

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2020



CITY OF ST. AUGUSTINE, FLORIDA

Located on Saint Augustine’s historic bayfront, 1 Anderson Circle was originally built between 1899 and 1904. It served as a residence for Mr. Charles F. Hamblen and his wife Antonia. Mr. Hamblen was a prominent local businessman and established a hardware store in 1875 that would later become Florida’s oldest hardware store and one of the oldest businesses in Saint Augustine.

After his death, Mr. Hamblen requested in his will that the house be left to “The Hamblen Club”. It became a clubhouse for the city’s working men to congregate and included a restaurant, billiards, dominoes, and card games.

Between the early 1940s to 2018 the building housed the American Legion Post Number 37. The post is noted as having one of the first woman American Legion commanders in the United States. Today, the building features a Mediterranean Revival style and is currently undergoing a period of transition.

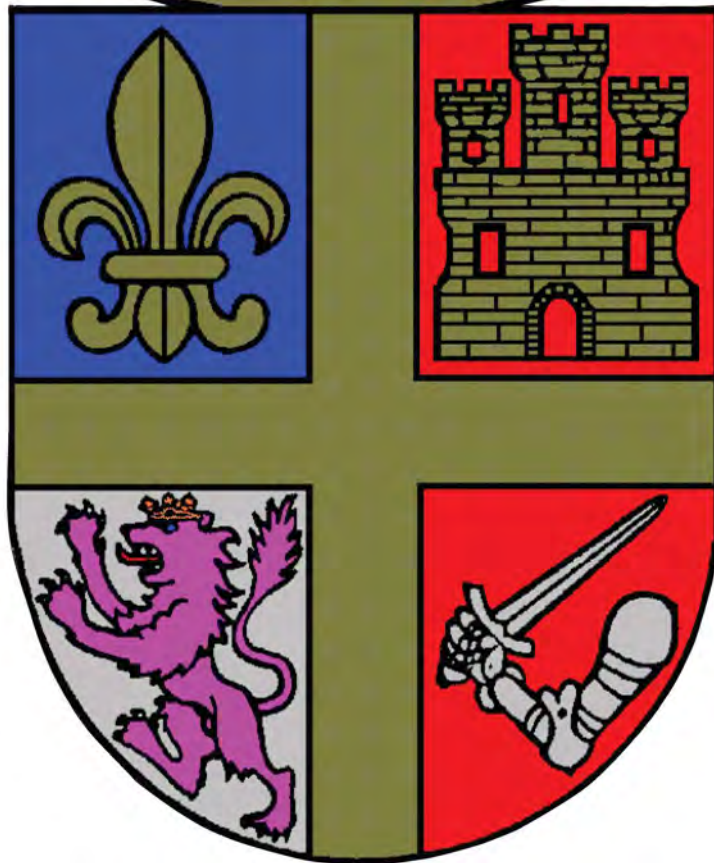
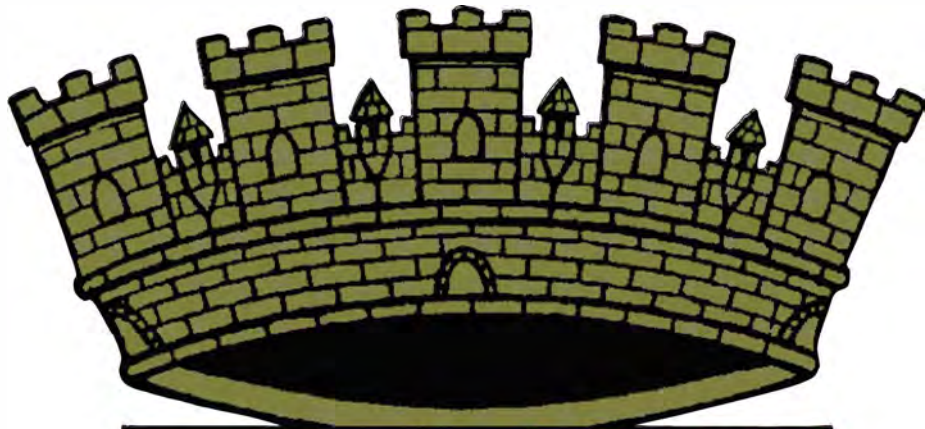
*Cover Photo: St. Augustine Historical Society Research Library
Hamblen House/American Legion Building, 1 Anderson Circle, Circa 1927*

City of St. Augustine, Florida

Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2020

Prepared By:
Financial Services Department

Mark E. Simpson, CPA
Director



CITY OF ST. AUGUSTINE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2020

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Letter of Transmittal



March 31, 2021

Honorable Mayor and Commissioners
City of St. Augustine, Florida

Mayor and Commissioners:

The Comprehensive Annual Financial Report of the City of St. Augustine, Florida, for the fiscal year ended September 30, 2020, is submitted herewith, pursuant to Florida Statutes Chapter 166.241 (4) and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This Comprehensive Annual Financial Report was prepared by the staff of the City's Financial Services Department, therefore, responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City believes the data, as presented, is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of activity of its various funds, and all disclosures necessary to enable the readers to gain maximum understanding of the City's financial activity have been included.

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

The independent accounting firm of Masters, Smith & Wisby, P.A., whose report is included herein, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by City management, and evaluating the overall financial statement presentation.

City of St. Augustine, Florida
Letter of Transmittal

Based upon the audit, Masters, Smith & Wisby, P.A. concluded there is a reasonable basis for rendering an unmodified opinion that the City's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States.

GOVERNMENT PROFILE

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

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

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

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

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

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

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

As predicted, the City's ad valorem tax revenues increased in fiscal year 2020. The growth has been due to new construction and renovation activity. For 2020 the City's total taxable value increased to \$2,006,740,125. This represents the total taxable value for the 2021 budget year and results in ad valorem revenue of approximately \$14,735,000.

The City opened the fiscal year recovering from Hurricane Dorian. Fortunately, this event was least impactful, compared to the weather conditions of Hurricanes Matthew and Irma; however, our recovery still required extensive effort. The improvements in our infrastructure and operations

management have proven to make us a more resilient community and was evident with almost no break in water and sewer service to our businesses and residents.

CHALLENGES AND CONCERNS

COVID-19

In early March 2020 COVID-19 met the definition of community spread. The City Commission adopted an emergency declaration form of governance which changes the role and responsibility of the City Manager.

The pandemic required decisive action by the City to "flatten the curve". Everything the City did followed the science, keeping the result in mind, which was to reestablish the economy as quickly as possible. The City cancelled major events, revised the City labor policies, revised City Hall operations, increased communications, implemented a mask mandate, ordered personal protective equipment and supplied it to the City businesses so that they could have a quick reopening. The City developed new tools to monitor COVID-19 such as the Kinsa thermometer program and wastewater monitoring protocols. The City communicated to its workforce that they are "essential" and have a social responsibility beyond the average person. To date, the City has had 34 COVID-19 positive cases in the City workforce of 375.

The City took a proactive science-based approach to the City testing, contact tracing and isolation protocols and increased internet technology to deliver services. All efforts were directed to limit the spread in the workforce. The Fire Chief created a third fire station at the Florida School for the Deaf and the Blind. This was an innovative solution to keep the workforce safe.

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

Major Initiatives/Objectives

Management's purpose is to continue to provide the same or an improved level of service while managing future growth through sound fiscal management and being cognizant of limited resources. The City is very fortunate to continue experiencing substantial growth in both development and tourism within the local economy. The City's challenge now is managing the growth in a way that promotes a successful economic environment and protects the quality of life for the community.

OBJECTIVE 1: Infrastructure Planning and Construction

1. Continued West Augustine Sewer Expansion and implemented connection fee grant program
2. Completed West 2nd St. sanitary sewer construction
3. Completed Phase 1 of West 5th Street sanitary sewer

City of St. Augustine, Florida
Letter of Transmittal

4. Began Phase 2 of West 5th Street sanitary sewer construction
5. Completed entire rebuild of Lift Station #3
6. Completed CDBG funds/LCRA and city funds of rebuild of DeHaven and South Street
7. Completed entire rebuild of Charlotte St. from King St. to Bridge St.
8. Completed design of 13 FEMA-funded lift station entire rebuilds (now under construction)
9. Focused repaving in western city limits
10. Completed replacement of 14,000 ft. of North City Water lines
11. Numerous other projects

OBJECTIVE 2: Mobility Planning and Construction

1. Adopted Long Range Mobility Plan
2. Promoted bicycle mobility as epitomized by the St. Johns River to Sea Loop
3. Completed Valencia Street Crosswalk
4. Completed Malaga crosswalk
5. Design contract executed for Phase 2 of downtown curb less complete streets
6. Private/Public agreement to rebuild Cuna St. between Charlotte and Avenida Menendez
7. Approved crosswalk at Anastasia Blvd. and Zorayda (under design)
8. Completed King Street Masterplan and conducted 5 workshops

OBJECTIVE 3: Zoning Update & Building Code Update

1. Completed Short Term Rental (STR) legislation and commenced registration
2. Defended Home Rule on STR legislation
3. Completed update to the Comprehensive Plan
4. Rezoned 415 S. Ponce Street property from PUD
5. Established criteria for Corridor Review Committee
6. Implemented electronic customer service as part of COVID-19 plan

OBJECTIVE 4: Resiliency, Sustainability & Sea Level Rise Planning, and Implementation

1. Obtained Class 5 rating in the National Flood Insurance Program Community Rating System
2. Completed and approved Comprehensive Plan "Perils of Flood" section
3. Implemented tree mitigation fund to aid canopy replacement
4. Completed construction of Coquina Park
5. Repaired critical storm lines and installed additional stormwater backwater valves
6. Obtained grant to study "Vulnerability of Septic Tanks to Seal Level Rise and Storm Surge"

7. Completed Fish Island lease agreement, property clean up and management plan development
8. Flood-proofed the Wastewater Treatment Plant
9. Conducted sustainability workshop with the City Commission
10. Completed "Resilient Heritage in the Nation's Oldest City" study
11. Advanced Lake Maria Sanchez stormwater improvement design
12. Created 2 new legal instruments to work with private property owners to construct berms

OBJECTIVE 5: Arts, Education and Community

1. Renewed Sister Cities relationship with Aviles and Menorca
2. Renamed Bravo Street to Carrie Johnson Way
3. Relocated the Confederate Memorial
4. Established Herbie and Annett Wiles Park
5. Initiated Lighthouse Community Garden

OBJECTIVE 6: Enhance our Community Partnerships to Affect Change in Affordable/Workforce Housing and Homelessness

1. Homeless outreach services as reported by the Police Chief
2. Continued contractual relationship with St. Francis House for standby bed capacity to enforce the no camping ordinance
3. Continued support for Home Again St. Johns

OBJECTIVE 7: Proactive Planning to Preserve our Downtown Character

1. Implemented a quadrupling of downtown street cleaning and solid waste control
2. Established private partnership to construct new street lighting
3. Increased police presence downtown
4. Increased homeless outreach services and community-oriented policing
5. Successful implementation of the "time, place, manner" panhandling ordinance with no legal challenges

OBJECTIVE 8: Event, Planning and Management

1. Adjusted event management for COVID-19 response
2. Cancelled major events that could increase COVID-19 transmission
3. Adjusted the lighting schedule for Nights of Lights to jump-start the holiday economy

OBJECTIVE 9: Capital Plan Financing

1. Took immediate budget steps to balance declining revenues due to COVID-19
2. Completed the fiscal year within budget that included the unanticipated expense to relocate the Confederate Memorial
3. Created a balanced FY20/21 budget with COVID-19 impact on declining revenues
4. Maintained Capital Plan financing plan with declining revenues
5. Completed the Certified Annual Financial Report (CAFR) and received an "Excellence in Financial Reporting" with a complete revamp of financial services personnel
6. Hired the Community Redevelopment Agency Administrator

Strategic Planning

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

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

Fiscal Management

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

The City's current bond ratings are favorable. The City current S&P ratings range from AA to A+. The City current Moody's ratings are Aa3 for both Capital Improvement Refunding Revenue Bonds. In layman's terms, these are excellent credit ratings that have been achieved by a hard fought, long-term commitment to raise the City's credit rating. This was made possible by a commitment from elected officials, management, and all departments. Fitch ratings undertook routine surveillance on the City's capital improvement revenue bond credit rating in November 2019. The result of that process was an upgrade of the bond rating from AA- to A+. The upgrade

reflected strong and improving revenue growth, spending controls and a millage rate below the statutory limit.

Police Department Accreditation

The City of St. Augustine Police Department is currently in the process of completing accreditation through the Florida Police Accreditation Coalition. During the 2018 Fiscal Year, the St. Augustine Police Department completed an assessment to determine the needs and readiness of the agency and the City of St. Augustine. Four major points were identified during the assessment to successfully achieve the accreditation: the need for an accreditation manager, acquiring the proper software (PowerDMS), completing an on-site inspection by accreditation officials, and becoming a member of the FLA-PAC website. Three of the four major points were addressed during the 2020 Fiscal Year. The Accreditation Manager position was approved and filled. PowerDMS was purchased and implemented, and the Police Department is now a member of the FLA-PAC. The St. Augustine Police Department has filed the necessary application for Accreditation and the contract has been approved. A mock assessment was scheduled around June of 2020 but was postponed due to COVID-19. The on-site inspection for Accreditation is scheduled for April 2021.

<u>Year</u>	<u>Total Crime Index</u>
2015	829
2016	758
2017	612
2018	664
2019	547
2020	533

Fire Department Custom Fire Pumper

The City purchased a new 2020 E-One Rescue Pumper on a Typhoon chassis. The total cost of the purchase was \$548,975. This vehicle will replace Engine 42, a 2011 Ferrara Pumper Truck, once the build is complete. The City committed \$105,000 to completing a refurbishment of 2004 E-one Typhoon Pumper. The upgrades enhanced safety features on the truck and is expected to extend the life span of the truck by 8 to 10 years which will take the total ownership time of the truck to 23/25 years. \$75,000 of the total project costs came from the sale of the 2011 Ferrara Pumper. The Ferrara pumper had higher than anticipated maintenance costs and extended out of service times due to lack of support from the manufacturer.

City of St. Augustine, Florida
 Letter of Transmittal

<u>Year</u>	<u>Calls</u>	<u>Building Fires</u>	<u>Total Fires</u>
FY 18/19	4,202	42	92
FY19/20	4,009	63	125

Communications

The City has broadened the scope of outreach of the Communications Department and made changes to media protocol in 2020. The Communications Director screens media inquiries and coordinates staff interviews at the convenience of the City subject matter experts. This ensures that staff are not directly contacted by media, and that the City Communications Department acts as the gatekeeper of all outgoing communications.

Below are the growth numbers of the City followers on social media and subscribers of the City's weekly e-newsletter, *News & Notes*:

Facebook	25%
Twitter	28%
Instagram	194%
News & Notes	26%

General Services

Closed 13 grants for a total value of \$1,799,210.

<u>Year</u>	<u>Vehicle Repair Orders</u>	<u>Purchase Orders Issued</u>
FY 17/18	1,097	1,781
FY 18/19	1,418	1,778
FY 19/20	1,891	1,543

Note: Purchase order decrease due to COVID-19 spending slow down for a variety of reasons including management policy to cut spending. Also, hurricane recovery contributed to high purchase order volume of FY17/18 and FY18/19.

Salt Run Dredging

The City has secured grant funding from FIND totaling \$200,000 and \$50,000 from the SAPWBD for phase 11 of the City Salt Run maintenance dredging. The City anticipates that it will begin

dredging the Winter of 2023 utilizing grant funding secured in fiscal year 2020, and future grant funding in FY 2021 and 2022.

Historic Alcazar Hotel

The City budgeted money in FY 2019-20 to restore and reinstall "ALCAZAR" on top of the Lightner Museum building. This project was approved by HARB. Because of COVID-19 this project was delayed and is scheduled to be completed by September 2021.

OTHER CITY PROJECTS

Utility Rates

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

Utility Capital Improvements

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

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

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

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

Management Agency (FEMA) for replacement of the damaged pump stations. Design for these 13 stations began in fiscal year 2017, continued in 2018 and 2019 with construction currently underway.

Meter Upgrades and Water Conservation

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

Stormwater

The stormwater system remains on the forefront of major infrastructure issues for the City. With three hurricanes (Matthew, Irma and Dorian) and a number of nuisance flooding events, building resiliency and adaptability into the City's stormwater program has become one of the top issues facing the City. Since 2017, the City has been successful in leveraging state and federal dollars to complete a number of flood mitigation and stormwater related projects that have been reported on previously. For fiscal year 2019-2020, the City was awarded a grant from the Florida Department of Environmental Protection through its Florida Resilient Coastlines Program to install 10 additional tide check valves in 2020, bringing the total number of installed tide check valves Citywide to 43. The remaining 60+ stormwater outfalls, will be prioritized for retrofitting as part of the Stormwater Outfall Resiliency Retrofit Master Plan (to be completed in 2021). As part of that effort, the City will also coordinate with the Florida Department of Transportation (FDOT) to retrofit FDOT stormwater outfalls that affect the City's stormwater system, which contributes to the nuisance flooding.

The City completed a major utility rehabilitation and drainage improvement project in Lincolnville in FY 2019-2020. That project was funded through the Department of Economic Opportunity's (DEO) small cities Community Development Block Grant (CDBG) program and the St. Johns River Water Management District's cooperative cost share funding program. By leveraging these funds, the City was able to complete installation of new stormwater infrastructure, replacement of existing water main pipe, upgrades to existing sanitary sewer services and milling and resurfacing of approximately 1.4 miles of roadway in the Lincolnville neighborhood.

City of St. Augustine, Florida
Letter of Transmittal

The City still has federal funding from FEMA through its Hazard Mitigation Grant Program (HMGP) for Phase 1 design for two projects (1) the Lake Maria Sanchez Flood mitigation and Drainage Improvements and (2) South Whitney West King Street Flood Mitigation and Drainage Improvements. The Phase 1 design for the Lake Maria Sanchez project is still underway, expected to be completed in 2021. The Phase 1 design for South Whitney and West King Street is completed and has been submitted to FEMA for review. FEMA will need to approve this project for Phase 2 (construction) and it is anticipated that a decision will be made by FEMA in 2021.

The City was notified in September 2020 that it will be receiving HMGP funding for Phase 1 design for the Avenida Menendez Flood Barrier. This funding will enable the City to initiate design to rehabilitate and reinforce the existing seawall to support the final section of seawall that needs to be elevated to match the existing north and south portions of the recently completed Bayfront Park project and the newer completed section of the Avenida Menendez Seawall. Phase 1 (design and permitting) for this project is expected to be completed in 2021.

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

Year Water Quality Complaints

2014	228
2015	266
2018	42
2019	51
2020	43

<u>Private Development Projects</u>	<u>FY 2019</u>	<u>FY2020</u>
Projects Submitted for Review	29	39
Projects Approved	32	36
Projects Starting Construction	19	22
Projects Completed/Closed Out	10	19

Utility and Stormwater Infrastructure

Development continued to grow through fiscal year 2020 for new connections and the re-start of dormant projects. Demand for services and revenue continues to grow, placing burdens on limited staff resources. After years of aggressively attacking water line replacements, the City is preparing to move into a capital plan focused on the sewer system and its infrastructure to improve its reliability and resiliency to flooding.

Planning and Building

	<u>Building Permits Issued</u>	<u>Total Valuation</u>
FY 17/18	1900	\$95,261,887.50
FY 18/19	1851	\$138,669,294.37
FY 19/20	1668	\$63,799,935.83

Note: FY 2019/2020 reflects the impact of COVID-19 and national uncertainty. Also, hurricane recovery contributed to the high volume of permitting of FY17/18 and FY18/19.

ECONOMIC DEVELOPMENT

Marriott Renaissance Hotel - The San Marco Hotel

A new Marriott Renaissance Hotel is under construction and is anticipated to be completed in 2021. This is an 89-room full-service luxury hotel at the intersection of San Marco Avenue and Castillo Drive, north of the Visitor Information Center, and directly adjacent to the Historic Downtown Parking Facility. This redevelopment eliminated three outdated commercial buildings at the entrance to the Historic District and provide an additional hotel experience for St. Augustine visitors.

Marriott Tribute Hotel - 5 Prawn Street

A new Marriott Tribute Hotel is under construction and is anticipated to be completed in 2021. This is a 51-room luxury boutique hotel on the San Sebastian River, adjacent to King Street and Prawn Street, on an entry corridor to the downtown Historic Districts.

Hilton Homewood Suites Hotel- JO Prawn Street

A new Hilton Homewood Suites is under construction and is anticipated to be completed in 2021. This is a 117-room full-service hotel and marina on the San Sebastian River on Prawn Street, with direct access to downtown St. Augustine and the Historic Districts.

Comfort Suites Hotel - US 1 North

A new Comfort Suites Hotel has been permitted and is expected to break ground in 2021. This is an 86-room hotel with easy access to Highway US 1 and downtown.

Lincolntonville Development Activity

The Lincolntonville Community Redevelopment Area (LCRA) and the St. Augustine Community Redevelopment Agency (CRA) has funded various aspects of community redevelopment for this fiscal year. This includes the popular "fix-it-up" program, a partnership with the St. Johns Housing Partnership, to rehabilitate distressed homes for qualified individuals in the neighborhood. A new program to rehabilitate distressed historic church and institutional properties has also been funded.

Property values are increasing in Lincolnville with the construction of new homes and renovation of older ones. This neighborhood is experiencing dynamic positive change as properties are being refurbished and transformed.

San Marco Avenue

Along San Marco Avenue, the continued rehabilitation of the City-owned Waterworks Building is entering into its final phase. Also on San Marco Avenue at the May Street intersection, the Florida Department of Transportation will complete a lengthy redevelopment of this busy intersection in 2021, which will improve access to St. Augustine and the Beaches.

Antigua at St. Augustine

The Antigua at St. Augustine development includes a high-end apartment development with 200 units, which has recently been completed and a townhouse and single-family home development with 165 units which is also under construction. Docks and viewing platforms have been constructed along the north side of the development for residential access to the water and a public access walkway is planned for the apartment site. These developments will continue into 2021.

Plantation Island Drive South (PIDS)

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

Fish Island

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

The Landing

The Landing is a multifamily development of 585 apartments, located on the west side of U.S. 1 North, south of the St. Johns County Government courthouse complex, the first phase has been completed and the final phase is under construction and will be completed in 2021.

Madeira

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

Real Estate Development, Business Development and Regulatory Updates

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

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

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

Historic Preservation Activity

The Historic Preservation Division of the Planning and Building Department remains very active with development activity in the private and public sectors. The Archaeology Program reviewed the second highest number of archaeological reviews in the program's history and major benchmarks were the completion of field excavations in the Plaza and Charlotte Street. In addition to development review, several comprehensive planning projects were completed including the Historic Preservation Element of the Comprehensive Plan, the West Augustine historic resource survey, and the Resilient Heritage in the Nation's Oldest City publication. The Division has been successful again this year in securing grant funds for projects underway which amount to over \$700,000 in grant funds for five projects including the ongoing rehabilitation of the historic Waterworks Building. Administration of public hearings required some changes this year to convert HARB hearings to a digital meeting platform and implementing the newly appointed Corridor Review Committee. All efforts further the priorities identified in the 2018 Historic Preservation Master Plan.

Transportation and Mobility Planning

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

Mobility Planning

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

While the Mobility Plan continues to evolve, the City is concurrently implementing several of the derived Mobility Improvements. A shuttle system for transporting visitors from satellite parking lots to the City's Visitor Information Center is in its fourth year. It was implemented during the 4th of July the weekend in 2016, on Saturdays during the Nights of Lights season and during events in the spring. As the shuttle system progresses, it is intensely monitored and improved. Ridership increased by 42% from the spring of 2017 to the spring of 2018. Ridership in 2019 exceeded 18,000 passengers during the Nights of Lights. COVID-19 forced the city to suspend the program in 2020.

Smart Parking and Freight Loading Zone Management Study

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

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

All Loading Zones throughout the City have been inventoried and are being improved as budget and time allows. Truck routes have been developed and are being improved. The City has selected parking vendors and launched a smart parking system for the City's on-street and off-street parking lots. New services have been deployed such as a mobile pay application to pay for parking and a new parking management platform that creates a real-time parking enforcement environment and allows for parking citations to be paid online. This upcoming year the City will be overhauling the

City of St. Augustine, Florida
Letter of Transmittal

parking garage's access management system and integrating it into the on-street and off-street parking system to create a fully integrated parking system. The City will also be creating digital permits that can be managed and issued through the newly deployed parking management system.

Bikeshare

The City entered a contract with Gotcha, LLC to operate a bikeshare system within city limits. The program is funded by sponsorship. Flagler Health Plus is the main sponsor and has agreed to sponsor the program for five (5) years. All permits and board approvals the were acquired in 2019. The system plans to launch in Summer 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Reporting Achievement

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



John P. Regan, P.E.
City Manager

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of St. Augustine
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

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Principal City Officials

City of St. Augustine

Comprehensive Annual Financial Report For the Year Ended September 30th, 2020

Principal City Officials

City Commission

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

City Staff

City Manager.....	John Regan
City Attorney.....	Isabelle Lopez
City Clerk.....	Darlene Galambos
Assistant City Manager.....	Meredith Breidenstein
Director, Financial Services.....	Mark Simpson
Police Chief.....	Barry Fox
Fire Chief.....	Carlos Aviles
Director, General Services.....	James Piggott
Director, Human Resources.....	Donna Hayes
Director, Planning & Building.....	David Birchim
Director, Public Works.....	Reuben Franklin
Director, Utilities.....	Todd Grant

City Boards & Committees

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

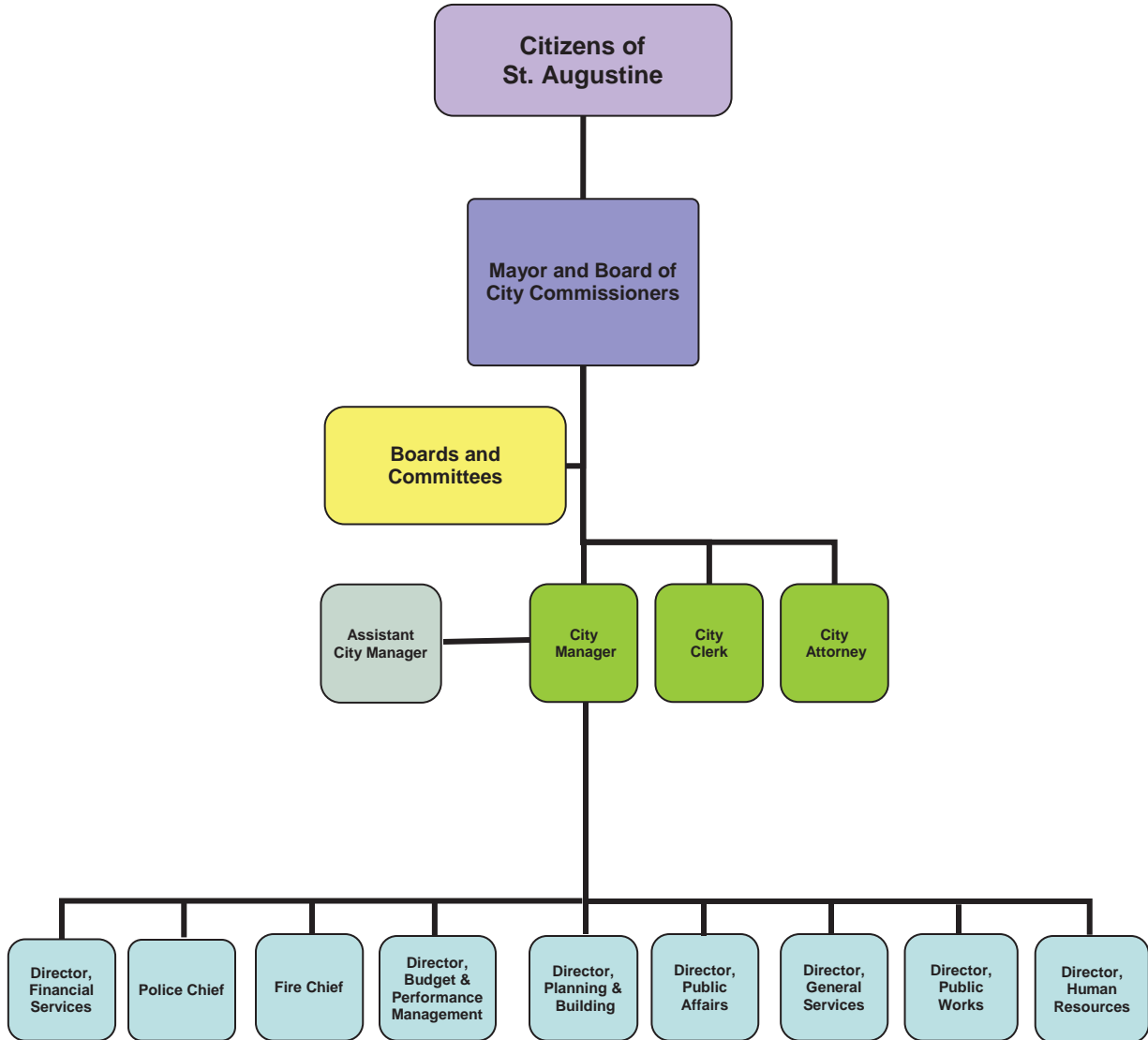
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Organizational Chart

City of St. Augustine

Comprehensive Annual Financial Report For the Year Ended September 30th, 2020

City Government Organizational Chart



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FINANCIAL SECTION

This Section Contains the Following:

Independent Auditor's Report

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

Basic Financial Statements

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

Combining Statements

**Schedule of Expenditures of
Federal Awards**

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of St. Augustine, Florida (the City) as of and for the year ended September 30, 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.

Managements Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Fire Pension Trust Fund, which represents 18%, 17% and 17%, respectively of the assets, net position and additions to the pension trust fiduciary fund. Those statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the Fire Pension Trust Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2021 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Master, Smith & Widy, P. A.

Certified Public Accountants
Jacksonville, Florida

March 31, 2021

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Management Discussion & Analysis

Management Discussion and Analysis

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

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

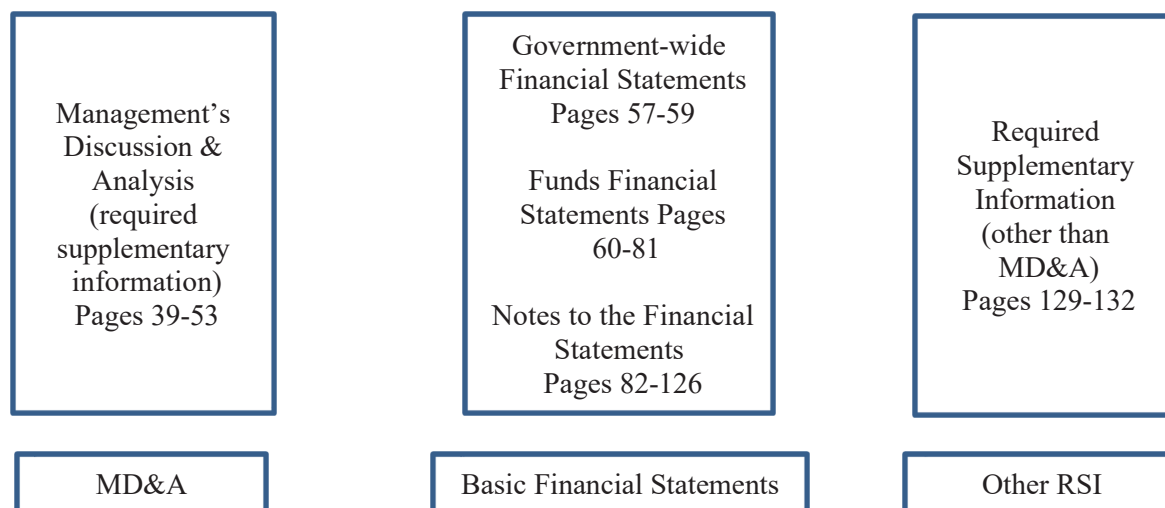
Financial Highlights

- The City's total assets and deferred outflow of resources exceeded its total liabilities and deferred inflow of resources at September 30, 2020 by \$137,392,609 (net position). Of this, \$27,604,743 (unrestricted) can be used to meet the government's ongoing obligations to citizens and creditors. The City's net position increased during the fiscal year by \$11,216,369 (9%)
- Governmental net position increased by \$2,293,829 for the current fiscal year, and increased governmental unrestricted net assets to \$6,881,874 (36%) of total net position. The General Fund is the largest of the governmental funds. Revenues in the General fund were affected by COVID-19 and came in less than budgeted and the city had to curb planned expenditures as a result.
- Business-type net position increased by \$8,922,540 for the current fiscal year and business-type unrestricted net assets were equal to \$20,722,869 (18%) of total net position.
- The governmental activities program revenues decreased by \$775,459. The current year's activities produced an increase in net assets of \$2,293,829 compared to the previous year's increase of \$1,618,215.
- The business-type activities program revenue decreased by \$2,650,644. Business-type activities reported \$7,266,673 in Capital Grants and Contributions in the prior fiscal year. This year, those revenues made up \$3,834,561 of business-type activities which represents a \$3,432,112 decrease.
- The City's total debt associated with bonds and lease obligations decreased by a net \$3,807,430 during the fiscal year. This decrease is primarily due to a \$2.455 million loan payment of the Series 2012 water & sewer revenue bonds.
- The fiscal year 2021 budget was adopted conservatively due to COVID-19 and thus far revenues are rebounding as expected and the City is comfortable with its financial position as of this publication.

Overview of the Financial Statements

Using the Annual Report

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



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

Government-wide Financial Statements

The government-wide financial statements found on pages 57-59, report on the City as a whole. The statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. There are two government-wide statements. Both distinguish functions of the City that are principally supported by taxes, licenses and permits, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening. However, other factors should be considered such as the condition of the City's capital assets to assess the overall health of the City.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

The fund financial statements found on pages 60-81, are more familiar to the traditional users of governmental financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The City chose to

include the required budget-to-actual comparisons in the fund financial statements of its financial report. The City has three fund categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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

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

Notes to the Financial Statements & Other Information

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

Financial Analysis

City as a whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$137,392,609 as of September 30, 2020. A portion of the City's net position of \$102,037,534 (74%) reflects the net investments in capital assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending.

Restricted net position of the City in the amount of \$7,750,332 is reported in both governmental and business-type activities. This restricted net position has limits on its use that are externally imposed.

Unrestricted net position of the City in the amount of \$27,604,743 can be used to meet the City's ongoing obligations to citizens and creditors. The terms restricted and unrestricted are governed by generally accepted accounting principles and do not fully consider City management decisions regarding spending limitations. Accounting principles may not restrict some amounts that have been earmarked for future uses governed by policy decisions and plans.

Fiscal year 2020 began as anticipated and the first five months saw modest growth, however COVID-19 forced the city to shut down in March just before a busy season of festivals, spring break, fourth of July fireworks, and summer vacations. The remainder of the fiscal year was consumed by attempting to minimize costs due to lost revenues from parking, sales tax, rent, and other shared governmental revenues. The city was able to avoid deficits in all funds with the exception of the Visitor Information fund which lost \$1.3 million in parking revenue.

Property tax revenue from new construction and rehabilitation continues to grow annually. The COVID-19 pandemic resulted in a temporary reduction of building permit activities.

The tourism economy and revenue associated to this industry, including parking fees, sales tax and tourist development taxes continues to directly reflect this market today due to the State of Florida being re-opened. The city's streets, hotels, and tour trains are once again full of visitors. While the COVID-19 disruption is in the past, there is modest concern about an uncertain future.

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

CITY OF ST. AUGUSTINE, FLORIDA
Summary of Net Position as of September 30, 2020, with comparative date for 2019
(in thousands)

	Governmental		Business-type		Total Primary Government	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and Other Assets	18,078	16,838	32,541	30,972	50,619	47,810
Capital Assets	32,656	32,508	126,039	122,916	158,695	155,424
Total Assets	\$ 50,734	\$ 49,346	\$ 158,580	\$ 153,888	\$ 209,314	\$ 203,234
Contributions to Pension Plans	2,726	5,389	666	1,409	3,392	6,798
Unamortized Loss on Refunding	1,987	2,080	689	758	2,676	2,838
Total Deferred Outflow of Resources	\$ 4,713	\$ 7,469	\$ 1,355	\$ 2,167	\$ 6,068	\$ 9,636
Current and Other Liabilities	10,750	12,352	6,896	8,489	17,646	20,841
Long-Term Debt Outstanding	24,366	24,938	34,279	37,514	58,645	62,452
Total Liabilities	\$ 35,116	\$ 37,290	\$ 41,175	\$ 46,003	\$ 76,291	\$ 83,293
Pension Deferrals	935	2,320	196	349	1,131	2,669
OPEB Deferrals	394	497	173	235	567	732
Total Deferred Inflow of Resources	\$ 1,329	\$ 2,817	\$ 369	\$ 584	\$ 1,698	\$ 3,401
Net Position:						
Net Investment in Capital Assets	10,277	9,650	91,761	86,160	102,038	95,810
Restricted	1,844	2,010	5,907	4,488	7,751	6,498
Unrestricted	6,881	5,048	20,723	18,820	27,604	23,868
Total Net Position	\$ 19,002	\$ 16,708	\$ 118,391	\$ 109,468	\$ 137,393	\$ 126,176

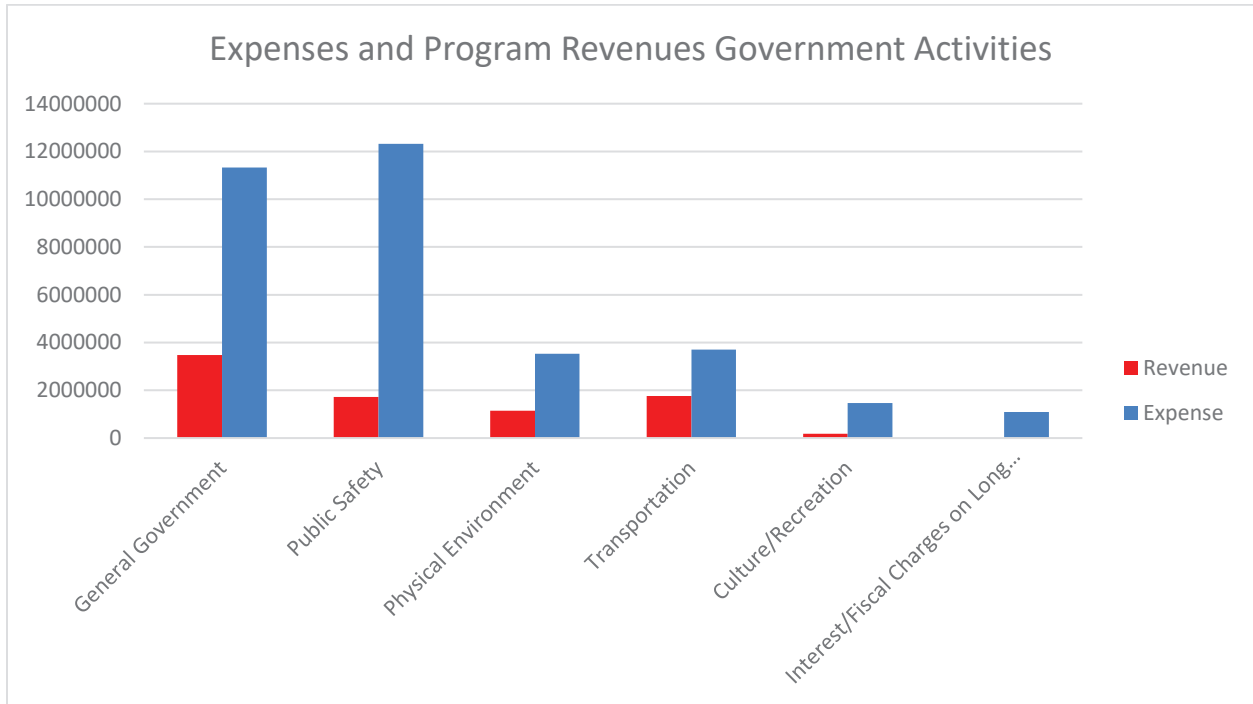
CITY OF ST. AUGUSTINE, FLORIDA
Statement of Activities for Year Ended September 30, 2020 with comparative data for 2019
(in thousands)

	Governmental		Business-type		Total Primary Government	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 8,294	\$ 9,576	\$ 33,797	\$ 33,016	\$ 42,091	\$ 42,592
Operating Grants and Contributions	111	103	-	-	111	103
Capital Grants and Contributions	665	166	3,835	7,267	4,500	7,433
General Revenues						
Taxes	18,382	16,996	-	-	18,382	16,996
Fees	1,603	1,759	-	-	1,603	1,759
Revenue Sharing	576	767	-	-	576	767
Investment Income	197	373	317	560	514	933
Miscellaneous	2,437	539	480	702	2,917	1,241
Total Revenues	32,265	30,279	38,429	41,545	70,694	71,824
Program Expenses Including Indirect Expenses						
General Administration	11,081	8,860	-	-	11,081	8,860
Public Safety	11,269	12,079	-	-	11,269	12,079
Physical Environment	3,535	3,144	-	-	3,535	3,144
Transportation	3,711	3,923	-	-	3,711	3,923
Culture Recreation	1,465	1,561	-	-	1,465	1,561
Interest Fiscal Charges on Long-term Debt	1,091	1,106	-	-	1,091	1,106
Utilities	-	-	14,960	15,597	14,960	15,597
Stormwater	-	-	1,462	1,443	1,462	1,443
Solid Waste	-	-	4,143	4,055	4,143	4,055
Municipal Marina	-	-	2,953	3,056	2,953	3,056
Visitors Information Center	-	-	3,807	4,184	3,807	4,184
Total Expenses	32,152	30,673	27,325	28,335	59,477	59,008
Increase in Net Position Before Transfers	113	(394)	11,104	13,210	11,217	12,816
Transfers	2,181	2,013	(2,181)	(2,013)	-	-
Increase (Decrease) in Net Position	2,294	1,619	8,923	11,197	11,217	12,816
Net Position - Beginning	16,708	15,089	109,468	98,271	126,176	113,360
Net Position - Ending	\$ 19,002	\$ 16,708	\$ 118,391	\$ 109,468	\$ 137,393	\$ 126,176

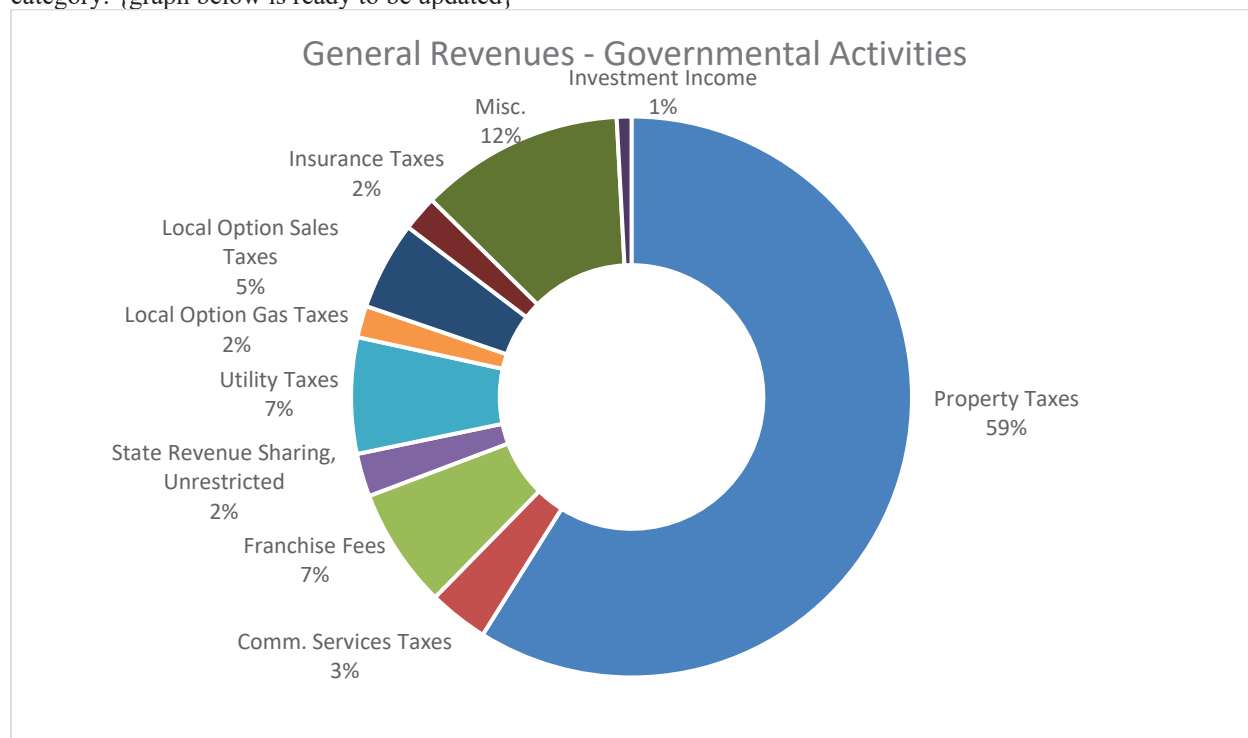
Governmental Activities

Governmental activities resulted in an increase in the City's net position of \$2,293,829.

Program revenues are revenues that can be assigned or are attributable to a specific program. These revenues account for \$8,294,268 (26%) of total governmental activities revenue. The chart below shows governmental activities by program with their respective expenses and revenues.



General revenues are revenues that fail to meet the criteria of program specific revenues. General revenues account for \$23,195,489 (72%) of total governmental activities revenue. The chart below shows total general revenues by category. {graph below is ready to be updated}



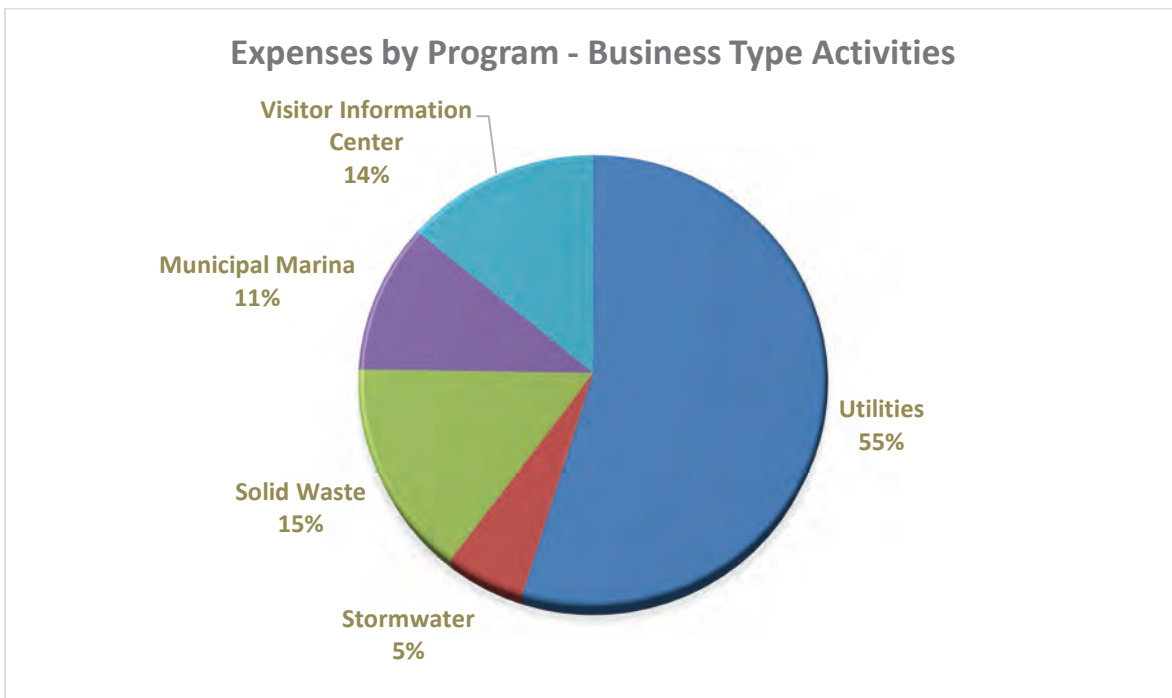
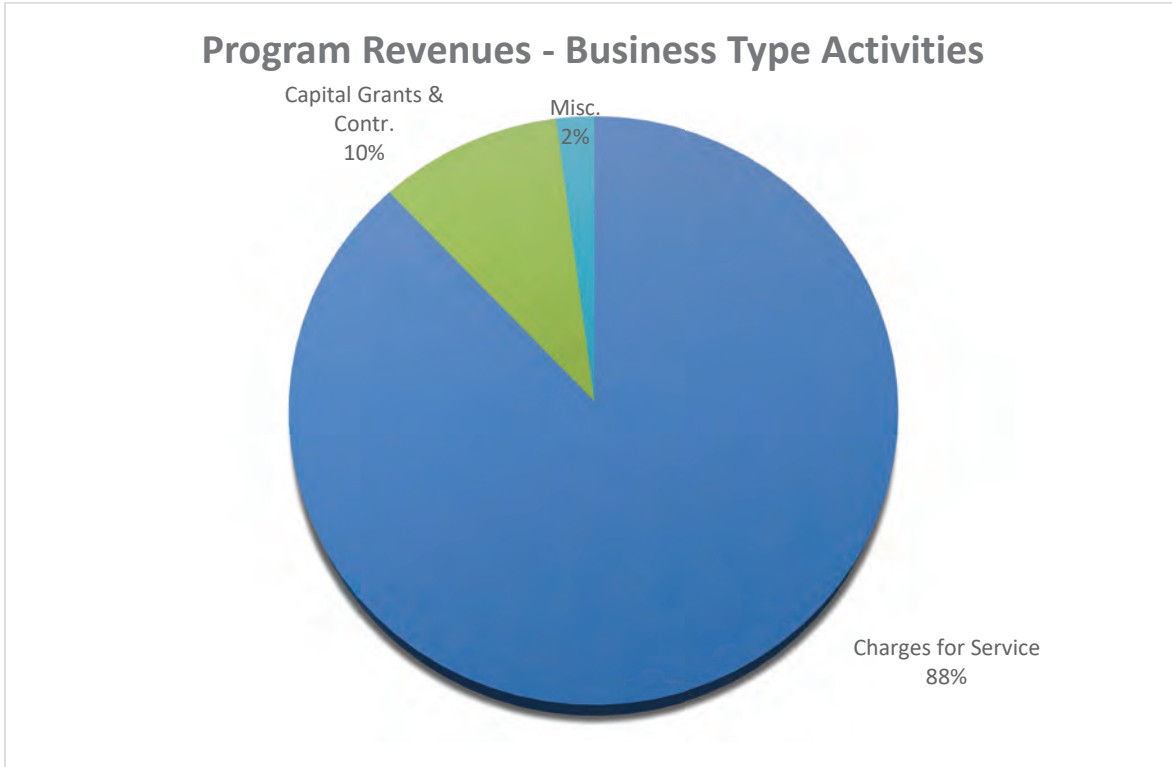
Business-type Activities

Business-type activities increased the City’s net position by \$8,922,540. Key elements of this increase are as follows:

- The Utility received capital grants and contribution of \$3,204,138 and had operating income of \$7,553,029.
- The Stormwater Fund received capital grants and contributions totaling \$616,941 for various capital projects currently in progress and sustained an operating loss of (\$333,259).
- The Solid Waste Fund utilized an interfund loan to purchase two new garbage trucks in fiscal year 2020. The City is evaluating a rate increase currently due to the tipping fee increases, the need to purchase additional new equipment, and hire new staff as development continues. The Solid Waste Fund sustained an operating loss of (\$65,590) however net transfers in resulted in an increase in net position of \$13,224.
- The municipal Marina sustained damage during Hurricane Dorian but managed to perform according to the anticipated budget adding \$65,786 to net position.
- The Visitor Information Center had operating income of \$184,758 compared to \$1,436,346 in fiscal year 2019. Parking garage revenue declined dramatically due to the COVID-19 shutdown during the city’s busy spring festival season and the cancellation of Fourth of July fireworks. The estimated timeline to erase the deficit and establish a minimum net position is five years.

Program revenues are revenues that can be assigned or are attributable to a specific program. These revenues account for \$37,631,828 of total business-type activities revenue.

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



Governmental Funds

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

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$15,738,145 an increase of \$1,022,630 (7%) from the previous fiscal year. A \$1.29 million increase in ad valorem tax collections is the primary reason for this increase in General Fund reserves. Other operating revenues declined during COVID-19 and the city was forced to freeze all discretionary spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,238,244, while the total fund balance was \$13,956,203. The total fund balance shows an increase of \$358,388 (2%) from the previous fiscal year and the unassigned fund balance of the General Fund shows a decrease of \$192,410 compared to the previous year.

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

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

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

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

Proprietary Funds

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

CITY OF ST. AUGUSTINE, FLORIDA
Summary of Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2020

	<u>Utility</u>	<u>Stormwater Drainage</u>	<u>Solid Waste</u>	<u>Municipal Marina</u>	<u>Visitors Information Center</u>	<u>Total Proprietary</u>
Net Position - Beginning	\$ 87,898,193	\$ 15,413,954	\$ 1,352,433	\$ 7,369,355	\$ (2,566,025)	\$ 109,467,910
Changes in Net Position	9,158,819	184,559	13,224	65,786	(499,848)	8,922,540
Net Position	\$ 97,057,012	\$ 15,598,513	\$ 1,365,657	\$ 7,435,141	\$ (3,065,873)	\$ 118,390,450

Net Position as of September 30, 2020

	Utility	Stormwater Drainage	Solid Waste	Municipal Marina	Visitors Information Center	Total Proprietary
Net Investment in Capital Assets	\$ 74,903,899	\$ 14,848,235	\$ 1,662,307	\$ 6,312,670	\$ (5,966,116)	\$ 91,760,995
Restricted	5,906,586	-	-	-	-	\$ 5,906,586
Unrestricted	16,246,527	750,278	(296,650)	1,122,471	2,900,243	\$ 20,722,869
Total Net Position	\$ 97,057,012	\$ 15,598,513	\$ 1,365,657	\$ 7,435,141	\$ (3,065,873)	\$ 118,390,450

Cumulatively, the proprietary funds had a \$8,922,540 increase in net position. Key factors pertaining to this increase are as follows:

- The Utility Fund had operating income of \$7,553,029 and capital grants and other capital contributions of \$3,204,138.
- The Stormwater Fund incurred an operating loss of (\$333,259). Net transfers out of (\$108,064) and capital grants revenue of \$616,941 resulted in an increase in net position of 184,559.
- The Solid Waste Fund had an operating loss of (\$65,590). Net transfers in of \$57,223 and operating grants of \$13,482 lead to an overall increase in net position of \$13,224.
- The Municipal Marina Fund incurred operating income of \$162,817, net transfers out of (\$121,953) which lead to an overall increase in net position of \$65,786.
- The Visitor Information Center Fund had operating income of \$184,758 Interest expense of (\$842,015) and net transfers out of (\$55,730) led to a decrease in net position of (\$499,848) for this fund.
- The operating income of each fund is structured so that it meets or exceeds operating expenses. Operating income that exceeds operating expense is used to meet non-operating needs such as interest expense and transfers out to other funds.

General Fund Budgetary Highlights

The general fund budget was amended due to COVID-19. The city halted its annual paving program and other projects that were not time sensitive to alleviate the loss of parking and other revenues due to quarantine. The city also did not fill certain vacant positions as they became available. (See budget to actual comparison on page 67-69.)

Capital Asset and Long-term Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$158,695,322 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 6,824,622	\$ 6,798,692	\$ 1,401,829	\$ 1,376,195	\$ 8,226,451	\$ 8,174,887
Buildings	8,126,993	8,274,979	25,980,202	26,733,998	34,107,195	35,008,977
Infrastructure	14,687,658	14,454,840	92,925,936	88,357,512	107,613,594	102,812,352
Machinery	2,382,510	2,648,935	3,668,653	3,066,967	6,051,163	5,715,902
Total	32,021,783	32,177,446	123,976,620	119,534,672	155,998,403	151,712,118
Work in Progress	633,877	330,624	2,063,042	3,381,827	2,696,919	3,712,451
Total	\$ 32,655,660	\$ 32,508,070	\$ 126,039,662	\$ 122,916,499	\$ 158,695,322	\$ 155,424,569

The following reconciliation summarizes the change in capital assets, which is presented in detail on pages 96-98 of the Notes to the Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 32,508,070	\$ 122,916,498	\$ 155,424,568
Additions	2,344,380	9,728,719	12,073,099
Retirement	(344,520)	(120,939)	(465,459)
Depreciation	(1,852,270)	(6,484,616)	(8,336,886)
Ending Balance	\$ 32,655,660	\$ 126,039,662	\$ 158,695,322

Governmental Activities:

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

Fire Truck in Progress	\$ 548,975
Mobility and Parking Improvements	84,902
Total	\$ 633,877

Business Type Activities:

Construction in progress is composed of the following at September 30, 2020

Lift Station Rehabilitation	\$	230,353
May Street Intersection (Phase II)		391,829
High Service Pumps Overhaul		45,771
Water Treatment Plant Improvements		42,043
Wastewater Treatment Plant Motor Control Center 2 Replacement		36,223
Wastewater Treatment Plant Hedworks Structural Rehabilitation		269,884
St. Francis Sewer Replacement		16,800
Lift Station 51 and 52 Forcemain		95,030
Wastewater Treatment Plant Floodproofing		105,249
Lake Maria Sanchez Drainage		11,059
Sevilla Street Rebuild and Rebrick		88,043
Coquina Ave Stormwater Project		33,931
South Whitney & West King Improvements		183,169
Tideflex Valves Improvements		513,658
Total	\$	<u>2,063,042</u>

Long-Term Debt

Fitch ratings undertook routine surveillance on the City's capital improvement revenue bond credit rating in November 2019. The result of that process was an upgrade of the bond rating from AA- to A+. The upgrade reflected strong and improving revenue growth, spending controls and a millage rate below the statutory limit.

At the end of fiscal year 2020, the City had total debt outstanding (excluding compensated absences and other post-employment benefits) of **\$58,644,820**. All of this debt is secured solely by specified revenue sources.

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

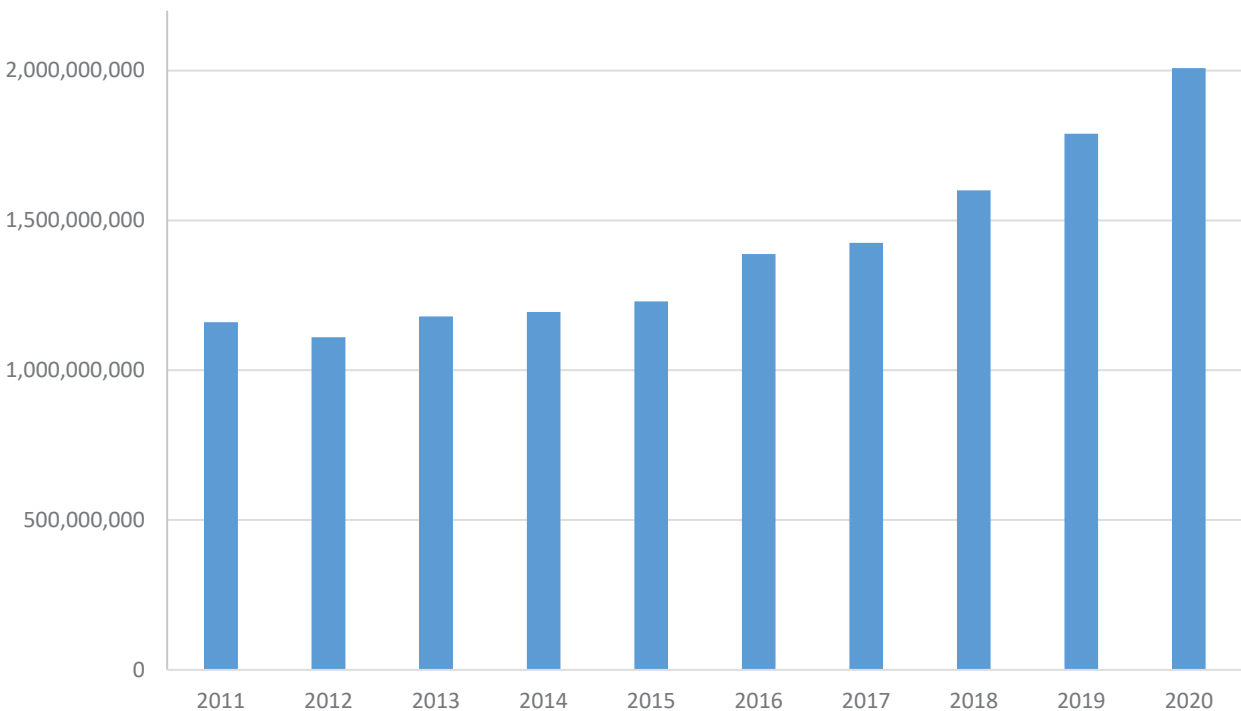
	Outstanding Debt at Year End	
	2020	2019
General Long-Term Debt & Obligations		
Capital Improvement and Refunding Revenue Bonds	\$ 22,347,272	\$ 22,824,854
Unamortized (Premium) Discount	2,018,881	2,113,374
Total General Long-Term Obligations	\$ 24,366,153	\$ 24,938,228
Proprietary Fund Long-Term Obligation		
Capital Improvement and Refunding Revenue Bonds	\$ 18,747,727	\$ 19,620,144
Water and Sewer Revenue Bonds	6,235,000	8,690,000
Revolving Fund Loan DW 550410	7,639,980	7,244,572
Unamortized (Premium) Discount	1,655,960	1,959,306
Total Proprietary Long-Term Obligations	\$ 34,278,667	\$ 37,514,022
Total Long-Term Debt & Obligations	\$ 58,644,820	\$ 62,452,250

Economic Factors

The City primarily relies on property and a limited array of permitted or other taxes and fees for governmental activities. There are a number of state-shared revenues and recurring and non-recurring grants from both the state and federal governments. In addition to new construction and renovations, the tax values of existing properties have seen high rates of increase. This trend is expected to continue, partially as a result of COVID-19. Employees who can now work remotely are relocating to the sunshine state and the demand for real estate is outpacing the supply which has driven up the tax base.

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

City of St. Augustine - Total Taxable Value



The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the Finance Department office located at the Financial Services Center, 50 Bridge Street, St. Augustine, Florida 32084, (904) 825-1030.

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Basic Financial Statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,395,760	\$ 24,771,347	\$ 38,167,107
Receivables (Net)	1,139,037	5,448,702	6,587,739
Due from Other Governments	-	803,507	803,507
Internal Balances	(357,518)	357,518	-
Inventories	1,026,431	333,277	1,359,708
Prepaid Items	435,424	90,205	525,629
Restricted Assets:			
Cash and Cash Equivalents	2,438,801	735,348	3,174,149
Capital Assets:			
Non-Depreciable	7,458,499	3,921,221	11,379,720
Depreciable (Net)	25,197,161	122,118,441	147,315,602
Total Assets	50,733,595	158,579,566	209,313,161
Deferred Outflows of Resources:			
Pension Related	2,725,519	665,967	3,391,486
Unamortized Loss on Refunding	1,987,032	689,779	2,676,811
Total Deferred Outflows of Resources	4,712,551	1,355,746	6,068,297
LIABILITIES			
Accounts Payable and Accrued Expenses	2,251,754	2,120,238	4,371,992
Deposits	-	735,358	735,358
Unearned Revenue	88,036	-	88,036
Non-Current Liabilities:			
Due Within One Year:			
Compensated Absences	119,118	38,531	157,649
Note and Bonds Payable	595,097	4,280,888	4,875,985
Due in More Than One Year			
Retiree Healthcare Related	1,236,312	543,144	1,779,456
Pension Related	4,032,414	2,729,437	6,761,851
Compensated Absences	3,021,851	729,995	3,751,846
Notes Payable, Less Current Portion	-	7,101,835	7,101,835
Bonds Payable, Less Current Portion	23,771,056	22,895,944	46,667,000
Total Liabilities	35,115,638	41,175,370	76,291,008
Deferred Inflows of Resources:			
Pension Related	934,552	196,487	1,131,039
Retiree Healthcare Related	393,797	173,005	566,802
Total Deferred Inflows of Resources	1,328,349	369,492	1,697,841
NET POSITION			
Net Investment in Capital Assets	10,276,539	91,760,995	102,037,534
Restricted for:			
Community Redevelopment Agencies	1,456,682	-	1,456,682
Renewal and Replacement	-	5,906,586	5,906,586
Permanent Fund	325,260	-	325,260
Other	61,804	-	61,804
Unrestricted	6,881,874	20,722,869	27,604,743
Total Net Position	\$ 19,002,159	\$ 118,390,450	\$ 137,392,609

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Activities
For Year Ended September 30, 2020

FUNCTION/PROGRAM ACTIVITIES	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 11,081,797	\$ 3,481,227	\$ 110,803	\$ 664,935
Public Safety	11,269,258	1,715,364	-	-
Physical Environment	3,534,575	1,150,672	-	-
Transportation	3,710,718	1,766,055	-	-
Culture/Recreation	1,465,289	180,950	-	-
Interest/Fiscal Charges on Long-term Debt	1,091,169	-	-	-
Total Governmental Activities	32,152,806	8,294,268	110,803	664,935
Business-type Activities:				
Utilities	\$ 14,960,003	\$ 22,325,539	\$ -	\$ 3,204,138
Stormwater	1,462,067	1,128,808	-	616,941
Solid Waste	4,143,443	4,077,853	-	13,482
Municipal Marina	2,952,711	3,115,528	-	-
Visitor Information Center	3,806,796	3,149,539	-	-
Total Business-type Activities	27,325,020	33,797,267	-	3,834,561
Total Primary Government	\$ 59,477,826	\$ 42,091,535	\$ 110,803	\$ 4,499,496

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to basic financial statements

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

Governmental Activities	Business-type Activities	Total
\$ (6,824,832)	\$ -	\$ (6,824,832)
(9,553,894)	-	(9,553,894)
(2,383,903)	-	(2,383,903)
(1,944,663)	-	(1,944,663)
(1,284,339)	-	(1,284,339)
(1,091,169)	-	(1,091,169)
(23,082,800)	-	(23,082,800)
-	10,569,674	10,569,674
-	283,682	283,682
-	(52,108)	(52,108)
-	162,817	162,817
-	(657,257)	(657,257)
-	-	-
-	10,306,808	10,306,808
(23,082,800)	10,306,808	(12,775,992)
13,662,240	-	13,662,240
1,550,383	-	1,550,383
799,042	-	799,042
1,603,458	-	1,603,458
576,197	-	576,197
423,886	-	423,886
1,180,606	-	1,180,606
473,717	-	473,717
292,068	-	292,068
2,437,279	480,204	2,917,483
196,613	316,668	513,281
2,181,140	(2,181,140)	-
25,376,629	(1,384,268)	23,992,361
2,293,829	8,922,540	11,216,369
16,708,330	109,467,910	126,176,240
\$ 19,002,159	\$ 118,390,450	\$ 137,392,609

CITY OF ST. AUGUSTINE, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2020

	General	Debt Service	Special Revenue HACRA
ASSETS			
Cash and Cash Equivalents	\$ 13,395,760	\$ -	\$ -
Receivables (Net of Allowance for Uncollectibles)	1,139,037	-	-
Inventories, At Cost	1,026,431	-	-
Prepaid Expenditures	435,424	-	-
Restricted Assets:			
Cash and Cash Equivalents	642,665	-	-
Total Assets	\$ 16,639,317	\$ -	\$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,054,168	\$ -	\$ -
Unearned Revenue	88,036	-	-
Accrued Expenditures	183,392	-	-
Due to Other Funds	357,518	-	-
Total Liabilities	\$ 2,683,114	-	-
Fund Balances:			
Nonspendable:			
Inventories	1,026,431	-	-
Prepaid Expenditures	435,424	-	-
Restricted for:			
Education/Confiscation/Donations/Other	61,804	-	-
Trust	-	-	-
Capital Projects	-	-	-
Committed	9,173,314	-	-
Assigned	2,020,986	-	-
Unassigned	1,238,244	-	-
Total Fund Balances	13,956,203	-	-
Total Liabilities and Fund Balances	\$ 16,639,317	\$ -	\$ -

See accompanying notes to basic financial statements

Special Revenue LCRA	Permanent	Total Governmental
\$ -	\$ -	\$ 13,395,760
-	-	1,139,037
-	-	1,026,431
-	-	435,424
1,470,876	325,260	2,438,801
\$ 1,470,876	\$ 325,260	\$ 18,435,453

\$ 14,194	\$ -	\$ 2,068,362
-	-	88,036
-	-	183,392
-	-	357,518
14,194	-	2,697,308

-	-	1,026,431
-	-	435,424
-	-	61,804
-	325,260	325,260
1,456,682	-	1,456,682
-	-	9,173,314
-	-	2,020,986
-	-	1,238,244
1,456,682	325,260	15,738,145
\$ 1,470,876	\$ 325,260	\$ 18,435,453

CITY OF ST. AUGUSTINE, FLORIDA
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2020

Total Governmental Fund Balances \$ 15,738,145

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

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

Governmental capital assets	64,379,449	
Less accumulated depreciation	<u>(31,723,789)</u>	32,655,660

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

Governmental bonds and capital lease payable	(24,366,153)	
Compensated absences	(3,140,969)	
Net pension liability	(4,032,414)	
Net retiree healthcare obligation	<u>(1,236,312)</u>	(32,775,848)

Deferred outflows of resources related to pension experience and assumptions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. 2,725,519

Deferred inflows of resources related to pensions earnings, experience and assumptions are not recognized in the government funds; however, they are recorded in the statement of net position under full accrual accounting. (934,552)

Deferred inflows of resources related to retiree healthcare are not recognized in the government funds; however, they are recorded in the statement of net position under full accrual accounting. (393,797)

Deferred outflows of resources on the loss on refunding of debt are not recognized in the government funds; however, they are recorded in the statement of net position under full accrual accounting. 1,987,032

Net Position of Governmental Activities \$ 19,002,159

See accompanying notes to basic financial statements

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CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
September 30, 2020

	General	Debt Service	Special Revenue HACRA
REVENUES			
Ad Valorem Taxes	\$ 12,834,877	\$ -	\$ 487,158
Insurance Premium Tax	473,717	-	-
Local Option Gas & Fuel Tax	423,886	-	-
Utility and Communications Service Taxes	2,349,425	-	-
Grants	775,738	-	-
Intergovernmental	1,947,972	-	-
Franchise Fees	1,603,458	-	-
Licenses, Permits and Other Fees	4,378,179	-	-
Fines and Forfeitures	240,746	-	-
Rental Income	1,220,939	-	-
Special Assesments	100,899	-	-
Administrative Overhead Charges	3,916,089	-	-
Investment Income	186,105	-	734
Miscellaneous	739,085	-	-
Total Revenues	31,191,115	-	487,892
EXPENDITURES			
Current Operating:			
General Government	9,212,909	-	-
Public Safety	11,653,469	-	-
Physical Environment	3,348,736	-	-
Transportation	3,669,491	-	-
Culture/Recreation	1,441,076	-	-
Capital Outlay	2,347,710	-	-
Debt Service:			
Principal Retirement	-	477,584	-
Interest and Other	-	1,092,332	-
Total Expenditures	31,673,391	1,569,916	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(482,276)	(1,569,916)	487,892
OTHER FINANCING SOURCES (USES)			
Transfers In	4,247,182	1,569,916	718,055
Transfers (Out)	(3,643,028)	-	(1,206,369)
Sale of capital assets	236,510	-	-
Total Other Financing Sources (Uses)	840,664	1,569,916	(488,314)
Net Change in Fund Balances	358,388	-	(422)
Fund Balances - Beginning	13,597,815	-	422
FUND BALANCES - ENDING	\$ 13,956,203	\$ -	\$ -

See accompanying notes to basic financial statements

Special Revenue LCRA	Permanent	Total Governmental
\$ 340,205	\$ -	\$ 13,662,240
-	-	473,717
-	-	423,886
-	-	2,349,425
-	-	775,738
-	-	1,947,972
-	-	1,603,458
-	-	4,378,179
-	-	240,746
-	-	1,220,939
-	-	100,899
-	-	3,916,089
6,066	3,708	196,613
-	-	739,085
346,271	3,708	32,028,986
151,674	-	9,364,583
-	-	11,653,469
-	-	3,348,736
-	-	3,669,491
-	-	1,441,076
29,025	-	2,376,735
-	-	477,584
-	-	1,092,332
180,699	-	33,424,006
165,572	3,708	(1,395,020)
495,384	-	7,030,537
-	-	(4,849,397)
-	-	236,510
495,384	-	2,417,650
660,956	3,708	1,022,630
795,726	321,552	14,715,515
\$ 1,456,682	\$ 325,260	\$ 15,738,145

CITY OF ST. AUGUSTINE, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 1,022,630

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

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

Expenditures for capital assets	2,344,380	
Cost of capital assets sold or retired (net)	(344,520)	
Less: current year depreciation and amortization	(1,852,270)	147,590

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

Principal debt payments - governmental funds	477,583	
Amortization of bond discount and premium	94,492	
Amortization of gain and loss on bond refunding	(93,507)	478,568

Changes in net pension obligations are reported only in the statement of activities. 765,776

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

Change in long-term compensated absences	(144,750)	
Net retiree healthcare asset (obligation)	24,015	(120,735)

Change in Net Position of Governmental Activities **\$ 2,293,829**

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 15,899,648	\$ 16,170,620	\$ 16,081,905	\$ (88,715)
Intergovernmental	2,162,142	2,173,561	2,723,710	550,149
Licenses, Permits and Fees	6,956,578	6,463,677	5,981,637	(482,040)
Fines and Forfeitures	343,000	357,000	240,746	(116,254)
Administrative Service Charges	3,916,089	3,916,089	3,916,089	-
Investment Income	313,000	313,000	186,105	(126,895)
Miscellaneous	1,663,760	1,748,956	2,060,923	311,967
Total Revenues	31,254,217	31,142,903	31,191,115	48,212
EXPENDITURES				
Current Operating:				
General Government	8,617,841	9,125,889	9,212,909	(87,020)
Public Safety	11,454,326	11,800,155	11,653,469	146,686
Physical Environment	3,582,051	3,743,756	3,348,736	395,020
Transportation	3,482,669	3,614,987	3,669,491	(54,504)
Culture/Recreation	1,474,193	1,506,532	1,441,076	65,456
Capital Outlay	2,140,353	3,505,553	2,347,710	1,157,843
Total Expenditures	30,751,433	33,296,872	31,673,391	1,623,481
Excess of Revenues Over Expenditures	502,784	(2,153,969)	(482,276)	1,671,693
OTHER FINANCING SOURCES (USES)				
Transfers In	3,280,051	4,258,862	4,247,182	(11,680)
Transfers (Out)	(3,827,835)	(3,827,835)	(3,643,028)	184,807
Sale of capital assets	45,000	156,141	236,510	80,369
Total Other Financing Sources (Uses)	(502,784)	587,168	840,664	253,496
Net Change in Fund Balances	-	(1,566,801)	358,388	1,925,189
Fund Balances - Beginning	13,597,815	13,597,815	13,597,815	-
FUND BALANCES - ENDING	\$ 13,597,815	\$ 12,031,014	13,956,203	\$ 1,925,189

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Fund - Historic Area Community Redevelopment Agency
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 502,696	\$ 487,158	\$ 487,158	\$ -
Investment Income	-	734	734	-
Total Revenues	502,696	487,892	487,892	-
EXPENDITURES				
Current Operating:				
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	502,696	487,892	487,892	-
OTHER FINANCING SOURCES (USES)				
Transfers In	732,436	718,055	718,055	(3,919)
Transfers (Out)	(1,235,132)	(1,206,369)	(1,206,369)	-
Total Other Financing Sources (Uses)	(502,696)	(488,314)	(488,314)	(3,919)
Net Change in Fund Balances	-	(422)	(422)	-
Fund Balances - Beginning	422	422	422	-
FUND BALANCES - ENDING	\$ 422	\$ -	\$ -	\$ -

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Fund - Lincolnville Community Redevelopment Agency
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 344,017	\$ 344,017	\$ 340,205	\$ (3,812)
Investment Income	-	-	6,066	6,066
Total Revenues	344,017	344,017	346,271	2,254
EXPENDITURES				
Current Operating:				
General Government	760,256	1,340,619	151,674	1,188,945
Capital Outlay	85,000	300,000	29,025	270,975
Total Expenditures	845,256	1,640,619	180,699	1,459,920
Excess of Revenues Over Expenditures	(501,239)	(1,296,602)	165,572	1,462,174
OTHER FINANCING SOURCES (USES)				
Transfers In	501,239	1,260,317	495,384	(764,933)
Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	501,239	1,260,317	495,384	(764,933)
Net Change in Fund Balances	-	(36,285)	660,956	(697,241)
Fund Balances - Beginning	795,726	795,726	795,726	-
FUND BALANCES - ENDING	\$ 795,726	\$ 759,441	\$ 1,456,682	\$ (697,241)

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	Utility	Stormwater Drainage	Solid Waste
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 19,494,374	\$ 387,009	\$ 758,807
Accounts Receivable (Net)	4,950,752	98,619	395,091
Due from Other Funds	978,643	-	-
Due from Other Governments	-	803,507	-
Inventories, at Cost	89,345	-	-
Prepaid Expenditures	43,702	3,917	13,882
Total Current Assets	<u>25,556,816</u>	<u>1,293,052</u>	<u>1,167,780</u>
Non-Current Assets:			
Restricted Assets			
Cash and Cash Equivalents	735,348	-	-
Total Restricted Assets	<u>735,348</u>	<u>-</u>	<u>-</u>
Property, Plant and Equipment:			
Land and Improvements	1,145,803	256,026	-
Buildings and Structures	30,317,887	-	333,163
Infrastructure	122,977,977	17,520,302	51,164
Machinery and Equipment	4,423,473	807,215	3,543,951
Construction in Progress	1,632,674	730,758	-
Accumulated Depreciation	(71,220,937)	(4,466,066)	(2,265,971)
Net Property, Plant and Equipment:	<u>89,276,877</u>	<u>14,848,235</u>	<u>1,662,307</u>
Total Non-Current Assets	<u>90,012,225</u>	<u>14,848,235</u>	<u>1,662,307</u>
Total Assets	<u>115,569,041</u>	<u>16,141,287</u>	<u>2,830,087</u>
DEFERRED OUTFLOW OF RESOURCES			
Contributions to Pension Plan	414,045	23,959	113,004
Unamortized Loss on Refunding	-	-	-
Total Deferred Outflow of Resources	<u>414,045</u>	<u>23,959</u>	<u>113,004</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 1,089,345	\$ 147,532	\$ 458,374
Customer Deposits	735,348	-	-
Notes and Revenue Bonds Payable, Current Portion	3,325,006	-	-
Unearned Revenues - Other	-	-	-
Due to Other Funds	-	276,011	345,114
Compensated Absences, Current Portion	18,750	451	10,318
Total Current Liabilities	<u>5,168,449</u>	<u>423,994</u>	<u>813,806</u>

(Continued)

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
\$ 1,752,681	\$ 2,378,476	\$ 24,771,347
1	4,239	5,448,702
-	-	978,643
-	-	803,507
55,760	188,172	333,277
21,703	7,001	90,205
1,830,145	2,577,888	32,425,681
-	-	735,348
-	-	735,348
-	-	1,401,829
2,921,408	25,152,777	58,725,235
7,613,438	1,388,773	149,551,654
181,609	201,099	9,157,347
-	-	2,363,432
(4,403,785)	(12,803,076)	(95,159,835)
6,312,670	13,939,573	126,039,662
6,312,670	13,939,573	126,775,010
8,142,815	16,517,461	159,200,691
60,275	54,684	665,967
-	689,779	689,779
60,275	744,463	1,355,746
\$ 351,758	73,229	2,120,238
-	10	735,358
-	955,882	4,280,888
-	-	-
-	-	621,125
3,174	5,838	38,531
354,932	1,034,959	7,796,140

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2020
(Continued)

	Utility	Stormwater Drainage	Solid Waste
LIABILITIES			
Non-Current Liabilities:			
Net Pension Liability	\$ 1,733,932	\$ 88,063	\$ 453,642
Net OPEB Liability	314,138	25,735	103,734
Notes Payable, Less Current Portion	7,101,835	-	-
Revenue Bonds Payable, Less Current Portion	3,946,137	-	-
Compensated Absences, Less Current Portion	447,272	11,128	136,671
Total Non-Current Liabilities	13,543,314	124,926	694,047
Total Liabilities	18,711,763	548,920	1,507,853
DEFERRED INFLOW OF RESOURCES:			
Pension Plan	114,250	9,616	36,539
OPEB Plan	100,061	8,197	33,042
Total Deferred Inflow of Resources	214,311	17,813	69,581
NET POSITION			
Net Investment in Capital Assets	74,903,899	14,848,235	1,662,307
Restricted			
Renewal and Replacement	5,906,586	-	-
Unrestricted	16,246,527	750,278	(296,650)
Total Net Position	\$ 97,057,012	\$ 15,598,513	\$ 1,365,657

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
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\$ 252,154	\$ 201,646	\$ 2,729,437
49,563	49,974	543,144
-	-	7,101,835
-	18,949,807	22,895,944
77,474	57,450	729,995
379,191	19,258,877	34,000,355
734,123	20,293,836	41,796,495

18,039	18,043	196,487
15,787	15,918	173,005
33,826	33,961	369,492

6,312,670	(5,966,116)	91,760,995
-	-	5,906,586
1,122,471	2,900,243	20,722,869
\$ 7,435,141	\$ (3,065,873)	\$ 118,390,450

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	Utility	Stormwater Drainage	Solid Waste
OPERATING REVENUES			
User Charges	\$ 18,335,879	\$ 1,128,808	\$ 4,042,541
Fees	3,885,693	-	30,731
Rental	-	-	-
Other	103,967	-	4,581
Total Operating Revenues	22,325,539	1,128,808	4,077,853
OPERATING EXPENSES			
Salaries, Wages and Employee Benefits	4,281,319	338,013	1,286,525
Utilities	715,771	861	8,246
Supplies and Materials	652,700	20,685	222,344
Contractual Services	1,190,923	38,311	1,454,553
Repairs and Maintenance	979,060	96,105	308,017
Cost of Goods Sold	-	-	-
Other	145,634	(3,904)	9,504
Administrative Overhead Charges	2,455,123	360,580	543,664
Depreciation and Amortization	4,351,980	611,416	310,590
Total Operating Expenses	14,772,510	1,462,067	4,143,443
Operating Income (Loss)	7,553,029	(333,259)	(65,590)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	241,557	8,941	8,109
Interest Expense and Fiscal Charges	(187,493)	-	-
Other	300,204	-	-
Total Non-Operating Revenues (Expenses)	354,268	8,941	8,109
Income Before Contributions and Transfers	7,907,297	(324,318)	(57,481)
Capital Grants and Contributions	3,204,138	616,941	13,482
Transfers In	6,445,590	131,820	322,928
Transfers (Out)	(8,398,206)	(239,884)	(265,705)
Change in Net Position	9,158,819	184,559	13,224
Net Position - Beginning	87,898,193	15,413,954	1,352,433
Net Position - Ending	\$ 97,057,012	\$ 15,598,513	\$ 1,365,657

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
\$ 3,056,128	\$ 373,203	\$ 26,936,559
-	2,740,101	6,656,525
31,028	-	31,028
28,372	36,235	173,155
3,115,528	3,149,539	33,797,267
717,315	977,928	7,601,100
98,111	102,224	925,213
26,678	62,719	985,126
7,494	173,275	2,864,556
282,015	263,435	1,928,632
1,064,521	199,571	1,264,092
163,933	10,921	326,088
289,344	267,378	3,916,089
303,300	907,330	6,484,616
2,952,711	2,964,781	26,295,512
162,817	184,758	7,501,755
24,922	33,139	316,668
-	(842,015)	(1,029,508)
-	180,000	480,204
24,922	(628,876)	(232,636)
187,739	(444,118)	7,269,119
-	-	3,834,561
27,032	1,220,750	8,148,120
(148,985)	(1,276,480)	(10,329,260)
65,786	(499,848)	8,922,540
7,369,355	(2,566,025)	109,467,910
\$ 7,435,141	\$ (3,065,873)	\$ 118,390,450

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	Utility	Stormwater Drainage	Solid Waste
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities:			
Received from Customers	\$ 20,564,766	\$ 748,967	\$ 3,973,485
Payment to Suppliers for Goods and Services	(6,868,691)	(532,324)	(2,597,819)
Paid to Employees	(4,281,319)	(338,013)	(1,286,525)
Other Revenues (Expenses)	300,204	-	-
Net Cash Flows from Operating Activities	9,714,960	(121,370)	89,141
Cash Flows from Capital and Related Financing Activities:			
Principal Paid on Outstanding Bond Issues	(2,919,108)	-	-
Interest Paid on Outstanding Bond Issues	(417,626)	-	-
Acquisition and Construction of Capital Assets	(7,679,263)	(1,250,937)	(537,275)
Proceeds from borrowing	859,518	-	529,400
Capital Contributions and Grants	3,204,138	616,941	13,482
Net Cash Flows from Capital and Related Financing Activities	(6,952,341)	(633,996)	5,607
Cash Flows from Investing Activities:			
Investment Income	241,557	8,941	8,109
Net Cash Flows from Investing Activities	241,557	8,941	8,109
Cash Flows from Non-Capital Financing Activities:			
Borrowings (Payments) Under Interfund Loan Agreements	-	276,011	(184,286)
Transfers from Other Funds	6,445,590	131,820	322,928
Transfers (to) Other Funds	(8,398,206)	(239,884)	(265,705)
Net Cash Flows from Non-Capital Financing Activities	(1,952,616)	167,947	(127,063)
Net Change in Cash and Cash Equivalents	1,051,560	(578,478)	(24,206)
Cash and Cash Equivalents at Beginning of Year	19,178,162	965,487	783,013
Cash and Cash Equivalents at End of Year	\$ 20,229,722	\$ 387,009	\$ 758,807

(Continued)

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
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\$ 3,354,129	\$ 3,173,943	\$ 31,815,290
(2,245,898)	(1,144,829)	(13,389,561)
(717,315)	(977,928)	(7,601,100)
-	180,000	480,204
390,916	1,231,186	11,304,833

-	(872,416)	(3,791,524)
-	(847,406)	(1,265,032)
(44,642)	(95,662)	(9,607,779)
-		1,388,918
-	-	3,834,561

(44,642)	(1,815,484)	(9,440,856)
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24,922	33,139	316,668
24,922	33,139	316,668

(19,748)	-	71,977
27,032	1,220,750	8,148,120
(148,985)	(1,276,480)	(10,329,260)
(141,701)	(55,730)	(2,109,163)

229,495	(606,889)	71,482
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1,523,186	2,985,365	25,435,213
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\$ 1,752,681	\$ 2,378,476	\$ 25,506,695
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CITY OF ST. AUGUSTINE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2020
(Continued)

	Utility	Stormwater Drainage	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Net Operating Income (Loss)	\$ 7,553,029	\$ (333,259)	\$ (65,590)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Depreciation and Amortization	4,351,980	611,416	310,590
Other Revenues (Expenses)	300,204	-	-
Changes in Operating Assets and Liabilities:			
Accounts Receivable	(1,824,840)	(379,841)	(104,368)
Inventories	(35,860)	-	-
Prepays	2,866	(819)	(539)
Deferred Outflow of Resources	458,148	29,960	126,206
Accounts Payable and Compensated Absences	(399,656)	(2,268)	27,839
Net Pension Liability	(592,921)	(45,788)	(165,700)
Net OPEB liability	(22,624)	3,426	(3,969)
Deferred Inflow of Resources	(139,433)	(4,197)	(35,328)
Deposits Payable	64,067	-	-
Total Adjustments	2,161,931	211,889	154,731
Net Cash Flows from Operating Activities	\$ 9,714,960	\$ (121,370)	\$ 89,141
Supplemental Disclosure of Non-Cash Activities			
Amortization of bond discount (premium)	\$ (246,861)	\$ -	\$ -
Amortization of loss on refunding	16,728	-	-
Net (reduction) increase to interest expense	\$ (230,133)	\$ -	\$ -

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
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\$ 162,817 \$ 184,758 \$ 7,501,755

303,300 907,330 \$ 6,484,616
 - 180,000 480,204

238,601 24,404 (2,046,044)

7,636 (10,799) (39,023)

(14,793) 278 (13,007)

66,591 61,915 742,820

(270,772) (18,134) (662,991)

(85,969) (82,997) (973,375)

2,571 1,073 (19,523)

(19,066) (16,642) (214,666)

- - 64,067

228,099 1,046,428 3,803,078

\$ 390,916 \$ 1,231,186 11,304,833

\$ - \$ (56,486) \$ (303,347)

- 51,095 67,823

\$ - \$ (5,391) \$ (235,524)

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

		Employee Retirement Funds
ASSETS		
Cash and Short-Term Investments	\$	2,985,799
Receivables:		
Interest and Dividends		
Due from State		31,796
Total Receivables		31,796
Prepaid Expense		650
Investments, at Fair Value:		
Fixed income securities		13,532,326
Equity securities		54,801,688
Alternative strategies		3,230,218
Real Estate Fund		11,952,906
Total Investments		83,517,138
Total Assets		86,535,383
LIABILITIES		
Expenses Payable		58,410
Total Liabilities		58,410
NET POSITION, Restricted For Pensions	\$	86,476,973

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2020

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Members	\$ 848,194
City	3,659,903
State Insurance Premium Tax from General Fund	473,714
Total Contributions	4,981,811
Other Income	
Other Income	3,009
Total Other Income	3,009
Investment Income:	
Net Increase in Fair Value of Investments	6,479,681
Interest and Dividends on Investments	1,764,853
Total Investment Income	8,244,534
Less Investment Expenses	152,908
Net Income from Investing Activities	8,091,626
Total Additions	13,076,446
DEDUCTIONS	
Benefit Payments	5,267,499
Termination Payments	128,712
Administrative Expenses	170,755
Total Deductions	5,566,966
Change in Net Position	7,509,480
Net Position - Beginning	78,967,493
NET POSITION - ENDING	\$ 86,476,973

See accompanying notes to basic financial statements

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

A. Financial Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

Taxes, intergovernmental revenue, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

The City reports the following funds:

Major Governmental Funds

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

a. General Fund

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

b. Debt Service Fund

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

c. Special Revenue Funds

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

d. Permanent Fund

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

Major Proprietary Funds

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

a. Utility Fund

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

b. Stormwater Drainage Fund

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

c. Solid Waste Fund

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

d. Municipal Marina Fund

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

e. Visitor Information Center Fund

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

Fiduciary Funds

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

a. General Employees' Pension Plan

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

b. Police Officers' Pension Plan

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

c. Firefighters' Pension Plan

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for goods and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

D. Cash

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

E. Investments

Investments within the Pension Trust Funds are made through financial brokers and are held by trustees. These assets are stated at fair value as determined in an active market.

F. Fair Value Measurement and Application

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

G. Receivables and Allowance for Uncollectible Accounts

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

H. Inventories

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method is used for these items.

J. Restricted Assets

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

K. Capital Assets

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

L. Deferred Inflows/Outflows of Resources

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

M. Compensated Absences

Annual vacation leave is accumulated in the following manner:

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

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

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

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

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

N. Other Post-Employment Benefits (OPEB)

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

O. Long-Term Obligations

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

P. Unearned Revenue

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

Q. Pensions

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

R. Fund Balance Classifications

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

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

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

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

The following Assigned Fund Balance classification is an example of one that may be used in reporting the City's financial position:

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

S. Unamortized Bond Premium (Discount) – I need help with this one.

Unamortized bond premium (discount) represent the amount received above or below par on various bond issues. These costs are being amortized over the life of the respective bond issues using the straight-line method, which is comparable to the effective interest method. Unamortized costs at September 30, 2020 are as follows:

	Original Cost	Accumulated Amortization	Unamortized Costs
Beginning of year	\$ 6,187,780	\$ (2,115,098)	\$ 4,072,682
Current year additions	-	(397,842)	(397,842)
Current year retirements	-	-	-
End of year	\$ 6,187,780	\$ (2,512,940)	\$ 3,674,840

T. Revenue Recognition – Property Taxes

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

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

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

U. Community Redevelopment Area

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

For fiscal year ended September 30, 2020, the funds received \$827,363 in property tax revenue and a \$1,213,439 transfer from the general fund. The City transfer included the City’s portion of the tax increment.

V. Expenditures

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

W. Future Accounting Pronouncements

- a. Statement No. 84, "Fiduciary Activities." The requirements of this Statement will take effect for reporting periods ending after December 31, 2020.
- b. Statement No. 87, "Leases." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- c. Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The requirements of this Statement will take effect for reporting periods starting after December 15, 2020.
- d. Statement No. 90, "Majority Equity Interests." The requirements of this Statement will take effect for reporting periods ending after December 31, 2020.
- e. Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for reporting periods starting after December 15, 2022.
- f. Implementation Guide No. 2019-1 "Implementation Guidance Update-2019." The requirements of this Statement will take effect for reporting periods ending after June 30, 2021.
- g. Implementation Guide No. 2019-2 "Fiduciary Activities." The requirements of this Statement will take effect for reporting periods ending after December 31, 2020.
- h. Implementation Guide No. 2019-3 "Leases." The requirements of this Statement will take effect for reporting periods ending after June 30, 2022.

NOTE 2. DEPOSITS AND INVESTMENTS:

A. Cash and Cash Equivalents

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

At September 30, 2020, the carrying amount of cash on hand was \$1,888,766 and the related bank balance was \$2,161,650. Monies, which are placed on deposit with financial institutions in the form of demand deposit accounts, are defined as Public Deposits and as such are secured as provided for in Chapter 280, Florida Statutes. Financial institutions, which meet the requirements for this chapter, can be designated as qualified public depositories eligible to receive Public Deposits. This chapter also created the Public Deposit Security Trust Fund to facilitate the recovery of administrative penalties resulting from the default or insolvency of any qualified Public Depository and the subsequent payment of any losses to Public Depositors. When Public Deposits are made in accordance with this statute, no Public Depositor shall be liable for any loss thereof. Thus, all deposits at year-end are insured or collateralized with securities pursuant to Chapter 280, Florida Statutes.

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

The State Board consists of the Local Government Surplus Trust Fund (Florida PRIME). The Florida PRIME is currently considered a SEC 2a7-like fund, thus the account balance should also be considered the fair value of the investment. Florida PRIME is rated by Standard & Poor's and currently has a rating of AAAM. The Florida PRIME balance of \$38,868,078 maturity as of September 30, 2020. A government money market account with a qualified public depository was established by the City in 2008. This account is fully collateralized and held a balance of \$551,362 as of September 30, 2020.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

B. Investment Measurement at Fair Value

Fair Value Hierarchy

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

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

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

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

	September 30, 2020	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
General Pension Plan				
Fixed Income Security	\$ 5,121,992	\$ -	\$ 5,121,992	\$ -
Equity Securities	30,888,308	-	30,888,308	-
Alternative Strategies	3,230,218	-	3,230,218	-
Real Estate Funds	7,885,911	-	-	7,885,911
Investment at Fair Value	\$ 47,126,429	\$ -	\$ 39,240,518	\$ 7,885,911
Police Pension Plan				
Fixed Income Security	\$ 3,670,844	\$ -	\$ 3,670,844	\$ -
Equity Securities	14,167,520	7,168,255	6,999,265	-
Alternative Strategies	-	-	-	-
Real Estate Funds	4,066,995	-	-	4,066,995
Investment at Fair Value	\$ 21,905,359	\$ 7,168,255	\$ 10,670,109	\$ 4,066,995
Fire Pension Plan				
Fixed Income Security	\$ 4,739,490	\$ 1,382,994	\$ 3,356,496	\$ -
Equity Securities	9,745,860	8,291,631	1,454,229	-
Alternative Strategies	-	-	-	-
Investment at Fair Value	\$ 14,485,350	\$ 9,674,625	\$ 4,810,725	\$ -
Total Investment at Fair Value	\$ 83,517,138	\$ 16,842,880	\$ 54,721,352	\$ 11,952,906

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

C. Investments – General Pension Plan

Interest Rate Risk

The General Pension Plan Investment Policy limits interest rate risk by limiting the fixed-income portfolio duration to less than 135% of the market index duration, including investments in government issues, corporate bonds with an average rating of A or higher and/or Government National Mortgage Association pooled obligations. There may be exceptional circumstances indicating the use of longer maturities, but these exceptions should be few. As of September 30, 2020, the General Employee’s Pension Plan had the following fixed income investments and maturities at PAR value:

Investment Type	PAR Value	Investment Maturities (in Years)			
		Less Than 1	Between 1 and 5	Between 6 and 10	More Than 10
Fixed	\$ 4,599,948	\$ 290,000	\$ 1,816,124	\$ 1,058,969	\$ 1,434,855

Credit Risk and Concentration of Credit Risk

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

Foreign Currency

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

D. Investments – Police Pension Plan

Interest Rate Risk

The Police Pension Plan Investment Policy limits fixed income securities to 135% of the duration of the market index, including investments in government issues, corporate bonds having an average quality rating of A or higher and/or securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. There may be exceptional circumstances indicating the use of longer maturities, but these exceptions should be few. As of September 30, 2020, the Police Officer’s Pension Plan had the following investments and maturities:

Investment Type	% of Fund	Fair Value	Rating	Effective Duration
Carillon Core Plus	52.67%	\$ 1,933,364	AAA-below B	4.90
T. Rowe Price Spectrum	47.33%	1,737,480	AAA-below B	5.53
	100.00%	\$ 3,670,844		

Credit Risk and Concentration of Credit Risk

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

Foreign Currency

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

E. Investments – Firefighter Pension Plan

Interest Rate Risk

The Firefighter Pension Plan Investment Policy limits all investments in corporate fixed income securities to those that hold a rating of investment grade or higher. There is no limit imposed on investment in fixed income securities issued directly by the U.S. Government. The Plan limits the effective duration of its investment portfolio through the adoption of the Merrill Lynch Government/Corporate Bond Index benchmark. It is expected that the average duration of the total fixed income portfolio will not exceed 150% of the duration of the Index. As of September 30, 2020, the Firefighter Pension Plan held the following fixed income investments:

Investment Type	% of Fund	Fair Value	Rating	Effective Duration
US Government Securities & Agencies	29.18%	\$1,382,994	AA	10.0-15.0
Corporate Bonds	58.55%	2,774,836	A	11
International fixed income investment	12.27%	581,660	BBB-A	2.0-5.0
	<u>100%</u>	<u>\$4,739,490</u>		

Credit Risk and Concentration of Credit Risk

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

Credit risk is the risk that a debt issuer will not fulfill its obligations. Consistent with state law the Plan's investment guidelines limit its fixed income investments to a quality of "A" or equivalent as rated by Moody's or by Standard & Poor's board rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity.

Foreign Currency Risk

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

NOTE 3. ACCOUNTS RECEIVABLE:

Receivables at September 30, 2020, consist of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 1,139,037	\$ 5,448,702	\$ 6,587,739
Intergovernmental	-	1,782,150	1,782,150
Gross Receivables	<u>\$ 1,139,037</u>	<u>\$ 7,230,852</u>	<u>\$ 8,369,889</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 4. CAPITAL ASSETS:

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2020:

Governmental Activities	Balance			Balance
	9/30/2019	Increases	Decreases	9/30/2020
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 6,798,692	\$ 25,930	\$ -	\$ 6,824,622
Construction in Progress	330,624	562,975	(259,722)	633,877
Total Capital Assets				
Not Being Depreciated	7,129,316	588,905	(259,722)	7,458,499
Other Capital Assets:				
Buildings	21,612,846	278,309	-	21,891,155
Infrastructure	24,163,480	988,310	-	25,151,790
Furniture and Other Equipment	10,056,129	748,578	(926,702)	9,878,005
Total Other	55,832,455	2,015,197	(926,702)	56,920,950
Less Accumulated Depreciation For:				
Buildings	(13,337,867)	(426,295)	-	(13,764,162)
Infrastructure	(9,708,640)	(755,492)	-	(10,464,132)
Furniture and Other Equipment	(7,407,194)	(670,483)	582,182	(7,495,495)
Total Accumulated Depreciation	(30,453,701)	(1,852,270)	582,182	(31,723,789)
Other Capital Assets, Net	25,378,754	162,927	(344,520)	25,197,161
TOTAL	\$ 32,508,070	\$ 751,832	\$ (604,242)	\$ 32,655,660

Depreciation was allocated to Governmental Activities as follows:

General Government	\$ 1,745,121
Public Safety	12,925
Physical Environment	94,224
Transportation	-
Culture & Recreation	-
Total	\$ 1,852,270

Construction in progress is composed of the following at September 30, 2020

Fire Truck in Progress	\$ 548,975
Mobility and Parking Improvements	84,902
Total	\$ 633,877

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 4. CAPITAL ASSETS: (continued)

Business-Type Activities

	<u>Balance</u> <u>9/30/2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2020</u>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 1,376,195	\$ 25,634	\$ -	\$ 1,401,829
Construction in Progress *	2,861,934	977,589	(1,776,481)	2,063,042
Total Capital Assets Not Being Depreciated	<u>4,238,129</u>	<u>1,003,223</u>	<u>(1,776,481)</u>	<u>3,464,871</u>
Other Capital Assets:				
Buildings *	59,089,167	-	(63,542)	59,025,625
Infrastructure	140,598,653	9,073,505	(120,504)	149,551,654
Furniture and Other Equipment	8,272,413	1,428,472	(543,538)	9,157,347
Total Other	<u>207,960,233</u>	<u>10,501,977</u>	<u>(727,584)</u>	<u>217,734,626</u>
Less Accumulated Depreciation For:				
Buildings	(31,835,277)	(1,273,253)	63,107	(33,045,423)
Infrastructure	(52,241,141)	(4,384,577)	-	(56,625,718)
Furniture and Other Equipment	(5,205,446)	(826,786)	543,538	(5,488,694)
Total Accumulated Depreciation	<u>(89,281,864)</u>	<u>(6,484,616)</u>	<u>606,645</u>	<u>(95,159,835)</u>
Other Capital Assets, Net	<u>118,678,369</u>	<u>4,017,361</u>	<u>(120,939)</u>	<u>122,574,791</u>
TOTAL	<u>\$122,916,498</u>	<u>\$ 5,020,584</u>	<u>\$ (1,897,420)</u>	<u>\$126,039,662</u>

* Balance at 9/30/2019 restated to reclassify \$519,893 of capitalized interest from CIP to buildings.

Depreciation was allocated to Business-Type Activities as follows:

Utility Fund	\$ 4,351,980
Stormwater Drainage Fund	611,416
Solid Waste Fund	310,590
Municipal Marina Fund	303,300
Visitor Information Center	907,330
Total	<u>\$ 6,484,616</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 4. CAPITAL ASSETS: (continued)

Construction in progress is composed of the following at September 30, 2020:

Lift Station Rehabilitation	\$ 230,353
May Street Intersection (Phase II)	391,829
High Service Pumps Overhaul	45,771
Water Treatment Plant Improvements	42,043
Wastewater Treatment Plant Motor Control Center 2 Replacement	36,223
Wastewater Treatment Plant Hedworks Structural Rehabilitation	269,884
St. Francis Sewer Replacement	16,800
Lift Station 51 and 52 Forcemain	95,030
Wastewater Treatment Plant Floodproofing	105,249
Lake Maria Sanchez Drainage	11,059
Sevilla Street Rebuild and Rebrick	88,043
Coquina Ave Stormwater Project	33,931
South Whitney & West King Improvements	183,169
Tideflex Valves Improvements	513,658
Total	<u><u>\$ 2,063,042</u></u>

NOTE 5. RISK MANAGEMENT, LITIGATION AND COMMITMENTS:

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

The City Attorney estimates that the amount of any actual or potential claims against the City as of September 30, 2020, will not materially affect the financial condition of the City. Therefore, the financial statements contain no provision for estimated claims.

The City has received notice pursuant to the requirements of §70.45, Florida Statutes, of thirty-two (32) claims for damages cumulatively exceeding \$4,795,000.00 allegedly arising out of the enactment of the City's vacation rental ordinances. The City denied each claim and expressly denied each of the damages asserted. Only one plaintiff has filed suit in pursuit of their claim. The City's insurer, the Florida League of Cities, has engaged the law firm of Marks Gray, P.A. in defense of the claim and intends to defend the action vigorously.

At September 30, 2020, the City had outstanding commitments of approximately \$2,252,385 relating to construction contracts.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 6. LONG-TERM DEBT:

Governmental Funds

Capital Improvement Refunding Revenue Bonds, Series 2011B:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 3.25%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2020 is as follows:

Year Ended	Capital Improvement Revenue Bonds		
September 30,	Series 2011B		
Principal	Interest	Total	
2021	327,702	156,118	483,820
2022	337,733	145,468	483,201
2023	347,765	133,225	480,990
2024	361,141	120,618	481,759
2025	374,516	106,173	480,689
2026-2030	2,130,061	284,453	2,414,514
	\$ 3,878,918	\$ 946,055	\$ 4,824,973

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 6: LONG TERM DEBT (continued):

Capital Improvement and Refunding Revenue Bonds, Series 2013:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2020 is as follows:

Year Ended	Capital Improvement Revenue Bonds		
September 30,	Series 2013		
Principal	Interest	Total	
2021	7,832	8,190	16,022
2022	8,046	7,955	16,001
2023	8,365	7,713	16,078
2024	8,525	7,462	15,987
2025	8,951	7,121	16,072
2026-2030	39,480	29,951	69,431
2031-2035	86,527	15,659	102,186
2036-2040	13,959	2,960	16,919
2041	3,197	160	3,357
	\$ 184,882	\$ 87,171	\$ 272,053

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 6: LONG TERM DEBT (continued):

Capital Improvement and Refunding Revenue Bonds, Series 2017:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2020 is as follows:

Year Ended	Capital Improvement Revenue Bonds		
	September 30,	Series 2017	
	Principal	Interest	Total
2021	165,070	839,406	1,004,476
2022	169,787	832,803	1,002,590
2023	174,503	826,012	1,000,515
2024	183,936	819,032	1,002,968
2025	-	811,674	811,674
2026-2030	1,028,153	4,056,956	5,085,109
2031-2035	1,933,680	3,791,901	5,725,581
2036-2040	10,781,451	2,292,355	13,073,806
2041	2,490,195	124,510	2,614,705
	\$ 16,926,775	\$ 14,394,649	\$ 31,321,424

Enterprise Funds

Capital Improvement Refunding Revenue Bonds, Series 2011B:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 3.25%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2020 is as follows:

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 6. LONG-TERM DEBT: (continued)

Year Ended September 30,	Capital Improvement Revenue Bonds		
	Series 2011B		
Principal	Interest	Total	
2021	162,298	77,320	239,618
2022	167,267	72,045	239,312
2023	172,235	65,981	238,216
2024	178,859	59,737	238,596
2025	185,483	52,583	238,066
2026-2030	1,054,935	140,878	1,195,813
	\$ 1,921,077	\$ 468,544	\$ 2,389,621

Water and Sewer Revenue Refunding Bonds, Series 2012:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 3.25%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2020 is as follows

Year Ended September 30,	Capital Improvement Revenue Bonds		
	Series 2012		
Principal	Interest	Total	
2021	490,000	204,350	694,350
2022	1,805,000	184,750	1,989,750
2023	1,890,000	94,500	1,984,500
	\$ 4,185,000	\$ 483,600	\$ 4,668,600

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 6. LONG-TERM DEBT: (continued)

Capital Improvement and Refunding Revenue Bonds, Series 2013:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2020 is as follows:

Year Ended September 30,	Capital Improvement Revenue Bonds		
	Principal	Series 2013 Interest	Total
2021	727,168	760,360	1,487,528
2022	746,955	738,545	1,485,500
2023	776,635	716,137	1,492,772
2024	791,475	692,838	1,484,313
2025	831,049	661,179	1,492,228
2026-2030	3,665,520	2,780,749	6,446,269
2031-2035	8,033,473	1,453,841	9,487,314
2036-2040	1,296,041	274,790	1,570,831
2041	296,803	14,840	311,643
	\$ 17,165,119	\$ 8,093,279	\$ 25,258,398

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 6. LONG-TERM DEBT: (continued)

Water and Sewer Revenue Refunding Bonds, Series 2016:

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 6. LONG-TERM DEBT: (continued)

Principal payments are due annually on October 1, and interest payments are due semi-annually on April 1 and October 1. The annual requirement to amortize bonded debt outstanding as of September 30, 2020 is as follows:

Year Ended September 30,	Water & Sewer Revenue Refunding Bonds		
	Principal	Series 2016 Interest	Total
2021	2,050,000	28,905	2,078,905
	\$ 2,050,000	\$ 28,905	\$ 2,078,905

Capital Improvement and Refunding Revenue Bonds, Series 2017:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2020 is as follows:

Year Ended September 30,	Capital Improvement Revenue Bonds		
	Principal	Series 2017 Interest	Total
2021	9,930	50,494	60,424
2022	10,213	50,097	60,310
2023	10,497	49,688	60,185
2024	11,064	49,268	60,332
2025	-	48,826	48,826
2026-2030	61,847	244,044	305,891
2031-2035	116,320	228,099	344,419
2036-2040	648,549	137,895	786,444
2041	149,805	7,490	157,295
	\$ 1,018,225	\$ 865,901	\$ 1,884,126

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 6. LONG-TERM DEBT: (continued)

State Revolving Fund Loan – DW 550410:

On May 9th, 2017, the State of Florida Department of Environmental Protection, State Revolving Fund Loan was obtained for the purpose of providing financing for the planning, design and construction of various public water systems projects. The loan is payable from and secured by pledged gross revenues of the water and/or sewer system. Principal and interest paid for the current fiscal year was \$549,004 and pledged revenues were \$8,357,205. At September 30, 2020, principal and interest to maturity in 2032 to be paid from pledged future revenues totaled \$7,639,980. As of September 30, 2020, outstanding principal, including capitalized interest, was \$7,639,980. The loan bears interest at 1.24%. The City must fix, establish, maintain and collect water and/or sewer system revenues which will at least equal 115% of the debt service requirements each fiscal year plus 100% of all additional debt service requirements.

Principal and interest payments are due semi-annually on June 15th and December 15th. Estimated annual debt service requirements to maturity based on the outstanding balance of the loan as of September 30, 2020 are as follows:

State Revolving Fund Loan DW 550410			
Year Ended	Series 2017		
September 30,	Principal	Interest	Total
2021	455,676	93,328	549,004
2022	461,344	87,660	549,004
2023	467,083	81,921	549,004
2024	472,893	76,111	549,004
2025	478,775	70,229	549,004
2026-2030	1,975,396	220,620	2,196,016
2031-2032	3,328,813	87,356	3,416,169
	\$ 7,639,980	\$ 717,225	\$ 8,357,205

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 7. CHANGES IN LONG-TERM DEBT:

	<u>Balance</u> <u>9/30/2019</u>		<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2020</u>	<u>Current</u> <u>Portion</u>
General Long-Term Debt & Obligations						
Capital Improvement and Refunding Revenue Bonds	\$ 22,824,854	\$ -	\$ (477,582)	\$ 22,347,272	\$ 500,604	
Unamortized Premium (Discount)	2,113,374	-	(94,493)	2,018,881	94,493	
Total Notes and bonds	24,938,228	-	(572,075)	24,366,153	595,097	
Accrued Compensated Absences	2,996,219	144,750	-	3,140,969	119,118	
Net Pension Liability:	6,076,108	-	(987,930)	5,088,178	-	
Net OPEB Obligation	1,157,059	79,253	-	1,236,312	-	
Total General Long-Term Obligations	\$ 35,167,614	\$ 224,003	\$ (1,560,005)	\$ 33,831,612	\$ 714,215	
Proprietary Fund Long-Term Obligations						
Capital Improvement and Refunding Revenue Bonds	\$ 19,620,144	\$ -	\$ (872,417)	\$ 18,747,727	\$ 899,396	
Water and Sewer Revenue Bonds	8,690,000	-	(2,455,000)	6,235,000	2,540,000	
Revolving Fund Loan DW 550410	7,244,572	859,517	(464,109)	7,639,980	538,145	
	35,554,716	859,517	(3,791,526)	32,622,707	3,977,541	
Unamortized (Premium) Discount	1,959,306	-	(303,346)	1,655,960	303,347	
	37,514,022	859,517	(4,094,872)	34,278,667	4,280,888	
Accrued Compensated Absences	783,264	-	(14,738)	768,526	38,531	
Net Pension Liability	3,702,812	-	(973,375)	2,729,437	-	
Net OPEB Obligation	562,667	-	(19,523)	543,144	-	
Total Proprietary Long-Term Obligations	\$ 42,562,765	\$ 859,517	\$ (5,102,508)	\$ 38,319,774	\$ 4,319,419	
Total Long-Term Debt & Obligations	\$ 77,730,379	\$ 1,083,520	\$ (6,662,513)	\$ 72,151,386	\$ 5,033,634	

The City has direct placement debt from the Florida Department of Environmental Protection Drinking Water State Revolving Fund Loan Program. The total loan amount is \$9,403,394 and the City currently has \$7,639,980 outstanding with available future borrowings of \$1,763,414. This loan is secured by the City's utility revenues.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 8. INTERFUND RECEIVABLES, PAYMENTS, AND TRANSFERS:

A. As of September 30, 2020, interfund payments and transfers are as follows:

<u>Fund Type/Fund</u>	<u>Transfers-in</u>	<u>Transfers-out</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 4,247,182	\$ 3,643,028
Debt Service Fund	1,569,916	-
Special Revenue Fund-HACRA	718,055	1,206,369
Special Revenue Fund-LCRA	495,384	-
Permanent Fund	-	-
PROPRIETARY FUNDS		
Utility Fund	6,445,590	8,398,206
Stormwater Fund	131,820	239,884
Solid Waste Fund	322,928	265,705
Municipal Marina Fund	27,032	148,985
Visitor Information Center	1,220,750	1,276,480
	<u>\$ 15,178,657</u>	<u>\$ 15,178,657</u>

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

<u>Fund Type/Fund</u>	<u>Administrative Overhead Charges</u>	<u>Administrative Overhead Expenses</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 3,916,089	\$ -
PROPRIETARY FUNDS		
Utility Fund	-	2,455,123
Stormwater Fund	-	360,580
Solid Waste Fund	-	543,664
Municipal Marina Fund	-	289,344
Visitor Information Center	-	267,378
	<u>\$ 3,916,089</u>	<u>\$ 3,916,089</u>

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

B. As of September 30, 2020, interfund receivables are as follows:

<u>Fund Type/Fund</u>	<u>Due to</u>	<u>Due from</u>
GOVERNMENTAL FUNDS		
General Fund	\$ -	\$ 357,518
Debt Service Fund	-	-
Special Revenue Fund-HACRA	-	-
Special Revenue Fund-LCRA	-	.
Capital Projects Fund	-	-
Permanent Fund	-	-
PROPRIETARY FUNDS		
Utility Fund	978,643	-
Stormwater Fund	-	276,011
Solid Waste Fund	-	345,114
Municipal Marina Fund	-	-
Visitor Information Center	-	-
	<u>\$ 978,643</u>	<u>\$ 978,643</u>

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

NOTE 9. OPERATING LEASES:

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

<u>Year Ending September 30</u>	<u>Amount</u>
2021	1,285,389
2022	1,323,951
2023	1,363,669
Total future minimum rentals	<u>\$ 3,973,009</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS:

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

A. Membership

As of September 30, 2020, employee membership data related to the pension plans were:

	GERS	PORS	FFRS	Total
Active Participants	219	50	32	326
Inactive Members or Beneficiaries Receiving Benefits	161	30	26	203
Drop Retirees	-	2	-	1
Disabled Members	-	4	0	5
Vested Terminated	13	5	4	27
Inactive or Limited Participants	43	3	0	39
Total Participants	436	94	62	601
Total Covered Payroll	\$10,751,684	\$3,571,718	\$2,121,547	\$16,444,949

B. Plan Descriptions – General

1. General Employees' Retirement System (GERS)

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS: (continued)

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

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

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

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

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

2. Police Officers' Retirement System (PORS)

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

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

The Deferred Retirement Option Program (DROP) allows participants eligible for regular retirement to continue employment for a maximum of five years, and receive retirement benefits during this period. Employee contributions to the plan are discontinued, and the retirement benefits are transferred to the DROP reserve monthly, payable in full upon retirement. As of September 30, 2020, the balance of the Police Officers' Retirement System DROP plan is \$101,531.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS: (continued)

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

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

3. Fire Fighters' Retirement System (FFRS)

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

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

The Deferred Retirement Option Program (DROP) allows participants eligible for regular retirement to continue employment for a maximum of five years, and receive retirement benefits during this period. Employee contributions to the plan are discontinued, and the retirement benefits are transferred to the DROP reserve monthly, payable in full upon retirement. As of September 30, 2020, the balance of the Fire Fighters' Retirement System DROP plan is \$-0-.

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS: (continued)

A. Actuarial Assumptions

The total pension liability was determined by actuarial valuations as of October 01, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

	GERB	PORS	FFRS
Inflation	3.0%	3.0%	2.50%
Salary Increases	Service based	Service based	Service based
Investment Rate of return, including inflation	7.60%	7.60%	7.25%
Mortality	Table 1	Table 1	Table 2

Mortality Table 1:

Mortality Rate Healthy Lives:

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

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

Mortality Rate Disabled Lives:

Female: 100% RP2000 100% Disable Female set forward two years, no projection scale.

Male: 100% RP2000 Disabled Male setback four years, no projection scale.

Mortality Table 2:

Mortality Rate Healthy Lives:

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

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 100% Disable Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS: (continued)

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS: (continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.50% for the GERS and PORS and 7.25% for the FFRS. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to be made at actuarially determined contribution rates based on the funding requirements of Florida Statutes, taking into account the applicable member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was used as the discount rate and applied to all periods of projected benefit payments to determine the total pension liability.

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

City's net pension liability (asset)	1% Decrease		Current		1% Increase	
GERS (current rate of 7.50%)	\$	20,792,075	\$	6,704,027	\$	(3,266,193)
PORS (current rate of 7.50%)	\$	3,330,874	\$	585,706	\$	(1,704,231)
FFRS (current rate of 7.25%)	\$	1,283,954	\$	(527,882)	\$	(2,038,862)

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS: (continued)

Statement of Fiduciary Net Position (FNP)

	GERS	PORS	FFRS	Total
Assets				
Cash & Cash Equivalents	\$ 1,535,472	\$ 767,388	\$ 682,939	\$ 2,985,799
Receivables	-	8,302	23,494	31,796
Fixed Income	5,121,992	3,670,844	4,739,490	13,532,326
Equities	30,888,308	14,167,520	9,745,860	54,801,688
Real Estate	7,885,911	4,066,995	-	11,952,906
Alternative Strategies	3,230,218	-	-	3,230,218
Prepaid	-	-	650	650
Total Assets	\$ 48,661,901	\$ 22,681,049	\$ 15,192,433	\$ 86,535,383
Liabilities				
Accounts Payable	\$ 14,040	\$ 6,721	\$ 37,649	\$ 58,410
Total Liabilities	\$ 14,040	\$ 6,721	\$ 37,649	\$ 58,410
Net Position Held In Trust				
For Pension Benefits – (a)	\$ 48,647,861	\$ 22,674,328	\$ 15,154,784	\$ 86,476,973

Statement of Changes in Total Pension Liability

	GERS	PORS	FFRS	Total
Service cost at 10/01/19	\$ 1,161,167	\$ 591,972	\$ 336,036	\$ 2,089,175
Interest	3,972,631	1,680,879	1,046,101	6,699,611
Change in Excess State Money	-	-	-	-
Share Plan Allocation	-	29,062	30,460	59,522
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience	816,741	126,193	44,590	987,524
Changes to Assumptions	99,194	(158,030)	111,627	52,791
Benefit Payments, including Refunds Of Employee Contributions	(3,616,283)	(1,069,800)	(710,129)	(5,396,212)
Net Change in Total Pension Liability	\$ 2,433,450	\$ 1,200,276	\$ 858,685	\$ 4,492,411
Total Pension Liability at 10/01/19	\$ 52,918,438	\$ 22,059,758	\$ 13,768,217	\$ 88,746,413
Total Pension Liability at 09/30/20 (b)	\$ 55,351,888	\$ 23,260,034	\$ 14,626,902	\$ 93,238,824
Net Pension Liability (a) – (b)	\$ (6,704,027)	\$ (585,706)	\$ 527,882	\$ (6,761,851)

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS: (continued)

B. Funding Policy, Contributions, Status and Progress:

1. General Employees' Retirement System (GERS)

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

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

The System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. For the year ended September 30, 2020, the City made an actuarial contribution of 23.51 percent in addition to the required one percent contributed on behalf of the employees.

2. Police Officers' Retirement System (PORS)

The St. Augustine Police Officers' Retirement System is funded under the provisions of Article X, Section 10.03, St. Augustine Code and Chapter 185.07, Florida Statutes. Funding arrangements include contributions by retirement system members, the City of St. Augustine, percentage of casualty insurance premiums collected on property located within the corporate limits of the City of St. Augustine, accretions to the fund by way of interest on bank deposits or otherwise, and any other source of income authorized by law to increase the retirement fund. At September 30, 2020, contributions by retirement system members are based on 5.5 percent of compensation while the City of St. Augustine contributes a minimum of 2.5 percent of compensation. Previously, retirement system members contributed four percent of fixed monthly compensation. The Board of Trustees for the Plan anticipates the above funding methods will result in all members' benefits being fully provided for by the time of their retirement. Effective October 1, 1993, the member contributions were changed from after tax compensation to pre-tax compensation.

Administrative costs are funded by City and member contributions.

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The City made an actuarial contribution of 9.49 percent during the fiscal year ended September 30, 2020, in addition to the ordinance-required 2.5 percent.

3. Fire Fighters' Retirement System (FFRS)

The City of St. Augustine Firefighters' Retirement System plan was created in 1987 under City Ordinance 87-60 amending Section 20, Article V of the Code of the City of St. Augustine, Florida. The Plan was substantively amended in 1993, 1995, 2000, 2001 and 2005. In addition, the Plan is a local law plan subject to provisions of Chapter 175 of the State of Florida Statutes. Funding arrangements include contributions by retirement system members, the City of St. Augustine, 1.85 percent premium tax for property insurance and investment income from the retirement system assets. Administrative costs of the fund are financed through investment earnings. For the current fiscal year the state premium tax revenue was \$194,675.

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

NOTE 10. RETIREMENT SYSTEMS: (continued)

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The City was required to make an actuarial contribution of 9.02 percent during the fiscal year ended September 30, 2020, in addition to the ordinance-required contribution of 3.5 percent.

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

For the year September 30, 2020, the City recognized pension expense as follows:

General Employees' Pension Plan	\$ 2,008,183
Police Officers' Pension Plan	338,268
Fire Fighters' Pension Plan	164,290
Total	\$ 2,510,741

At September 30, 2020 the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

Deferred Outflow of Resources:

	GERS	PORS	FFRS	Total
Differences between expected and actual experience	\$ 1,094,625	\$ 551,478	\$ 325,967	\$ 1,972,070
Changes in Assumption	802,237	458,579	158,600	1,419,416
	\$ 1,896,862	\$ 1,010,057	\$ 484,567	\$ 3,391,486

Deferred Inflow of Resources:

	GERS	PORS	FFRS	Total
Differences between expected and actual experience	\$ (414,450)	\$ (295,666)	\$ -	\$ (710,116)
Changes in Assumption	-	(126,424)	(10,830)	(137,254)
Net difference between projected and actual earnings on investments	(189,275)	233,029	(327,423)	(283,669)
	\$ (603,725)	\$ (189,061)	\$ (338,253)	\$ (1,131,039)

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

Year Ended September 30,	GERS	PORS	FFRS	Total
2021	\$ 703,970	\$ 118,704	\$ 61,606	\$ 884,280
2022	612,451	286,158	62,434	961,043
2023	304,421	332,642	72,516	709,579
2024	(327,704)	112,277	(76,278)	(291,705)
2025	-	(28,787)	26,037	(2,750)
	\$ 1,293,138	\$ 820,994	\$ 146,315	\$ 2,260,447

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

Based on Governmental Accounting Standards Board (GASB) approval of Statement Nos. 74 and 75 which set forth the guidelines for reporting and disclosure of Other Post-Employment Benefits (OPEB), the City had an actuary calculate future funding requirements using an appropriate actuarial cost method. The valuation was performed as of September 30, 2020 and covers subsidies for medical insurance benefits. The City has implemented the provisions of GASB Statement No. 75 prospectively. The City’s annual OPEB cost for the Plan is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The individual entry age actuarial cost method is specifically identified in GASB Statement 75 as the only appropriate method for determining a plan’s Total OPEB Liability (TOL), which is the portion of the present value of benefits attributable to past service.

1. Plan Description:

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

Under certain conditions, eligible individuals also include spouses and dependent children. As of September 30, 2020, there were 321 future retirees, 13 retired and disabled participants receiving benefits, no spouses receiving benefits and no other dependents receiving benefits for a total of 334 included in the valuation. The Plan does not issue a publicly available financial report.

2. Funding Policy:

The City Commission is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. The City Commission establishes the contributions requirements of plan members and the City. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost. Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on whether the retiree elects single, single plus spouse, single plus dependents, or family coverage. Currently, the City’s subsidy to OPEB benefits is unfunded. There are no separate Trust Funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB obligations, as it does for its retiree pension plans. The City’s cost of the OPEB benefits, funded on a pay-as-you-go basis, was \$440,696 for the year ended September 30, 2020. The ultimate implicit and explicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. Under GASB Statement 75, the City’s expected discount rate of 3.75% reflects the 20-year tax-exempt municipal bond yield or index rate which is based on the assumption that the plan will not be funded. This is consistent with GASB Statement No. 75 guidance.

A. Actuarial Assumptions

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

Valuation date.....	October 01, 2020
Actuarial cost method.....	Individual Entry Age
Medical Inflation rate.....	5%
Discount rate.....	3.75% per annum

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

Aging Factor.....	<u>Under 65</u>	<u>65-85</u>
	3.00%	1.50%
Plan Expenses.....	Assumed payable outside of plan.	
Payroll Growth Rate.....	4.00%	
Projected Salary Increases.....	N/A	
Healthcare Trend Rates.....	5.0%	
Ad hoc post-employment benefit changes.....	None	
Retirement Rates Based Service and Age		

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

Retirement Rates Based Service and Age (continued)

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

Termination Rates Based on Age:

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

Disability Incidence Rates:

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

Medical Plan Retiree Election Rates

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

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

	1.0% Decrease in Discount Rate 2.75%	Current Single Discount Rate 3.75%	1.0% Increase in Discount Rate 4.75%
Discount Rate			
Total OPEB Liability (TOL)	\$ 1,500,491	\$ 1,779,456	\$ 2,133,399
Plan Net Fiduciary Position	-	-	-
Net OPEB Liability	1,500,491	1,779,456	2,133,399
Plan Net Fiduciary Position as a Percentage of Total OPEB Liability	0%	0%	0%
Annual Covered Payroll	\$ 14,573,762	\$ 14,573,762	\$ 14,573,762
Net OPEB Liability as a Percentage of Covered Employee Payroll	10.30%	12.21%	14.64%

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

	1.0% Decrease in Healthcare Cost Trend 4%	Current Single Healthcare Cost Trend 5%	1.0% Increase in Healthcare Cost Trend 6%
Healthcare Cost Trend			
Total OPEB Liability (TOL)	\$ 1,503,892	\$ 1,779,456	\$ 2,130,714
Plan Net Fiduciary Position	-	-	-
Net OPEB Liability	1,503,892	1,779,456	2,130,714
Plan Net Fiduciary Position as a Percentage of Total OPEB Liability	0%	0%	0%
Annual Covered Payroll	\$ 14,573,762	\$ 14,573,762	\$ 14,573,762
Net OPEB Liability as a Percentage of Covered Employee Payroll	10.32%	12.21%	14.62%

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

Total OPEB Liability

The City's total OPEB liability of \$1,779,456 was measured as of September 30, 2020.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	\$	1,719,726
Service Cost		53,054
Interest on Total OPEB Liability		63,426
Differences between Expect and Actual Experience		-
Changes in Assumptions and Other Inputs		-
Benefit Payments		(56,750)
Net change in Total OPEB Liability		<u>59,730</u>
Total OPEB Liability, End of Year	\$	<u>1,779,456</u>

At September 30, 2020, the City reported its proportionate share of the City's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

Deferred Outflow of Resources:

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

Deferred Inflow of Resources:

Differences between expected and actual experience	\$ 223,090
Changes in Assumption	343,712
Net difference between projected and actual earnings on investments	-
	<u>\$ 566,802</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2020

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

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

Year Ended September 30,	Expense
2021	\$ 165,103
2022	165,103
2023	165,103
2024	71,493
2025	-
	\$ 566,802

NOTE 13. 457 TAX-DEFERRED COMPENSATION PLAN:

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

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

NOTE 14. DEFICIT NET POSITION

The Visitor Information Center (VIC) Fund had a deficit net position of \$3,065,873 at September 30, 2020. This deficit has been the result of the funds debt service payments for the construction of the Historic District Parking Facility as well as the loss of parking revenue due to COVID-19. The VIC Fund operating revenue exceeds its operating expenses for the current year and has done so for the previous five (6) years. The City began to appropriate funds beginning in 2020 fiscal year to eliminate the deficit and build reserves equal to three months of operations. The estimated timeline for this to be complete is five years.

NOTE 15. SUBSEQUENT EVENT

Since December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses were forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The City has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended September 30, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the City for future periods.

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

CITY OF ST. AUGUSTINE, FLORIDA

General Employees' Retirement Systems
Schedule of Changes in Net Pension Liability and Related Ratios
 Last 7 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 1,161,167	\$ 1,212,444	\$ 1,070,512	\$ 934,169	\$ 877,693	\$ 803,520	\$ 773,148
Interest	3,972,631	3,899,091	3,662,089	3,354,032	3,199,137	2,974,850	2,922,230
Differences Between Expected and Actual Experience	816,741	(690,749)	1,205,174	-	292,529	957,468	524,737
Changes of Assumptions	99,194	279,597	270,413	2,259,593	293,019	64,099	-
Benefit Payments, Including Refunds of Employee Contributions	(3,616,283)	(3,076,009)	(2,806,416)	(2,560,377)	(2,318,001)	(2,445,651)	(1,946,951)
Net Change in Total Pension Liability	2,433,450	1,624,374	3,401,772	3,987,417	2,344,377	2,354,286	2,273,164
Total Pension Liability - Beginning	52,918,438	51,294,064	47,892,292	43,904,875	41,560,498	39,206,212	36,933,048
Total Pension Liability - Ending	<u>55,351,888</u>	<u>52,918,438</u>	<u>51,294,064</u>	<u>47,892,292</u>	<u>43,904,875</u>	<u>41,560,498</u>	<u>39,206,212</u>
Plan Fiduciary Net Position							
Contributions - Employer	2,935,788	3,054,301	2,720,877	2,199,188	1,981,476	1,890,973	1,818,974
Contributions - Employee	551,940	464,544	440,965	417,923	403,094	388,933	299,058
Net Investment Income (loss)	4,986,042	849,095	2,977,936	4,487,841	2,936,911	712,816	3,220,400
Benefit Payments, Including Refunds of Employee Contributions	(3,616,283)	(3,076,009)	(2,806,415)	(2,560,372)	(2,318,001)	(2,445,651)	(1,946,951)
Administrative Expenses	(68,950)	(68,479)	(65,056)	(59,340)	(57,582)	(39,139)	(88,525)
Net Change in Plan Fiduciary Net Position	4,788,537	1,223,452	3,268,307	4,485,240	2,945,898	507,932	3,302,956
Plan fiduciary net position - beginning	43,859,324	42,635,872	39,367,565	34,882,325	31,936,427	31,428,495	28,125,539
Plan fiduciary net position - ending	<u>48,647,861</u>	<u>43,859,324</u>	<u>42,635,872</u>	<u>39,367,565</u>	<u>34,882,325</u>	<u>31,936,427</u>	<u>31,428,495</u>
Net Pension Liability	<u>\$ 6,704,027</u>	<u>\$ 9,059,114</u>	<u>\$ 8,658,192</u>	<u>\$ 8,524,727</u>	<u>\$ 9,022,550</u>	<u>\$ 9,624,071</u>	<u>\$ 7,777,717</u>
Plan Fiduciary Net Position as a Percentage of the Total Liability	87.89%	82.88%	83.12%	82.20%	79.45%	76.84%	80.16%
Actuarial determined contributions	\$ 2,837,841	\$ 2,725,709	\$ 2,514,305	\$ 2,065,477	\$ 1,907,612	\$ 1,791,789	\$ 1,749,201
Contributions in relation to the actuarially determined contributions	3,048,816	3,171,892	2,825,631	2,283,857	2,058,258	1,964,248	1,893,589
Contribution (excess) deficiency	<u>\$ (210,975)</u>	<u>\$ (446,183)</u>	<u>\$ (311,326)</u>	<u>\$ (218,380)</u>	<u>\$ (150,646)</u>	<u>\$ (172,459)</u>	<u>\$ (172,459)</u>
Covered Payroll	<u>10,751,684</u>	<u>11,360,507</u>	<u>10,272,429</u>	<u>9,681,447</u>	<u>9,396,015</u>	<u>9,168,707</u>	<u>8,704,913</u>
Contribution as a percent of covered employee payroll	<u>28.36%</u>	<u>27.92%</u>	<u>27.51%</u>	<u>23.59%</u>	<u>21.91%</u>	<u>21.42%</u>	<u>21.75%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>62.35%</u>	<u>79.74%</u>	<u>84.30%</u>	<u>88.05%</u>	<u>96.03%</u>	<u>104.97%</u>	<u>89.35%</u>

Notes to Schedule:

Valuation Date: - September 30, 2020
 Actuarial Cost Method - Individual Entry Age, Level Percent of Pay
 Amortization Method - Level Dollar, Closed
 Remaining Amortization Period - 13 to 15 years based on year established
 Asset Valuation Method - Actuarial Value, based on 5-year recognition of returns greater or less than assumed investment return
 Inflation - 3%
 Salary Increases - 3.5% to 7.0%
 Investment Rate of Return - 7.6%
 Retirement Age - Schedule of probabilities based on age and service, increasing as age and service increase
 Morality RP-2000 Morality Table Dynamic with projection to valuation year.

CITY OF ST. AUGUSTINE, FLORIDA

Police Employees' Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios
 Last 7 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 591,972	\$ 548,320	\$ 675,379	\$ 540,900	\$ 535,582	\$ 514,463	\$ 461,946
Interest	1,680,879	1,619,097	1,483,635	1,381,385	1,667,171	1,218,700	1,208,257
Differences Between Expected and Actual Experience	126,193	(413,933)	782,820	-	(19,092)	(234,101)	(109,454)
Changes of Assumptions	(158,030)	212,449	114,054	501,237	93,784	19,821	-
Benefit Payments, Including Refunds of Employee Contributions	(1,069,800)	(1,045,032)	(1,019,276)	(1,440,875)	(799,841)	(689,626)	(876,479)
Net Change in Total Pension Liability	1,171,214	920,901	2,036,612	982,647	1,477,604	829,257	684,270
Total Pension Liability - Beginning	22,059,758	21,138,857	19,102,245	18,119,598	16,641,994	15,812,737	15,128,467
Total Pension Liability - Ending	<u>23,230,972</u>	<u>22,059,758</u>	<u>21,138,857</u>	<u>19,102,245</u>	<u>18,119,598</u>	<u>16,641,994</u>	<u>15,812,737</u>
Plan Fiduciary Net Position							
Contributions - Employer	454,571	575,062	541,133	478,581	399,211	411,658	387,688
Contributions - Employee	190,177	184,388	170,931	178,168	153,529	164,848	140,007
Contributions - State *	250,176	261,770	246,831	194,937	175,835	181,087	167,880
Net Investment Income (loss)	1,491,371	832,584	1,766,632	2,159,405	1,654,228	123,357	1,619,894
Benefit Payments, Including Refunds of Employee Contributions	(1,069,799)	(1,045,032)	(1,019,276)	(1,440,875)	(799,841)	(689,626)	(876,479)
Administrative Expenses	(59,743)	(75,736)	(60,925)	(50,802)	(59,938)	(40,273)	(47,946)
Net Change in Plan Fiduciary Net Position	1,256,753	733,036	1,645,326	1,519,414	1,523,024	151,051	1,391,044
Plan fiduciary net position - beginning	21,388,513	20,655,477	19,010,151	17,490,737	15,967,713	15,816,662	14,425,618
Plan fiduciary net position - ending	<u>22,645,266</u>	<u>21,388,513</u>	<u>20,655,477</u>	<u>19,010,151</u>	<u>17,490,737</u>	<u>15,967,713</u>	<u>15,816,662</u>
Net Pension Liability (Asset)	<u>\$ 585,706</u>	<u>\$ 671,245</u>	<u>\$ 483,380</u>	<u>\$ 92,094</u>	<u>\$ 628,861</u>	<u>\$ 674,281</u>	<u>\$ (3,925)</u>
Plan Fiduciary Net Position as a Percentage of the Total Liability	97.48%	96.96%	97.71%	99.52%	96.53%	95.95%	100.02%
Actuarial determined contributions	\$ 702,783	\$ 828,511	\$ 704,412	\$ 613,512	\$ 606,441	\$ 578,501	\$ 538,160
Contributions in relation to the actuarially determined contributions	742,863	868,841	818,301	699,448	597,329	610,097	571,885
Contribution (excess) deficiency	<u>\$ (40,080)</u>	<u>\$ (40,330)</u>	<u>\$ (113,889)</u>	<u>\$ (85,936)</u>	<u>\$ 9,112</u>	<u>\$ (31,596)</u>	<u>\$ (33,725)</u>
Covered Payroll	<u>3,571,718</u>	<u>3,428,854</u>	<u>3,615,909</u>	<u>2,943,236</u>	<u>2,646,904</u>	<u>2,867,573</u>	<u>2,812,632</u>
Contribution as a percent of covered employee payroll	<u>20.80%</u>	<u>25.34%</u>	<u>22.62%</u>	<u>23.80%</u>	<u>22.60%</u>	<u>21.30%</u>	<u>21.30%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>16.40%</u>	<u>19.58%</u>	<u>13.37%</u>	<u>3.13%</u>	<u>23.76%</u>	<u>23.51%</u>	<u>-0.14%</u>

Notes to Schedule:

Valuation Date: - September 30, 2020

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

Amortization Method - Level Dollar, Closed

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

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

Inflation - 2.75%

Salary Increases - 3.5% to 7.0%

Investment Rate of Return - 7.6%

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

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

* - contributions exclusive of premium credits that can't be counted beginning in 2020

CITY OF ST. AUGUSTINE, FLORIDA

**Fire Employees' Retirement Systems
Schedule of Changes in Net Pension Liability and Related Ratios
Last 7 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 336,036	\$ 325,027	\$ 311,731	\$ 275,743	\$ 234,355	\$ 230,062	\$ 209,592
Interest	1,046,101	964,117	893,103	740,339	787,330	721,743	753,466
Changes in excess state money		-	(389,245)	88,941	(295,791)	90,698	9,746
Share plan allocation	30,460	11,011	116,195	-	378,685	165,171	29,234
Differences Between Expected and Actual Experience	44,590	84,337	316,244	160,964	124,845	-	-
Changes of Assumptions	111,627	-	-	(32,498)	393,462	-	-
Contributions - Buy Back		-	-	-	924	13,864	3,178
Benefit Payments, Including Refunds of Employee Contributions	(710,129)	(743,255)	(753,841)	(767,735)	(700,051)	(643,641)	(765,357)
Net Change in Total Pension Liability	858,685	641,237	494,187	465,754	923,759	577,897	239,859
Total Pension Liability - Beginning	13,768,217	13,126,980	12,632,793	12,167,039	11,243,280	10,665,383	10,425,524
Total Pension Liability - Ending	14,626,902	13,768,217	13,126,980	12,632,793	12,167,039	11,243,280	10,665,383
Plan Fiduciary Net Position							
Contributions - Employer	269,544	359,136	349,974	225,053	196,389	243,834	270,792
Contributions - State	194,675	184,434	176,271	163,451	157,404	180,080	186,295
Contributions - Employee	106,077	102,020	97,030	92,832	81,793	80,812	78,484
Contributions - Buy Back		-	-	-	924	13,864	3,178
Net Investment Income (loss)	1,617,023	509,441	1,063,931	1,158,206	1,082,244	(138,907)	1,107,564
Benefit Payments, Including Refunds of Employee Contributions	(710,129)	(743,255)	(753,841)	(767,735)	(700,051)	(643,641)	(765,357)
Administrative Expenses	(42,062)	(54,443)	(41,140)	(47,428)	(47,394)	(37,717)	(24,882)
Net Change in Plan Fiduciary Net Position	1,435,128	357,333	892,225	824,379	771,309	(301,675)	856,074
Plan fiduciary net position - beginning	13,719,656	13,362,323	12,470,098	11,645,719	10,874,410	11,176,085	10,320,011
Plan fiduciary net position - ending	15,154,784	13,719,656	13,362,323	12,470,098	11,645,719	10,874,410	11,176,085
Net Pension Liability (Asset)	\$ (527,882)	\$ 48,561	\$ (235,343)	\$ 162,695	\$ 521,320	\$ 368,870	\$ (510,702)
Plan Fiduciary Net Position as a Percentage of the Total Liability	103.61%	99.65%	101.79%	98.71%	95.72%	96.72%	104.79%
Actuarial determined contributions	\$ 442,767	\$ 437,053	\$ 438,963	\$ 334,010	\$ 303,615	\$ 350,237	\$ 381,591
Contributions in relation to the actuarially determined contributions	433,774	532,559	688,965	301,274	336,351	350,237	381,591
Contribution (excess) deficiency	\$ 8,993	\$ (95,506)	\$ (250,002)	\$ 32,736	\$ (32,736)	\$ -	\$ -
Covered Payroll	2,121,547	2,040,395	1,940,595	1,856,640	1,635,855	1,645,062	1,569,689
Contribution as a percent of covered employee payroll	20.45%	26.10%	35.50%	16.23%	20.56%	21.29%	24.31%
Net Pension Liability as a Percentage of Covered Payroll	-24.88%	2.38%	-12.13%	8.76%	31.87%	22.42%	-32.54%

Notes to Schedule:

Valuation date: Actuarial contributions rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The valuation date was October 1, 2018. Methods and assumptions used to determine contribution rates in the October 1, 2018 Actuarial Valuation were prepared by Foster and Foster Actuaries and Consultants.

Changes of assumptions:

For measurement date 09/30/2020, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2019 FRS actuarial valuation for special risk lives with appropriate risk and collar adjustments made based on plan demographics. Additionally, the interest rate was lowered from 7.50% to 7.25% per year compounded annually, net of investment related expenses.

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

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

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

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

10/01/2017 - 7.80%

10/01/2018 - 7.50%

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

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

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

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

Gains/Losses - 10 years

Method/Assumption changes - 20 years

Benefit Changes - 30 years

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

CITY OF ST. AUGUSTINE, FLORIDA

Required Supplementary Information
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
 Last 3 Fiscal Years

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 53,053	\$ 154,075	\$ 81,206
Interest	63,426	170,941	76,692
Differences Between Expected and Actual			
Experience	(70,086)	(286,270)	-
Changes of Assumptions	(95,017)	(281,500)	123,660
Contributions - Buy Back	-	-	-
Benefit Payments, Including Refunds of			
Employee Contributions	(56,750)	(132,808)	(58,167)
Net Change in Total OPEB Liability	59,729	(375,562)	223,391
Total OPEB Liability - Beginning	1,719,726	2,095,288	1,871,897
Total OPEB Liability - Ending	1,779,455	1,719,726	2,095,288
Plan Fiduciary Net Position			
Contributions - Employer	-	-	-
Contributions - Employee	-	-	-
Contributions - Buy Back	-	-	-
Net Investment Income (loss)	-	-	-
Benefit Payments, Including Refunds of			
Employee Contributions	-	-	-
Administrative Expenses	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending	-	-	-
Net OPEB Liability	\$ 1,779,455	\$ 1,719,726	\$ 2,095,288
Plan Fiduciary Net Position as a Percentage of the Total Liability	0.00%	0.00%	0.00%
Actuarial determined contributions	\$ 440,696	\$ 438,632	\$ 415,625
Contributions in relation to the actuarially determined contributions	56,750	52,743	62,316
Contribution deficiency	\$ 383,946	\$ 385,889	\$ 353,309
Covered Payroll	14,573,762	14,013,232	16,374,771
Contribution as a percent of covered employee payroll	0.39%	0.38%	0.38%
Net OPEB Liability as a Percentage of Covered Payroll	12.21%	12.27%	12.80%

Notes to Schedule:

Valuation Date: - October 1, 2020
 Actuarial Cost Method - Individual Entry Age
 Amortization Method - Level Dollar, Closed
 Remaining Amortization Period - 6 years
 Asset Valuation Method - N/A
 Medical Inflation - 5.0%
 Salary Increases - 4.0%
 Investment Rate of Return - 3.75%
 Retirement Age - 100% at Normal Retirement System Mortality Table
 Morality - Florida Retirement System Mortality Table

Combining Statements

CITY OF ST. AUGUSTINE, FLORIDA

**Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020**

	General Employees' Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Employee Retirement Funds
ASSETS				
Cash and Short-term Investments	\$ 1,535,472	\$ 767,388	\$ 682,939	\$ 2,985,799
Receivables:				
Interest and Dividends	-	8,302	23,494	31,796
Total Receivables	-	8,302	23,494	31,796
Prepaid Expense	-	-	650	650
Investments, at Fair Value:				
Fixed income securities	5,121,992	3,670,844	4,739,490	13,532,326
Equity securities	30,888,308	14,167,520	9,745,860	54,801,688
Alternative strategies	3,230,218	-	-	3,230,218
Real estate fund	7,885,911	4,066,995	-	11,952,906
Total Investments	47,126,429	21,905,359	14,485,350	83,517,138
Total Assets	48,661,901	22,681,049	15,192,433	86,535,383
LIABILITIES				
Expenses Payable	14,040	6,721	37,649	58,410
Total Liabilities	14,040	6,721	37,649	58,410
NET POSITION, Restrictd For Pensions	\$ 48,647,861	\$ 22,674,328	\$ 15,154,784	\$ 86,476,973

CITY OF ST. AUGUSTINE, FLORIDA

**Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2020**

	General Employees' Pension Fund	Police Officers' Pension Fund	Total Employee Firefighters' Pension Fund	Retirement Funds
ADDITIONS				
Contributions				
Members	\$ 551,940	\$ 190,177	\$ 106,077	\$ 848,194
City	2,935,788	454,571	269,544	3,659,903
State Insurance Premium Tax, from General Fund	-	279,039	194,675	473,714
Total Contributions	3,487,728	923,787	570,296	4,981,811
Other Income				
Other Income	1,587	199	1,223	3,009
Total Other Income	1,587	199	1,223	3,009
Investment Income				
Net Increase in Fair Value of Investments	4,219,088	1,159,331	1,101,262	6,479,681
Interest and Dividends on Investments	814,418	395,046	555,389	1,764,853
Total Investment Income	5,033,506	1,554,377	1,656,651	8,244,534
Less Investment Expenses	49,051	63,006	40,851	152,908
Net Investment Income	4,984,455	1,491,371	1,615,800	8,091,626
Total Additions	8,473,770	2,415,357	2,187,319	13,076,446
DEDUCTIONS				
Benefit Payments	3,495,473	1,061,897	710,129	5,267,499
Termination Payments	120,810	7,902	-	128,712
Administrative Expenses	68,950	59,743	42,062	170,755
Total Deductions	3,685,233	1,129,542	752,191	5,566,966
Change in Net Position	4,788,537	1,285,815	1,435,128	7,509,480
Net Position - Beginning	43,859,324	21,388,513	13,719,656	78,967,493
NET POSITION - ENDING	\$ 48,647,861	\$ 22,674,328	\$ 15,154,784	\$ 86,476,973

Schedule of Expenditures of Federal Awards

CITY OF ST. AUGUSTINE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2020

Federal Grantor/Pass-through Grantor/Program	CFDA No.	Contract Number	Federal Expenditures
Florida Division of Emergency Management			
Disaster Grants - Public Assistance - Matthew	97.036	PA-04-FL-4283	\$ 550,496
Disaster Grants - Public Assistance - Irma	97.036	PA-00-04-405-4337	25,267
Disaster Grants - Public Assistance - Dorian	97.036	Z1560-DR-4468	113,513
Hazard Mitigation Grant Program - Lake Maria Sanchez	97.039	4283-022-R/F59-6000420	276,256
Hazard Mitigation Grant Program - South Whitney	97.039	4283-87-R/59-6000420	<u>79,840</u>
Total U.S. Department of Homeland Security/ FEMA			1,045,372
U.S. Department of Environmental Protection			
Capitalization Grants for State Revolving Funds			
Florida Department of Environmental Protection			
Drinking Water State Revolving Fund	66.468	DW550410	859,517
U.S. Department of Housing and Urban Development			
State of Florida, Department of Economic Development			
Small Cities Community Development Block Grant	14.228	18DB-OM-04-65-02-N25	112,527
Small Cities Community Development Block Grant	14.228	18DB-OM-04-65-02-NE1	<u>13,000</u>
Total U.S. Department of Housing and Urban Development			125,527
U.S. Department of Justice			
Florida Department of Law Enforcement			
St. Augustine Police Dept. Special Projects Part 4	16.738	2020-JAGC-STJO-1-Y6-061	<u>18,042</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,048,458</u></u>

CITY OF ST. AUGUSTINE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2020

A. Basis of Presentation:

The Schedule of Expenditures of Federal Awards presented on page 139 (the Schedule) includes the federal grant activity of the City of St. Augustine for the fiscal year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) therefore, some of the amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

B. Indirect Cost Rate

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

C. Disaster Grants - Public Assistance

The City of St. Augustine has been impacted by hurricanes Matthew, Irma and Dorian. The City has requested and/or has been reimbursed for expenditures for Hurricane Matthew for the fiscal years ending September 30, 2017, 2018, 2019 and 2020; and for Hurricane Irma for the fiscal years ending September 30, 2018, 2019 and 2020, and for Hurricane Dorian for the fiscal year ending September 30, 2020. These expenditures have been reported on the Schedule in accordance with Compliance Supplement(2 CFR Part 200, Appendix XI) dated April 2017 for Department of Homeland Security, CFDA 97.036-DISASTER GRANTS - PUBLIC ASSISTANCE (Presidentially Declared Disasters, section: IV. OTHER INFORMATION, Recording Expenditures on the Schedule of Expenditures of Federal Awards.

D. Drinking Water State Revolving Fund

On May 9, 2017 the City of St. Augustine entered into a loan agreement with the Florida Department of Environmental Protection to fund various water projects in the City funded by the U.S Department of Environmental Protection's Capitalization Grants for State Revolving Funds. The total funding amount available per agreement is \$9,403,394 of which \$8,372,595 has been expended.

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	146-151
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	152-156
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	
Debt Capacity	157-164
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.	
Demographic and Economic Information	165-173
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	174-178
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

CITY OF ST. AUGUSTINE, FLORIDA

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

	2010/11	2011/12	2012/13	2013/14
<u>Governmental Activities</u>				
Net Investment in Capital Assets	\$ 14,525,576	\$ 11,255,991	\$ 1,503,296	\$ 2,977,346
Restricted	741,252	5,620,856	1,936,545	2,212,379
Unrestricted	11,906,201	9,834,076	8,071,115	8,064,965
Total governmental activities net position	\$ 27,173,029	\$ 26,710,923	\$ 11,510,956	\$ 13,254,690
<u>Business-type activities</u>				
Net Investment in Capital Assets	\$ 48,685,820	\$ 51,779,723	\$ 60,744,774	\$ 61,798,072
Restricted	2,866,119	2,147,376	4,994,135	3,872,255
Unrestricted	9,058,342	9,505,607	15,838,640	17,383,273
Total business-type activities net position	\$ 60,610,281	\$ 63,432,706	\$ 81,577,549	\$ 83,053,600
<u>Primary Government</u>				
Net Investment in Capital Assets	\$ 63,211,396	\$ 63,035,714	\$ 62,248,070	\$ 64,775,418
Restricted	3,607,371	7,768,232	6,930,680	6,084,634
Unrestricted	20,964,543	19,339,683	23,909,755	25,448,238
Total primary government net position	\$ 87,783,310	\$ 90,143,629	\$ 93,088,505	\$ 96,308,290

2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
\$ 6,987,074	\$ 8,168,623	\$ 10,018,643	\$ 11,227,466	\$ 9,650,381	\$ 10,276,539
1,150,905	596,974	712,728	398,551	2,009,797	1,843,746
1,005,259	3,039,161	1,674,662	3,464,098	5,048,152	6,881,874
<u>\$ 9,143,238</u>	<u>\$ 11,804,758</u>	<u>\$ 12,406,033</u>	<u>\$ 15,090,115</u>	<u>\$ 16,708,330</u>	<u>\$ 19,002,159</u>
\$ 67,005,168	\$ 69,601,163	\$ 78,978,209	\$ 78,892,021	\$ 86,160,080	\$ 91,760,995
5,279,739	6,293,059	560,168	612,664	4,487,846	5,906,586
10,953,364	9,907,553	14,044,492	18,766,230	18,819,984	20,722,869
<u>\$ 83,238,271</u>	<u>\$ 85,801,775</u>	<u>\$ 93,582,869</u>	<u>\$ 98,270,915</u>	<u>\$ 109,467,910</u>	<u>\$ 118,390,450</u>
\$ 73,992,242	\$ 77,769,786	\$ 88,996,852	\$ 90,119,487	\$ 95,810,461	\$ 102,037,534
6,430,644	6,890,033	1,272,896	1,011,215	6,497,643	7,750,332
11,958,623	12,946,714	15,719,154	22,230,328	23,868,136	27,604,743
<u>\$ 92,381,509</u>	<u>\$ 97,606,533</u>	<u>\$ 105,988,902</u>	<u>\$ 113,361,030</u>	<u>\$ 126,176,240</u>	<u>\$ 137,392,609</u>

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

CITY OF ST. AUGUSTINE, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)
"UNAUDITED"

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental Activities:										
General Government	\$ 9,516	\$ 8,713	\$10,348	\$ 9,150	\$ 9,064	\$ 8,786	\$ 10,633	\$ 8,265	\$ 8,860	\$ 11,082
Public Safety	8,218	8,179	8,439	8,849	9,327	9,406	9,474	9,048	12,079	11,269
Physical Environment	3,836	3,679	3,681	3,982	2,572	2,707	2,643	2,509	3,144	3,535
Transportation	214	214	202	229	1,956	2,980	2,731	3,156	3,923	3,711
Culture & Recreation	521	447	485	471	1,456	425	1,438	1,245	1,561	1,465
Interest and Fiscal Charges	816	1,223	1,200	1,224	1,227	1,213	1,515	1,263	1,106	1,091
Total Governmental Activities Expenses	\$23,121	\$22,455	\$24,355	\$23,904	\$25,599	\$26,518	\$ 28,433	\$ 25,487	\$ 30,673	\$ 32,153
Business-type Activities:										
Utility	\$10,726	\$11,471	\$12,131	\$12,058	\$12,425	\$13,137	\$ 13,793	\$ 14,019	\$ 15,597	\$ 14,960
Stormwater Drainage	356	555	630	741	904	1,258	1,264	1,250	1,444	1,462
Solid Waste	2,849	2,970	3,275	3,120	3,569	3,945	5,727	4,621	4,055	4,143
Municipal Marina	2,587	2,410	2,243	2,347	2,238	2,138	2,423	3,561	3,056	2,953
Visitor Information Center	3,221	3,911	3,606	3,522	3,331	3,688	3,683	3,772	4,184	3,807
Heritage Tourism	1,842	-	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	\$21,581	\$21,317	\$21,885	\$21,789	\$22,468	\$24,165	\$ 26,890	\$ 27,223	\$ 28,335	\$ 27,325
Total Primary Government Expenses	\$44,708	\$43,772	\$46,240	\$45,693	\$48,067	\$50,683	\$ 55,324	\$ 52,710	\$ 59,008	\$ 59,478
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services										
General Government	\$ 4,708	\$ 5,227	\$ 5,794	\$ 5,242	\$ 2,724	\$ 2,841	\$ 2,474	\$ 1,816	\$ 2,916	\$ 3,481
Public Safety	940	1,098	1,213	1,276	2,100	2,481	2,633	1,587	3,329	1,715
Physical Environment	319	353	380	399	373	505	335	-	400	1,151
Transportation	18	21	22	22	2,643	2,718	2,107	2,486	2,733	1,766
Culture/Recreation	43	43	46	77	190	256	190	-	199	181
Operating Grants and Contributions	72	27	81	76	30	43	1,000	45	103	111
Capital Grants and Contributions	765	1,062	164	1,803	1,481	284	20	775	166	665
Total Governmental Activities Program Revenues	\$ 6,865	\$ 7,831	\$ 7,700	\$ 8,896	\$ 9,540	\$ 9,128	\$ 8,758	\$ 6,709	\$ 9,845	\$ 9,070
Business-type activities (a):										
Charges for Services										
Utility	\$11,936	\$12,364	\$12,759	\$13,221	13,888	\$15,689	\$ 18,182	\$ 18,569	\$ 19,863	\$ 22,326
Stormwater Drainage	747	750	749	875	\$ 944	926	920	950	978	1,129
Solid Waste	3,355	3,367	3,409	3,427	3,420	3,669	3,653	3,827	3,955	4,078
Municipal Marina	2,554	2,482	2,343	2,508	2,533	2,363	2,632	2,262	3,464	3,116
Visitor Information Center	1,850	3,188	2,825	3,066	3,871	4,084	3,847	4,609	4,755	3,150
Heritage Tourism	1,175	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	8	-	-	-	-	-
Capital Grants and Contributions	415	2,163	4,348	1,312	3,190	1,444	4,484	2,586	7,267	3,835
Total Business-type Activities Program Revenues	\$22,032	\$24,314	\$26,433	\$24,409	\$27,853	\$28,174	\$ 33,718	\$ 32,803	\$ 40,282	\$ 37,632
Total Primary Government Revenues	\$28,897	\$32,145	\$34,133	\$33,305	\$37,302	\$37,302	\$ 42,476	\$ 39,512	\$ 50,128	\$ 46,702

(continued)

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)
"UNAUDITED"**

(continued)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	\$ (16,254)	\$ (14,624)	\$ (16,654)	\$ (15,008)	\$ (16,059)	\$ (17,390)	\$ (19,675)	\$ (18,778)	\$ (20,828)	\$ (23,083)
Business-type Activities	451	2,997	4,548	2,620	5,385	4,009	6,827	5,580	11,948	10,307
Total primary government net expense	\$ (15,803)	\$ (11,627)	\$ (12,106)	\$ (12,388)	\$ (10,674)	\$ (13,381)	\$ (12,848)	\$ (13,198)	\$ (8,880)	\$ (12,776)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 9,125	\$ 8,309	\$ 8,042	\$ 8,354	\$ 8,767	\$ 9,699	\$ 10,509	\$ 11,235	\$ 12,377	\$ 13,662
Utility Taxes	1,043	1,015	1,104	1,207	1,213	1,341	1,496	1,577	1,608	1,550
Communication Service Taxes	1,133	1,108	1,080	818	919	902	1,484	916	812	799
Franchise Fees	1,534	1,448	1,368	1,450	1,588	1,642	1,602	1,738	1,759	1,603
State Revenue Sharing, Unrestricted	548	549	549	554	563	565	570	577	767	576
Local Option Gas Taxes	534	517	487	502	525	554	527	514	505	424
Local Option Sales Taxes	898	880	936	1,005	1,077	1,138	1,166	1,225	1,247	1,181
Insurance Premium Taxes	360	330	295	354	361	333	358	423	446	474
Other Taxes	94	153	108	142	149	162	160	178	-	292
Miscellaneous	1,473	661	999	1,133	1,088	2,131	2,162	1,742	539	2,437
Investment Income	26	36	29	52	50	67	119	223	373	197
Interfund Trans of Assets (net)										
Transfers	(1,936)	(467)	(13,545)	1,181	2,139	1,516	121	1,551	2,013	2,181
Total Governmental Activities	\$ 14,832	\$ 14,539	\$ 1,452	\$ 16,752	\$ 18,439	\$ 20,051	\$ 20,276	\$ 21,899	\$ 22,446	\$ 25,377
Business-type activities (a):										
Unrestricted Invest Earnings	\$ 43	\$ 82	\$ 52	\$ 36	\$ 95	\$ 71	\$ 146	\$ 332	\$ 560	\$ 317
Interfund Trans of Assets (net)	-	-	-	-	-	-	-	-	-	-
Miscellaneous							929	1,098	702	480
Transfers	1,936	467	13,545	(1,181)	(2,139)	(1,516)	(121)	(1,551)	(2,013)	(2,181)
Total Business-type Activities	\$ 1,979	\$ 549	\$ 13,597	\$ (1,145)	\$ (2,044)	\$ (1,445)	\$ 954	\$ (121)	\$ (751)	\$ (1,384)
Total Primary Government	\$ 16,811	\$ 15,088	\$ 15,049	\$ 15,607	\$ 16,395	\$ 18,606	\$ 21,230	\$ 21,778	\$ 21,695	\$ 23,992
Change in Net Position										
Governmental Activities	\$ (1,422)	\$ (85)	\$ (15,202)	\$ 1,744	\$ 2,380	\$ 2,662	\$ 601	\$ 3,121	\$ 1,618	\$ 2,294
Business-type Activities	2,430	3,546	18,145	1,475	3,341	2,563	7,781	5,459	11,197	8,923
Total Primary Government	\$ 1,008	\$ 3,461	\$ 2,943	\$ 3,219	\$ 5,721	\$ 5,225	\$ 8,382	\$ 8,580	\$ 12,815	\$ 11,216

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

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

	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 1,679,414	\$ 610,785	\$ 671,931	\$ 634,204	\$ 636,991
Restricted	472,396	15,541,007	65,389	70,933	64,333
Committed	-	1,881,954	1,206,207	7,871,887	7,305,641
Assigned	-	425,560	219,170	555,497	555,541
Unassigned	23,770,779	7,193,586	8,071,115	798,893	10,646
Total General Fund	25,922,589	25,652,892	10,233,812	9,931,414	8,573,152
All Other Governmental Funds					
Nonspendable	-	63,743	63,829	312,977	314,256
Restricted	733,684	-	1,135,396	1,194,265	135,325
Committed	-	-	1,101,692	363,094	500,761
Assigned	-	-	-	-	-
Unassigned reported in:					
Capital Projects Fund	54,155	-	-	-	-
Debt Service	-	-	-	(430)	-
Total All Other Governmental Funds	\$ 787,839	\$ 63,743	\$ 2,300,917	\$ 1,869,906	\$ 950,342
Total Governmental Funds	\$ 26,710,428	\$ 25,716,635	\$ 12,534,729	\$ 11,801,320	\$ 9,523,494

	2016	2017	2018	2019	2020
\$	783,289	\$ 893,538	\$ 1,331,857	1,217,640	1,461,855
	70,806	77,301	785,120	874,152	61,804
	8,538,824	7,483,630	7,920,294	8,508,568	9,173,314
	1,047,221	509,887	976,224	1,566,801	2,020,986
	220,916	88,440	313,234	1,430,654	1,238,244
	10,661,056	9,052,796	11,326,729	13,597,815	13,956,203
	-	-	313,790	-	-
	324,556	308,351	-	1,081,414	1,781,942
	371,115	365,823	471,068	-	-
	-	-	-	36,286	-
	-	-	-	-	-
	-	-	-	-	-
\$	695,671	\$ 674,174	\$ 784,858	\$ 1,117,700	\$ 1,781,942
\$	11,356,727	\$ 9,726,970	\$ 12,111,587	\$ 14,715,515	\$ 15,738,145

CITY OF ST. AUGUSTINE, FLORIDA

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

	2011	2012	2013	2014	2015
REVENUES					
Ad Valorem Taxes	\$ 8,880,436	\$ 8,088,994	\$ 7,858,737	\$ 8,353,876	\$ 8,767,045
Sales and Use Taxes	894,378	846,498	781,883	856,593	885,819
Utility Excise Taxes	2,176,019	2,123,115	2,186,496	2,025,371	2,131,711
Licenses, Permits & Fees	2,746,002	3,218,885	3,780,188	3,311,962	3,698,959
Intergovernmental	1,823,510	1,824,800	1,814,169	1,730,263	1,788,627
Fines & Forfeitures	293,660	256,665	299,368	282,512	466,019
Interest Earnings	26,486	35,596	29,342	51,680	50,300
Administrative Service Charges	1,798,737	1,979,089	2,131,456	2,134,031	2,532,364
Other	4,995,917	4,464,133	3,818,462	5,720,966	5,519,453
Total Revenues	23,635,145	22,837,775	22,700,101	24,467,254	25,840,297
EXPENDITURES					
Current:					
General Government	6,707,477	6,976,904	8,573,559	8,064,638	8,063,056
Public Safety	8,199,851	8,160,380	8,235,598	8,858,310	9,263,984
Physical Environment	3,833,649	3,677,011	3,635,979	3,883,309	2,459,077
Transportation	213,003	213,598	188,283	223,122	1,949,930
Culture & Recreation	520,305	446,285	477,295	471,297	1,452,229
Capital Outlay	2,168,860	2,283,141	1,131,616	3,475,857	5,398,703
Debt Service:					
Principal Retirement	341,823	335,177	392,983	396,186	442,785
Interest and Fiscal Charges	815,610	1,222,551	1,200,327	1,223,670	1,226,945
Issuance Cost	-	158,142	-	-	-
Total Expenditures	22,800,578	23,473,189	23,835,640	26,596,389	30,256,709
Excess (deficiency) of revenues over (under) expenditures	834,567	(635,414)	(1,135,539)	(2,129,135)	(4,416,412)
Other Financing Sources (Uses)					
Borrowing from Capitalized Lease	-	-	-	215,000	-
Transfers In	3,620,608	4,995,305	7,071,268	5,387,354	7,931,816
Transfers (Out)	(5,556,714)	(5,462,473)	(20,616,655)	(4,206,628)	(5,793,230)
Sale of Capital Assets	-	-	-	-	-
Long-term Debt Issued	16,215,000	6,971,120	1,576,691	-	-
Retirement to Escrow Agent	-	(6,720,721)	-	-	-
Bonds Refunded	-	-	(197,083)	-	-
Bond Proceeds	-	-	-	-	-
Payments to Defeased Bonds	-	-	-	-	-
Discount on Long-Term Debt Issued	(685,827)	(74,404)	-	-	-
Premium on Long-Term Debt Issued	-	(67,206)	119,412	-	-
Total Other Financing Sources (Uses)	13,593,067	(358,379)	(12,046,367)	1,395,726	2,138,586
Net Change in Fund Balances	\$ 14,427,634	\$ (993,793)	\$ (13,181,906)	\$ (733,409)	\$ (2,277,826)
Debt Service as a percentage of noncapital expenditures	5.61%	7.35%	7.02%	7.01%	6.72%

	2016	2017	2018	2019	2020
\$	9,698,505	\$ 10,509,003	\$ 11,234,749	12,376,972	13,662,240
	886,755	527,151	423,187	951,484	897,604
	2,243,500	2,979,244	2,492,867	2,419,967	2,349,425
	3,655,864	3,483,221	819,746	7,284,367	4,378,179
	1,865,806	2,255,292	2,360,183	2,650,062	2,723,710
	621,657	360,707	384,656	317,319	240,746
	67,261	119,451	223,499	373,488	196,613
	3,536,037	3,423,132	3,545,795	3,733,288	3,916,089
	5,087,729	5,285,986	9,118,720	1,660,536	3,664,380
	27,663,114	28,943,187	30,603,402	31,767,483	32,028,986
	7,251,493	9,322,157	7,826,693	8,953,185	9,364,583
	9,784,975	9,600,675	10,395,600	11,198,645	11,653,469
	2,602,746	2,578,357	2,769,827	2,914,985	3,348,736
	2,979,462	2,772,239	3,802,800	2,685,795	3,669,491
	1,424,595	1,459,825	1,436,229	1,447,614	1,441,076
	1,634,176	3,416,681	3,303,643	2,489,834	2,376,735
	454,974	342,952	469,631	515,592	477,584
	1,213,391	1,201,548	1,262,847	1,106,835	1,092,332
	27,345,812	30,694,434	31,267,270	31,312,485	33,424,006
	317,302	(1,751,247)	(663,868)	454,998	(1,395,020)
	-	-	-	-	-
	5,602,834	5,102,468	5,805,825	6,693,259	7,030,537
	(4,086,903)	(4,980,978)	(4,255,189)	(4,680,469)	(4,849,397)
	-	-	-	136,140	236,510
	-	-	-	-	-
	-	-	-	-	-
	-	-	19,968,267	-	-
	-	-	(18,470,418)	-	-
	-	-	-	-	-
	-	-	-	-	-
	1,515,931	121,490	3,048,485	2,148,930	2,417,650
\$	1,833,233	\$ (1,629,757)	\$ 2,384,617	2,603,928	1,022,630
	6.49%	5.66%	6.20%	5.63%	5.06%

CITY OF ST. AUGUSTINE, FLORIDA

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

	2011	2012	2013	2014	2015
Real Property	\$ 1,567,068,493	\$ 1,506,640,382	\$ 1,550,025,682	\$ 1,600,223,236	\$ 1,718,302,003
Personal Property	103,283,994	98,758,852	99,441,437	101,527,054	103,628,284
Railroad & Telegraph	2,304,747	2,148,694	2,558,367	2,928,245	3,369,083
Total Assessed Valuations	1,672,657,234	1,607,547,928	1,652,025,486	1,704,678,535	1,825,299,370
Homestead Exempt Property (a)	139,393,599	139,761,480	141,569,199	145,786,764	150,699,482
Other Exemptions	416,816,893	394,769,492	394,162,661	389,557,411	402,135,455
Total Exempt Property	556,210,492	534,530,972	535,731,860	535,344,175	552,834,937
Total Taxable Value	\$ 1,116,446,742	\$ 1,073,016,956	\$ 1,116,293,626	\$ 1,169,334,360	\$ 1,272,464,433
Direct Rate	7.500	7.500	7.500	7.500	7.500

NOTES:

2016

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

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

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

2016	2017	2018	2019	2020
\$ 1,829,080,525	\$ 1,917,447,480	\$ 2,065,250,505	\$ 2,258,662,327	\$ 2,541,614,732
103,885,128	114,084,278	124,468,101	126,260,505	144,460,685
3,695,243	3,872,697	3,900,865	3,917,574	3,874,570
1,936,660,896	2,035,404,455	2,193,619,471	2,388,840,406	2,689,949,987
155,237,830	160,319,086	164,471,795	167,642,609	171,359,015
407,304,069	409,105,684	425,129,343	459,904,126	511,850,847
562,541,899	569,424,770	589,601,138	627,546,735	683,209,862
\$ 1,374,118,997	\$ 1,465,979,685	\$ 1,604,018,333	\$ 1,761,293,671	\$ 2,006,740,125
7.500	7.500	7.500	7.500	7.500

CITY OF ST. AUGUSTINE, FLORIDA

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

**(In Thousands)
September 30, 2020
"UNAUDITED"**

Fiscal Year Ended	Direct	Overlapping				Total
	St. Augustine	St. Johns County	School District	Management District	Other	
2011	7.500	5.937	7.979	0.331	0.228	21.976
2012	7.500	5.937	7.683	0.331	0.231	21.682
2013	7.500	5.937	7.544	0.328	0.231	21.540
2014	7.500	5.937	7.342	0.316	0.343	21.439
2015	7.500	5.875	7.228	0.302	0.273	21.178
2016	7.500	5.867	6.928	0.289	0.311	20.894
2017	7.500	5.867	6.543	0.272	1.717	21.900
2018	7.500	5.867	6.278	0.256	1.722	21.623
2019	7.500	5.867	6.136	0.241	1.680	21.425
2020	7.500	5.5141	5.9530	0.2287	0.2968	19.4926

NOTES:

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

Source: St. Johns County Tax Collector

CITY OF ST. AUGUSTINE, FLORIDA

PRINCIPAL TAX PAYERS

September 30, 2020

(In Millions)

"UNAUDITED"

Taxpayer	2019/2020		
	Taxable Assessed Value	Rank	Percent of Total Assessment
THE LANDING ONE LLC	\$ 34,125,000.00	1	1.85%
WEST SHORE ANTIGUA LLC	\$ 31,125,000.00	2	1.69%
PATRIS REAL ESTATE LLC	\$ 15,244,397.00	3	0.83%
THE FLAGLER RESORT LTD	\$ 15,040,400.00	4	0.82%
KAPG ST AUGUSTINE SENIOR HOUSING LLC	\$ 10,705,633.00	5	0.58%
116 SAN MARCO ST AUGUSTINE OWNER LLC	\$ 10,426,772.00	6	0.57%
WINDWARD SHIPYARD LLC	\$ 9,119,000.00	7	0.50%
SEA WALL MOTOR LODGE INC	\$ 7,540,397.00	8	0.41%
TARGET CORPORATION	\$ 7,532,815.00	9	0.41%
SEBASTIAN HOTEL LLC	\$ 7,505,100.00	10	0.41%
Principal Tax Payers Total Assessment	<u>\$ 148,364,514.00</u>		<u>8.06%</u>
Total Assessment for the City of St. Augustine	<u><u>\$1,840,024,937.00</u></u>		<u><u>100.00%</u></u>

Source: St. Johns County Property Appraiser's Office

CITY OF ST. AUGUSTINE, FLORIDA

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

Fiscal Year Ended	Total Tax Levy	Current Tax Collection	Percent (a) of Levy Collected	Assessed Taxable Value	Estimated Actual Value (Thousands)	Estimated % of Fair Market Value
2010	10,352,987	9,939,071	96.00%	1,781,492,058	1,781,492	100%
2011	9,099,510	8,797,391	96.68%	1,672,657,234	1,672,657	100%
2012	8,341,338	8,088,994	96.97%	1,607,547,928	1,607,548	100%
2013	8,023,465	7,858,707	97.95%	1,652,025,486	1,652,025	100%
2014	8,366,909	8,136,439	97.25%	1,704,678,535	1,704,679	100%
2015	8,775,490	8,509,409	96.97%	1,825,299,370	1,825,299	100%
2016	9,502,422	9,338,782	98.28%	1,936,660,896	1,936,661	100%
2017	10,994,857	10,038,504	91.30%	1,465,979,685	1,465,979	100%
2018	11,011,494	10,684,346	97.03%	1,604,018,333	1,604,018	100%
2019	13,213,508	12,376,972	93.67%	1,761,874,600	1,761,874	100%
2020	15,041,450	12,777,533	84.95%	2,006,740,124	2,006,740	100%

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

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

September 30, 2020

"UNAUDITED"

Fiscal Year	Population (a)	Assessed Value (In Thousands) (b)	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2010	13,719	1,781,492	-	-	-	-	-
2011	13,056	1,672,657	-	-	-	-	-
2012	13,092	1,607,548	-	-	-	-	-
2016	13,092	1,607,548	-	-	-	-	-
2013	13,271	1,652,025	-	-	-	-	-
2014	13,414	1,704,679	-	-	-	-	-
2015	13,590	1,825,299	-	-	-	-	-
2016	13,747	1,936,661	-	-	-	-	-
2017	13,862	2,036,999	-	-	-	-	-
2018	14,021	2,193,619	-	-	-	-	-
2019	14,031	2,389,593	-	-	-	-	-
2020	15,306	2,689,949	-	-	-	-	-

NOTES:

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

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

CITY OF ST. AUGUSTINE, FLORIDA

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

September 30, 2020

(In Millions)

"UNAUDITED"

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
2010	326,938	369,659	696,597	21,979,202	3.17
2011	341,823	815,610	1,157,433	20,856,626	5.55
2012	335,177	1,222,551	1,557,728	20,778,307	7.50
2013	392,983	1,200,327	1,593,310	20,827,487	7.65
2014	396,186	1,223,670	1,619,856	21,858,437	7.41
2015	442,785	1,226,945	1,669,730	24,456,114	6.83
2016	454,974	1,213,391	1,668,365	24,289,220	6.87
2017	342,952	1,201,548	1,544,500	29,013,360	5.32
2018	469,631	1,262,847	1,732,478	29,434,497	5.89
2019	515,592	1,106,835	1,622,427	29,361,956	5.53
2020	477,584	1,087,433	1,565,017	30,418,808	5.14

CITY OF ST. AUGUSTINE, FLORIDA
UTILITY REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
September 30, 2020
(In Millions)

Fiscal Year Ended	Gross Revenue (a)	Operating Expenses (b)	Net Revenue (c)	Debt Service Requirements		Debt Service Coverage
2010	11,876,944	6,979,489	4,897,455	3,288,337	(d)	1.49
2011	12,301,380	6,847,896	5,453,484	3,318,894	(d)	1.64
2012	12,293,699	7,586,408	4,707,291	3,344,052	(d)	1.41
2013	20,661,902	8,223,690	4,417,087	2,843,032	(d)	1.55
2014	12,864,764	8,264,157	4,600,607	2,833,938	(d)	1.62
2015	13,275,185	8,561,023	4,714,162	2,837,388	(d)	1.66
2016	15,230,758	8,907,224	6,323,535	3,828,544	(d)	1.65
2017	18,182,456	9,509,919	8,672,537	4,406,936	(d)	1.97
2018	18,429,492	9,919,482	8,510,010	3,041,968	(d)	2.80
2019	19,787,256	10,519,220	9,268,036	3,966,008	(d)	2.34
2020	20,914,684	10,420,529	10,494,155	3,447,702	(d)	3.04

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
September 30, 2020
(In Millions)

Fiscal Year	General Obligation Bonds Governmental Activities	Percentage of Taxable Value of Property (a)	Per Capita (b)	Percentage of Personal Income [c]
2011	23,205,133	2.08%	1,777	0.20%
2012	23,120,355	2.15%	1,766	0.20%
2013	24,106,979	2.16%	1,817	0.21%
2014	23,710,792	2.03%	1,768	0.21%
2015	21,951,282	1.73%	1,597	0.17%
2016	22,895,020	1.67%	1,665	0.17%
2017	22,594,470	1.54%	1,611	0.16%
2018	25,548,314	1.74%	1,822	0.18%
2019	22,824,854	1.30%	1,627	0.13%
2020	22,347,272	1.11%	1,460	0.11%

Fiscal Year	General Obligation Bonds Business-Type Activities	Percentage of Taxable Value of Property (a)	Per Capita (b)	Percentage of Personal Income [c]
2011	23,909,867	2.14%	1,831	0.21%
2012	23,614,644	2.20%	1,804	0.21%
2013	23,663,021	2.12%	1,783	0.21%
2014	23,114,207	1.98%	1,723	0.20%
2015	23,908,718	1.88%	1,739	0.19%
2016	21,954,980	1.60%	1,597	0.16%
2017	21,225,530	1.45%	1,514	0.15%
2018	22,717,214	1.55%	1,620	0.16%
2019	19,620,144	1.11%	1,398	0.11%
2020	18,747,727	0.93%	1,225	0.10%

Fiscal Year	Water Revenue Bonds	Total Primary Government (d)	Per Capita (b)	Percentage of Personal Income [c]
2011	22,191,968	69,306,968	5,308	0.20%
2012	20,508,832	67,243,831	5,136	0.18%
2013	21,800,000	69,570,000	5,242	0.19%
2014	19,815,000	66,639,999	4,968	0.17%
2015	17,750,000	63,610,000	4,627	0.14%
2016	15,650,000	60,500,000	4,401	0.11%
2017	13,365,000	57,185,000	4,079	0.09%
2018	11,050,000	59,315,528	4,230	0.08%
2019	8,690,000	51,134,998	3,644	0.05%
2020	6,235,000	47,329,999	3,092	0.03%

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

(a) Schedule for taxable property value data.

(b) Schedule for population data.

(c) See Schedule for total personal income data.

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

CITY OF ST. AUGUSTINE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT
September 30, 2020
(In Millions)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
St. Johns County Capital Improvement Revenue Bonds, Series 2012	3,691,000	5.63%	207,766
St. Johns County Revenue Sharing Revenue & Refunding Revenue Bonds, Series 2014	12,335,000	5.63%	694,336
St. Johns County Sales Tax Revenue Refunding Bonds, Series 2015	45,490,000	5.63%	2,560,629
St. Johns County Sales Tax Revenue Refunding Bonds, Series 2012	37,455,000	5.63%	2,108,339
St. Johns County Transportation Improvement Revenue Bonds, Series 2012	18,570,000	5.63%	1,045,304
St. Johns County Taxable Capital Improvement Revenue Bonds, Series 2014	2,775,000	5.63%	156,205
St. Johns County Transportation Improvement Revenue Bonds, Series 2015	22,110,000	5.63%	1,244,570
St. Johns County Transportation Improvement Revenue Bonds, Series 2019	9,365,000	5.63%	527,155
St. Johns County Taxable Capital Improvement Revenue Bonds, Series 2020	11,885,000	5.63%	669,126
Other Debt			
St. Johns County School Board Certificates of Participation	155,426,097	5.63%	8,748,923
St. Johns County School Board General Obligation Bonds, Series, 2011A through 2020A	2,247,000	5.63%	126,483
St. Johns County School Board Sales Tax Revenue Bonds Series 2016	32,753,860	5.63%	1,844,042
Subtotal Overlapping Debt			\$ 19,932,878
City Direct Debt			
Capital Improvement and Refunding Revenue Bonds	22,824,856	100%	22,347,273
Subtotal Direct Debt			\$ 22,347,273
Total Direct and Overlapping Debt			\$ 42,280,151

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

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

CITY OF ST. AUGUSTINE, FLORIDA

DIRECT AND OVERLAPPING RATIOS

September 30, 2020

(In Millions)

Direct and Overlapping General Obligation Debt	\$	42,280,151
Per Capita	\$	2,762
As a Percentage of Taxable Assessed Valuation		1.77%
As a Percentage of Total Just Valuation		1.45%

CITY OF ST. AUGUSTINE, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2020

(In Thousands)

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

CITY OF ST. AUGUSTINE, FLORIDA

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

Revenue Source	2015/16	2016/17	2017/18	2018/19	2019/20
Public Service Tax					
Electric	\$ 1,291,612	\$ 1,445,175	\$ 1,525,928	\$ 1,559,461	\$ 1,506,962
Communication	902,282	1,483,667	916,000	811,896	799,042
Gas	49,607	50,402	50,939	48,609	43,420
Fuel Oil	-	-	-	-	-
Total	\$ 2,243,501	\$ 2,979,244	\$ 2,492,867	\$ 2,419,966	\$ 2,349,424
Florida Revenue Sharing					
Revenue Sharing	\$ 565,395	\$ 570,421	\$ 576,587	\$ 581,797	\$ 576,197
Guaranteed Entitlements					
Local Option Gas Tax	\$ 553,516	\$ 527,151	\$ 514,361	\$ 505,278	\$ 423,885
Total	\$ 553,516	\$ 527,151	\$ 514,361	\$ 505,278	\$ 423,885
Total Pledged Funds	\$ 3,362,411	\$ 4,076,816	\$ 3,583,815	\$ 3,507,041	\$ 3,349,506

CITY OF ST. AUGUSTINE, FLORIDA

DEMOGRAPHIC STATISTICS

September 30, 2020

Year	Population		Per Capita Personal Income	Total Personal Income (In Millions)	Unemployment Rate
	City of St. Augustine	St. Johns County			
2010	13,719	189,764 (est.)	\$ 49,327	\$ 9,377,675	9.6%
2011	13,056	192,570 (est.)	\$ 47,544	\$ 10,009,692	8.4%
2012	13,092	195,847 (est.)	\$ 52,205	\$ 10,957,330	6.9%
2013	13,271	201,325 (est.)	\$ 58,019	\$ 12,156,922	5.2%
2014	13,414	207,443 (est.)	\$ 59,102	\$ 12,886,864	4.9%
2015	13,590	226,640	\$ 60,441	\$ 13,698,259	4.0%
2016	13,747	235,078	\$ 60,441	\$ 13,698,259	4.3%
2017	13,862	229,715 (est.)	\$ 61,423	\$ 14,439,811	3.7%
2018	14,021(est.)	238,742 (est.)	\$ 64,177	\$ 15,647,080	3.3%
2019	14,031	254,412 (est.)	\$ 64,177	\$ 17,327,679	2.9%
2020	15,306	261,900 (est.)	\$ 71,273	\$ 19,685,194	3.6%

Year	Population Projection	
	City of St. Augustine	St. Johns County
2021	15,306	269,495
2026	15,344	318,296
Avg Household Size:	2.30	2.49

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

CITY OF ST. AUGUSTINE, FLORIDA
MAJOR EMPLOYERS IN ST. AUGUSTINE AREA
(In Thousands)

Employer	Sector	2020	
		Approximate Employees	% of Total County Employment
St. Johns County School District	Education	5,039	4.01%
Flagler Health+	Medical	1,564	1.24%
St. Johns County	Public Administration	1,299	1.03%
Northrop Grumman	Manufacturing	1,110	0.88%
Florida NationalGuard Headquarters Office	Military	900	0.72%
PGA TOUR, Inc.	Event Management	800	0.64%
St. Johns County Sheriff's Office	Public Safety	689	0.55%
Florida School for the Deaf & Blind	Education	682	0.54%
Carlisle Interconnect Technologies	Manufacturing	644	0.51%
Ring Power	Heavy Equipment Sales	548	0.44%

CITY OF ST. AUGUSTINE, FLORIDA

SUMMARY OF TEN LARGEST WATER CUSOMERS
September 30, 2020

Customer	Usage for Fiscal Year Ended September 30, 2020 (in thousands of gallons)
D R HORTON	212,157
DREAM FINDERS HOMES,LLC	196,538
CITY OF ST AUGUSTINE	194,510
FLAGLER COLLEGE	149,438
FLAGLER HOSPITAL	120,578
D & B SCHOOL	108,414
SJC BOARD OF COUNTY COMMISSIONERS	102,443
MADEIRA COMMUNITY DEVELOPMENT DISTRICT	80,570
ST JOHNS COUNTY SCHOOL BOARD	72,989
THE LANDING AT ST. AUGUSTINE	70,958

Source: City of St. Augustine Customer Service Department

CITY OF ST. AUGUSTINE, FLORIDA

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

**(In Thousands)
"UNAUDITED"**

Fiscal Year Ended	Water Customers			Sewer Customers		
	Inside City	Outside City	Total	Inside City	Outside City	Total
2011	6,793	4,440	11,233	6,374	2,332	8,706
2012	6,901	4,527	11,428	6,476	2,409	8,885
2013	6,826	4,532	11,358	6,727	2,408	9,135
2014	6,842	4,585	11,427	6,717	2,485	9,202
2015	6,771	4,714	11,485	6,624	2,534	9,158
2016	7,695	5,700	13,395	6,950	3,044	9,994
2017	7,623	5,790	13,413	6,862	3,174	10,036
2018	7,907	6,263	14,170	7,109	3,522	10,631
2019	8,040	6,424	14,464	7,172	3,673	10,845
2020	8,606	7,003	15,609	7,643	4,196	11,839

Source: City of St. Augustine Customer Service Department

Water Sales (Thousands of Gallons)		
Inside City	Outside City	Total
540,729	374,552	915,281
542,757	398,102	940,859
535,938	366,881	902,819
595,408	391,182	986,590
540,026	368,309	908,335
563,563	404,526	968,089
587,371	425,859	1,013,230
557,225	421,331	978,556
585,057	443,263	1,028,320

CITY OF ST. AUGUSTINE, FLORIDA

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

**(In Millions)
"UNAUDITED"**

Fiscal Year Ended	Water Treatment Plant (a)		Wastewater Treatment Plant	
	Annual Average Daily Flow (Millions of Gallons Per Day)	Maximum Monthly Average Daily Flow (Millions of Gallons Per Day)	Annual Average Daily Flow (Millions of Gallons Per Day)	Maximum Monthly Average Daily Flow (Millions of Gallons Per Day)
2011	3.244	3.692	2.674	3.581
2012	3.058	3.601	3.587	5.772
2013	2.974	3.389	3.913	5.724
2014	2.959	3.178	3.678	4.614
2015	3.110	3.443	3.828	7.915
2016	3.320	3.702	3.213	4.429
2017	3.304	3.690	3516	5.553
2018	3.225	3.382	3.955	6.417
2019	3.223	3.629	3.453	5.177
2020	3.404	3.619	3.552	5.437

Source: City of St. Augustine Engineering Department

CITY OF ST. AUGUSTINE, FLORIDA

**WATER AND SEWER UTILITIES
HISTORICAL RATE STRUCTURES**

**(In Thousands)
"UNAUDITED"**

Effective October 1,	Service Area	Minimum Charge Flow Rate Gal./Month	Water		Sewer	
			Minimum Charge	Additional Charge Per 1,000 Gal.	Minimum Charge	Additional Charge Per 1,000 Gal.
2011	Inside City	3,000	16.46	4.56	22.69	5.77
	Outside City	3,000	20.54	5.70	28.34	7.21
2012	Inside City	3,000	16.83	4.68	22.99	5.87
	Outside City	3,000	20.99	5.85	28.70	7.33
2013	Inside City	3,000	17.12	4.76	23.40	5.98
	Outside City	3,000	21.37	5.95	29.22	7.46
2014	Inside City	3,000	17.30	4.82	23.40	6.06
	Outside City	3,000	21.61	6.03	29.22	7.56
2015 (a)	Inside City	0	11.53	2.50-10.62	11.77	5.56
	Outside City	0	14.30	3.10-13.17	14.59	6.89
2016	Inside City	0	11.53	2.50-10.62	11.77	5.56
	Outside City	0	14.30	3.10-13.17	14.59	6.89
2017	Inside City	0	12.19	2.64-11.26	12.45	6.14
	Outside City	0	14.99	3.25-13.85	15.31	7.55
2018	Inside City	0	12.89	2.79-11.66	13.17	6.47
	Outside City	0	15.73	3.40-14.23	16.07	7.89
2019	Inside City	0	14.26	2.85 - 12.74	14.67	6.69
	Outside City	0	17.25	3.45 - 15.42	17.75	8.09
2020	Inside City	0	14.69	2.94 - 13.12	15.11	6.89
	Outside City	0	17.63	3.53 - 15.74	18.13	8.09

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

CITY OF ST. AUGUSTINE, FLORIDA

BUILDING PERMIT ACTIVITY

LAST TEN FISCAL YEARS

(In Thousands)

September 30, 2020

"UNAUDITED"

Fiscal Year	Single Family Units	Multi-Family Units	New Residential Valuation	New Non-Residential Valuations	Residential & Non-Residential Additions/Alterations	Public Valuation	Total Valuation
2011	41	-	49,910	-	834	-	50,744
2012	38	-	7,986	3,561	-	-	11,547
2013	49	-	10,964	14,490	1	12,644	38,100
2014	67	-	12,135	9,069	65	8,153	29,422
2015	89	-	17,335	13,730	129	9,256	40,450
2016	61	-	11,523	25,918	84	9,256	46,781
2017	58	-	15,390	9,093	370	20,660	45,143
2018	71	524	56,812	15,815	135	12,538	85,168
2019	232	314	87,583	23,343	114	12,818	123,744
2020	79	4	23,504	13,331	109	10,916	47,751

Source: City of St. Augustine Planning & Building Department

CITY OF ST. AUGUSTINE, FLORIDA

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

Fiscal Year	Commercial Construction (a)		Residential Construction (a)		Bank Deposits (b)
	Number of Units	Value	Number of Units	Value	
2011	-	-	41	49,910	2,868,734
2012	30	3,561	38	3,986	2,833,072
2013	31	14,490	49	10,964	2,940,180
2014	33	15,779	104	13,578	3,100,391
2015	60	23,882	164	20,531	3,500,629
2016	16	25,918	61	11,523	3,879,785
2017	14	9,093	58	15,390	4,125,350
2018	15	15,815	595	56,812	4,267,208
2019	10	23,343	546	87,583	4,939,299
2020	8	13,331	83	23,504	5,588,837

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

MISCELLANEOUS STATISTICAL DATA September 30, 2020

Date of Incorporation	May 30, 1925
Form of Government	Commission - Manager
Area:	
Square Miles	13.89 Miles
Paved Streets	66.61
Unpaved Streets	10.5
Altitude	7 Feet Above Sea Level
Education:	
Elementary	3
Secondary	1
Post-Secondary	2
Fire Protection:	
Number of Fire Stations	2
Number of Firefighters	33.5
Police Protection:	
Number of Police Stations	1
Number of Police Officers	57
Utility Customers:	
Water	15,609
Sewer	11,839
Solid Waste	8,188
Tourism Facts (St. Johns County):	
Visitors (Per Year)	9,597,518
Airports	1
Attractions/Points of Interest	50 +
Camp Sites	1241
Condominium Units (Rentals)	4000
Hotel/Motel Units	5600
Marinas	10
Parks and Playgrounds	41
Public Golf Courses	5
Public Tennis Courts	28
Restaurants	200 +
Sightseeing Services	7
State Parks	5

(continued)

CITY OF ST. AUGUSTINE, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 2020

(continued)

Climate:

Average Temperature and Precipitation in St. Johns County			
Quarter	Average Daily Max. Temperature	Average Daily Min. Temperature	Total Rainfall
October - December	74.3	56.6	9.3
January - March	69.4	49.3	9.7
April - June	83.4	64.6	11.3
July - September	88.4	72	19.7

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

CITY OF ST. AUGUSTINE, FLORIDA

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

FUNCTION	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities:					
General Government	53.5	53.5	56.5	57.5	59
Public Safety	100	104	105	103.5	109.5
Physical Environment	33	34.5	36.5	36	36.5
Transportation	18	18	18	18	17
Culture/Recreation	10	9	10	12	14
Business-Type Activities					
Utilities	63	60	63	61	62
Stormwater	3	3	4	5	4
Solid Waste	16	19	19	19	18
Municipal Marina	12	11.5	11.5	12	12.5
Visitor Information Center	19.5	21.5	21	22.5	22

Source: City of St. Augustine Human Resources Department

CITY OF ST. AUGUSTINE, FLORIDA

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

FUNCTION	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police					
Physical Arrests	1,336	979	1,345	1,222	682
Traffic Violations	2,818	2,012	1,105	1,968	1,443
Calls for Service	42,108	45,151	44,643	47,262	41,716
Parking Violations (includes those issued by Parking Enforcement)	13,696	11,880	12,835	14,229	6,755
Fire					
Number of calls answered	4,403	4,288	4,235	4,199	4,038
Inspections	489	432	218	420	590
Pre-fire tours	492	419	270	475	325
Hydrants Flow Tested	955	303	1,648	18	642
Highways and Streets					
New Street Pavings (miles)	-	-	-	0.48	-
Streets Resurfaced (miles)	3.5	3.7	6.6	5.03	7.48
Sanitation					
Refuse Collected (tons/day)	67.3	68.5	69.7	66.3	75.1
Recyclables Collected (tons/day)	8.6	9.5	10.5	18.9	24.4
Culture and Recreation					
Field Permits Issued	16	16	16	24	9
Lightner Museum Courtyard Permits Issued				304	310
Plaza Permits Issued	30	30	26	52	22
Other Event Permits Issued	51	52	62	75	43
Water					
New Connections	315	466	397	701	408
Average Daily Consumption (thousands of gallons)	3,320	3,304	3,225	3,223	3,404
Wastewater					
Average Daily Usage (thousands of gallons)	3,213	3,516	3,955	3,453	3,552

Source: Various City Departments

CITY OF ST. AUGUSTINE, FLORIDA

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

FUNCTION	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police					
Stations	1	1	1	1	1
Boats	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Vehicles	9	10	10	10	10
Boats	1	2	2	2	2
Sanitation					
Collection Trucks	7	13	13	13	13
Water					
New Feet of Water Mains Added	18,400	12,475	10,404	16,958	9,912
Fire hydrants	1,127	1,173	1,177	1,206	1,221
Maximum Monthly Average Daily Flow (thousands of gallons)	3,702	3,690	3,382	3,629	3,619
Wastewater					
New Feet of Sanitary Sewer Added	10,544	12,306	9,327	3,217	20,485
New Feet of Storm Sewers Added	1,536	1,000	1,192	270	1,296
Maximum Monthly Average Daily Flow (thousands of gallons)	4,429	5,553	6,417	5,177	5,437

Source: Public Works and Utilities Department

Compliance Section

This Section Contains the Following:

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*

Independent Accountant's Report on Compliance With Section 218.415, Florida Statutes

Independent Auditor's Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

Management Letter

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of St. Augustine, Florida (the City) as of and for the year ended September 30, 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 31, 2021.

Internal Control Over Financial Reporting:

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

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

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

Compliance and Other Matters:

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

Purpose of this Report:

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

Masters, Smith & West, P.A.
Certified Public Accountants
Jacksonville, Florida

March 31, 2021



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

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

We have examined the City of St. Augustine, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2020, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

Masters, Smith & Wisby, P.A.
Certified Public Accountants
Jacksonville, Florida

March 31, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of St. Augustine, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 the Uniform Guidance . Accordingly, this report is not suitable for any other purpose.


Masters, Smith & Wisely, P.A.
Certified Public Accountants
Jacksonville, Florida

March 31, 2021

CITY OF ST. AUGUSTINE, FLORIDA
Schedule of Findings
and Questioned Costs
For the Year Ended September 30, 2020

Financial Statements

Type of auditors' report	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Reportable conditions identified not considered to be material weakness?	None reported
Noncompliance material to financial statements noted?	No

Federal Programs:

Internal control over major programs:	
Material weaknesses identified?	No
Reportable condition identified not considered to be material weakness?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)	No
Identification of major programs:	
	<u>CFDA No.</u>
Hazard Mitigation	97.039
Drinking Water State Revolving Fund	66.468
Dollar threshold used to distinguish Type A and Type B programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee pursuant to Uniform Guidance	Yes

(continued)

CITY OF ST. AUGUSTINE, FLORIDA
Schedule of Findings
and Questioned Costs
For the Year Ended September 30, 2020

(continued)

Financial Statement Findings:

No matters required to be reported.

Major Federal Programs Findings and Questioned Costs:

No matters required to be reported.

Other Issues

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

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of St. Augustine, Florida (the City) as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated March 31, 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and Independent Accountants' Report on an examination conducted in accordance with the *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 31, 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 report. We determined corrective actions have been taken for all the prior year findings.

Official Title and Legal Authority

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

Financial Condition

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

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

Section 10.554(1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had the following finding and recommendation.

Finding and Recommendation 2020-1 Purchase Orders:

In reviewing 50 cash disbursements, it was noted that 4 purchase orders had been issued after the vendor invoice date which is not in accordance with the City's procurement policy. We recommend the City review its procurement policy with the applicable departments to help minimize the risk of future violations.

Response:

The City acknowledges that at times and due to expediency that purchase orders may be sometimes issued subsequent to the vendors supplying of the service/goods. The City will remind the appropriate departments about its procurement policy in order to lessen the risk of future occurrences.

Finding and Recommendation 2020-2 Internal Audit Function:

The City is currently without a person designated with internal audit responsibilities due to the retirement of the person assigned this responsibility. Due to the multitude of operations of the City and the various locations that sell products and handle cash, we recommend the City consider filling this position to lesson the risk of fraud or misappropriation of assets not being detected in a timely manner.

Response:

The City acknowledges that the accounting division was staffed with personnel who were unable to perform internal audit functions. The retired Accountant II grew into an internal auditor after ten years of experience. The City will eventually fill this role after accounting duties are mastered by the new accounting personnel. In the interim, the Finance Director and Deputy Finance Director will perform internal audits as necessary.

Additional Matters

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

Purpose of this Letter

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

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

Masters, Smith & Wisely, P.A.
Certified Public Accountants
Jacksonville, Florida

March 31, 2021