fund</b>	<b>Marina Fund</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Services Fund</b>
<b>Liabilities</b>							
Current Liabilities:							
Accounts Payable and Accrued Expenses	\$ 27,709	\$ 226,907	\$ 90,089	\$ 20,958	\$ 112,455	\$ 478,118	\$ 29,074
Capital Leases Payable, Current Portion	-	-	-	-	36,497	36,497	-
Current Portion of Revenue Bonds and Notes	82,000	-	1,648,000	351,000	111,067	2,192,067	-
Accrued Interest	2,777	-	92,199	56,130	3,489	154,595	-
Customer Deposits	21,900	49,882	203,888	-	18,828	294,498	-
Due to Other Funds	-	-	-	4,644,735	1,404,349	6,049,084	-
Line of Credit Payable	-	-	-	7,968,353	-	7,968,353	-
Unearned Revenue	129,594	-	-	11,339	102,377	243,310	-
Compensated Absences	41,369	-	78,304	-	24,739	144,412	53,703
<b>Total Current Liabilities</b>	<b>305,349</b>	<b>276,789</b>	<b>2,112,480</b>	<b>13,052,515</b>	<b>1,813,801</b>	<b>17,560,934</b>	<b>82,777</b>
Non-Current Liabilities:							
Revenue Bonds and Notes Payable	1,071,000	-	25,075,724	1,857,000	152,232	28,155,956	-
Other Postemployment Benefits	25,436	-	419,694	-	63,589	508,719	-
Net Pension Liability	151,081	-	1,855,509	-	324,859	2,331,449	-
<b>Total Non-Current Liabilities</b>	<b>1,247,517</b>	<b>-</b>	<b>27,350,927</b>	<b>1,857,000</b>	<b>540,680</b>	<b>30,996,124</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,552,866</b>	<b>276,789</b>	<b>29,463,407</b>	<b>14,909,515</b>	<b>2,354,481</b>	<b>48,557,058</b>	<b>82,777</b>
<b>Deferred Inflows of Resources</b>							
Pension Related	9,092	-	111,669	-	19,550	140,311	-
OPEB Related	6,010	-	99,168	-	15,025	120,203	-
<b>Total Deferred Inflows of Resources</b>	<b>15,102</b>	<b>-</b>	<b>210,837</b>	<b>-</b>	<b>34,575</b>	<b>260,514</b>	<b>-</b>
<b>Net Position</b>							
Net Investment in Capital Assets	15,558,957	-	3,484,879	1,879,806	8,148,316	29,071,958	411,002
Restricted	-	-	2,056,475	-	-	2,056,475	-
Unrestricted	485,035	257,194	17,715,540	(2,823,722)	(1,428,624)	14,205,423	379,605
<b>Total Net Position</b>	<b>\$ 16,043,992</b>	<b>\$ 257,194</b>	<b>\$ 23,256,894</b>	<b>\$ (943,916)</b>	<b>\$ 6,719,692</b>	<b>45,333,856</b>	<b>\$ 790,607</b>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities						425,593	
<b>Net Position of Business-Type Activities</b>						<b>\$ 45,759,449</b>	

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Other Enterprise Funds	Total	Internal Services Fund
<b>Operating Revenues</b>							
Charges for Services	\$ 2,142	\$ 2,707,115	\$ 10,596,990	\$ -	\$ 2,051,004	\$ 15,357,251	\$ 1,835,068
Fees, Rentals, and Other	858,528	-	820,160	509,354	5,089	2,193,131	677
<b>Total Operating Revenues</b>	<u>860,670</u>	<u>2,707,115</u>	<u>11,417,150</u>	<u>509,354</u>	<u>2,056,093</u>	<u>17,550,382</u>	<u>1,835,745</u>
<b>Operating Expenses</b>							
Personnel Services	208,314	-	1,919,118	110,882	406,912	2,645,226	848,845
Materials, Supplies, and Other	252,143	2,652,962	2,307,991	708,730	1,607,015	7,528,841	741,100
Depreciation and Amortization	797,992	-	2,250,365	77,267	571,922	3,697,546	107,158
<b>(Total Operating Expenses)</b>	<u>(1,258,449)</u>	<u>(2,652,962)</u>	<u>(6,477,474)</u>	<u>(896,879)</u>	<u>(2,585,849)</u>	<u>(13,871,613)</u>	<u>(1,697,103)</u>
<b>Operating (Loss) Income</b>	<u>(397,779)</u>	<u>54,153</u>	<u>4,939,676</u>	<u>(387,525)</u>	<u>(529,756)</u>	<u>3,678,769</u>	<u>138,642</u>
<b>Non-Operating Revenues (Expense)</b>							
Interest Income	5,387	1,705	238,192	-	215	245,499	8,503
Intergovernmental Revenue	-	-	-	-	708	708	-
Gain(Loss) on Sale of Capital Assets	-	-	-	-	(94,027)	(94,027)	58,762
Other Non-Operating Income (Expense)	2,603	74,714	4,080	(136,476)	(11,179)	(66,258)	-
Interest Expense	(35,427)	-	(1,048,714)	(236,329)	(11,399)	(1,331,869)	-
<b>Total Non-Operating Revenues (Expense)</b>	<u>(27,437)</u>	<u>76,419</u>	<u>(806,442)</u>	<u>(372,805)</u>	<u>(115,682)</u>	<u>(1,245,947)</u>	<u>67,265</u>
<b>(Loss) Income Before Contributions and Operating Transfers</b>	<u>(425,216)</u>	<u>130,572</u>	<u>4,133,234</u>	<u>(760,330)</u>	<u>(645,438)</u>	<u>2,432,822</u>	<u>205,907</u>
<b>Capital Grants and Contributions</b>	<u>311,029</u>	<u>-</u>	<u>80,207</u>	<u>1,820,875</u>	<u>739,160</u>	<u>2,951,271</u>	<u>-</u>
<b>Transfers</b>							
Transfers in	-	-	-	300,000	715,000	1,015,000	20,000
Transfers (out)	-	(56,000)	(540,000)	-	-	(596,000)	(10,700)
<b>Total Transfers</b>	<u>-</u>	<u>(56,000)</u>	<u>(540,000)</u>	<u>300,000</u>	<u>715,000</u>	<u>419,000</u>	<u>9,300</u>
<b>Change in Net Position</b>	<u>(114,187)</u>	<u>74,572</u>	<u>3,673,441</u>	<u>1,360,545</u>	<u>808,722</u>	<u>5,803,093</u>	<u>215,207</u>
<b>Net Position, Beginning of Year</b>	<u>16,158,179</u>	<u>182,622</u>	<u>19,583,453</u>	<u>(2,304,461)</u>	<u>5,910,970</u>	<u>39,530,763</u>	<u>575,400</u>
<b>Net Position, End of Year</b>	<u>\$ 16,043,992</u>	<u>\$ 257,194</u>	<u>\$ 23,256,894</u>	<u>\$ (943,916)</u>	<u>\$ 6,719,692</u>	<u>\$ 45,333,856</u>	<u>\$ 790,607</u>
						<u>\$ 5,803,093</u>	
						<u>198,633</u>	
						<u>\$ 6,001,726</u>	

**Change in Net Position - Above**

Internal Service Fund Activities in the Enterprise Funds

**Change in Net Position of Business-Type Activities**

See accompanying notes.

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Other Enterprise Funds	Total	Internal Services Fund
<b>Cash Flows from Operating Activities</b>							
Cash Received from Customers and Others	\$ 748,308	\$ 2,624,783	\$ 11,272,363	\$ 519,340	\$ 2,059,367	\$ 17,224,161	\$ 4,701
Cash Received for Interfund Services	-	-	-	-	-	-	1,835,721
Cash Paid to Suppliers	(263,592)	(2,677,078)	(1,350,329)	(855,272)	(1,582,065)	(6,728,336)	(741,100)
Cash Paid for Interfund Services	(18,721)	(92,000)	(944,979)	-	(54,636)	(1,110,336)	-
Cash Paid to Employees	(203,071)	-	(1,967,443)	(110,882)	(445,454)	(2,726,850)	(847,139)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>262,924</b>	<b>(144,295)</b>	<b>7,009,612</b>	<b>(446,814)</b>	<b>(22,788)</b>	<b>6,658,639</b>	<b>252,183</b>
<b>Cash Flows from Non-Capital Financing Activities</b>							
Due to/from Other Funds	-	-	(1,439,761)	1,295,657	144,104	-	(44,675)
Non-Operating Revenues (Expenses)	7,333	74,714	4,079	(136,477)	(799)	(51,150)	7,504
Transfers in	-	-	-	300,000	715,000	1,015,000	20,000
Transfers (out)	-	(56,000)	(540,000)	-	-	(596,000)	(10,700)
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<b>7,333</b>	<b>18,714</b>	<b>(1,975,682)</b>	<b>1,459,180</b>	<b>858,305</b>	<b>367,850</b>	<b>(27,871)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Principal Paid on Revenue Bonds	(79,000)	-	(1,707,606)	(343,999)	(109,138)	(2,239,743)	-
Proceeds from Line of Credit	-	-	-	3,148,351	-	3,148,351	-
Acquisition and Construction of Capital Assets	(481,609)	-	(1,814,301)	(3,795,714)	(1,340,779)	(7,432,403)	51,630
Interest Paid	(35,617)	-	(1,046,520)	(219,569)	(9,439)	(1,311,145)	-
Capital Grants	297,970	-	80,207	198,421	507,610	1,084,208	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(298,256)</b>	<b>-</b>	<b>(4,488,220)</b>	<b>(1,012,510)</b>	<b>(951,746)</b>	<b>(6,750,732)</b>	<b>51,630</b>
<b>Cash Flows from Investing Activities</b>							
Interest Received	5,387	1,706	238,192	-	215	245,500	999
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>5,387</b>	<b>1,706</b>	<b>238,192</b>	<b>-</b>	<b>215</b>	<b>245,500</b>	<b>999</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(22,612)</b>	<b>(123,875)</b>	<b>783,902</b>	<b>(144)</b>	<b>(116,014)</b>	<b>521,257</b>	<b>276,941</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>667,129</b>	<b>285,400</b>	<b>13,918,162</b>	<b>1,113</b>	<b>134,842</b>	<b>15,006,646</b>	<b>131,963</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 644,517</b>	<b>\$ 161,525</b>	<b>\$ 14,702,064</b>	<b>\$ 969</b>	<b>\$ 18,828</b>	<b>\$ 15,527,903</b>	<b>\$ 408,904</b>

See accompanying notes.

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Concluded)**

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Other Funds	Total	Internal Services Fund
<b><u>Included on the Accompanying Statement of Net Position As Follows</u></b>							
Current Assets:							
Cash and Investments	\$ 622,617	\$ 111,643	\$ 12,349,502	\$ 551	\$ -	\$ 13,084,313	\$ 408,904
Restricted Assets:							
Cash and Investments	21,900	49,882	2,352,562	418	18,828	2,443,590	-
<b>Total</b>	<b>\$ 644,517</b>	<b>\$ 161,525</b>	<b>\$ 14,702,064</b>	<b>\$ 969</b>	<b>\$ 18,828</b>	<b>\$ 15,527,903</b>	<b>\$ 408,904</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>							
Operating Income (Loss)	\$ (397,779)	\$ 54,153	\$ 4,939,676	\$ (387,525)	\$ (529,756)	\$ 3,678,769	\$ 138,642
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Depreciation and Amortization	797,992	-	2,250,365	77,267	571,922	3,697,546	107,158
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):							
Accounts Receivable	-	(68,832)	(41,745)	(1,353)	(10,707)	(122,637)	(24)
Due from Other Governmental Units	(11,356)	-	-	-	-	(11,356)	-
Inventories	-	-	3,443	-	3,221	6,664	(274)
Prepaid Expenses	(330)	-	(910)	(153,813)	428	(154,625)	(86)
Accounts Payable and Accrued Expenses	(29,841)	(116,116)	10,150	7,271	(34,480)	(163,016)	5,061
Unearned Revenues	(105,056)	-	-	11,339	18,849	(74,868)	-
Customer Deposits	4,050	(13,500)	(103,042)	-	(4,868)	(117,360)	-
Compensated Absences	10,785	-	(35,250)	-	5,328	(19,137)	1,706
OPEB Liability and Related Deferrals	2,295	-	122,741	-	(15,476)	109,560	-
Net Pension Liability and Related Deferrals	(7,836)	-	(135,816)	-	(27,249)	(170,901)	-
Total Adjustments	660,703	(198,448)	2,069,936	(59,289)	506,968	2,979,870	113,541
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 262,924</b>	<b>\$ (144,295)</b>	<b>\$ 7,009,612</b>	<b>\$ (446,814)</b>	<b>\$ (22,788)</b>	<b>\$ 6,658,639</b>	<b>\$ 252,183</b>
<b><u>Supplemental Disclosure of Non-Cash Activities</u></b>							
Amortization of Bond Premium	\$ -	\$ -	\$ (132,606)	\$ -	\$ -	\$ (132,606)	\$ -
Amortization of Refunding Loss	-	-	8,252	-	-	8,252	-

See accompanying notes.

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 3,221,126
Contributions Receivable	262,511
Interest Receivable	60,577
Prepaid Benefits	256,137
Investments, at Fair Value:	
U.S. Government Bonds and Bills	1,399,201
Mortgages and Federal Agency Securities	3,749,132
Corporate Bonds	5,585,542
Real Estate Fund	4,964,473
Equities	32,931,869
Total Investments	48,630,217
<b>Total Assets</b>	52,430,568
<b>Total Liabilities</b>	-
<b>Net Position</b>	
Held in Trust for Pension Benefits	\$ 52,430,568

See accompanying notes.



**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
State of Florida	\$ 263,555
Employer	2,811,663
Plan Members	729,366
Total Contributions	3,804,584
Investment Earnings:	
Interest and Dividends	1,123,146
Net Increase in the Fair Value of Investments	2,038,042
Investment Expenses	(147,556)
Total Investment Earnings	3,013,632
<b>Total Additions</b>	6,818,216
<b>Deductions</b>	
Benefit Payments	2,996,071
Administrative Expense	135,279
<b>(Total Deductions)</b>	3,131,350
<b>Change in Net Position</b>	3,686,866
<b>Net Position, Beginning of Year</b>	48,743,702
<b>Net Position, End of Year</b>	\$ 52,430,568

See accompanying notes.

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

**Note 1 - Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

**B. Government-Wide and Fund Financial Statements**

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

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

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

- The government reports the following major governmental funds:
  - The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
  - The *capital improvement fund* accounts for the resources accumulated for major capital improvements, major equipment purchases, and major repairs and renovations.

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

- The government reports the following major proprietary funds:
  - The *airport fund* accounts for the activities of the government's airport operations.
  - The *sanitation fund* accounts for the activities of the government's sanitation operations.
  - The *sewer and water fund* accounts for the activities of the government's water distribution and sewer collection operations.
  - The *marina fund* accounts for the activities of the government's marina operations.
  
- Additionally, the government reports the following fund types:
  - The *internal services funds* account for fleet management, utility billing services, and utility administration services provided to other departments or agencies of the government on a cost reimbursement basis.
  - The *pension trust funds* account for the activities of the general employees' pension and the firefighters' and police officers' pension plans which accumulate resources for defined benefit payments to qualified employees.

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

**Cash and Investments**

The City maintains an accounting system in which substantially all cash and investments are recorded and are reflected as pooled cash and investments, except for the pension trust fund investments, and certain other investments purchased under the requirements of bond covenants. For purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include demand deposits, certificates of deposit, petty cash, state pooled investments, and equity in pooled cash and investments. Equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less.

**Receivables and Payables**

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

**Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets**

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

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

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

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

**Compensated Absences**

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

**Long-Term Liabilities**

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

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

**Deferred Inflows/Outflows of Resources**

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

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

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

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

**Pensions**

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

**Net Position**

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components:

- **Net Investment in Capital Assets**—consists of capital assets, net of accumulated depreciations and amortization, and reduced by the outstanding balances of any long-term borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- **Restricted**—consists of non-capital assets that must be used for a particular purpose as specified by creditors, contributors, grantors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted**—consists of assets that do not meet the definition of net investment in capital assets or restricted net position.

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

**Fund Balance**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The City’s governmental funds report the following, based on the nature of any limitations requiring the use of resources for specific purposes:

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

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

- **Committed**—This component includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. Formal actions include ordinances (for more permanent regulations) and resolutions (for shorter term actions) approved by the City Commission. Ordinances require two readings for approval, and therefore, are technically considered the most binding. This formal action must occur prior to the end of the reporting period, but the amount of the commitment may be determined in the subsequent period.
- **Assigned**—This component of fund balance consists of amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Commission may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.
- **Unassigned**—This classification is used for (a) deficit unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

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

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

**Note 2 - Property Tax Calendar**

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

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

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

**Note 3 - Stewardship, Compliance, and Accountability**

**Budgetary Information**

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

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

A detailed budgetary comparison schedule in sufficient detail to demonstrate compliance at the legal level of budgetary control may be found at [www.fbfl.org](http://www.fbfl.org) or by contacting the City's Comptroller at City of Fernandina Beach, 204 Ash Street, Fernandina Beach, Florida 32034.

**Note 4 - Cash and Investments**

At year-end, the carrying amount of the City's cash deposits was \$23,310,193 and the bank balance was \$24,471,840. The bank balance was covered by federal depository insurance or by collateral held by the City's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of Federal Deposit Insurance Corporation (FDIC) coverage in accordance with the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes.

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

The total cash and cash equivalents and investment balances of the City at September 30, 2020, are comprised of the following items:



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

	<b>Amount</b>	<b>Credit Rating</b>	<b>Investment Maturity</b>
<b>Cash and Cash Equivalents</b>			
Petty Cash on Hand	\$ 3,540		
Cash in Checking Accounts	<u>23,310,193</u>		
<b>Total Cash and Cash Equivalents</b>	<u>23,313,733</u>		
<b>Investments</b>			
Investment with State Board of Administration:			
Florida Prime	6,212,233	AAAm	Less Than 1 Year
Certificates of Deposit	<u>4,493,505</u>	Unrated	Less Than 1 Year
<b>Total Investments</b>	<u>10,705,738</u>		
<b>Total Cash, Cash Equivalents, and Investments</b>	<u>\$ 34,019,471</u>		

As Presented in the Accompanying Statement of Net Position:

Cash and Investments	\$ 31,575,881
Cash and Equivalents, Restricted	<u>2,443,590</u>
<b>Total Cash, Cash Equivalents, and Investments</b>	<u>\$ 34,019,471</u>

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

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

**Restricted Cash**

Restricted cash and cash equivalents at September 30, 2020 in the Enterprise Funds are as follows:

<b>Enterprise Fund</b>	<b>Customer Deposits</b>	<b>Renewal and Replacement</b>	<b>Debt Service</b>	<b>Unspent Debt Proceeds</b>	<b>Impact Fees</b>	<b>Total</b>
Sanitation	\$ 49,882	\$ -	\$ -	\$ -	\$ -	\$ 49,882
Sewer and Water	203,888	200,000	229,531	-	1,719,143	2,352,562
Stormwater	18,828	-	-	-	-	18,828
Airport	21,900	-	-	-	-	21,900
Marina	-	-	-	418	-	418
<b>Total</b>	<u>\$ 294,498</u>	<u>\$ 200,000</u>	<u>\$ 229,531</u>	<u>\$ 418</u>	<u>\$ 1,719,143</u>	<u>\$ 2,443,590</u>

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

**Pension Investments**

The City's pension trust funds contain cash and money market funds of \$3,221,126. Listed below are the investments and maturities in the City's pension trust funds at September 30, 2020:

Investment Type	Fair Value	Investment Maturities			
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Equities	\$ 32,931,869	\$ 32,931,869	\$ -	\$ -	\$ -
Mortgages	3,749,132	7	-	123,185	3,625,940
U.S. Government Securities	1,399,201	-	-	1,399,201	-
Corporate Bonds	5,585,542	844,743	2,872,841	1,250,484	617,474
Real Estate Fund	4,964,473	4,964,473	-	-	-
<b>Total</b>	<b>\$ 48,630,217</b>	<b>\$ 38,741,092</b>	<b>\$ 2,872,841</b>	<b>\$ 2,772,870</b>	<b>\$ 4,243,414</b>

**Authorized Investments**

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

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

Florida Statute 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. Throughout the year and as of September 30, 2020, the pools contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates.

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

**Equities**

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

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

***Fixed Income***

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

***Money Market***

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

**Risk Disclosure**

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

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

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

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

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

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

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

Investment Type	Fair Value	Unrated	Credit Rating			
			AAA	AA	A	BBB
Equities	\$ 32,931,869	\$ 32,931,869	\$ -	\$ -	\$ -	\$ -
Mortgages	3,749,132	-	-	3,749,132	-	-
U.S. Government Securities	1,399,201	-	-	1,399,201	-	-
Corporate Bonds	5,585,542	617,475	21,517	427,586	1,743,557	2,775,407
Real Estate Fund	4,964,473	4,964,473	-	-	-	-
<b>Total</b>	<b>\$ 48,630,217</b>	<b>\$ 38,513,817</b>	<b>\$ 21,517</b>	<b>\$ 5,575,919</b>	<b>\$ 1,743,557</b>	<b>\$ 2,775,407</b>

**Fair Value Measurements**

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

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

The fair value measurements for the City’s pension trust fund investments are as follows at September 30, 2020:

Investments by Fair Value	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$32,931,869	\$ 32,931,869	\$ -	\$ -
Mortgages	3,749,132	-	3,749,132	-
U.S. Government Securities	1,399,201	1,399,201	-	-
Corporate Bonds	5,585,542	-	5,585,542	-
<b>Total Investments Measured at Fair Value</b>	<b>\$43,665,744</b>	<b>\$ 34,331,070</b>	<b>\$ 9,334,674</b>	<b>\$ -</b>

Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 4,964,473	\$ -	Quarterly	10 Business Days
<b>Total Investments</b>	<b>\$48,630,217</b>			

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

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

**Note 5 - Receivables**

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

	<b>Accounts Receivable</b>	<b>Taxes Receivable</b>	<b>Allowance</b>	<b>Net Total Receivables</b>
<b>Governmental Activities</b>				
General	\$ 691,780	\$ 125,770	\$ (303,895)	\$ 513,655
Community Development Block Grant	8,500	-	-	8,500
Internal Service:				
Central Garage	715	-	-	715
<b>Total Governmental Activities</b>	<u>\$ 700,995</u>	<u>\$ 125,770</u>	<u>\$ (303,895)</u>	<u>\$ 522,870</u>

	<b>Accounts Receivable</b>	<b>Unbilled Receivable</b>	<b>Interest Receivable</b>	<b>Allowance</b>	<b>Net Total Receivables</b>
<b>Business-Type Activities</b>					
Airport	\$ 75,245	\$ -	\$ -	\$ (6,238)	\$ 69,007
Sanitation	217,041	177,673	-	(22,256)	372,458
Sewer and Water	720,548	561,980	-	(83,039)	1,199,489
Stormwater	68,813	56,578	-	(7,784)	117,607
Marina	2,074	-	-	(90)	1,984
Internal Service:					
Utility Billing	6,788	-	-	-	6,788
<b>Total Business-Type Activities</b>	<u>\$ 1,090,509</u>	<u>\$ 796,231</u>	<u>\$ -</u>	<u>\$ (119,407)</u>	<u>\$ 1,767,333</u>

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

**Note 6 - Capital Assets**

Capital asset activity for the year ended September 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 350,793	\$ 2,511,424	\$ (1,941,083)	\$ 921,134
Land	10,648,834	623,849	-	11,272,683
Total Capital Assets Not Being Depreciated	<u>10,999,627</u>	<u>3,135,273</u>	<u>(1,941,083)</u>	<u>12,193,817</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	19,428,389	1,348,303	(29,745)	20,746,947
Equipment, Furniture, Fixtures, and Vehicles	10,316,047	1,259,354	(535,283)	11,040,118
Infrastructure	22,746,296	714,505	-	23,460,801
Total Capital Assets Being Depreciated	<u>52,490,732</u>	<u>3,322,162</u>	<u>(565,028)</u>	<u>55,247,866</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(11,718,865)	(696,035)	266	(12,414,634)
Equipment, Furniture, Fixtures, and Vehicles	(6,525,808)	(1,387,077)	475,661	(7,437,224)
Infrastructure	(18,630,657)	(478,128)	-	(19,108,785)
Total Accumulated Depreciation	<u>(36,875,330)</u>	<u>(2,561,240)</u>	<u>475,927</u>	<u>(38,960,643)</u>
Total Being Depreciated, Net	<u>15,615,402</u>	<u>760,922</u>	<u>(89,101)</u>	<u>16,287,223</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u>\$ 26,615,029</u>	<u>\$ 3,896,195</u>	<u>\$ (2,030,184)</u>	<u>\$ 28,481,040</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,539,770	\$ 6,600	\$ -	\$ 1,546,370
Construction in Progress	7,255,078	7,214,645	(8,946,762)	5,522,961
Total Capital Assets, Not Being Depreciated	<u>8,794,848</u>	<u>7,221,245</u>	<u>(8,946,762)</u>	<u>7,069,331</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	110,923,241	9,132,320	(295,559)	119,760,002
Equipment, Furniture, Fixtures, and Vehicles	4,752,808	395,880	(496,662)	4,652,026
Total Capital Assets Being Depreciated	<u>115,676,049</u>	<u>9,528,200</u>	<u>(792,221)</u>	<u>124,412,028</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(57,968,803)	(3,121,234)	110,526	(60,979,511)
Equipment, Furniture, Fixtures, and Vehicles	(2,863,986)	(640,119)	391,167	(3,112,938)
Total Accumulated Depreciation, Net	<u>(60,832,789)</u>	<u>(3,761,353)</u>	<u>501,693</u>	<u>(64,092,449)</u>
Total Being Depreciated, Net	<u>54,843,260</u>	<u>5,766,847</u>	<u>(290,528)</u>	<u>60,319,579</u>
<b>Total Business-Type Activities Capital Assets, Net</b>	<u>\$ 63,638,108</u>	<u>\$ 12,988,092</u>	<u>\$ (9,237,290)</u>	<u>\$ 67,388,910</u>

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

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities</b>	
General Government	\$ 283,480
Public Safety	929,635
Transportation	592,829
Culture and Recreation	711,947
Internal Service Fund - Garage	43,349
<b>Total</b>	<u>\$ 2,561,240</u>
<b>Business-Type Activities</b>	
Golf	\$ 268,238
Airport	797,992
Sewer and Water	2,250,363
Stormwater	303,684
Marina	77,267
Internal Service Funds - Utility	63,809
<b>Total</b>	<u>\$ 3,761,353</u>

**Note 7 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of September 30, 2020, is as follows:

	Due From				
	Capital				Total
	Improvement Fund	Marina Fund	Golf Fund	Stormwater Fund	
<b>Due To</b>					
General Fund	\$ 47,472	\$ -	\$ -	\$ -	\$ 47,472
Sewer and Water Fund	-	4,644,735	1,137,856	266,493	6,049,084
<b>Total</b>	<u>\$ 47,472</u>	<u>\$ 4,644,735</u>	<u>\$ 1,137,856</u>	<u>\$ 266,493</u>	<u>\$ 6,096,556</u>

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

Interfund Transfers:

	Transfers In						
	General Fund	Capital	Other	Marina Fund	Other	Internal	Services Total
		Improvement Fund	Governmental Fund		Enterprise Fund	Services Fund	
<b>Transfers (Out)</b>							
General Fund	\$ -	\$ 1,445,000	\$ 4,928,824	\$ 300,000	\$ 715,000	\$ -	\$ 7,388,824
Sanitation Fund	36,000	-	-	-	-	20,000	56,000
Sewer and Water Fund	540,000	-	-	-	-	-	540,000
Internal Services Fund	-	10,700	-	-	-	-	10,700
<b>Total</b>	<u>\$ 576,000</u>	<u>\$ 1,455,700</u>	<u>\$ 4,928,824</u>	<u>\$ 300,000</u>	<u>\$ 715,000</u>	<u>\$ 20,000</u>	<u>\$ 7,995,524</u>

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

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

**Note 8 - Long-Term Debt**

**Capital Leases**

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

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

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>
2021	\$ 47,283
<b>Total Minimum Lease Payments (Amounts Representing Interest)</b>	47,283
<b>Present Value of Minimum Lease Payments</b>	(676) \$ 46,607

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

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>
2021	\$ 43,213
2022	43,213
2023	43,213
2024	43,213
2025	36,000
<b>Total Minimum Lease Payments (Amounts Representing Interest)</b>	208,852
<b>Present Value of Minimum Lease Payments</b>	(20,123) \$ 188,729

**General Obligations Notes – Direct Placement**

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



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

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

<b>Purpose</b>	<b>Interest Rate</b>	<b>Amount</b>
Governmental Activities	2.36%	\$ 417,000

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

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 417,000	\$ 9,841
<b>Total</b>	<b>\$ 417,000</b>	<b>\$ 9,841</b>

**Revenue Bonds and Notes**

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

<b>Issue and Purpose</b>	<b>Interest Rate</b>	<b>Amount Outstanding</b>	<b>Maturity Date</b>
<b>Governmental Activities</b>			
Public Safety:			
Capital Improvement Revenue Refunding Notes, Series 2016A	1.42%	\$ 119,128	2021
Culture and Recreation:			
Capital Improvement Revenue Refunding Notes, Series 2016A	1.42%	458,805	2021
<b>Total Government Activities Revenue Bonds and Notes</b>		<b>\$ 577,933</b>	
<b>Business-Type Activities</b>			
Sewer and Water:			
Utility System Subordinate Refunding Revenue Note, Series 2015	2.19%	\$ 3,043,000	2024
Utility System Refunding Bonds, Series 2013A	3%-5%	21,990,000	2033
Marina:			
Capital Improvement Revenue Refunding Notes, Series 2016B	1.92%	2,208,000	2026
Airport:			
Airport Refunding Revenue Note, Series 2017	4.28%	1,153,000	2032
Golf:			
Capital Improvement Revenue Refunding Notes, Series 2016A	1.42%	111,068	2021
<b>Total Business-Type Activities Revenue Bonds and Notes</b>		<b>\$ 28,505,068</b>	

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

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 577,933	\$ 8,207
<b>Total</b>	<b>\$ 577,933</b>	<b>\$ 8,207</b>

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

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

Year Ending September 30,	Principal	Interest
2021	\$ 2,192,068	\$ 1,183,684
2022	2,165,000	1,096,864
2023	2,254,000	1,007,817
2024	2,334,000	928,409
2025	2,124,000	877,616
2026-2030	10,425,000	3,012,744
2031-2032	7,011,000	699,624
<b>Total</b>	<b>\$ 28,505,068</b>	<b>\$ 8,806,758</b>

**Line of Credit Notes – Direct Placement**

Pursuant to a loan agreement with Branch Banking and Trust Company (BB&T), the City issued Line of Credit Note, Series 2018 in the amount of \$6,600,000. The Line of Credit Note, Series 2018 is payable from the pledged revenues, which consist primarily of FEMA reimbursements and non-ad valorem revenues. The Line of Credit Note, Series 2018 expires on July 1, 2021. Interest on any outstanding balance is charged at the bank's variable rate. Interest on the note should be paid semi-annually on the first day of each January and July, commencing January 1, 2019. A final payment in the amount of the entire unpaid principal balance, together with all accrued and unpaid interest on the note, is due and payable in full on the maturity date. The balance as of September 30, 2020 was \$6,169,401.

Pursuant to a loan agreement with BB&T, the City issued Line of Credit Note, Series 2019 in the amount of \$3,000,000. The Line of Credit Note, Series 2019 is payable from the pledged revenues, which consist primarily of FEMA reimbursements and non-ad valorem revenues. The Line of Credit Note, Series 2019 expires on July 1, 2021. Interest on any outstanding balance is charged at the bank's variable rate. Interest on the note should be paid semi-annually on the first day of each January and July, commencing July 1, 2019. A final payment in the amount of the entire unpaid principal balance, together with all accrued and unpaid interest on the note, is due and payable in full on the maturity date. The balance as of September 30, 2020 was \$1,798,951.

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Notes - Direct Placement	\$ 821,000	\$ -	\$ (404,000)	\$ 417,000	\$ 417,000
Revenue Notes Payable - Direct Placement	1,146,797	-	(568,864)	577,933	577,933
Capital Leases - Direct Placement	280,216	-	(233,609)	46,607	46,607
Compensated Absences	1,261,235	883,304	(808,664)	1,335,875	1,335,875
Other Postemployment Benefits	2,113,887	-	(142,595)	1,971,292	-
Net Pension Liability	12,114,755	1,199,535	-	13,314,290	-
<b>Total Governmental Activities</b>	<b>17,737,890</b>	<b>2,082,839</b>	<b>(2,157,732)</b>	<b>17,662,997</b>	<b>2,377,415</b>
<b>Business-Type Activities</b>					
Revenue Bonds	23,350,000	-	(1,360,000)	21,990,000	1,425,000
Bond Premiums	1,823,329	-	(132,606)	1,690,723	-
Total Revenue Bonds	25,173,329	-	(1,492,606)	23,680,723	1,425,000
Revenue Notes - Direct Placement	7,262,204	-	(747,136)	6,515,068	767,068
Capital Leases - Direct Placement	-	228,508	(39,779)	188,729	36,497
Line of Credit - Direct Placement	4,820,002	3,148,350	-	7,968,352	7,968,352
Compensated Absences	197,035	138,950	(160,661)	175,324	175,324
Other Postemployment Benefits	445,029	63,691	-	508,720	-
Net Pension Liability	2,451,014	-	(119,565)	2,331,449	-
<b>Total Business-Type Activities</b>	<b>40,348,613</b>	<b>3,579,499</b>	<b>(2,559,747)</b>	<b>41,368,365</b>	<b>10,372,241</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 58,086,503</b>	<b>\$ 5,662,338</b>	<b>\$ (4,717,479)</b>	<b>\$ 59,031,362</b>	<b>\$ 12,749,656</b>

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

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

**Pledged Revenue**

Pledged revenues on the City's outstanding debt for the year ended September 30, 2020, was as follows:

<u>Revenue Pledged</u>		<u>Pledged Through</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Principal and Interest Payments</u>	<u>Revenue Received</u>	<u>Estimated Percentage Pledged</u>
Voter Approved Ad Valorem Tax	General Obligation Refunding Note, Series 2010	2021	\$ 4,033,000	\$ 417,000	<u>\$ 423,376</u>	<u>\$ 423,376</u>	100%
Non-Ad Valorem Revenues, Budgeted and Appropriated	Refunding Note, Series 2016A Governmental Portion Golf Portion	2021 2021	2,775,746 533,254	577,933 111,067	\$ 585,077 <u>112,310</u> <u>\$ 697,387</u>	<u>\$ 697,387</u>	100%
Net Airport Revenue	Airport Refunding Revenue Note, Series 2017	2032	1,381,000	1,153,000	<u>\$ 114,427</u>	<u>\$ 408,203</u>	28%
Net Sewer and Water Utility Revenue	Utility System Refunding Bonds, Series 2013A Utility System Subordinate Refunding Revenue Note, Series 2015	2033 2024	29,720,000 4,285,000	21,990,000 3,043,000	\$ 2,467,750 <u>286,376</u> <u>\$ 2,754,126</u>	<u>\$ 7,190,041</u>	38%
Net Marina Revenue and CRA Revenues	Marina Refunding Note, Series 2016B	2026	3,528,000	2,208,000	<u>\$ 392,600</u>	<u>25,050</u>	100%
Non-Ad Valorem and FEMA Revenues	Marina LOC Note, Series 2018 Marina LOC Note, Series 2019	2021 2021	6,600,000 3,000,000	6,169,401 1,798,951	\$ 94,353 <u>19,137</u> <u>\$ 113,490</u>	<u>\$ 113,490</u>	100%

**Note 9 - Employee Pension Plans**

**General Employees' Pension Plan (GEP Plan)**

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

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

- *Plan Membership*—GEP Plan membership as of October 1, 2019 and 2018, consisted of the following:

	<b>October 1, 2019</b>	<b>October 1, 2018</b>
<b>Retirees and Beneficiaries</b>		
Inactive Plan Members or Beneficiaries		
Currently Receiving Benefits	83	80
Inactive Plan Members Entitled to but not yet Receiving Benefits	38	37
Active Plan Members	116	106
<b>Total Retirees and Beneficiaries</b>	237	223

- *Benefits Provided*—The plan provides retirement, termination, disability, and death benefits. Normal retirement is the earlier of: 1) age 55 and 25 years of credited service, 2) age 65 and 6 years of credited service, or 3) 35 years of credited service regardless of age. Early retirement is the earlier of: 1) age 55 and have completed 6 years of credited service, or 2) 25 years of credited service, regardless of age. Vesting in the plan occurs 100% after six years of credited service. Employees employed prior to February 1, 1993, had the option to elect either Plan A or Plan B. Any employees employed after February 1, 1993, are under Plan A. Benefits under Plan A are 2.75% of Average Final Compensation times Credited Service. Benefits under Plan B are 1.9% of Average Final Compensation times Credited Service. Benefits under early retirement are reduced by 2% per year. Eligibility for disability is based upon the date through which service is considered incurred from the date of employment, while non-service incurred is based upon 10 years of credited service. Disability benefits are accrued to the date of disability but not less than 42% of average final compensation (service incurred) or 25% of average final compensation (non-service incurred). Pre-retirement death benefits for vested employees pay the monthly accrued benefit payable to the designated beneficiary for 10 years beginning at otherwise early (reduced) or normal (unreduced) retirement date. Pre-retirement death benefits for non-vested employees include a refund of accumulated contributions, if any.
- *Funding Policy*—The funding policy is established by City Ordinance. The City’s funding policy is to provide amounts required to pay current costs and amortize unfunded past service costs. Employees who are Plan A members are required to contribute 6.5% of the covered payroll to the plan. Employees who are Plan B members do not contribute to the plan. The City’s contribution is actuarially determined. Based on the actuarial valuation performed as of October 1, 2018, the City’s required contribution as a percentage of covered payroll was 23.96% for fiscal year 2020.

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

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

**NOTES TO FINANCIAL STATEMENTS  
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- *Plan Membership*—FPOP Plan membership as of October 1, 2019 and 2018, consisted of the following:

	<b>October 1, 2019</b>	<b>October 1, 2018</b>
<b>Retirees and Beneficiaries</b>		
Inactive Plan Members or Beneficiaries		
Currently Receiving Benefits	50	50
Inactive Plan Members Entitled to but not yet Receiving Benefits	11	9
Active Plan Members	66	64
<b>Total Retirees and Beneficiaries</b>	127	123

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

**Additional Disclosures**

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

**Investments:**

- *Investment Policy*—The following table illustrates the GEP and FPOP Plans Board of Trustees’ adopted asset allocation policy as of September 30, 2020 and 2019:

<b>Asset Class</b>	<b>2020 Target Allocation</b>
Domestic Equity	50.0%
International Equity	15.0%
Broad Market Fixed Income	15.0%
Global Fixed Income	5.0%
Real Estate	10.0%
GTAA	5.0%
<b>Total</b>	<b>100.0%</b>

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

<u>Asset Class</u>	<u>2019 Target Allocation</u>
Domestic Equity	55.0%
International Equity	10.0%
Broad Market Fixed Income	25.0%
Real Estate	10.0%
<b>Total</b>	<u><u>100.0%</u></u>

- *Investment Value*—Equities and fixed income instruments are reported at fair value based upon quoted market prices. Real Estate is reported at fair value based upon appraisals of the underlying assets.
- *Concentrations*—The GEP and FPOP Plans did not hold investments in any one organization that represent 5% or more of their respective fiduciary net positions.
- *Rate of Return*—For the year ended September 30, 2020, the annual money-weighted rate of return on plan investments, net of pension plan investment expenses, was 4.18% for the GEP and 7.79% for FPOP Plan. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.
- *Deferred Retirement Option Program (DROP)*—For both plans, eligibility for DROP occurs upon satisfaction of normal or early retirement requirements. Participation in DROP cannot be more than 60 months. A DROP member may elect the actual rate of investment return, or 6.5% rate of return. Earnings are credited to DROP each fiscal quarter. The DROP balance as of September 30, 2020, is \$176,534 for GEP Plan and \$905,244 for FPOP Plan.

**Measurement Date:**

As permitted by generally accepted accounting standards, the City has elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2019, one year prior to the reporting date. The GEP and FPOP Plans do not issue separate financial statements. Therefore, the disclosures required for pension plans, as of September 30, 2020, are also included below.

**Net Pension Liability:**

The components of the net pension liability for each plan as of the September 30, 2019 measurement date, and for the year then ended, were as follows:

**General Employees' Pension Plan**

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balances at September 30, 2018</b>	\$ 29,209,568	\$ 21,893,421	\$ 7,316,147
Changes for the Year:			
Service Cost	731,482	-	731,482
Interest	2,253,079	-	2,253,079
Contributions - Employer	-	1,798,603	(1,798,603)
Contributions - Employee	-	377,735	(377,735)
Net Investment Income	-	262,957	(262,957)
Differences between Expected and Actual Experience	(586,865)	-	(586,865)
Benefit Payments, Including Refunds of Contributions	(1,738,128)	(1,738,128)	-
Administrative Expenses	-	(39,095)	39,095
Net Changes	<u>659,568</u>	<u>662,072</u>	<u>(2,504)</u>
<b>Balances at September 30, 2019</b>	<u>\$ 29,869,136</u>	<u>\$ 22,555,493</u>	<u>\$ 7,313,643</u>

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

**Firefighters' and Police Officers' Pension Plan**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at September 30, 2018</b>	\$ 32,918,891	\$ 25,669,269	\$ 7,249,622
Changes for the Year:			
Service Cost	762,325	-	762,325
Interest	2,557,460	-	2,557,460
Contributions - Employer	-	1,577,387	(1,577,387)
Contributions - State	-	248,819	(248,819)
Contributions - Employee	-	324,322	(324,322)
Net Investment Income	-	441,765	(441,765)
Change of Benefit Terms	(5,346)	-	(5,346)
Share Plan Allocation	11,072	-	11,072
Differences between Expected and Actual Experience	(50,157)	-	(50,157)
Changes in Assumptions	349,722	-	349,722
Benefit Payments, Including Refunds of Contributions	(1,775,840)	(1,775,840)	-
Administrative Expenses	-	(49,691)	49,691
Net Changes	1,849,236	766,762	1,082,474
<b>Balances at September 30, 2019</b>	<u>\$ 34,768,127</u>	<u>\$ 26,436,031</u>	<u>\$ 8,332,096</u>

The components of the City's net pension liability measured as of the September 30, 2020 are as follows:

	<b>General Employees</b>	<b>Firefighters and Police Officers</b>
Total Pension Liability	\$ 31,608,294	\$ 36,019,071
Plan Fiduciary Net Position	(23,772,194)	(28,663,748)
Net Pension Liability	<u>\$ 7,836,100</u>	<u>\$ 7,355,323</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.21%	79.58%

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

For the year ended September 30, 2020, the City recognized total pension expense of \$2,810,193 (\$1,256,378 from GEP Plan and \$1,553,815 from FPOP Plan). The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources</b>	<b>General Employees</b>	<b>Firefighters and Police Officers</b>
Contributions Made after the Measurement Date	\$ 1,507,515	\$ 1,566,654
Changes of Assumptions	-	773,228
Net Difference Between Projected and Actual Earnings on Plan Investments	869,361	621,234
Differences between Expected and Actual Experience	31,899	18,872
<b>Total Deferred Outflows of Resources</b>	<u>\$ 2,408,775</u>	<u>\$ 2,979,988</u>

<b>Deferred Inflows of Resources</b>	<b>General Employees</b>	<b>Firefighters and Police Officers</b>
Differences Between Expected and Actual Experience	\$ 440,148	\$ 303,028
<b>Total Deferred Inflows of Resources</b>	<u>\$ 440,148</u>	<u>\$ 303,028</u>

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

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

<b>Year Ending September 30,</b>	<b>General Employees</b>	<b>Firefighters and Police Officers</b>
2021	\$ 19,824	\$ 244,128
2022	23,738	238,050
2023	127,700	253,592
2024	289,850	374,536
<b>Total</b>	<b>\$ 461,112</b>	<b>\$ 1,110,306</b>

**Actuarial Assumptions:**

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

	<b>General Employees</b>	
Valuation Date	10/1/19	10/1/18
Inflation	2.5%	2.5%
Salary Increases	Service Based	Service Based
Investment Rate of Return	7.75%	7.75%
Discount Rate	7.75%	7.75%
	<b>Firefighters and Police Officers</b>	
Valuation Date	10/1/19	10/1/18
Inflation	2.5%	2.5%
Salary Increases	Service Based	Service Based
Investment Rate of Return	7.70%	7.70%
Discount Rate	7.70%	7.70%

For the GEP Plan, the RP 2010 Combined Healthy Table projected to valuation date using scale AA was used in the actuarial valuation. Disabled lives are set forward 3 years. For the FPOP Plan, the RP 2010 Combined Healthy Mortality Table, sex distinct was used in the actuarial valuation.

The long-term expected rate of return on pension investments was determined using a building block method in which best-estimate ranges of expected future rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEP and FPOP Plans' target asset allocation as of September 30, 2020, are summarized in the following table:



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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%
GTAA	3.50%

***Discount Rate:***

The discount rate used to measure the total pension liability for the GEP and FPOP Plans was 7.75% and 7.70%, respectively for the year ended September 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**As of September 30, 2020:**

	<u>1% Decrease 6.75%</u>	<u>Current Discount Rate 7.75%</u>	<u>1% Increase 8.75%</u>
GEP Plan Net Pension Liability	\$ 11,427,795	\$ 7,836,100	\$ 4,815,285

	<u>1% Decrease 6.70%</u>	<u>Current Discount Rate 7.70%</u>	<u>1% Increase 8.70%</u>
FPOP Plan Net Pension Liability	\$ 11,280,578	\$ 7,355,323	\$ 4,042,839

**As of September 30, 2019:**

	<u>1% Decrease 6.75%</u>	<u>Current Discount Rate 7.75%</u>	<u>1% Increase 8.75%</u>
GEP Plan Net Pension Liability	\$ 10,695,382	\$ 7,313,643	\$ 4,471,629

	<u>1% Decrease 6.70%</u>	<u>Current Discount Rate 7.70%</u>	<u>1% Increase 8.70%</u>
FPOP Plan Net Pension Liability	\$ 12,192,765	\$ 8,332,096	\$ 5,085,867

**Note 10 - Other Postemployment Benefits (OPEB)**

**Plan Description**

The City offers postemployment medical, dental, and life insurance benefits to any employee who satisfies the vesting, disability, early or normal retirement provisions of the applicable retirement plan (GEP or FPOP Plans). Eligibility requirements for retirement under the City's two retirement systems may be obtained by writing to the City Clerk, City of Fernandina Beach, 204 Ash Street, Fernandina Beach, Florida 32034, or by calling (904) 310-3115. The OPEB Plan is a single-employer defined benefit plan that permits retired police officers, firefighters, and general employees as well as their dependents to remain covered

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

under the City’s medical plans as long as they pay the premium charged by the insurance company for the plan and coverage elected. This conforms to the minimum requirements of governmental employers under Chapter 112.08, Florida Statutes. The OPEB Plan does not issue separate financial statements.

As of October 1, 2019, the latest actuarial valuation date, there were 200 active participants and 8 retirees (or their spouses) receiving medical benefits. The amount of the contributions required for retiree and dependent coverage may change from time-to-time. Life insurance coverage was not considered other postemployment benefits for purposes of this actuarial valuation.

**Funding Policy**

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

**Total OPEB Liability**

The total OPEB liability was based on an actuarial valuation dated October 1, 2019. The total OPEB liability of \$2,480,012 was measured as of October 1, 2019.

**Changes in the Total OPEB Liability**

<b>Total OPEB Liability, Beginning of Year</b>	<u>\$ 2,558,916</u>
Service Cost	154,393
Interest on Total OPEB Liability	110,279
Changes of Assumptions and Other Inputs	193,193
Differences Between Expected and Actual Experience	(423,645)
Benefit Payments	<u>(113,124)</u>
Net Change in Total OPEB Liability	<u>(78,904)</u>
<b>Total OPEB Obligation, End of Year</b>	<u><u>\$ 2,480,012</u></u>

Changes of assumptions and other inputs include an increase of the discount rate from 4.15% as of the beginning of the measurement period to 3.58% at the end of the measurement period.

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

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

	1% Decrease	Current Discount Rate	1% Increase
	<u>2.58%</u>	<u>3.58%</u>	<u>4.58%</u>
<b>Total OPEB Liability</b>	\$ 2,717,447	\$ 2,480,012	\$ 2,267,860

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

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

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

	1% Decrease <u>(7.00% to 3.50%)</u>	Current Healthcare Cost Trend Rate <u>(8.00% to 4.50%)</u>	1% Increase <u>(9.00% to 5.50%)</u>
<b>Total OPEB Liability</b>	\$ 2,234,813	\$ 2,480,012	\$ 2,765,796

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

For the fiscal year ended September 30, 2020, the City recognized OPEB expense of \$293,769. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions After Measurement Date	\$ 75,205	\$ -
Differences Between Expected and Actual Experience	532,972	(415,291)
Changes in Assumptions and Other Inputs	<u>165,595</u>	<u>(170,704)</u>
<b>Total</b>	<u>\$ 773,772</u>	<u>\$ (585,995)</u>

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

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 29,097
2022	29,097
2023	29,097
2024	29,097
2025	29,102
Thereafter	<u>(32,918)</u>
<b>Total</b>	<u>\$ 112,572</u>

**Actuarial Methods and Assumptions**

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

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2019
Measurement Date:	October 1, 2019
Reporting Date:	September 30, 2020
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	0.0% per year for General, 2.3% per year for Police/Fire
Discount Rate:	3.58% as of October 1, 2019

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

Projected Salary Increases:	Salary increase rates used for General, Firefighters, and Police Officers in the applicable pension actuarial valuation: 4.0% - 12.3% including inflation
Healthcare Cost Trend Rate:	The trend rate selected was based on historical medical CPI information.

**Note 11 - Tax Abatements**

In 2006, the City established a tax abatement program by adopting Ordinance 2006-99. This ordinance allows the City to grant ad valorem tax exemptions for historic properties within the City limits. Upon meeting certain eligibility requirements specified in Florida Statutes, Section 196.1961, the available tax exemption is 50% of the assessed value. In order to qualify for the exemption, the establishment must be regularly open to the public and be maintained in good repair and condition to the extent necessary to preserve the historic value and significance of the property. The amount of tax abated under the program for eligible establishments totaled \$52,255 for the year ended September 30, 2020.

**Note 12 - Other Disclosures**

**Commitments and Contingencies**

***Grant Programs:***

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

***Litigation:***

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

***Risk Management:***

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

***Deferred Compensation Plan:***

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

***Construction Contract Commitments:***

The following is a summary of construction contract commitments remaining at fiscal year-end:

<u>Project</u>	<u>Contract Amount</u>	<u>Expended To-Date</u>	<u>Contract Balance</u>
Various Projects	\$ 6,531,825	\$ 2,637,730	\$ 3,894,095

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ 20,207,192	\$ 20,207,192	\$ 19,951,164	\$ (256,028)
Intergovernmental	1,447,361	1,882,361	2,014,709	132,348
Fines and Forfeitures	21,500	21,500	32,253	10,753
Charges for Services	1,408,500	1,408,500	1,134,284	(274,216)
Other	485,820	485,820	198,868	(286,952)
<b>Total Revenues</b>	<u>23,570,373</u>	<u>24,005,373</u>	<u>23,331,278</u>	<u>(674,095)</u>
<b>Expenditures</b>				
General Government:				
City Commission	322,388	337,388	280,787	56,601
City Clerk	538,003	538,003	492,561	45,442
City Manager	639,551	639,551	453,837	185,714
Finance	771,266	771,266	737,078	34,188
Information Technology	747,157	770,257	720,581	49,676
Personnel/Human Resources	392,609	392,609	305,799	86,810
Legal	344,230	344,230	331,490	12,740
Planning	655,651	655,651	564,445	91,206
Non-Departmental	259,320	259,320	243,500	15,820
Facilities Maintenance	689,730	703,410	647,818	55,592
<b>Total General Government</b>	<u>5,359,905</u>	<u>5,411,685</u>	<u>4,777,896</u>	<u>633,789</u>
Public Safety:				
Police	6,173,141	6,173,141	5,948,947	224,194
Fire	4,782,310	4,793,310	4,657,130	136,180
Building and Code Enforcement	273,655	299,055	261,574	37,481
<b>Total Public Safety</b>	<u>11,229,106</u>	<u>11,265,506</u>	<u>10,867,651</u>	<u>397,855</u>
Transportation:				
Streets	1,775,646	1,775,646	1,616,045	159,601
Economic Environment:				
Downtown District	78,964	78,949	69,185	9,764
Public Assistance	128,000	392,000	383,930	8,070
<b>Total Economic Environment</b>	<u>206,964</u>	<u>470,949</u>	<u>453,115</u>	<u>17,834</u>
Culture and Recreation:				
Library	14,644	14,644	14,361	283
Recreation	1,372,394	1,373,548	1,171,332	202,216
Parks	1,653,362	1,653,438	1,276,281	377,157
Peck Center/Gym	248,706	272,035	206,760	65,275
MLK Center	197,413	197,395	143,449	53,946
Youth Programs	342,847	342,847	247,441	95,406
Aquatics	337,242	336,231	231,447	104,784
<b>Total Culture and Recreation</b>	<u>4,166,608</u>	<u>4,190,138</u>	<u>3,291,071</u>	<u>899,067</u>
Contingency	-	-	-	-
<b>(Total Expenditures)</b>	<u>(22,738,229)</u>	<u>(23,113,924)</u>	<u>(21,005,778)</u>	<u>2,108,146</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Concluded)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$ 832,144	\$ 891,449	\$ 2,325,500	\$ 1,434,051
<b>Other Financing Sources (Uses)</b>				
Transfers in	10,577,476	11,072,476	2,076,000	(8,996,476)
Transfers (out)	(10,577,476)	(11,072,476)	(7,388,924)	3,683,552
<b>Total Other Financing Sources (Uses)</b>	-	-	(5,312,924)	(5,312,924)
<b>Net Change in Fund Balance</b>	832,144	891,449	(2,987,424)	(3,878,873)
<b>Fund Balances, Beginning of Year</b>	4,376,212	3,905,384	11,244,535	7,339,151
<b>Fund Balances, End of Year</b>	\$ 5,208,356	\$ 4,796,833	\$ 8,257,111	\$ 3,460,278

**Note 1 - Basis of Presentation**

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

	Non-GAAP (Budgetary) Basis	Utility Tax Fund (1)	Law Enforcement Trust Fund (1)	GAAP Basis
<b>Total Revenues</b>	\$ 23,331,278	\$ 1,929,012	\$ 453	\$ 25,260,743
<b>Total Expenditures</b>	(21,005,778)	-	-	(21,005,778)
<b>Other Financing Sources - Transfers</b>	(5,312,924)	(1,500,000)	-	(6,812,924)
<b>Net Change in Fund Balance</b>	(2,987,424)	429,012	453	(2,557,959)
<b>Fund Balance, Beginning of Year</b>	11,244,535	420,988	2,307	11,667,830
<b>Fund Balance, End of Year</b>	\$ 8,257,111	\$ 850,000	\$ 2,760	\$ 9,109,871

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

Expenditures are controlled at the department level for the general fund. All appropriations, except for amounts corresponding to outstanding encumbrances, lapse at year-end.

A detailed budgetary comparison schedule in sufficient detail to demonstrate compliance at the legal level of budgetary control may be found at [www.fbfl.org](http://www.fbfl.org) or by contacting the City's Comptroller at City of Fernandina Beach, 204 Ash Street, Fernandina Beach, Florida 32034.

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

Reporting Period Ending Measurement Date	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>
<b>Total Pension Liability</b>			
Service Cost	\$ 795,773	\$ 731,482	\$ 689,139
Interest	2,314,735	2,253,079	2,154,276
Differences Between Expected and Actual Experience	171,770	(586,865)	23,304
Changes of Assumptions	51,601	-	-
Benefit Payments	<u>(1,594,721)</u>	<u>(1,738,128)</u>	<u>(1,530,235)</u>
Net Change in Total Pension Liability	1,739,158	659,568	1,336,484
<b>Total Pension Liability - Beginning</b>	<u>29,869,136</u>	<u>29,209,568</u>	<u>27,873,084</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 31,608,294</u>	<u>\$ 29,869,136</u>	<u>\$ 29,209,568</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,507,515	\$ 1,798,603	\$ 1,739,561
Contributions - Employee	408,968	377,735	344,206
Net Investment Income	935,083	262,957	1,627,575
Benefit Payments	(1,594,721)	(1,738,128)	(1,530,235)
Administrative Expenses	<u>(40,144)</u>	<u>(39,095)</u>	<u>(32,246)</u>
Net Change in Plan Fiduciary Net Position	1,216,701	662,072	2,148,861
<b>Plan Fiduciary Net Position - Beginning</b>	<u>22,555,493</u>	<u>21,893,421</u>	<u>19,744,560</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 23,772,194</u>	<u>\$ 22,555,493</u>	<u>\$ 21,893,421</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 7,836,100</u>	<u>\$ 7,313,643</u>	<u>\$ 7,316,147</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.21%	75.51%	74.95%
Covered Payroll	\$ 6,291,822	\$ 5,811,317	\$ 5,295,468
Net Pension Liability as a Percentage of Covered Payroll	124.54%	125.85%	138.16%

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

**Notes to Schedule:**

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

*Changes of Assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

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

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

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



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

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

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

<b>Fiscal Year Ended</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll (1)</b>	<b>Contributions as a Percentage of Covered Payroll</b>
9/30/2020	\$ 1,507,521	\$ 1,507,515	\$ 6	\$ 6,291,822	23.96%
9/30/2019	1,798,603	1,798,603	-	5,811,317	30.95%
9/30/2018	1,739,561	1,739,561	-	5,295,468	32.85%
9/30/2017	1,745,911	1,745,906	5	4,992,596	34.97%
9/30/2016	1,574,760	1,590,471	(15,711)	4,648,051	34.22%
9/30/2015	1,291,060	1,291,060	-	4,533,367	28.48%
9/30/2014	1,222,791	1,222,791	-	4,133,843	29.58%
9/30/2013	1,018,294	1,018,294	-	4,220,035	24.13%

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

**NOTES TO SCHEDULE**

Valuation Date: October 1, 2018

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

Methods and assumptions used to determine contribution rates:

Mortality:

*Healthy Active Lives:*

Female: RP2000 Generational, 100% White Collar, Scale BB.

Blue Collar, Scale BB.

*Healthy Inactive Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

*Disabled Lives:*

Female: 100% RP2000 Disabled Female set forward two years

Male: 100% RP2000 Disabled Male setback four years

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in July 1, 2016, FRS valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

Normal Retirement:

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

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

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

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

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

Termination Rates:

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

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

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

Salary Increases:

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

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

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

Funding Method: Entry Age, Normal Actuarial Cost Method

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

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

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return Net of Investment Expense</u>
9/30/2020	4.18%
9/30/2019	1.21%
9/30/2018	8.31%
9/30/2017	11.09%
9/30/2016	8.95%
9/30/2015	1.31%
9/30/2014	9.41%
9/30/2013	12.91%

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

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

Reporting Period Ending Measurement Date	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>
<b>Total Pension Liability</b>			
Service Cost	\$ 818,624	\$ 762,325	\$ 690,258
Interest	2,675,798	2,557,460	2,465,950
Change in Excess State Money	-	-	(6,262)
Share Plan Allocation	21,114	11,072	10,654
Changes of benefit terms	-	(5,346)	-
Differences Between Expected and Actual Experience	(340,638)	(50,157)	(243,733)
Changes in Assumptions	(251,710)	349,722	333,666
Contributions - Buy Back	-	-	-
Benefit Payments	(1,672,244)	(1,775,840)	(1,724,415)
Net Change in Total Pension Liability	1,250,944	1,849,236	1,526,118
<b>Total Pension Liability - Beginning</b>	<u>34,768,127</u>	<u>32,918,891</u>	<u>31,392,773</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 36,019,071</u>	<u>\$ 34,768,127</u>	<u>\$ 32,918,891</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,304,143	\$ 1,577,387	\$ 1,413,664
Contributions - State	262,511	248,819	227,005
Contributions - Employee	349,527	324,322	299,515
Contributions - Buy Back	-	-	-
Net Investment Income	2,029,899	441,765	2,516,831
Benefit Payments	(1,672,244)	(1,775,840)	(1,724,415)
Administrative Expenses	(46,119)	(49,691)	(42,004)
Net Change in Plan Fiduciary Net Position	2,227,717	766,762	2,690,596
<b>Plan Fiduciary Net Position - Beginning</b>	<u>26,436,032</u>	<u>25,669,270</u>	<u>22,978,674</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 28,663,749</u>	<u>\$ 26,436,032</u>	<u>\$ 25,669,270</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 7,355,323</u>	<u>\$ 8,332,096</u>	<u>\$ 7,249,622</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.58%	76.04%	77.98%
Covered Payroll	\$ 4,539,309	\$ 4,211,980	\$ 3,889,808
Net Pension Liability as a Percentage of Covered Payroll	162.04%	197.82%	186.37%

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

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

*Changes of Benefit Terms:*

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

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

*Changes of Assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date 9/30/2019, amounts reported as changes of assumptions resulted from lowering the net-of-fees investment return assumption from 7.80% to 7.70%.

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

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

<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2017</u> <u>9/30/2016</u>	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
\$ 634,067	\$ 691,242	\$ 673,931	\$ 629,885	\$ 583,227
2,351,027	2,244,457	2,135,586	2,065,964	2,012,184
(6,566)	-	-	-	-
14,521	-	-	-	-
47,179	(583,314)	94,951	-	-
404,100	658,065	-	-	-
-	-	-	9,362	-
(1,636,299)	(1,606,010)	(1,515,765)	(2,242,194)	(1,697,467)
1,808,029	1,404,440	1,388,703	463,017	897,944
29,584,744	28,180,304	26,791,601	26,328,584	25,430,640
<u>\$ 31,392,773</u>	<u>\$ 29,584,744</u>	<u>\$ 28,180,304</u>	<u>\$ 26,791,601</u>	<u>\$ 26,328,584</u>
\$ 1,222,727	\$ 1,285,152	\$ 1,321,071	\$ 1,442,276	\$ 1,415,926
234,807	228,116	224,969	223,515	228,126
288,097	293,641	287,839	271,215	260,746
-	-	-	9,362	-
2,189,459	1,569,990	216,827	1,579,432	1,888,434
(1,636,299)	(1,606,010)	(1,515,765)	(2,242,194)	(1,697,467)
(42,590)	(36,728)	(32,903)	(23,615)	(30,576)
2,256,201	1,734,161	502,038	1,259,991	2,065,189
20,722,473	18,988,312	18,486,274	17,226,283	15,161,094
<u>\$ 22,978,674</u>	<u>\$ 20,722,473</u>	<u>\$ 18,988,312</u>	<u>\$ 18,486,274</u>	<u>\$ 17,226,283</u>
<u>\$ 8,414,100</u>	<u>\$ 8,862,271</u>	<u>\$ 9,191,992</u>	<u>\$ 8,305,327</u>	<u>\$ 9,102,301</u>
73.20%	70.04%	67.38%	69.00%	65.43%
\$ 3,741,515	\$ 3,813,519	\$ 3,748,766	\$ 3,522,270	\$ 3,386,307
224.88%	232.39%	245.20%	235.79%	268.80%

*Changes of Assumptions:*

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

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

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

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

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

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

<b>Fiscal Year Ended</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to the Actuarially Determined Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll (1)</b>	<b>Contributions as a Percentage of Covered Payroll</b>
9/30/2020	\$ 1,548,358	\$ 1,545,540	\$ 2,818	\$ 4,539,309	34.05%
9/30/2019	1,803,149	1,815,134	(11,985)	4,211,980	43.09%
9/30/2018	1,654,724	1,633,145	21,579	3,889,808	41.99%
9/30/2017	1,435,619	1,446,296	(10,677)	3,741,515	38.66%
9/30/2016	1,494,900	1,513,268	(18,368)	3,813,519	39.68%
9/30/2015	1,544,613	1,546,040	(1,427)	3,748,766	41.24%
9/30/2014	1,665,681	1,665,791	(110)	3,522,270	47.29%
9/30/2013	1,644,052	1,644,052	-	3,386,307	48.55%

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

**NOTES TO SCHEDULE**

Valuation Date: 10/1/2018 (AIS 11/11/2019)

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

Methods and assumptions used to determine contribution rates:

Mortality:

*Healthy Inactive Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

*Healthy Active Lives:*

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90%

Combined Healthy Blue Collar, Scale BB.

*Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant

White Collar with no setback, no projections scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant

White Collar with no setback, no projections scale.

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida.

The law mandates the use of the assumption used in either of the two most recent

valuations of the Florida Retirement System (FRS). The above rates are those

outlined in Milliman's July 1, 2016 FRS valuation report for special risk.

Interest Rate:

7.90 per year compounded annually, net of investment expenses. This assumption is

supported by the Plan's asset allocation and expected long-term returns by asset class.

Normal Retirement:

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

<b>Number of Years</b>	<b>Probability of</b>
0	50.00%
1	50.00%
2+	100.00%

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

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

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

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

<u>Age</u>	<u>Disabled During the</u>
20	0.051%
30	0.058%
40	0.121%
50	0.429%

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

Termination Rates:

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

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

Salary Increases:

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

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

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

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

Experience Study

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

Funding Method: Entry Age, Normal Actuarial Cost Method

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



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

<b>Fiscal Year Ended</b>	<b>Annual Money-Weighted Rate of Return Net of Investment Expense</b>
9/30/2020	7.79%
9/30/2019	1.74%
9/30/2018	11.09%
9/30/2017	10.77%
9/30/2016	8.42%
9/30/2015	1.19%
9/30/2014	9.27%
9/30/2013	12.38%

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

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

<b>Reporting Date:</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>9/30/2018</b>
<b>Measurement Date:</b>	<b>10/1/2019</b>	<b>9/30/2018</b>	<b>9/30/2017</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 154,393	\$ 167,465	\$ 100,064
Interest on the Total OPEB Liability	110,279	97,594	53,355
Changes in Assumptions and Other Inputs	193,193	(131,624)	(122,700)
Differences Between Expected and Actual Experience	(423,645)	(73,035)	852,753
Benefit Payments	<u>(113,124)</u>	<u>(89,114)</u>	<u>(78,336)</u>
Net Change in Total OPEB Liability	<u>(78,904)</u>	<u>(28,714)</u>	<u>805,136</u>
<b>Total OPEB Liability - Beginning of Year</b>	<u>2,558,916</u>	<u>2,587,630</u>	<u>1,782,494</u>
<b>Total OPEB Liability - End of Year</b>	<u><u>\$ 2,480,012</u></u>	<u><u>\$ 2,558,916</u></u>	<u><u>\$ 2,587,630</u></u>
 <b>Covered-Employee Payroll</b>	 \$ 10,730,625	 \$ 9,289,093	 \$ 9,080,247
 <b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	 23.11%	 27.55%	 28.50%

**Notes:**

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

For Measurement Date of: 10/1/2019

Changes in assumptions and other inputs include the change in the discount rate from 4.15% at the beginning of the measurement period to 3.58% at the end of the measurement period.

For Measurement Date of: 9/30/2018

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

For Measurement Date of: 9/30/2017

Changes in assumptions and other inputs include the change in the discount rate from 3.06% at the beginning of the measurement period to 3.60% at the end of the measurement period.

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## NON-MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

**Building Fees Fund**—The Building Department is dedicated to providing a full range of public safety services related to building including permit review, building inspections, Community Rating System Program and Floodplain management. The Department achieves its commitment to professional, efficient, and responsive public service through emphasis on citizen safety, quality employees and adherence to responsible building principles. Adhering to Department practices, City Code, the Florida Building Code, and utilizing current technologies provides a safe environment for the citizens of Fernandina Beach.

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

**Community Redevelopment Area Fund**—The purpose of the CRA is to improve the City's historic waterfront area. Incremental ad valorem tax receipts will provide the basis of funding in the future.

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

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

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

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Special Revenue Funds</u>		
	<u>Federal Forfeiture Fund</u>	<u>Tree Trust Fund</u>	<u>HDC Fund</u>
<b>Assets</b>			
Cash and Investments	\$ 68,174	\$ 284,036	\$ 56,332
Accounts Receivable	-	-	-
Due from Other Governments	-	-	-
<b>Total Assets</b>	<u>68,174</u>	<u>284,036</u>	<u>56,332</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	-	4,000	-
<b>Total Liabilities</b>	<u>-</u>	<u>4,000</u>	<u>-</u>
<b>Fund Balances</b>			
Restricted for:			
Public Safety	68,174	-	-
Building/Permitting	-	-	-
Land Conservation	-	-	-
Community Development	-	-	-
Capital Improvements	-	-	-
Committed for:			
Conservation and Resource Management	-	280,036	-
Historical District Trust	-	-	56,332
Cemetery	-	-	-
Assigned for:			
Cemetery	-	-	-
Land Conservation	-	-	-
Debt Service	-	-	-
<b>Total Fund Balances</b>	<u>68,174</u>	<u>280,036</u>	<u>56,332</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 68,174</u>	<u>\$ 284,036</u>	<u>\$ 56,332</u>

Special Revenue Funds

Community Development Block Grant Fund	Land Conservation Trust Fund	Building Fees Fund	Cemetery Fund	Community Redevelopment Area Fund	Law Enforcement Recovery Fund
\$ 40,411	\$ 1,214,022	\$ 3,095,574	\$ 1,128,518	\$ 47,056	\$ 64,846
8,500	-	-	-	-	-
-	-	-	-	-	10,311
<u>48,911</u>	<u>1,214,022</u>	<u>3,095,574</u>	<u>1,128,518</u>	<u>47,056</u>	<u>75,157</u>
-	-	65,368	3,195	-	2,110
-	-	<u>65,368</u>	<u>3,195</u>	-	<u>2,110</u>
-	-	-	-	-	73,047
-	-	3,030,206	-	-	-
-	7,022	-	-	-	-
48,911	-	-	-	47,056	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,097,874	-	-
-	-	-	27,449	-	-
-	1,207,000	-	-	-	-
-	-	-	-	-	-
<u>48,911</u>	<u>1,214,022</u>	<u>3,030,206</u>	<u>1,125,323</u>	<u>47,056</u>	<u>73,047</u>
<u>\$ 48,911</u>	<u>\$ 1,214,022</u>	<u>\$ 3,095,574</u>	<u>\$ 1,128,518</u>	<u>\$ 47,056</u>	<u>\$ 75,157</u>

**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**  
**(Concluded)**

	Debt Service Fund	Capital Projects Funds	Total Non-Major Governmental Funds
	Bond Debt Service Fund	Capital Expansion Fund	
<b>Assets</b>			
Cash and Investments	\$ 4,863	\$ 4,009,333	\$ 10,013,165
Accounts Receivable	-	-	8,500
Due from Other Governments	-	-	10,311
<b>Total Assets</b>	<u>4,863</u>	<u>4,009,333</u>	<u>10,031,976</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	-	-	74,673
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>74,673</u>
<b>Fund Balances</b>			
Restricted for:			
Public Safety	-	-	141,221
Building/Permitting	-	-	3,030,206
Land Conservation	-	-	7,022
Community Development	-	-	95,967
Capital Improvements	-	4,009,333	4,009,333
Committed for:			
Conservation and Resource Management	-	-	280,036
Historical District Trust	-	-	56,332
Cemetery	-	-	1,097,874
Assigned for:			
Cemetery	-	-	27,449
Land Conservation	-	-	1,207,000
Debt Service	4,863	-	4,863
<b>Total Fund Balances</b>	<u>4,863</u>	<u>4,009,333</u>	<u>9,957,303</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 4,863</u>	<u>\$ 4,009,333</u>	<u>\$ 10,031,976</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Special Revenue Funds</u>		
	<u>Federal Forfeiture Fund</u>	<u>Tree Trust Fund</u>	<u>HDC Fund</u>
<b>Revenues</b>			
Taxes, Licenses, and Permits	\$ -	\$ 124,110	\$ 11,110
Intergovernmental	-	-	-
Charges for Services	-	-	-
Fines and Forfeitures	26,726	-	-
Other Revenue	19,869	1,800	6,341
<b>Total Revenues</b>	<u>46,595</u>	<u>125,910</u>	<u>17,451</u>
<b>Expenditures</b>			
Current:			
General Government	-	14,097	135
Public Safety	15,325	-	-
Physical Environment	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Fees	-	-	-
Capital Outlay	147,524	-	-
<b>(Total Expenditures)</b>	<u>(162,849)</u>	<u>(14,097)</u>	<u>(135)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(116,254)</u>	<u>111,813</u>	<u>17,316</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	30,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>30,000</u>
<b>Net Change in Fund Balance</b>	(116,254)	111,813	47,316
<b>Fund Balances, Beginning of Year</b>	<u>184,428</u>	<u>168,223</u>	<u>9,016</u>
<b>Fund Balances, End of Year</b>	<u>\$ 68,174</u>	<u>\$ 280,036</u>	<u>\$ 56,332</u>



Special Revenue Funds

Community Development Block Grant Fund	Land Conservation Trust Fund	Building Fees Fund	Cemetery Fund	Community Redevelopment Area Fund	Law Enforcement Recovery Fund
\$ -	\$ -	\$ 985,733	\$ 4,320	\$ 24,840	\$ -
-	-	-	-	-	125,964
-	-	-	124,805	-	-
-	-	-	-	-	-
751	630,821	52,262	20,592	210	2,037
<u>751</u>	<u>630,821</u>	<u>1,037,995</u>	<u>149,717</u>	<u>25,050</u>	<u>128,001</u>
-	-	-	-	-	-
-	-	1,140,929	-	-	49,522
-	-	-	157,069	-	-
-	-	-	-	-	-
-	-	-	-	-	-
64,754	623,849	124,108	22,129	-	108,216
<u>(64,754)</u>	<u>(623,849)</u>	<u>(1,265,037)</u>	<u>(179,198)</u>	<u>-</u>	<u>(157,738)</u>
(64,003)	6,972	(227,042)	(29,481)	25,050	(29,737)
-	1,207,000	3,257,248	11,300	-	-
-	<u>1,207,000</u>	<u>3,257,248</u>	<u>11,300</u>	<u>-</u>	<u>-</u>
(64,003)	1,213,972	3,030,206	(18,181)	25,050	(29,737)
112,914	50	-	1,143,504	22,006	102,784
<u>\$ 48,911</u>	<u>\$ 1,214,022</u>	<u>\$ 3,030,206</u>	<u>\$ 1,125,323</u>	<u>\$ 47,056</u>	<u>\$ 73,047</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
20FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Concluded)**

	<b>Debt Service Fund</b>	<b>Capital Projects Funds</b>	<b>Total Non-Major Governmental Funds</b>
	<b>Bond Debt Service Fund</b>	<b>Capital Expansion Fund</b>	
<b>Revenues</b>			
Taxes, Licenses, and Permits	\$ -	\$ 730,573	\$ 1,880,686
Intergovernmental	-	74,991	200,955
Charges for Services	-	-	124,805
Fines and Forfeitures	-	-	26,726
Other Revenue	399	35,935	771,017
<b>Total Revenues</b>	<b>399</b>	<b>841,499</b>	<b>3,004,189</b>
<b>Expenditures</b>			
Current:			
General Government	-	-	14,232
Public Safety	-	-	1,205,776
Physical Environment	-	29,847	186,916
Debt Service:			
Principal	404,000	-	404,000
Interest and Fees	19,376	-	19,376
Capital Outlay	-	1,414,008	2,504,588
<b>(Total Expenditures)</b>	<b>(423,376)</b>	<b>(1,443,855)</b>	<b>(4,334,888)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(422,977)</b>	<b>(602,356)</b>	<b>(1,330,699)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	423,376	-	4,928,924
<b>Total Other Financing Sources (Uses)</b>	<b>423,376</b>	<b>-</b>	<b>4,928,924</b>
<b>Net Change in Fund Balance</b>	<b>399</b>	<b>(602,356)</b>	<b>3,598,225</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,464</b>	<b>4,611,689</b>	<b>6,359,078</b>
<b>Fund Balances, End of Year</b>	<b>\$ 4,863</b>	<b>\$ 4,009,333</b>	<b>\$ 9,957,303</b>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 FEDERAL FORFEITURE FUND  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020  
 CITY OF FERNANDINA BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 26,726	\$ 1,726
Other Revenue	-	-	19,869	19,869
<b>Total Revenues</b>	25,000	25,000	46,595	21,595
<b>Expenditures</b>				
Current:				
Public Safety	15,000	9,600	15,325	(5,725)
Capital Outlay	148,500	153,900	147,524	6,376
<b>(Total Expenditures)</b>	(163,500)	(163,500)	(162,849)	651
 <b>Net Change in Fund Balance</b>	 \$ (138,500)	 \$ (138,500)	 \$ (116,254)	 \$ 22,246

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**TREE TRUST FUND**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**  
*(Continued)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ 52,380	\$ 52,380	\$ 124,110	\$ 71,730
Other Revenue	-	-	1,800	1,800
<b>Total Revenues</b>	<u>52,380</u>	<u>52,380</u>	<u>125,910</u>	<u>73,530</u>
<b>Expenditures</b>				
Current:				
General Government	<u>20,800</u>	<u>20,800</u>	<u>14,097</u>	<u>6,703</u>
<b>(Total Expenditures)</b>	<u>(20,800)</u>	<u>(20,800)</u>	<u>(14,097)</u>	<u>6,703</u>
<b>Net Change in Fund Balance</b>	<u>\$ 31,580</u>	<u>\$ 31,580</u>	<u>\$ 111,813</u>	<u>\$ 80,233</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
HDC FUND  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ -	\$ -	\$ 11,110	\$ 11,110
Other Revenue	9,725	9,725	6,341	(3,384)
<b>Total Revenues</b>	<u>9,725</u>	<u>9,725</u>	<u>17,451</u>	<u>7,726</u>
<b>Expenditures</b>				
Current:				
General Government	33,500	33,500	135	33,365
<b>(Total Expenditures)</b>	<u>(33,500)</u>	<u>(33,500)</u>	<u>(135)</u>	<u>33,365</u>
<b>Excess of Revenues Over Expenditures</b>	(23,775)	(23,775)	17,316	41,091
<b>Other Financing Sources (Uses)</b>				
Transfers (in)	30,000	30,000	30,000	-
<b>Net Change in Fund Balance</b>	<u>\$ 6,225</u>	<u>\$ 6,225</u>	<u>\$ 47,316</u>	<u>\$ 41,091</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**  
*(Continued)*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other Revenue	\$ -	\$ -	\$ 751	\$ 751
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>751</u>	<u>751</u>
<b>Expenditures</b>				
Current:				
Capital Outlay	101,181	101,181	64,754	36,427
<b>(Total Expenditures)</b>	<u>(101,181)</u>	<u>(101,181)</u>	<u>(64,754)</u>	<u>36,427</u>
<b>Net Change in Fund Balance</b>	<u>\$ (101,181)</u>	<u>\$ (101,181)</u>	<u>\$ (64,003)</u>	<u>\$ 37,178</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
LAND CONSERVATION TRUST FUND  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Other Revenue	\$ -	\$ -	\$ 630,821	\$ 630,821
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>630,821</u>	<u>630,821</u>
<b>Expenditures</b>				
Current:				
Capital Outlay	1,000,000	1,307,284	623,849	683,435
<b>(Total Expenditures)</b>	<u>(1,000,000)</u>	<u>(1,307,284)</u>	<u>(623,849)</u>	<u>683,435</u>
<b>Excess of Revenues Over Expenditures</b>	(1,000,000)	(1,307,284)	6,972	1,314,256
<b>Other Financing Sources (Uses)</b>				
Transfers (in)	1,207,000	1,207,000	1,207,000	-
<b>Net Change in Fund Balance</b>	<u>\$ 207,000</u>	<u>\$ (100,284)</u>	<u>\$ 1,213,972</u>	<u>\$ 1,314,256</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
BUILDING FEES FUND  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ 1,199,850	\$ 1,199,850	\$ 985,733	\$ (214,117)
Other Revenue	24,000	24,000	52,262	28,262
<b>Total Revenues</b>	<u>1,223,850</u>	<u>1,223,850</u>	<u>1,037,995</u>	<u>(185,855)</u>
<b>Expenditures</b>				
Current:				
Public Safety	1,433,592	1,828,943	1,140,929	688,014
Capital Outlay	30,000	124,671	124,108	563
<b>(Total Expenditures)</b>	<u>(1,463,592)</u>	<u>(1,953,614)</u>	<u>(1,265,037)</u>	<u>688,577</u>
<b>Excess of Revenues Over Expenditures</b>	(239,742)	(729,764)	(227,042)	502,722
<b>Other Financing Sources (Uses)</b>				
Transfers (in)	-	-	3,257,248	3,257,248
<b>Net Change in Fund Balance</b>	<u>\$ (239,742)</u>	<u>\$ (729,764)</u>	<u>\$ 3,030,206</u>	<u>\$ 3,759,970</u>



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CEMETERY FUND  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ 3,000	\$ 3,000	\$ 4,320	\$ 1,320
Charges for Services	134,700	134,700	124,805	(9,895)
Other Revenue	10,000	10,000	20,592	10,592
<b>Total Revenues</b>	<u>147,700</u>	<u>147,700</u>	<u>149,717</u>	<u>2,017</u>
<b>Expenditures</b>				
Current:				
Physical Environment	181,742	221,849	157,069	64,780
Capital Outlay	22,000	22,129	22,129	-
<b>(Total Expenditures)</b>	<u>(203,742)</u>	<u>(243,978)</u>	<u>(179,198)</u>	<u>64,780</u>
<b>Excess of Expenditures Over Revenues</b>	(56,042)	(96,278)	(29,481)	66,797
<b>Other Financing Sources (Uses)</b>				
Transfers in	11,300	11,300	11,300	-
<b>Net Change in Fund Balance</b>	<u>\$ (44,742)</u>	<u>\$ (84,978)</u>	<u>\$ (18,181)</u>	<u>\$ 66,797</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 COMMUNITY REDEVELOPMENT AREA FUND  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020  
 CITY OF FERNANDINA BEACH, FLORIDA  
 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ 24,839	\$ 24,839	\$ 24,840	\$ 1
Other Revenue	1,000	1,000	210	(790)
<b>Total Revenues</b>	<u>25,839</u>	<u>25,839</u>	<u>25,050</u>	<u>(789)</u>
 <b>Net Change in Fund Balance</b>	 <u>\$ 25,839</u>	 <u>\$ 25,839</u>	 <u>\$ 25,050</u>	 <u>\$ (789)</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
LAW ENFORCEMENT RECOVERY FUND  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Concluded)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental Revenue	\$ 123,726	\$ 123,726	\$ 125,964	\$ 2,238
Other Revenue	-	-	2,037	2,037
<b>Total Revenues</b>	<u>123,726</u>	<u>123,726</u>	<u>128,001</u>	<u>4,275</u>
<b>Expenditures</b>				
Current:				
Public Safety	61,500	59,000	49,522	9,478
Capital Outlay	109,000	111,500	108,216	3,284
<b>(Total Expenditures)</b>	<u>(170,500)</u>	<u>(170,500)</u>	<u>(157,738)</u>	<u>12,762</u>
<b>Net Change in Fund Balance</b>	<u>\$ (46,774)</u>	<u>\$ (46,774)</u>	<u>\$ (29,737)</u>	<u>\$ 17,037</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
BOND DEBT SERVICE FUND  
DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other Revenue	-	-	\$ 399	\$ 399
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>399</u>	<u>399</u>
<b>Expenditures</b>				
Debt Service:				
Principal	404,000	404,000	404,000	-
Interest and Fees	19,376	19,376	19,376	-
<b>(Total Expenditures)</b>	<u>(423,376)</u>	<u>(423,376)</u>	<u>(423,376)</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(423,376)	(423,376)	(422,977)	399
<b>Other Financing Sources (Uses)</b>				
Transfers in	423,376	423,376	423,376	-
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399</u>	<u>\$ 399</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL  
 CAPITAL EXPANSION FUND  
 CAPITAL PROJECT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020  
 CITY OF FERNANDINA BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes, Licenses, and Permits	\$ 1,976,000	\$ 1,976,000	\$ 730,573	\$ (1,245,427)
Intergovernmental	-	75,000	74,991	(9)
Other Revenue	10,000	10,000	35,935	25,935
<b>Total Revenues</b>	1,986,000	2,061,000	841,499	(1,219,501)
<b>Expenditures</b>				
Current:				
Physical Environment	-	29,848	29,847	1
Capital Outlay	3,407,044	3,342,044	1,414,008	1,928,036
<b>(Total Expenditures)</b>	(3,407,044)	(3,371,892)	(1,443,855)	1,928,037
 <b>Net Change in Fund Balance</b>	 \$ (1,421,044)	 \$ (1,310,892)	 \$ (602,356)	 \$ 708,536

## **NON-MAJOR ENTERPRISE FUNDS**

**Golf Course Fund**—The Golf Course Department’s function is to provide a high quality golf experience to residents and tourists of Fernandina Beach & Amelia Island.

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

**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Golf Course Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Assets</b>			
Receivables:			
Accounts, Net of Allowance for Uncollectible Accounts	\$ -	\$ 117,607	\$ 117,607
Due from Other Governments	-	348,000	348,000
Prepaid Expenses	8,730	-	8,730
Inventories	40,636	-	40,636
<b>Total Current Assets</b>	<u>49,366</u>	<u>465,607</u>	<u>514,973</u>
 Non-Current Assets:			
Restricted Assets:			
Cash and Investments	-	18,828	18,828
Capital Assets, Net, Where Applicable, of Accumulated	1,805,694	6,642,418	8,448,112
<b>Total Non-Current Assets</b>	<u>1,805,694</u>	<u>6,661,246</u>	<u>8,466,940</u>
 <b>Total Assets</b>	<u>1,855,060</u>	<u>7,126,853</u>	<u>8,981,913</u>
 <b>Deferred Outflows of Resources</b>			
Pension Related	-	106,994	106,994
OPEB Related	3,968	15,873	19,841
<b>Total Deferred Outflows of Resources</b>	<u>3,968</u>	<u>122,867</u>	<u>126,835</u>

**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**  
*(Concluded)*

	<u>Golf Course Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 87,827	\$ 24,628	\$ 112,455
Capital Leases Payable, Current Portion	-	36,497	36,497
Current Portion of Revenue			
Bonds and Notes Payable	111,067	-	111,067
Accrued Interest on Bonds Payable	130	3,359	3,489
Customer Deposits	-	18,828	18,828
Due to Other Funds	1,137,856	266,493	1,404,349
Unearned Revenue	102,377	-	102,377
Compensated Absences	-	24,739	24,739
<b>Total Current Liabilities</b>	<u>1,439,257</u>	<u>374,544</u>	<u>1,813,801</u>
Non-Current Liabilities:			
Revenue Bonds Payable, Long-Term Portion	-	152,232	152,232
Other Postemployment Benefits	12,717	50,872	63,589
Net Pension Liability	-	324,859	324,859
<b>Total Non-Current Liabilities</b>	<u>12,717</u>	<u>527,963</u>	<u>540,680</u>
<b>Total Liabilities</b>	<u>1,451,974</u>	<u>902,507</u>	<u>2,354,481</u>
<b>Deferred Inflows of Resources</b>			
Pension Related	-	19,550	19,550
OPEB Related	3,005	12,020	15,025
<b>Total Deferred Inflows of Resources</b>	<u>3,005</u>	<u>31,570</u>	<u>34,575</u>
<b>Net Position</b>			
Net Investment in Capital Assets	1,694,627	6,453,689	8,148,316
Unrestricted	(1,290,578)	(138,046)	(1,428,624)
<b>Total Net Position</b>	<u>\$ 404,049</u>	<u>\$ 6,315,643</u>	<u>\$ 6,719,692</u>



**COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND POSITION  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<b>Golf Course Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for Services	\$ 1,148,859	\$ 902,145	\$ 2,051,004
Fees, Rentals and Other	-	5,089	5,089
<b>Total Operating Revenues</b>	<u>1,148,859</u>	<u>907,234</u>	<u>2,056,093</u>
<b>Operating Expenses</b>			
Personnel Services	-	406,912	406,912
Materials, Supplies, and Other	1,318,347	288,668	1,607,015
Depreciation and Amortization	268,238	303,684	571,922
<b>(Total Operating Expenses)</b>	<u>(1,586,585)</u>	<u>(999,264)</u>	<u>(2,585,849)</u>
<b>Operating (Loss) Income</b>	<u>(437,726)</u>	<u>(92,030)</u>	<u>(529,756)</u>
<b>Non-Operating Revenues (Expense)</b>			
Interest Income	-	215	215
Intergovernmental Revenue	708	-	708
Other Non-Operating Income	(10,224)	-	(10,224)
Gain/(Loss) on Sale of Fixed Assets	-	(94,027)	(94,027)
Other Non-Operating (Expense)	(955)	-	(955)
Interest Expense	(4,608)	(6,791)	(11,399)
<b>Total Non-Operating Revenues (Expense)</b>	<u>(15,079)</u>	<u>(100,603)</u>	<u>(115,682)</u>
<b>(Loss) Income Before Contributions and Operating Transfers</b>	<u>(452,805)</u>	<u>(192,633)</u>	<u>(645,438)</u>
<b>Capital Grants and Contributions</b>	<u>-</u>	<u>739,160</u>	<u>739,160</u>
<b>Transfers</b>			
Transfers in	715,000	-	715,000
<b>Total Transfers</b>	<u>715,000</u>	<u>-</u>	<u>715,000</u>
<b>Change in Net Position</b>	262,195	546,527	808,722
<b>Net Position, Beginning of Year</b>	<u>141,854</u>	<u>5,769,116</u>	<u>5,910,970</u>
<b>Net Position, End of Year</b>	<u>\$ 404,049</u>	<u>\$ 6,315,643</u>	<u>\$ 6,719,692</u>

**COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<b>Golf Course Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers and Others	\$ 1,167,708	\$ 891,659	\$ 2,059,367
Cash Paid to Suppliers	(1,314,388)	(267,677)	(1,582,065)
Cash Paid for Interfund Services Provided	(78)	(54,558)	(54,636)
Cash Paid to Employees	-	(445,454)	(445,454)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(146,758)</b>	<b>123,970</b>	<b>(22,788)</b>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Due to/from Other Funds	(122,389)	266,493	144,104
Other Non-Operating Expenses	(799)	-	(799)
Transfers in	715,000	-	715,000
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<b>591,812</b>	<b>266,493</b>	<b>858,305</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal Paid on Revenue Bonds	(109,138)	-	(109,138)
Acquisition and Construction of Capital	(331,117)	(1,009,662)	(1,340,779)
Interest Paid	(6,006)	(3,433)	(9,439)
Capital Grants	708	506,902	507,610
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(445,553)</b>	<b>(506,193)</b>	<b>(951,746)</b>
<b>Cash Flows from Investing Activities</b>			
Interest and Other Non-Operating Revenues	-	215	215
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>-</b>	<b>215</b>	<b>215</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(499)</b>	<b>(115,515)</b>	<b>(116,014)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>499</b>	<b>134,343</b>	<b>134,842</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ -</b>	<b>\$ 18,828</b>	<b>\$ 18,828</b>

**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
**CITY OF FERNANDINA BEACH, FLORIDA**  
*(Concluded)*

	<u>Golf Course Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b><u>Included on the Accompanying Statement of Net Position As Follows</u></b>			
Restricted Assets:			
Cash and Investments	\$ -	\$ 18,828	\$ 18,828
<b>Total</b>	<u>\$ -</u>	<u>\$ 18,828</u>	<u>\$ 18,828</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>			
Operating Income (Loss)	<u>\$ (437,726)</u>	<u>\$ (92,030)</u>	<u>\$ (529,756)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	268,238	303,684	571,922
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):			
Accounts Receivable	-	(10,707)	(10,707)
Inventories	3,221	-	3,221
Prepaid Expenses	428	-	428
Accounts Payable and Accrued Expenses	(915)	(33,565)	(34,480)
Unearned Revenues	18,849	-	18,849
Customer Deposits	-	(4,868)	(4,868)
Compensated Absences	-	5,328	5,328
OPEB Liability and Related Deferrals	1,147	(16,623)	(15,476)
Net Pension Liability and Related Deferrals	-	(27,249)	(27,249)
Total Adjustments	<u>290,968</u>	<u>216,000</u>	<u>506,968</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ (146,758)</u>	<u>\$ 123,970</u>	<u>\$ (22,788)</u>

## INTERNAL SERVICE FUNDS

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

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

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

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<u>Central Garage Fund</u>	<u>Utility Billing Fund</u>	<u>Utility Administration Fund</u>	<u>Totals</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 15,038	\$ 229,051	\$ 164,815	\$ 408,904
Accounts Receivable, Net of Allowance for Uncollectible Accounts	715	6,788	-	7,503
Prepaid Expenses	-	1,817	-	1,817
Inventories	44,158	-	-	44,158
<b>Total Current Assets</b>	<u>59,911</u>	<u>237,656</u>	<u>164,815</u>	<u>462,382</u>
<b>Non-Current Assets</b>				
Capital Assets, Net of Accumulated Depreciation	341,289	66,885	2,828	411,002
<b>Total Non-Current Assets</b>	<u>341,289</u>	<u>66,885</u>	<u>2,828</u>	<u>411,002</u>
<b>Total Assets</b>	<u>401,200</u>	<u>304,541</u>	<u>167,643</u>	<u>873,384</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable and Accrued Expenses	13,395	7,374	8,305	29,074
Compensated Absences	22,791	11,557	19,355	53,703
<b>Total Current Liabilities</b>	<u>36,186</u>	<u>18,931</u>	<u>27,660</u>	<u>82,777</u>
<b>Total Liabilities</b>	<u>36,186</u>	<u>18,931</u>	<u>27,660</u>	<u>82,777</u>
<b>Net Position</b>				
Net Investment in Capital Assets	341,289	66,885	2,828	411,002
Unrestricted	23,725	218,725	137,155	379,605
<b>Total Net Position</b>	<u>\$ 365,014</u>	<u>\$ 285,610</u>	<u>\$ 139,983</u>	<u>\$ 790,607</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<b>Central Garage Fund</b>	<b>Utility Billing Fund</b>	<b>Utility Administration Fund</b>	<b>Totals</b>
<b>Operating Revenues</b>				
Charges for Services	\$ 820,197	\$ 564,871	\$ 450,000	\$ 1,835,068
Fees, Rentals, and Other	677	-	-	677
<b>Total Operating Revenues</b>	<u>820,874</u>	<u>564,871</u>	<u>450,000</u>	<u>1,835,745</u>
<b>Operating Expenses</b>				
Personal Services	240,132	289,628	319,085	848,845
Materials, Supplies, and Other	606,263	119,850	14,987	741,100
Depreciation and Amortization	43,349	63,419	390	107,158
<b>(Total Operating Expenses)</b>	<u>(889,744)</u>	<u>(472,897)</u>	<u>(334,462)</u>	<u>(1,697,103)</u>
<b>Operating (Loss) Income</b>	<u>(68,870)</u>	<u>91,974</u>	<u>115,538</u>	<u>138,642</u>
<b>Non-Operating Income (Expense)</b>				
Other Non-Operating Income (Expense)	6,682	999	822	8,503
Gain on Disposal of Capital Assets	58,762	-	-	58,762
<b>Total Non-Operating Income (Expense)</b>	<u>65,444</u>	<u>999</u>	<u>822</u>	<u>67,265</u>
<b>Income Before Transfers</b>	<u>(3,426)</u>	<u>92,973</u>	<u>116,360</u>	<u>205,907</u>
<b>Transfers</b>				
Transfers in	20,000	-	-	20,000
Transfers (out)	-	(10,700)	-	(10,700)
<b>Total Transfers</b>	<u>20,000</u>	<u>(10,700)</u>	<u>-</u>	<u>9,300</u>
<b>Change in Net Position</b>	16,574	82,273	116,360	215,207
<b>Net Position, Beginning of Year</b>	<u>348,440</u>	<u>203,337</u>	<u>23,623</u>	<u>575,400</u>
<b>Net Position, End of Year</b>	<u>\$ 365,014</u>	<u>\$ 285,610</u>	<u>\$ 139,983</u>	<u>\$ 790,607</u>

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Totals
<b>Cash Flows from Operating Activities</b>				
Cash Received for Interfund Services	\$ 820,361	\$ 565,360	\$ 450,000	\$ 1,835,721
Cash Received from Others	3,155	599	947	4,701
Cash Paid to Suppliers	(606,263)	(119,850)	(14,987)	(741,100)
Cash Paid to Employees	(235,852)	(284,803)	(326,484)	(847,139)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(18,599)</u>	<u>161,306</u>	<u>109,476</u>	<u>252,183</u>
<b>Cash Flows from Non-Capital Financing Activities</b>				
Due to/from Other Funds	(44,675)	-	-	(44,675)
Transfers in	20,000	-	-	20,000
Transfers (out)	-	(10,700)	-	(10,700)
Non-Operating Revenues (Expenses)	6,682	-	822	7,504
<b>Total Cash Flows from Non-Capital Financing Activities</b>	<u>(17,993)</u>	<u>(10,700)</u>	<u>822</u>	<u>(27,871)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and Construction of Capital	51,630	-	-	51,630
<b>Total Cash Flows from Capital and Related Financing Activities</b>	<u>51,630</u>	<u>-</u>	<u>-</u>	<u>51,630</u>
<b>Cash Flows from Investing Activities</b>				
Interest Received on Investments	-	999	-	999
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	15,038	151,605	110,298	276,941
<b>Cash and Cash Equivalents, Beginning of Year</b>	-	77,446	54,517	131,963
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 15,038</u>	<u>\$ 229,051</u>	<u>\$ 164,815</u>	<u>\$ 408,904</u>
<b><u>Included on the Accompanying Balance Sheet Under the Following Captions</u></b>				
<b>Current Assets</b>				
Cash and Investments	<u>\$ 15,038</u>	<u>\$ 229,051</u>	<u>\$ 164,815</u>	<u>\$ 408,904</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>				
Operating Income (Loss)	\$ (68,870)	\$ 91,974	\$ 115,538	\$ 138,642
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	43,349	63,419	390	107,158
Other Income (Expense)				-
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):				
Accounts Receivable	(513)	489	-	(24)
Inventories	(274)	-	-	(274)
Prepaid Expenses	-	(86)	-	(86)
Accounts Payable and Accrued Expenses	3,429	685	947	5,061
Compensated Absences	4,280	4,825	(7,399)	1,706
Total Adjustments	<u>50,271</u>	<u>69,332</u>	<u>(6,062)</u>	<u>113,541</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ (18,599)</u>	<u>\$ 161,306</u>	<u>\$ 109,476</u>	<u>\$ 252,183</u>

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<b>General Employees' Pension Plan</b>	<b>Firefighters' and Police Officers' Pension Plan</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,723,288	\$ 1,497,838	\$ 3,221,126
Contributions Receivable	-	262,511	262,511
Interest Receivable	25,889	34,688	60,577
Prepaid Benefits	129,281	126,856	256,137
Investments, at Fair Value:			
U.S. Government Bonds and Bills	633,466	765,735	1,399,201
Mortgages and Federal Agency Securities	1,905,240	2,461,367	4,366,607
Corporate Bonds	2,165,245	2,802,822	4,968,067
Real Estate Fund	2,314,247	2,650,226	4,964,473
Equities	14,870,912	18,060,957	32,931,869
Total Investments	<u>21,889,110</u>	<u>26,741,107</u>	<u>48,630,217</u>
<b>Total Assets</b>	<u>23,767,568</u>	<u>28,663,000</u>	<u>52,430,568</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Held in Trust for Pension Benefits	<u>\$ 23,767,568</u>	<u>\$ 28,663,000</u>	<u>\$ 52,430,568</u>



**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

	<b>General Employees' Pension Plan</b>	<b>Firefighters' and Police Officers' Pension Plan</b>	<b>Total</b>
<b>Additions</b>			
Contributions:			
State of Florida	\$ -	\$ 263,555	\$ 263,555
Employer	1,507,520	1,304,143	2,811,663
Plan Members	393,068	336,298	729,366
<b>Total Contributions</b>	<u>1,900,588</u>	<u>1,903,996</u>	<u>3,804,584</u>
Investment Earnings:			
Interest and Dividends	525,167	597,979	1,123,146
Net Increase in the Fair Value of Investments	494,760	1,543,282	2,038,042
Investment Expenses	(56,412)	(91,144)	(147,556)
<b>Total Investment Earnings</b>	<u>963,515</u>	<u>2,050,117</u>	<u>3,013,632</u>
<b>Total Additions</b>	<u>2,864,103</u>	<u>3,954,113</u>	<u>6,818,216</u>
<b>Deductions</b>			
Benefit Payments	1,466,795	1,529,276	2,996,071
Administrative Expense	63,486	71,793	135,279
<b>(Total Deductions)</b>	<u>(1,530,281)</u>	<u>(1,601,069)</u>	<u>(3,131,350)</u>
<b>Change in Net Position</b>	1,333,822	2,353,044	3,686,866
<b>Net Position, Beginning of Year</b>	<u>22,433,746</u>	<u>26,309,956</u>	<u>48,743,702</u>
<b>Net Position, End of Year</b>	<u>\$ 23,767,568</u>	<u>\$ 28,663,000</u>	<u>\$ 52,430,568</u>

**STATISTICAL SECTION  
(UNAUDITED)**

**STATISTICAL SECTION  
(UNAUDITED)**

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

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<b>Debt Capacity Information</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. ....	104-108
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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2003, with schedules presenting government-wide information beginning in that fiscal year.

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 27,439,500	\$ 24,367,016	\$ 23,584,000	\$ 22,959,982	\$ 22,255,738	\$ 21,363,150	\$ 20,086,968	\$ 22,804,829	\$ 21,599,826	\$ 23,627,554
Restricted	7,286,508	8,287,039	7,320,960	4,133,646	3,126,644	2,919,530	2,820,795	2,476,228	2,423,409	1,189,235
Unrestricted (2)	(679,395)	(1,795,780)	(4,860,371)	(4,182,808)	(4,916,921)	(6,495,182)	5,573,556	5,994,476	6,763,550	5,716,890
<b>Total Governmental Activities Net Position</b>	<b>\$ 34,046,613</b>	<b>\$ 30,858,275</b>	<b>\$ 26,044,589</b>	<b>\$ 22,910,820</b>	<b>\$ 20,465,461</b>	<b>\$ 17,787,498</b>	<b>\$ 28,481,319</b>	<b>\$ 31,275,533</b>	<b>\$ 30,786,785</b>	<b>\$ 30,533,679</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 29,141,671	\$ 26,496,040	\$ 24,293,174	\$ 19,971,800	\$ 21,758,186	\$ 21,519,553	\$ 19,562,429	\$ 15,190,218	\$ 15,990,795	\$ 15,990,513
Restricted	2,056,475	2,187,063	1,510,257	1,346,122	631,824	444,527	575,878	575,878	743,087	875,179
Unrestricted (2)	14,561,303	11,074,620	10,467,704	9,570,979	8,012,813	6,208,903	6,299,731	6,078,336	4,462,091	3,741,762
<b>Total Business-type Activities Net Position</b>	<b>\$ 45,759,449</b>	<b>\$ 39,757,723</b>	<b>\$ 36,271,135</b>	<b>\$ 30,888,901</b>	<b>\$ 30,402,823</b>	<b>\$ 28,172,983</b>	<b>\$ 26,438,038</b>	<b>\$ 21,844,432</b>	<b>\$ 21,195,973</b>	<b>\$ 20,607,454</b>
<b>Total:</b>										
Net Investment in Capital Assets (1)	\$ 56,581,171	\$ 50,863,056	\$ 47,877,174	\$ 42,931,782	\$ 44,013,924	\$ 42,882,703	\$ 39,649,397	\$ 37,995,047	\$ 37,590,621	\$ 39,618,067
Restricted	9,342,983	10,474,102	8,831,217	5,479,768	3,758,468	3,364,057	3,396,673	3,052,106	3,166,496	2,064,414
Unrestricted (2)	13,881,908	9,278,840	5,607,333	5,388,171	3,095,892	(286,279)	11,873,287	12,072,812	11,225,641	9,458,652
<b>Total Net Position</b>	<b>\$ 79,806,062</b>	<b>\$ 70,615,998</b>	<b>\$ 62,315,724</b>	<b>\$ 53,799,721</b>	<b>\$ 50,868,284</b>	<b>\$ 45,960,481</b>	<b>\$ 54,919,357</b>	<b>\$ 53,119,965</b>	<b>\$ 51,982,758</b>	<b>\$ 51,141,133</b>

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

(2) Fiscal year 2014 unrestricted net position has been restated due to the implementation of GASB 68.

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>EXPENSES</b>										
<b>Governmental Activities:</b>										
General Government	\$ 5,071,080	\$ 4,794,176	\$ 4,645,880	\$ 4,163,808	\$ 3,789,868	\$ 3,720,751	\$ 3,515,960	\$ 4,131,552	\$ 4,057,760	\$ 4,192,186
Public Safety	12,632,726	11,595,342	11,077,039	10,358,556	9,830,929	9,614,391	9,879,821	9,665,601	9,418,922	9,595,305
Physical Environment	232,336	1,506,579	1,639,299							
Transportation	2,296,521	2,694,817	3,403,051	3,429,751	2,094,050	1,972,165	1,955,405	2,296,174	2,587,248	1,933,203
Economic Environment	69,185	77,153	783,494	52,414	47,184	47,379	35,494	38,311	73,245	47,705
Human Services	383,930	55,418	52,811	45,666	42,871	172,992	497,085	39,013	57,167	68,127
Culture and Recreation	3,769,815	2,813,869	2,631,741	2,639,833	2,685,529	2,964,980	2,344,731	2,289,114	2,285,784	2,966,906
Interest on Long-term Debt	34,211	54,271	73,810	90,328	93,298	98,484	113,432	139,921	159,436	176,497
<b>Total Governmental Activities Expenses</b>	<b>24,489,804</b>	<b>23,591,625</b>	<b>24,307,125</b>	<b>20,780,356</b>	<b>18,583,729</b>	<b>18,591,142</b>	<b>18,341,928</b>	<b>18,599,686</b>	<b>18,639,562</b>	<b>18,979,929</b>
<b>Business-type activities:</b>										
Golf Course	1,591,193	1,701,757	1,644,592	1,666,591	1,649,065	1,704,365	1,665,949	1,742,779	1,812,640	1,707,322
Airport	1,293,876	1,423,977	1,474,615	1,047,074	1,147,472	1,131,745	1,110,268	1,404,547	1,246,794	1,248,391
Sanitation	2,652,962	2,377,519	2,362,448	2,263,923	2,307,671	2,209,587	2,130,278	2,089,886	2,054,352	2,011,406
Sewer and Water	7,459,307	7,324,589	7,562,630	7,714,073	7,274,661	6,998,895	9,004,523	9,066,428	7,875,780	7,769,936
Stormwater	1,100,082	1,175,464	649,258	553,591	435,834	276,939	199,478	30,987	127,057	112,884
Marina	1,133,208	1,157,961	679,833	4,587,827	2,177,505	2,182,068	2,326,168	2,225,642	2,280,772	2,245,407
<b>Total Business-type Activities Expenses</b>	<b>15,230,628</b>	<b>15,161,267</b>	<b>14,373,376</b>	<b>17,833,079</b>	<b>14,992,208</b>	<b>14,503,599</b>	<b>16,436,664</b>	<b>16,560,269</b>	<b>15,397,395</b>	<b>15,095,346</b>
<b>Total Expenses</b>	<b>\$ 39,720,432</b>	<b>\$ 38,752,892</b>	<b>\$ 38,680,501</b>	<b>\$ 38,613,435</b>	<b>\$ 33,575,937</b>	<b>\$ 33,094,741</b>	<b>\$ 34,778,592</b>	<b>\$ 35,159,955</b>	<b>\$ 34,036,957</b>	<b>\$ 34,075,275</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental Activities:</b>										
<b>Charges for services:</b>										
General Government	\$ 129,411	\$ 223,716	\$ 343,119	\$ 159,242	\$ 105,652	\$ 80,073	\$ 64,535	\$ 73,499	\$ 59,434	\$ 38,940
Public Safety	2,205,266	3,107,967	3,528,505	2,271,875	1,925,961	1,727,680	1,594,369	1,711,177	1,438,222	1,353,638
Physical Environment	129,126	185,444	198,011	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	1,107,278	1,595,600	1,941,137	1,588,940	1,432,328	1,219,871	1,122,999	1,078,207	1,056,424	1,012,146
Operating Grants and Contributions	574,767	2,966,057	2,313,984	1,262,691	217,650	246,238	334,065	559,775	1,008,600	261,959
Capital Grants and Contributions	866,495		63,450	10,226	632,805	1,559,532	1,345,976	393,435	746,548	279,950
<b>Total Governmental Activities Program Revenues</b>	<b>5,012,343</b>	<b>8,078,784</b>	<b>8,388,206</b>	<b>5,292,974</b>	<b>4,314,396</b>	<b>\$ 4,833,394</b>	<b>4,461,944</b>	<b>3,816,093</b>	<b>4,309,228</b>	<b>2,946,633</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Golf Course	\$ 1,148,859	\$ 1,327,190	\$ 1,297,173	\$ 1,257,703	\$ 1,270,514	\$ 1,343,072	\$ 1,315,098	\$ 1,401,263	\$ 1,585,420	\$ 1,418,049
Airport	860,670	875,909	674,692	651,350	663,190	600,851	576,008	583,265	566,381	567,660
Sanitation	2,707,115	2,385,670	2,395,312	2,330,575	2,254,588	2,245,416	2,190,580	2,099,526	2,120,375	2,031,099
Sewer and Water	11,417,150	11,664,072	11,120,309	11,114,482	9,897,960	9,406,734	9,082,896	8,698,240	8,652,651	8,433,433
Stormwater	907,234	879,548	847,771	303,450	277,181	271,299	270,857	258,267	432	230
Marina	509,354	125,939	296,773	333,876	2,264,613	2,210,050	2,341,395	2,153,071	2,131,261	2,106,478
Operating Grants and Contributions	708	216,618	13,562	2,184	-	-	-	34,928	-	-
Capital Grants and Contributions	2,951,271	1,017,264	2,842,464	2,025,660	289,864	2,316,435	788,868	1,721,983	436,193	1,248,926
<b>Total business-type activities program revenues</b>	<b>20,502,361</b>	<b>18,492,210</b>	<b>19,488,056</b>	<b>18,019,280</b>	<b>16,917,910</b>	<b>18,393,857</b>	<b>16,565,702</b>	<b>16,950,543</b>	<b>15,492,713</b>	<b>15,805,875</b>
<b>Total program revenue</b>	<b>\$ 25,514,704</b>	<b>\$ 26,570,994</b>	<b>\$ 27,876,262</b>	<b>\$ 23,312,254</b>	<b>\$ 21,232,306</b>	<b>\$ 23,227,251</b>	<b>\$ 21,027,646</b>	<b>\$ 20,766,636</b>	<b>\$ 19,801,941</b>	<b>\$ 18,752,508</b>
<b>NET (EXPENSE)/REVENUE</b>										
Governmental Activities	\$ (19,477,461)	\$ (15,512,841)	\$ (15,918,919)	\$ (15,487,382)	\$ (14,269,333)	\$ (13,757,748)	\$ (13,879,984)	\$ (14,783,593)	\$ (14,330,334)	\$ (16,033,296)
Business-type Activities	5,271,733	3,330,943	5,114,680	186,201	1,925,702	3,890,258	129,038	390,274	95,318	710,529
<b>Total (Expense)/Revenue</b>	<b>\$ (14,205,728)</b>	<b>\$ (12,181,898)</b>	<b>\$ (10,804,239)</b>	<b>\$ (15,301,181)</b>	<b>\$ (12,343,631)</b>	<b>\$ (9,867,490)</b>	<b>\$ (13,750,946)</b>	<b>\$ (14,393,319)</b>	<b>\$ (14,235,016)</b>	<b>\$ (15,322,767)</b>

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes:										
Property Taxes	\$ 15,798,230	\$ 12,859,437	\$ 12,104,097	\$ 11,040,874	\$ 10,356,519	\$ 9,894,587	\$ 9,680,522	\$ 9,337,768	\$ 8,476,798	\$ 8,079,352
Franchise and Utility Taxes	3,324,199	3,296,296	3,234,806	3,216,047	3,188,719	3,167,234	2,970,994	3,021,388	3,089,275	2,843,187
Half-cent Sales Tax	836,880	910,955	877,989	810,556	772,617	729,203	673,908	617,427	575,090	579,504
State Revenue Sharing	338,250	357,847	341,595	325,671	309,451	302,846	295,693	291,794	291,380	289,429
Discretionary Sales Surtax	2,126,109	2,179,554	1,941,118	1,873,713	1,778,306	1,683,460	1,556,723	1,426,792	1,333,581	1,338,433
Other taxes	262,511	247,774	225,101	228,954	224,176	-	-	569,516	-	-
Other Miscellaneous	175,226	218,561	216,543	331,378	412,372	558,488	324,125	41,656	427,558	468,549
Investment Earnings	212,694	174,403	90,392	63,263	41,351	26,333	12,190	-	62,769	126,467
Gain on Disposal of Fixed Assets	-	-	2,272	-	-	-	-	-	-	-
Transfers	(408,300)	81,700	58,685	42,285	(136,215)	(183,836)	(301,620)	(34,000)	326,989	166,460
<b>Total Governmental Activities</b>	<b>22,665,799</b>	<b>20,326,527</b>	<b>19,092,598</b>	<b>17,932,741</b>	<b>16,947,296</b>	<b>16,178,315</b>	<b>15,212,535</b>	<b>15,272,341</b>	<b>14,583,440</b>	<b>13,891,381</b>
Business-type activities:										
Other Miscellaneous	74,266	88,374	174,222	310,193	153,837	34,860	32,790	614,973	799,356	60,994
Investment Earnings	247,427	148,971	38,213	31,969	14,086	17,373	3,393	19,108	20,834	15,271
Gain on Disposal of Fixed Assets	-	-	157,969	-	-	-	-	-	-	-
Transfers	408,300	(81,700)	(58,685)	(42,285)	136,215	183,836	301,620	34,000	(326,989)	(166,460)
<b>Total Business-type Activities</b>	<b>729,993</b>	<b>155,645</b>	<b>311,719</b>	<b>299,877</b>	<b>304,138</b>	<b>236,069</b>	<b>337,803</b>	<b>668,081</b>	<b>493,201</b>	<b>(90,195)</b>
<b>Total</b>	<b>\$ 23,395,792</b>	<b>\$ 20,482,172</b>	<b>\$ 19,404,317</b>	<b>\$ 18,232,618</b>	<b>\$ 17,251,434</b>	<b>\$ 16,414,384</b>	<b>\$ 15,550,338</b>	<b>\$ 15,940,422</b>	<b>\$ 15,076,641</b>	<b>\$ 13,801,186</b>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ 3,188,338	\$ 4,813,686	\$ 3,173,679	\$ 2,445,359	\$ 2,677,963	\$ 2,420,567	\$ 1,332,551	\$ 488,748	\$ 253,106	\$ (2,141,915)
Business-type Activities	6,001,726	3,486,588	5,426,399	486,078	2,229,840	4,126,327	466,841	1,058,355	588,519	620,334
<b>Total</b>	<b>\$ 9,190,064</b>	<b>\$ 8,300,274</b>	<b>\$ 8,600,078</b>	<b>\$ 2,931,437</b>	<b>\$ 4,907,803</b>	<b>\$ 6,546,894</b>	<b>\$ 1,799,392</b>	<b>\$ 1,547,103</b>	<b>\$ 841,625</b>	<b>\$ (1,521,581)</b>

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Non-Spendable	\$ 694,290	\$ 618,052	\$ 1,043,011	\$ 1,023,966	\$ 905,428	\$ 634,185	\$ 782,063	\$ 851,549	\$ 1,250,214	\$ 1,290,987
Restricted	2,759	3,253,168	2,429,327	1,398,046	1,004,250	793,374	512,378	261,776	601,261	145,548
Committed	4,556,811	4,548,761	4,510,708	4,402,869	3,987,271	3,664,922	3,509,190	3,447,973	3,378,327	63,939
Assigned	1,544,522	728,532	769,951	1,167,461	1,191,699	718,233	638,759	159,623	591,921	23,531
Unassigned	2,311,489	2,519,317	1,132,201	623,782	975,530	1,482,841	1,148,343	1,235,633	314,412	3,874,692
Total General Fund	<u>\$ 9,109,871</u>	<u>\$ 11,667,830</u>	<u>\$ 9,885,198</u>	<u>\$ 8,616,124</u>	<u>\$ 8,064,178</u>	<u>\$ 7,293,555</u>	<u>\$ 6,590,733</u>	<u>\$ 5,956,554</u>	<u>\$ 6,136,135</u>	<u>\$ 5,398,697</u>
All Other Governmental Funds										
Non-Spendable	\$ -	\$ -	\$ 122,371	\$ 1,600,000	\$ -	\$ 4,000	\$ 138,233	\$ 4,000	\$ 5,250	\$ 4,000
Restricted	7,283,749	5,033,871	4,925,247	3,896,645	3,633,965	2,126,156	2,308,417	2,214,452	1,822,148	1,043,687
Committed	1,434,242	1,268,487	1,026,918	974,146	933,449	878,709	823,278	786,275	756,573	765,336
Assigned	1,239,312	56,720	416,836	92,048	1,133,821	825,811	529,383	1,284,727	2,118,137	1,107,752
Unassigned	(47,483)	(444,589)	-	(293,149)	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 9,909,820</u>	<u>\$ 5,914,489</u>	<u>\$ 6,491,372</u>	<u>\$ 6,269,690</u>	<u>\$ 5,701,235</u>	<u>\$ 3,834,676</u>	<u>\$ 3,799,311</u>	<u>\$ 4,289,454</u>	<u>\$ 4,702,108</u>	<u>\$ 2,920,775</u>

In Fiscal Year 2020, the Building Fee Restricted Reserve balance of \$3,257,248 was transferred from the General Fund to a Special Revenue Fund.

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>										
Taxes, Licenses and Permits	\$ 23,757,338	\$ 22,058,467	\$ 22,009,415	\$ 17,958,345	\$ 16,798,549	\$ 15,825,898	\$ 15,177,234	\$ 14,776,009	\$ 13,745,886	\$ 12,968,447
Intergovernmental	3,093,190	2,766,962	3,565,064	2,350,148	1,661,536	1,922,392	2,323,299	1,846,101	1,827,043	1,410,842
Charges for Services	1,259,089	1,598,099	1,477,078	1,446,796	1,494,628	1,380,703	1,331,053	1,382,899	1,272,422	1,289,935
Fines and Forfeitures	59,413	214,329	58,643	87,785	89,123	117,506	93,791	51,857	797,215	183,355
Other	1,144,757	322,598	263,060	1,244,664	1,036,059	1,226,549	958,129	975,321	807,583	714,232
<b>Total Revenues</b>	<b>29,313,787</b>	<b>26,960,455</b>	<b>27,373,260</b>	<b>23,087,738</b>	<b>21,079,895</b>	<b>20,473,048</b>	<b>19,883,506</b>	<b>19,032,187</b>	<b>18,450,149</b>	<b>16,566,811</b>
<b>Expenditures</b>										
General Government	4,767,791	4,692,625	4,461,902	4,069,837	3,514,919	3,214,122	3,373,043	3,970,807	3,800,453	3,515,365
Public Safety	11,556,807	11,258,634	10,625,934	9,758,426	9,769,412	9,391,242	9,209,143	9,092,873	8,877,495	8,917,911
Physical Environment	195,850	1,506,579	1,639,299							
Transportation	1,684,830	2,146,026	2,930,090	2,948,493	1,719,952	1,547,868	1,478,862	1,457,184	1,586,752	1,072,525
Economic Environment	69,185	74,459	782,268	52,414	47,184	47,379	35,494	38,311	73,245	65,202
Human Services	383,930	55,418	52,811	45,666	37,913	172,992	497,085	39,013	57,167	68,127
Culture and Recreation	2,998,611	2,285,030	2,138,614	2,093,649	2,291,180	2,560,053	1,887,808	1,853,064	1,800,960	2,494,091
Debt Service:										
Principal	1,206,426	1,186,339	1,168,951	977,860	694,999	636,934	620,495	1,617,878	639,885	506,727
Interest	38,977	58,932	78,365	94,812	97,652	102,744	117,597	143,992	163,389	219,935
Capital Outlay	4,545,708	2,572,364	2,491,609	1,954,965	2,268,612	1,883,691	2,233,323	1,383,300	1,155,021	962,590
Contingency Loss	-	-	-	-	-	-	-	-	-	376,000
<b>Total Expenditures</b>	<b>27,448,115</b>	<b>25,836,406</b>	<b>26,369,843</b>	<b>21,996,122</b>	<b>20,441,823</b>	<b>19,557,025</b>	<b>19,452,850</b>	<b>19,596,422</b>	<b>18,154,367</b>	<b>18,198,473</b>
Excess (Deficiency) of Revenues Over (Under) Expenditure	1,865,672	1,124,049	1,003,417	1,091,616	638,072	916,023	430,656	(564,235)	295,782	(1,631,662)
<b>Other Financing Sources (Uses)</b>										
Capital Lease	-	-	427,154	-	-	-	-	-	1,884,000	5,663,581
Proceeds from Notes Payable	-	-	-	-	3,216,109	-	-	-	-	-
Payment on Note Refunding	-	-	-	-	(1,030,784)	-	-	-	-	(5,583,045)
Transfers In	6,960,624	2,749,688	2,164,466	2,209,800	1,962,550	2,259,355	1,463,904	2,360,536	1,319,054	961,312
Transfers Out	(7,388,924)	(2,667,988)	(2,104,281)	(2,181,015)	(2,148,765)	(2,437,191)	(1,750,524)	(2,388,536)	(980,065)	(794,852)
<b>Total Other Financing Sources (Uses)</b>	<b>(428,300)</b>	<b>81,700</b>	<b>487,339</b>	<b>28,785</b>	<b>1,999,110</b>	<b>(177,836)</b>	<b>(286,620)</b>	<b>(28,000)</b>	<b>2,222,989</b>	<b>246,996</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,437,372</b>	<b>\$ 1,205,749</b>	<b>\$ 1,490,756</b>	<b>\$ 1,120,401</b>	<b>\$ 2,637,182</b>	<b>\$ 738,187</b>	<b>\$ 144,036</b>	<b>\$ (592,235)</b>	<b>\$ 2,518,771</b>	<b>\$ (1,384,666)</b>
Debt Service as a Percentage of Non Capital Expenditures	5.44%	5.35%	5.22%	5.35%	4.36%	4.19%	4.29%	9.67%	4.73%	4.22%



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

Fiscal Year	Property Taxes	Franchise and Utility Tax	Half-cent Sales Tax	State Revenue Sharing	Discretionary Sales Surtax	Total
2020	\$ 15,798,230	\$ 3,324,199	\$ 836,880	\$ 338,250	\$ 1,781,241	\$ 22,078,800
2019	12,859,437	3,296,296	910,955	357,847	1,847,705	19,272,240
2018	12,104,097	3,234,806	877,989	341,595	1,941,118	18,499,605
2017	11,040,874	3,216,047	810,556	325,671	1,873,713	17,266,861
2016	10,356,519	3,188,719	772,617	309,451	1,778,306	16,405,612
2015	9,894,587	3,167,234	729,203	302,846	1,683,460	15,777,330
2014	9,680,522	2,970,994	673,908	295,693	1,556,723	15,177,840
2013	9,337,768	3,021,388	617,427	291,794	1,426,792	14,695,169
2012	8,476,798	3,089,275	575,090	291,380	1,333,581	13,766,124
2011	8,079,352	2,843,187	579,504	289,429	1,338,433	13,129,905
Change 2011-2020	95.54%	16.92%	44.41%	16.87%	33.08%	68.16%

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

Fiscal Year	REAL PROPERTY				LESS EXEMPTIONS:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property	Industrial Property	Other*	Real Property	Personal Property				
2020	\$ 1,996,672	252,491	81,288	234,045	\$ 448,484	\$ 16,037	\$ 2,099,976	\$ 6.5236	\$ 2,564,497	81.89%
2019	1,768,916	239,602	66,426	224,570	424,324	18,043	1,857,147	6.0482	2,299,513	80.76%
2018	1,612,673	222,294	67,728	215,163	379,199	16,010	1,722,649	6.2097	2,117,858	81.34%
2017	1,488,441	211,702	66,971	196,684	378,463	16,717	1,568,618	6.3044	1,963,799	79.88%
2016	1,624,009	205,366	66,116	190,362	367,512	16,797	1,701,544	6.3044	2,085,853	81.58%
2015	1,544,826	195,353	62,893	181,081	359,449	16,348	1,608,355	6.3663	1,984,152	81.06%
2014	1,506,787	190,542	61,344	176,622	354,340	37,579	1,543,377	6.5080	1,935,295	79.75%
2013	1,517,943	191,953	61,798	177,930	352,847	36,395	1,560,382	6.3001	1,949,624	80.04%
2012	1,591,653	201,274	64,799	186,570	370,372	37,125	1,636,799	5.4335	2,044,295	80.07%
2011	1,653,699	209,120	67,325	193,843	381,304	33,232	1,709,451	4.9365	2,123,987	80.48%

Source: Nassau County Property Appraiser.

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

Fiscal Year	Tax Roll Year	City of Fernandina Beach			OVERLAPPING RATES					
		Operating Millage	Debt Service Millage	Total City Millage	Nassau County	St. Johns River Water Management	Nassau County Schools	FL. Inland Navigational District	Amelia Isl Mosquito Control	Amelia Isl Beach MSTU
2020	2019	\$ 6.3553	\$ 0.1683	\$ 6.5236	\$ 7.4278	\$ 0.2414	\$ 6.1360	\$ 0.0320	\$ 0.1412	\$ 0.1021
2019	2018	5.8553	0.1929	6.0482	7.4278	0.2562	6.3170	0.0320	0.1412	0.1021
2018	2017	6.0000	0.2097	6.2097	6.5670	0.2724	6.5980	0.0320	0.1495	0.1021
2017	2016	6.0682	0.2362	6.3044	6.5670	0.2885	6.7940	0.0320	0.1587	
2016	2015	6.1021	0.2023	6.3044	6.5670	0.3023	7.1530	0.0320	0.1472	
2015	2014	6.1021	0.2642	6.3663	6.5670	0.3164	7.2160	0.0345	0.1522	
2014	2013	6.2844	0.2236	6.5080	5.5670	0.3283	7.3590	0.0345	0.1474	
2013	2012	6.0277	0.2724	6.3001	5.5670	0.3313	7.5430	0.0345	0.1453	
2012	2011	5.1759	0.2576	5.4335	5.5670	0.3313	7.8080	0.0345	0.1372	
2011	2010	4.6612	0.2753	4.9365	5.5670	0.4158	7.8080	0.0345	0.1294	

Source: Nassau County Property Appraiser

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

TAXPAYER	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Westrock CP, LLC	\$ 202,627,166	1	7.90%	\$ 159,182,545	1	7.49%
Rayonier Performance Fibers	78,845,110	2	3.07%	72,935,242	2	3.43%
Lignotech	55,477,945	3	2.16%			
Aspire at Amelia LLC	41,823,416	4	1.63%			
Rocktenn CP, LLC	39,385,887	5	1.54%	40,320,709	3	1.90%
Eight Flags Energy	32,951,570	6	1.28%			
Florida Public Utilities, Co	22,657,105	7	0.88%	22,552,600	4	1.06%
The Range at Crane Island	21,398,987	8	0.83%			
Vintage Amelia Owner LLC	19,695,416	9	0.77%			
Island Walk Station, LLC	16,600,000	10	0.65%	9,528,213	5	0.45%
Amelia Harbor View, LLC				6,228,397	6	0.29%
RRG of Amelia Inc.				4,144,950	7	0.20%
Fernandina Beach Hotel Group				3,916,576	8	0.18%
First Coast Community Bank				3,518,935	9	0.17%
Wal-Mart Stores #977				2,984,573	10	0.14%
Totals	<u>\$ 531,462,602</u>		<u>20.72%</u>	<u>\$ 325,312,740</u>		<u>15.32%</u>

Source: Nassau County Property Appraiser and Nassau County

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

Fiscal Year	Tax Roll Year	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections in Subsequent Years	Total Collections To Date	
			Amount	Percentage of Levy		Amount*	Percentage of Levy
2020	2019	\$ 15,992,013	\$ 15,776,672	98.65%	\$ -	\$ 15,776,672	98.65%
2019	2018	12,860,995	12,834,672	99.80%	(8,887)	12,825,785	99.73%
2018	2017	12,123,361	12,089,983	99.72%	16,112	12,106,095	99.86%
2017	2016	10,971,228	10,824,778	98.67%	8,725	10,833,503	98.74%
2016	2015	10,447,275	10,350,806	99.08%	45,791	10,396,597	99.51%
2015	2014	9,814,954	9,716,219	98.99%	5,712	9,721,931	99.05%
2014	2013	9,824,000	9,686,556	98.60%	16,883	9,703,439	98.77%
2013	2012	9,416,621	9,326,945	99.05%	(6,035)	9,320,910	98.98%
2012	2011	8,835,312	8,438,041	95.50%	10,823	8,448,864	95.63%
2011	2010	8,066,170	8,054,135	99.85%	38,756	8,092,891	100.33%

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

Source: Nassau County Tax Collector

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

Fiscal Year	Governmental Activities			Business Type Activities			Total	Percentage of Estimated Actual Taxable Value of Real property(1)	Per Capita (2)
	GENERAL OBLIGATION BONDS	Revenue Bonds and Notes	Capital Leases	Revenue Bonds and Notes	Line of Credit	Capital Leases			
2020	\$ 417,000	\$ 577,933	\$ 46,607	\$ 30,195,791	\$ 7,968,352	\$	39,205,683	2,564,497	2,896.83
2019	821,000	1,146,796	280,217	32,435,534	4,820,002		39,503,549	2,299,513	3,058.73
2018	1,216,000	1,707,115	511,237	34,596,821	695,001		38,726,174	2,117,858	3,034.73
2017	1,602,000	2,261,562	312,588	35,643,980		41,637	39,861,767	1,963,799	3,176.24
2016	1,982,000	2,775,746	396,264	37,631,402		81,927	42,867,339	2,085,853	3,505.38
2015	2,351,000	1,312,683		38,605,721		151,494	42,420,898	1,984,152	3,585.87
2014	2,712,000	1,588,617		40,491,393		233,499	45,025,509	1,935,295	3,785.56
2013	3,065,000	1,856,113		42,172,504		117,306	47,210,923	1,949,624	4,090.71
2012	3,410,000	3,128,990		43,358,969		157,985	50,055,944	2,044,295	4,348.91
2011	3,745,000	1,479,305	70,569	45,151,711		194,896	50,641,481	2,123,987	4,408.59

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

- (1) See Schedule 6 for estimated actual taxable value of real property.
- (2) See Schedule 14 for population data.

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

<b>Fiscal Year</b>	<b>Total Taxable Assessed Value</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Net Bonds Outstanding</b>	<b>Percentage of Estimated Actual Taxable Value of Real property(1)</b>	<b>Per Capita (2)</b>
2020	\$ 2,564,497,031	\$ 417,000	\$ 4,863	\$ 412,137	0.02%	30.45
2019	2,299,513,071	821,000	4,464	816,536	0.04%	63.22
2018	2,117,858,482	1,216,000	4,442	1,211,558	0.06%	94.94
2017	1,963,798,534	1,602,000	4,442	1,597,558	0.08%	127.30
2016	2,085,853,231	1,982,000	4,316	1,977,684	0.09%	161.72
2015	1,984,151,696	2,351,000	121,867	2,229,133	0.11%	188.43
2014	1,935,294,915	2,712,000	118,371	2,593,629	0.13%	218.06
2013	1,949,623,795	3,065,000	165,938	2,899,062	0.15%	251.20
2012	2,044,295,497	3,410,000	165,930	3,244,070	0.16%	281.85
2011	2,123,987,062	3,745,000	165,786	3,579,214	0.17%	311.59

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

- (1) See Schedule 6 for estimated actual taxable value of real property.
- (2) See Schedule 14 for population data.

**SCHEDULE 12  
CITY OF FERNANDINA BEACH, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2020**

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property Taxes			
Nassau County*	\$ 26,809,204	29.5%	\$ 7,905,260
Subtotal Overlapping Debt			7,905,260
City direct debt			1,041,540
<b>Totals</b>			<u>\$ 8,946,800</u>

\* Fiscal year 2020 outstanding debt from Nassau County unavailable. Fiscal Year 2019 debt is presented.

Source: Nassau County Clerk of the Court/Comptroller

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

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



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

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2020	\$ 10,794,271	\$ 4,288,932	\$ 6,505,339	1,360,000	\$ 1,107,750	2.64
2019	10,364,923	4,521,496	5,843,427	1,290,000	1,172,250	2.37
2018	10,221,053	4,283,204	5,937,849	1,230,000	1,233,750	2.41
2017	10,079,472	4,267,823	5,811,649	1,085,000	1,277,150	2.46
2016	9,411,710	3,877,659	5,534,051	1,045,000	1,311,850	2.35
2015	9,131,153	3,702,025	5,429,128	1,000,000	1,355,617	2.30
2014	9,095,086	3,808,621	5,286,465	720,000	1,378,750	2.52
2013	8,852,666	4,924,928	3,927,738	420,000	1,901,580	1.69
2012	8,626,689	4,040,116	4,586,573	905,000	1,517,994	1.89
2011	8,439,791	3,842,094	4,597,697	869,980	1,548,758	1.90

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

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

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<u>Fiscal Year</u>	<u>Population</u>	<u>Total Population Income (Amounts in Thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2020	13,534	N/A	N/A	4.1
2019	12,915	995,924	43,693	2.6
2018	12,761	949,609	41,816	3.0
2017	12,550	881,703	38,925	3.5
2016	12,229	818,978	36,577	4.2
2015	11,830	803,471	33,032	4.7
2014	11,894	792,211	31,896	5.4
2013	11,541	728,395	31,323	5.9
2012	11,510	725,119	31,411	7.5
2011	11,487	674,988	31,936	8.6

N/A - Data is unavailable

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

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

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of</b>
			<b>Total City</b>			<b>Total City</b>
			<b>Employment</b>			<b>Employment</b>
Nassau County School District	1,598	1	11.81%	1,410	1	12.27%
Nassau County Government	672	2	4.97%	672	2	5.85%
WestRock CP, LLC	460	3	3.40%	473	3	4.12%
Baptist Medical Center Nassau	420	4	3.10%	413	4	3.60%
Rayonier Advanced Materials	300	5	2.22%	280	6	2.44%
City of Fernandina Beach	242	6	1.79%	227	7	1.98%
Publix	200	7	1.48%	- (1)	8	0.00%
Walmart - Fernandina Beach	126	8	0.93%	410	5	3.57%
Florida Public Utilities	60	9	0.44%	- (1)	9	0.00%
Winn Dixie	60	10	0.44%	- (1)	10	0.00%
<b>Totals</b>	<b>4,138</b>		<b>30.58%</b>	<b>3,885</b>		<b>33.82%</b>

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

(1) 2011 data not available

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

FUNCTION	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
City Clerk	4.00	4.00	4.00	4.00	4.00	3.50	4.50	4.50	4.50	4.50
City Manager	4.00	4.00	4.25	3.50	4.00	3.90	3.90	4.00	3.00	3.00
Finance	7.00	8.00	7.84	6.90	6.40	6.40	6.50	6.00	7.50	7.50
Information Technology	4.50	3.00	3.00	2.60	2.60	2.60	3.00	2.00	3.50	2.50
Human Resources	3.00	3.00	3.17	2.50	2.50	3.00	3.00	3.00	3.00	3.00
Legal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development-Planning	6.00	6.00	4.38	4.00	3.30	3.40	3.10	4.30	6.40	5.20
Public Safety										
Police										
Officers	38.00	38.00	37.50	35.50	33.50	32.50	32.50	32.50	34.50	36.50
Civilians	11.00	8.00	5.50	5.50	5.50	10.50	10.50	10.00	12.00	12.00
Fire										
Firefighters and Officers	34.00	34.00	33.00	33.00	31.00	31.00	30.50	32.00	33.00	33.00
Civilians	1.00	1.00	1.00	1.00	1.00	0.50	1.00	1.00	1.00	1.00
Building	12.00	10.00	9.90	7.70	6.15	6.15	5.80	5.10	8.40	6.30
Code Enforcement	2.50	2.50	1.73	1.90	2.10	1.50	1.10	1.10	0.00	0.00
Public Works										
Streets	10.50	20.50	18.50	18.50	17.50	15.50	15.50	15.00	9.00	8.50
Facility Maintenance	7.50	6.50	6.50	7.00	6.00	6.00	6.00	5.50	7.50	6.50
Culture and Recreation	46.00	31.00	31.00	29.00	34.00	34.00	34.00	34.00	31.50	41.50
Enterprise Funds										
Water	12.50	12.50	12.50	12.50	11.50	10.50	10.50	11.00	11.00	12.00
Airport	2.50	2.00	2.00	2.00	1.50	1.50	1.60	1.50	1.50	1.50
Golf Course										11.00
Marina										
Wastewater	13.50	13.50	13.50	13.50	13.00	13.00	13.00	16.00	18.00	17.00
Stormwater	6.00	6.00	4.75	2.50	0.50	0.00	0.50	0.00	1.00	1.00
Internal Service Funds										
Central Garage	3.0	3.0	3.0	3.0	3.00	3.00	3.00	3.00	3.00	3.00
Utility Billing	5.0	5.0	5.0	5.0	4.50	4.50	4.50	4.50	4.50	4.50
Utilities Administration	3.0	3.0	3.0	3.0	3.00	4.00	4.00	3.50	3.50	4.00

Data obtained from City of Fernandina Beach Finance Department

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

FUNCTION	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police										
Physical Arrests	243	350	386	255	362	675	675	686	572	631
Parking Violations	585	500	430	556	673	1,000	500	496	682	474
Traffic Violations	2,462	3,000	3,081	925	1,131	1,250	1,500	1,122	1,191	1,714
Number of calls answered	19,758	19,309	19,309	21,914	21,525	22,500	22,000	21,548	23,392	21,152
Fire										
Number of calls answered	3,279	3,057	3,057	2,678	2,200	2,200	2,200	2,200	1,858	3,620
Rescue Transports	1,573	1,516	1,516	1,448	1,300	1,200	1,200	1,200	1,200	N/A
Inspections	306	271	271	198	200	220	200	200	158	192
Transportation										
Street Resurfacing (in tons of asphalt used)	7,495	9,480	5,000	4,000	4,000	4,000	4,000	6,000	6,000	3,800
Potholes repaired (in tons of cold mix used)	22	25	25	30	30	30	30	43	43	50
Culture and Recreation *										
Participants - After school tutoring	70	50	50	50	50	50	50	57	57	55
Participants - Summer Camp	36	220	220	220	166	220	216	214	214	212
Participants - Adult Softball Leagues	251	700	700	700	700	700	640	629	629	501
Participants - Senior Programs	500	935	360	360	360	850	521	554	554	732
Water										
Number of Active Accounts	9,028	8,675	7,951	8,541	8,064	7,888	8,482	8,487	8,487	8,487
Annual Daily Pumpage (millions of gallons)	3.396	3.340	3.301	3.285	5.071	4.964	5.099	3.326	3.739	3.463
Wastewater										
Annual daily sewage treatment (millions of gallons)	1.704	1.741	1.669	1.593	1.741	1.755	1.802	1.550	1.54	1.85
Stormwater										
Streets Cleaned (miles)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,004	5,004	5,000
Drainage Cleaning (man hours)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,206	1,206	N/A
Golf*										
Rounds Played	34,552	39,254	39,057	46,317	41,904	42,231	39,674	49,003	49,003	49,594
Memberships	369	358	765	827	190	244	202	289	289	320
Marina										
Diesel Pumped (gallons)	0 **	0 **	0 **	0 **	503,500	398,354	195,000	272,651	279,613	263,760
Gas Pumped (gallons)	0 **	0 **	0 **	0 **	79,897	68,268	72,000	56,676	57,456	91,557
Boat Night Count	15,000	15,000	15,145	15,145	19,900	22,650	15,500	13,754	12,225	8,965

N/A - data not reported

\*FY20 data was impacted by the COVID-19 Pandemic and the temporary closure or suspension of City facilities and programs.

\*\* - Marina closed due to Hurricane Matthew damage

Data obtained from City of Fernandina Beach Finance Department

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

FUNCTION	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets (miles)	99.00	99.00	77.16	77.16	76.05	76.03	75.09	75.09	75.09	75.09
Street lights	1,178	1,178	1,178	1,178	1,173	1,168	1,168	1,190	1,239	1,042
Culture and Recreation										
Community Centers	3	3	3	3	3	3	3	3	3	3
Parks	18	18	18	18	18	18	18	18	18	16
Parks Acreage	446	446	446	446	446	446	446	446	446	418
Pickleball Courts	4	4	4	0	0	0	0	0	0	0
Golf Course	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	130	130	124	121	120	120	117	117	117	144
Maximum daily capacity (thousands of gallons)	18.2	18.2	18.0	18.2	18.2	18.2	18.2	18.2	18.2	18.2
Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sewer lines (miles)	102	102	102	98	97	97	95	95	95	65
Maximum daily treatment capacity (millions of gallons)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Treatment Plants	2	2	2	2	2	2	2	2	2	2
Stormwater										
Stormwater pipe (miles)	66	66	66	66	N/A	N/A	N/A	N/A	N/A	N/A
Drainage Structures	1,453	1,453	1,453	1,453	N/A	N/A	N/A	N/A	N/A	N/A
City maintained ponds	4	4	4	4	N/A	N/A	N/A	N/A	N/A	N/A

**N/A - Statistical data not accounted for**

**Statistical information obtained from the City's Finance Department**

## **OTHER INFORMATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

Federal and State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State CSFA Number	Contract Number	Program Amount	Expenditures
<b>Federal Financial Awards</b>					
<b>U.S. Department of Homeland Security</b>					
Passed-Through Florida Division of Emergency Management (FEMA):					
Disaster Grants - Public Assistance	97.036			\$ 1,576,955	\$ 1,576,955 (1)
City of Fernandina Beach Drainage Improvement	97.039		H0104	103,324	42,874
<b>Total U.S. Department of Homeland Security</b>				<u>1,680,279</u>	<u>1,619,829</u>
<b>U.S. Department of Justice</b>					
Federal Equitable Sharing Agreement	16.922		N/A	26,725	162,848
Passed-Through Florida Department of Law Enforcement:					
Edward Byrne Memorial Justice Assistance Grant	16.738		2020-JAGD-NASS-2-Y6-068	2,238	2,238
<b>Total U.S. Department of Justice</b>				<u>28,963</u>	<u>165,086</u>
<b>U.S. Department of Transportation</b>					
Airport Improvement Program:					
Design Only-Install Runway 04/22 Lighting (5,300 LF), Improve Airport Drainage, Rehab Runway 04/22	20.106		3-12-022-028-2019	148,500	114,345
Runway 4/22 Rehabilitation Project (U.S. Government CARES Act Funding)	20.106		3-12-0022-030-2020	30,000	30,000
Construction- Rehabilitate Runway 4/22 Southwestern Section and Lights (10% of \$2,478,458 is US CARES Act Funding)	20.106		3-12-0022-029-2020	2,478,458	30,048
<b>Total U.S. Department of Transportation</b>				<u>2,656,958</u>	<u>174,393</u>
<b>Total Federal Awards</b>				<u>4,366,200</u>	<u>1,959,308</u>

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



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
(Concluded)**

Federal and State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State CSFA Number	Contract Number	Program Amount	Expenditures
<b>State Financial Assistance Projects</b>					
<b>Florida Department of Environmental Protection</b>					
Statewide Surface Water Restoration and Wastewater Projects:					
Fernandina Beach Stormwater Shoreline Stabilization		37.033	LP45013	\$ 450,000	\$ 269,339
Increasing Access, Stewardship and Resiliency of Fernandina Beach Coastal Resources		37.098	R1921	<u>75,000</u>	<u>65,384</u>
<b>Total Florida Department of Environmental Protection</b>				<u>525,000</u>	<u>334,723</u>
<b>Florida Department of Transportation</b>					
Aviation Development Grants:					
Fernandina Beach Municipal Airport - Design and Construction Hangars		55.004	GIG99/434909-1-94-20	115,000	26,126
Airport Fuel Farm		55.004	G0Z26/438038-1-94-19	45,000	22,600
Airport Fuel Farm - Supplemental		55.004	G0Z26/438035-1-94-20	320,000	82,527
Fernandina Beach Municipal APT Rehab RW 4/22 Payment		55.004	GIC71/443809-1-94-01	<u>10,000</u>	<u>7,623</u>
<b>Total Florida Department of Transportation</b>				<u>490,000</u>	<u>138,876</u>
<b>Total State Financial Assistance</b>				<u>1,015,000</u>	<u>473,599</u>
<b>Total Federal Awards and State Financial Assistance</b>				<u>\$ 5,381,200</u>	<u>\$ 2,432,907</u>

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

**Note 1 - General**

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

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2020. All federal awards and state financial assistance received directly from federal agencies or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

**Note 2 - Basis of Accounting**

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

**Note 3 - De Minimis Indirect Cost Rate Election**

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA**

**1. Summary of Audit Results**

**Financial Statements**

**I. Type of Audit Report Issued on Financial Statements**

Unmodified Opinion

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

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

**III. Non-Compliance Material to Auditee Financial Statements**

Audit disclosed no material instances of non-compliance.

**Federal Awards**

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

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

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

Unmodified Opinion

**VI. Audit Findings Relative to Major Federal Programs**

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

**VII. Programs Tested as Major Federal Programs Included**

■ **Federal Programs**

Disaster Grants – Public Assistance

CFDA No.

97.036

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

■ **Federal Programs**

\$750,000

**IX. Low-Risk Auditee**

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020  
CITY OF FERNANDINA BEACH, FLORIDA  
*(Concluded)***

**Financial Statement Findings**

No matters are reported

**Federal Awards Findings and Questioned Costs**

No matters are reported

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

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Fernandina Beach, Florida’s, (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the City’s major Federal program for the year ended September 30, 2020. The City’s major Federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

CERTIFIED PUBLIC ACCOUNTANTS

*Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland*

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An Independent Member of the BDO Alliance USA

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

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

**Report on Internal Control Over Compliance**

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

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

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

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



March 29, 2021  
Gainesville, Florida

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2021.

**Internal Control over Financial Reporting**

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

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

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



March 29, 2021  
Gainesville, Florida



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

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

We have examined the City of Fernandina Beach's (the City) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020. Management of the City is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020.

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



March 29, 2021  
Gainesville, Florida

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the City of Fernandina Beach, Florida (the City) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 29, 2021.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 29, 2021, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such recommendations made in the preceding annual financial report.

### Official Title and Legal Authority

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

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

## MANAGEMENT LETTER

### Financial Condition and Management

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

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

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

### Special District Component Units

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

### Additional Matters

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

### Purpose of this Letter

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

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



March 29, 2021  
Gainesville, Florida

**AFFIDAVIT**

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

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

FURTHER AFFIANT SAYETH NAUGHT.


  
 \_\_\_\_\_  
 Pauline Testagrose

STATE OF FLORIDA  
COUNTY OF NASSAU

SWORN TO AND SUBSCRIBED before me this 29<sup>th</sup> day of March, 20XX.



Katie A. Newton  
 NOTARY PUBLIC  
 STATE OF FLORIDA  
 Comm# GG123910  
 Expires 7/13/2021

  
 \_\_\_\_\_  
 NOTARY PUBLIC  
 Print Name Katie A. Newton

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

7/13/2021

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the City) for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 8, 2018. Professional standards also require that we communicate to you the following information related to our audit:

### **Qualitative Aspects of Accounting Practices**

#### **Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for uncollectible accounts which is based on historical trends and an analysis of the aging of individual accounts.
- Management's estimate of depreciation and accumulated depreciation of fixed assets which are based on useful lives determined by asset type.

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- Management's estimate of unbilled revenues which is based on the estimated usage of cycles not billed until after year-end.
- Management's estimate of the total OPEB liability for the City's other postemployment benefits provided to its employees is based on an actuarial valuation performed by a qualified actuary. The total OPEB liability is measured using various actuarial assumptions. The City's other postemployment benefits are on a pay-as-you-go basis, and, therefore, there are no plan assets. These actuarial assumptions, if changed, could have a significant impact on the recorded amounts. Management's allocation of the net OPEB liability is also considered a significant estimate and is based on the number of active and retired employees in each department.
- Management's estimate of the net pension liability for the City's defined benefit pension plans is based on an actuarial valuation performed by a qualified actuary. As permitted by GASB Statement No. 68, the City elected to use a measurement date to record the net pension liability and related deferred inflows and outflows, that is one year prior to the reporting date. The net pension liability represents the difference between the value of pension plan assets and the total pension liability, which is measured using various actuarial assumptions. These assumptions, if changed, could have a significant impact on the recorded amounts. Management's allocation of the net pension liability is also considered a significant estimate and is based on employee compensation in each department.
- Management's estimate of compensated absences which is based on payroll data as of year-end, including the employees' current rate of pay and accrued hours for vacation and sick leave.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

#### **Financial Statement Note Disclosures**

The financial statement disclosures are neutral, consistent, and clear.

#### **Difficulties Encountered in Performing the Audit**

We are pleased to report we encountered no difficulties in dealing with management in performing and completing our audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statement taken as a whole.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated March 29, 2021.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the Required Supplementary Information (RSI) as identified in the table of contents of the financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which consists of the combining and individual non-major fund statements and other schedules and the schedule of expenditures of federal awards and state financial assistance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

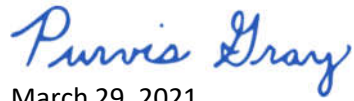
We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

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

**Upcoming Governmental Accounting Standards Board (GASB) Pronouncements**

GASB issued GASB Statement No. 87 – *Leases*, which is effective for the City’s fiscal year ending September 30, 2022. This standard will require that all long-term, non-cancelable leases, with certain exceptions, be recorded as long-term liabilities on the balance sheet with a corresponding “right to use” asset, both of which will be reduced over the life of the lease agreement.

This information is intended solely for the use of the Honorable Mayor, City Commissioners, and management, and is not intended to be and should not be used by anyone other than these specified parties.



March 29, 2021  
Gainesville, Florida



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