

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2021



CITY OF ST. AUGUSTINE, FLORIDA

Currently home to the Lightner Museum and St. Augustine City Hall, the building at 75 King Street was completed in 1889 and originally housed the Alcazar Hotel — one of three luxury hotels in the city owned by Henry Flagler. The hotel was known for its Casino, a social/recreational space which housed Turkish and Russian baths and the largest indoor swimming pool of its time. Designed by renowned architects John Carrera and Thomas Hastings, the building features a Spanish Renaissance Revival style and was one of the first (along with its sister hotels) constructed of poured concrete. When the hotel closed in 1930, it sat vacant until 1947 when Otto C. Lightner purchased and rehabilitated portions of the building to house museum exhibits. St. Augustine city offices would follow in the 1970s.

In the foreground stands the commanding figure of St. Augustine’s founder, Don Pedro Menendez de Aviles (1519-1574). The bronze statue was erected in front of the Alcazar building in 1972 with a special dedication on September 8th marking the 407th anniversary of the city’s founding in 1565. A replica of one in Aviles, Spain, it was gifted to St. Augustine from the people of Menendez’s hometown.

The greenspace in front of City Hall was dubbed Parque de Menendez on our founder’s 459th birthday, February 15, 1978.

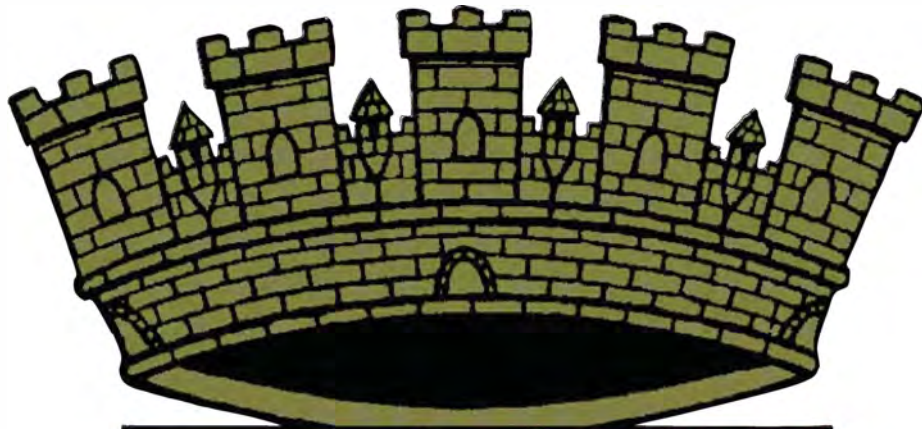
City of St. Augustine, Florida

Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2021

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CITY OF ST. AUGUSTINE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended September 30, 2021

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Letter of Transmittal



March 31, 2022

Honorable Mayor and Commissioners City of St. Augustine, Florida

Mayor and Commissioners:

The Annual Comprehensive Financial Report of the City of St. Augustine, Florida, for the fiscal year ended September 30, 2021, 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 Financial Services Department ensures 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.

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, 5 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 Commission 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 Funds 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 456 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 seen an increase as people avoid popular high-priced venues and came to Florida due to relaxed COVID-19 restrictions.

As predicted, the City's ad valorem tax revenues increased in fiscal year 2021. The growth has been due to the increase in value of real estate as well as new construction and renovation activity. For 2021 the City's total taxable value increased to \$2,163,607,035. This represents the total taxable value for the 2022 budget year and results in ad valorem revenue of approximately \$15,250,000.

The City opened the fiscal year recovering from COVID-19 quarantine with an uncertain future. Fortunately, the State of Florida re-opened and with the help of financial stimulus the tourism industry boomed for much of fiscal year 2021. The City saw nearly all its revenue streams exceed budget and was also granted \$1.5 million from St. Johns County for costs incurred during the pandemic. The result is an increase in general fund reserves of over \$4 million for fiscal year 2021. It is important to note that management believes this to be a one-time windfall and that the City cannot rely on this level of revenue consistently to fund routine operations.

CHALLENGES AND MAJOR INITIATIVES

American Rescue Plan Act (ARPA)

The City has been awarded \$7.7 million directly from this federal program and must spend these funds as prescribed by United States Treasury guidelines by the end of 2026. Additionally, the Department of Environmental Protection has awarded the city \$26 million of their ARPA funds to improve resilience with the same restrictions and time constraints. Management is working diligently to ensure that this funding is utilized in the most beneficial way possible and that the projects identified can be completed on time without exception.

This funding, project management, and financial reporting involved will consume the majority of the City's staff time for the next several years and management looks forward to reporting the results in future financial statements.

OBJECTIVE 1: Infrastructure Planning and Construction

1. Continued West Augustine Sewer Expansion with Phase 2 of West 5th Street and West 3rd Street
2. 13 FEMA-funded lift stations - seven are complete and six are currently under construction
3. Arricola Ave. force main improvements
4. Continue City paving management program citywide
5. Automatic Meter Replacement – Phase 4 initiated

6. Inflow and Infiltration inspections and rehabilitation
7. Wastewater Treatment Plant Motor Control & Communications Center 2 completed

OBJECTIVE 2: Mobility Planning and Construction

1. Adopted Long Range Mobility Plan
2. Promoted bicycle mobility
3. Continued design for Phase 2 of downtown curb less complete streets
4. Began construction for the Private/Public agreement to rebuild Cuna St. between Charlotte and Avenida Menendez which is complete as of this publication
5. Approved crosswalk at Anastasia Blvd. and Zorayda Ave. (completed design)
6. Began discussions with FDOT to takeover King St. and Cathedral Pl.

OBJECTIVE 3: Zoning Update & Building Code Update

1. Ongoing Short-Term Rental (STR) legislation, registrations and enforcement, defense of home rule
2. Responsible Hospitality Institute (RHI) meetings and organizational activities related to potential nightlife regulations
3. Began to update the land development code based on the updated Comprehensive Plan
4. Drafted ordinance to adopt Mobility Plan and Mobility Fee based on the draft developed by the City's consultant and coordinated several Planning & Zoning Board Special Meetings, resulting in recommendations to the City Commission
5. Initiated conversation regarding Historic Preservation in National Register District neighborhoods and potential code changes related to partial demolition
6. Continue to improve electronic customer service

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

1. Maintained Class 5 rating in the National Flood Insurance Program Community Rating System
2. Created the Tree Canopy Enhancement Program to provide free trees to residents to expand and sustain the City's urban forest
3. Submitted multiple grant applications to close funding gaps in design projects and to continue to plan for climate change
4. Completed South Davis Shores Resilience Study
5. Completed grant funded study "Vulnerability of Septic Tanks to Sea Level Rise and Storm Surge"
6. Implemented the Flood Mitigation Assistance Program offered through FEMA so that property owners can apply through the City to elevate their flood prone structure(s) to reduce their flood risk

OBJECTIVE 5: Arts, Education and Community

1. Renewed Sister Cities relationship with Aviles and Menorca
2. Completed the Herbie and Annett Wiles Park
3. Co-sponsored the Fort Mose Jazz Festival
4. Completed restoration of the city waterworks building and leased it to the St. Johns County Cultural Council for countywide arts, cultural education and events

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
4. Hired a consultant and land surveyor to assess the feasibility of developing affordable housing on city owned property at 450 N. Holmes Blvd and 865 Fish Island Rd.
5. Dedicated Community Outreach Officer in the police department to focus on homeless community issues
6. Lincolnville Community Redevelopment Area administers grants up to \$20,000 for housing repairs to income qualified homeowners within the area

OBJECTIVE 7: Proactive Planning to Preserve our Downtown Character

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 highest number of projects in the Program’s 35-year history, increasing the knowledge of the city’s rich history and heritage. The Archaeology Program expanded their digital media messaging and outreach efforts and will launch several websites that were completed with preservation grant funds.

In addition to development review, some comprehensive planning projects have begun, including the start of the phase I update to the Architectural Guidelines for Historic Preservation (AGHP) and a partial demolition ordinance proposal. Public workshops/forums were offered on each, as well as a two-part public survey.

The Division has been working at completing projects and making the deliverables from previously awarded grants accessible to the public. Combined, these 5 grant projects total over \$700,000 of value to the City. Other major grant-funded projects for archaeology and National Register Historic Districts resurveys are close to completion. One of the grant’s project scope included the printing of a flood mitigation guidance booklet and an associated brochure, which was mailed to 1100 property owners. Additional hard copies are available from the Planning and Building Department. Both documents are available on the city’s website along with a story map to help interpret the information in a dynamic platform. All efforts further the priorities identified in the 2018 Historic Preservation Master Plan.

The Waterworks Rehabilitation Grant Project was successfully completed, culminating in a public open house on September 14, 2021.

OBJECTIVE 8: Event, Planning and Management

1. Concerts in the Plaza reinstated
2. Nights of Lights
3. Fourth of July Fireworks

OBJECTIVE 9: Capital Plan Financing

1. Refinanced the 2011B bond issue with a 2021 bank note at 1.3% interest recognizing net present value savings of over \$700,000
2. Completed two ratings reviews with S&P Global Ratings and received an upgrade to the water and sewer credit rating from AA- to A+
3. Created a balanced FY21/22 budget with robust capital improvement plan
4. As of publication of this report, the majority of the capital improvement plan is funded with a combination of a 2022 bank note and the American Rescue Plan
5. Completed the Annual Comprehensive Financial Report (ACFR) and received an "Excellence in Financial Reporting"

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.

Fiscal Management

The City continues to conduct financial and internal control reviews and update policies to modernize business and accounting practices. 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 model will enable 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 Capital Improvement and Revenue Bonds. Fitch ratings currently ranks the City's bonds as a AA. These excellent credit ratings have been achieved by a hard fought, long-term commitment to fiscal prudence and sound planning. This was made possible by a commitment from elected officials, management, and all departments.

Police Department Body Worn Cameras

The City of St. Augustine Police Department is currently the only first responder agency within St Johns County equipped with body worn cameras (BWC). The Police Department entered a 10-year contract in the amount of \$1,523,868 with yearly payments of \$152,387. The contract included BWC's, an updated taser for every sworn officer, storage of BWC videos, activation signals for officer's firearms, and officer training. There is also a technology upgrade plan and continued training built into the life of the contract.

Fire Department

The Fire Department saw a record setting year as restrictions eased from the pandemic. After a 4.6% decrease in calls for service in FY 19/20 calls increased in FY 20/21 by a 32%. The City committed \$110,000 and completed a refurbishment of the 2006 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 taking the total ownership time of the truck to 23/25 years.

<u>Year</u>	<u>Calls</u>	<u>Building Fires</u>	<u>Total Fires</u>
FY 18/19	4,202	42	92
FY 19/20	4,009	63	125
FY 20/21	5,295	76	163

Communications

The Communications Department continues to provide relevant, timely and engaging information to the public related to City services, programs, and activities while simultaneously encouraging the public’s participation in meetings, surveys, and opportunities to offer input on current issues being addressed by the City.

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

	<u>City</u>	<u>Fire</u>	<u>Marina</u>	<u>Police</u>
Facebook	*16%	24%	41%	*9%
Twitter	14	N/A	N/A	14%
Instagram	62%	39%	80%	13%
<i>News & Notes</i>	8%			

***Note:** Due to Facebook’s conversion to a “New Pages Experience” format, users are no longer able to “Like” our page. Subsequently the apparent increase in followers is not what we would normally expect. Fire and Marina have not converted to the new page format.

General Services

The municipal marina had a record volume of gasoline and diesel fuel sales in fiscal year 2021 which contributed to a large favorable increase in net position. Economists believe that COVID-19 led to an increase in the popularity of boating which also kept the marina docks at record capacity as well.

Salt Run Dredging

The City has secured grant funding from FIND totaling \$200,000 from the Florida Inland Navigational District and \$50,000 from the St. Augustine Port & Waterway District for phase 11 of the City Salt Run maintenance dredging. The City anticipates that it will begin dredging the winter of 2023.

OTHER CITY PROJECTS

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.

Improvements to the City's water and wastewater infrastructure and completing stormwater and flood projects continue to be top priorities in the City's Strategic Plan and Capital Improvement Plan. These improvements are funded by the American Rescue Plan Act and a recent bank loan was secured to increase capital spending at historically low interest rates to prioritized items. These system improvements increase 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 and estimated completion target date of September 2022.

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. In fiscal year 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 2022). 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 still has federal funding from FEMA through its Hazard Mitigation Grant Program (HMGP) for Phase 1 which encompasses the design for the Lake Maria Sanchez Flood mitigation and Drainage Improvements and for Phase 2 for the construction for the South Whitney West King Street Flood Mitigation and Drainage Improvements. The Phase 1 design for the Lake Maria Sanchez project is still underway, the project is behind schedule due to private property easements

required to finish the permitting and design. The City is working through the issues and expects to resolve them in FY2022. The Phase 1 design for South Whitney and West King Street is complete. FEMA has approved this project for Phase 2 (construction), and the City has secured pass through American Rescue Plan dollars to address the funding gap.

Phase 1 design funding for the Avenida Menendez Flood Barrier has been secured 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 for this project is nearing completion and will be ready to submit to FEMA for approval in FY2022.

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.

<u>Private Development Projects</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Projects Submitted for Review	29	39	36
Projects Approved	32	36	31
Projects Starting Construction	19	22	14
Projects Completed/Closed Out	10	19	9

Utility and Stormwater Infrastructure

Development continued to grow through fiscal year 2021 for new connections. Demand for services and revenue continues to grow, placing burdens on limited staff resources. The City is moving into a capital plan focused on the sewer system for in-fill development targeting existing septic to sewer conversions and its infrastructure to improve its reliability and resiliency to flooding. The Florida Department of Environmental Protection awarded the City \$26.5 million of American Rescue Plan dollars which will be used to fund several resilience projects on the CIP.

Planning and Building

	<u>Building Permits Issued</u>	<u>Total Valuation</u>
FY 18/19	1851	\$138,669,294.37
FY 19/20	1668	\$ 63,799,935.83
FY 20/21	1910	\$ 82,238,548.09

Note: Hurricane recovery contributed to the high volume of permitting of FY 18/19. FY 2019/2020 reflects the impact of COVID-19 and national uncertainty. FY 20/21 may also reflect an impact of COVID-19 with a high number of renovations and improvements, as well as people relocating to the area.

ECONOMIC DEVELOPMENT

Marriott Tribute Hotel - 5 Prawn Street

A new Marriott Tribute Hotel is now complete. This is a 51-room luxury boutique hotel on the San Sebastian River, adjacent to King Street and Prawn Street, on an entry corridor to the downtown Historic Districts.

Hilton Homewood Suites Hotel- 10 Prawn Street

The new Hilton Homewood Suites is completed and open for business. 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 is under construction. 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 Lincolntonville neighborhood. A new program to rehabilitate distressed historic institutional properties has also been funded.

Property values are increasing in Lincolntonville 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 rehabilitation of the city-owned Waterworks Building is complete. Also, on San Marco Avenue at the May Street intersection, the Florida Department of Transportation completed 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 coupled with a townhouse and single-family home development with 165 units. 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 2022, several building permits have been issued and completed for single family homes east of the apartments and townhouses.

Plantation Island Drive North

This commercial corridor on Anastasia Island is anticipated to develop with mixed office, retail services, banking and a potential restaurant.

Plantation Island Drive South

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 59-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 property is open to the public with over one mile of trails.

The Landing

The Landing is a multifamily development of 585 apartments, located on the west side of U.S.1 North. The first and second phases have been completed and the final phase north of San Sebastian View is expected to begin construction in 2022. Along with a gas station on the corner of San Sebastian View and US 1 North.

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. The developers continue to move forward to plat phases and construct the approved infrastructure. Close to 261 homes have been permitted and completed with additional units under currently under construction.

Real Estate Development, Business Development and Regulatory Updates

Real estate development in the city continues to be robust. New business 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 was adopted in July of 2020. 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, and the framework to recognize the need for workforce housing and more affordable housing options within the city.

The department finished the update to the Design Standards for each corridor, zoning overlay districts which regulate the appearance of new development along these important entry corridors to downtown. The Planning and Building Department continues to process updates to the Land Development Code as the well as annexations, rezoning and amendments to the Future Land Use Map of the Comprehensive 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. 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. This past year the city completed 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. With the adoption of the mobility plan the city began the steps necessary to implement a mobility fee.

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 number 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. Due to Covid-19 the city had to postpone overhauling the parking garage's access management system and integrating it into the on-street and off-street parking system to create a fully integrated parking system. The city anticipates making these improvements in 2021/2022. The City completed creating digital permits that can be managed and issued through the newly deployed parking management system.

The smart parking initiative has been well received by the FDOT and as a result the city worked with the department to develop a dynamic messaging system to alert incoming visitors to the availability of parking in the garage and parking lots within the downtown area. FDOT has been working to help fund the initiative and the city expects funding up to \$7.5 million dollars to be allocated in the upcoming year.

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 launched Summer 2021 and had promising ridership numbers for the new service through the end of the fiscal year.

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 & Wisby, P.A.

The City would like to express its sincere 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



Mark E. Simpson, CPA
Finance Director

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Government Finance Officers Association

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Presented to

**City of St. Augustine
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

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Principal City Officials

City of St. Augustine

Annual Comprehensive Financial Report For the Year Ended September 30th, 2021

Principal City Officials

City Commission

Mayor-Commissioner.....	Tracy Upchurch
Vice Mayor-Commissioner.....	Nancy Sikes Kline
Commissioner.....	Roxanne Horvath
Commissioner.....	John Valdes
Commissioner.....	Barbara Blonder

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.....	Jennifer Michaux
Fire Chief.....	Carlos Aviles
Director, General Services.....	James Piggott
Director, Human Resources.....	Donna Hayes
Director, Planning & Building.....	David Birchim
Director, Communications.....	Melissa Wissel
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)
Audit Committee

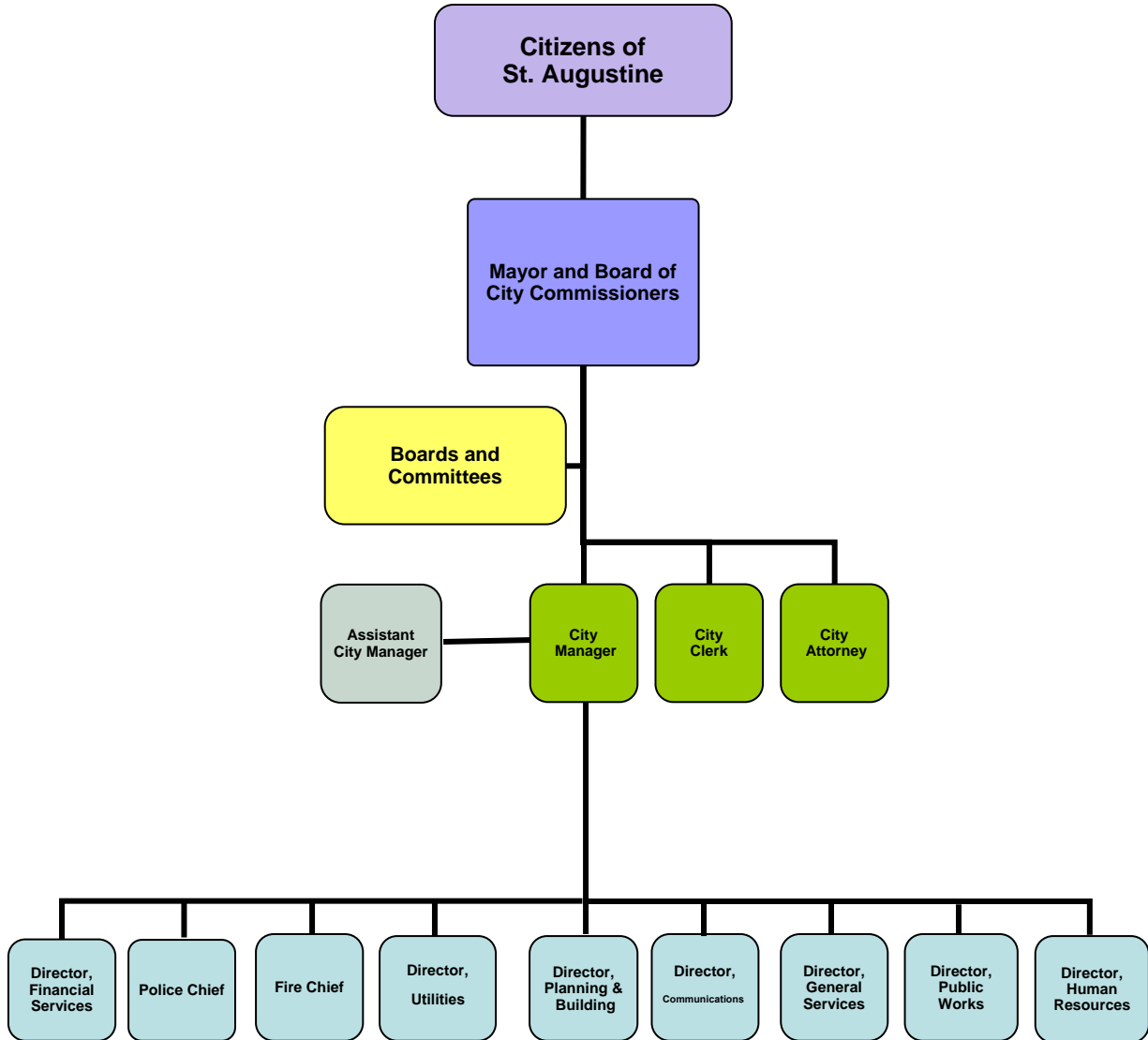
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Organizational Chart

City of St. Augustine

Comprehensive Annual Financial Report For the Year Ended September 30th, 2021

City Government Organizational Chart



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FINANCIAL SECTION

This Section Contains the Following:

Independent Auditors' Report

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

Basic Financial Statements

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

Combining Statements

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

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of St. Augustine, Florida (the City) as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Managements Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Fire Pension Trust Fund, which represents 17%, 17% and 13%, 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, 2021 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 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 (GASB), 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

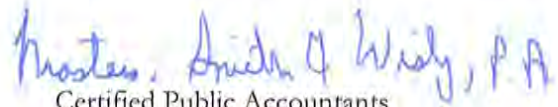
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements, schedule of expenditures of federal awards and statistical section as listed in the table 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.


Masters, Archer & Wiedy, P.A.
Certified Public Accountants
Jacksonville, Florida

March 31, 2022

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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.

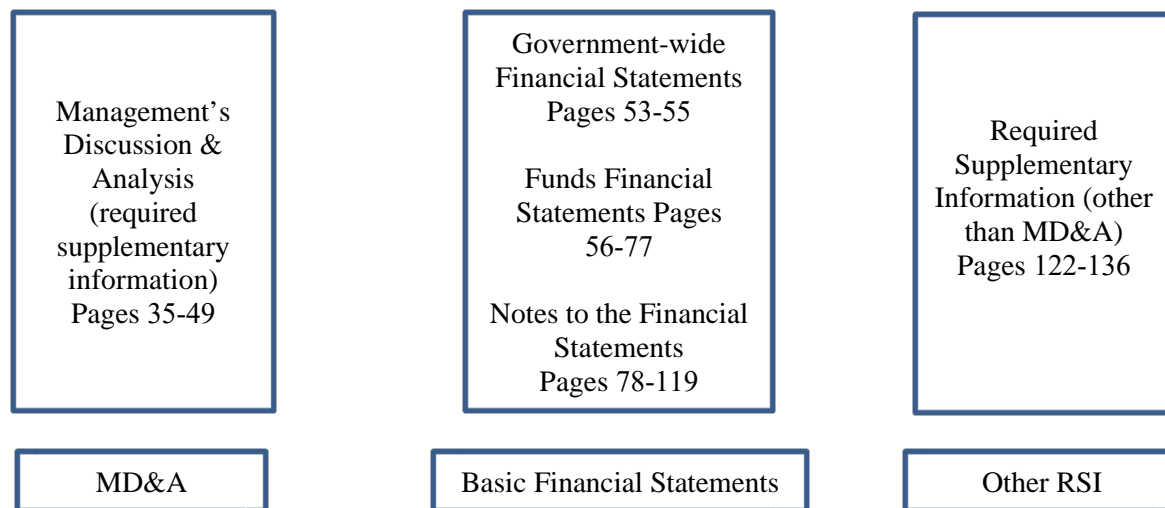
Financial Highlights

- The City's total assets and deferred outflow of resources exceeded its total liabilities and deferred inflow of resources at September 30, 2021 by \$151,841,565 (net position). Of this, \$32,660,460 (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 \$14,448,956 (11%)
- Governmental net position increased by \$6,889,641 for the current fiscal year and increased governmental unrestricted net assets to \$12,515,159 (48%) of total net position.
- Business-type net position increased by \$7,559,315 for the current fiscal year and business-type unrestricted net assets were equal to \$20,145,301 (16%) of total net position.
- The governmental activities program revenues increased by \$3,253,218. The current year's activities produced an increase in net assets of \$6,889,641 compared to the previous year's increase of \$2,293,829. \$1.5 million of this increase is due to a grant from St. Johns County to assist with COVID-19. Record setting returns in the stock market turned pension liabilities into pension assets which had a \$2 million impact on net assets.
- The business-type activities program revenue increased by \$778,784. Business-type activities reported \$3,834,561 in Capital Grants and Contributions in the prior fiscal year. This year, those revenues made up \$2,747,636 of business-type activities which represents a \$1,086,925 decrease.
- The City's total debt associated with bonds and lease obligations decreased by a net \$4,818,780 during the fiscal year. This decrease is primarily due to a \$2.5 million loan payment of the Series 2012 water & sewer revenue bonds. Additionally, in June of 2021 the City refunded its 2011B bonds with a bank note at 1.3% interest with over \$700 thousand of net present value savings.
- The fiscal year 2021 budget was developed in the summer of 2020 with a high degree of uncertainty regarding COVID-19. Revenue budgets were conservative and higher than anticipated revenues were collected. As of this publication, the fiscal year 2022 budget is suffering slightly from higher than anticipated inflation. The budget shortfalls are being covered by savings achieved from labor shortages.
- The City feels like the strong results of fiscal year 2021 were not normal, and management does not anticipate achieving similar results in the future. The rapid rebound from COVID-19 in the tourist-based economy was due to excess stimulus money on hand and the general public's desire to travel, largely to Florida where restrictions were relaxed prior to the rest of the country.

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 53-55, 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 56-77, 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 78, 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 \$151,841,565 as of September 30, 2021. A portion of the City's net position of \$110,520,621 (73%) 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 \$8,660,484 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 \$32,660,460 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 2021 started off well and the first quarter saw modest growth, however Florida's loose COVID-19 restrictions and a larger than normal appetite for travel allowed revenues to reflate to 2019 levels with a busy fourth of July fireworks show, and large crowds on summer vacations. The City set records for parking garage revenues and expenditures were down due to labor shortages. This unique situation caused large surpluses in the General Fund and Visitor Information Center Fund. The freedom of boating increased in popularity due to COVID-19 and the Municipal Marina increased its net position by over \$500 thousand.

Property tax revenue from new construction and rehabilitation continues to grow annually. The State of Florida is seeing a large increase in population due to work from home arrangements brought on by the pandemic. With no state income tax and a warm climate, many former visitors have now made St. Augustine their permanent home.

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.

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

The American Rescue Plan Act was enacted and the City was awarded almost \$8 million dollars of which half has been received. The Commission recently approved the use of these funds which are governed by the United States Treasury. Additionally, the City has been awarded \$26 million dollars of grants from the Florida Department of Environmental Protection to complete several much needed resiliency projects to protect the City from flooding. Management looks forward to reporting on the progress of the various projects in future financial reports.

CITY OF ST. AUGUSTINE, FLORIDA
Summary of Net Position as of September 30, 2021, with comparative data for 2020
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	25,271	18,078	33,704	32,541	58,975	50,619
Capital Assets	32,909	32,656	128,905	126,039	161,814	158,695
Total Assets	\$ 58,180	\$ 50,734	\$ 162,609	\$ 158,580	\$ 220,789	\$ 209,314
Contributions to Pension Plans	4,777	2,726	1,050	666	5,827	3,392
OPEB Plan	190	-	82	-	272	-
Unamortized Loss on Refunding	1,894	1,987	639	689	2,533	2,676
Total Deferred Outflow of Resources	\$ 6,861	\$ 4,713	\$ 1,771	\$ 1,355	\$ 8,632	\$ 6,068
Current and Other Liabilities	7,105	10,750	5,963	6,896	13,068	17,646
Long-Term Debt Outstanding	23,828	24,366	29,998	34,279	53,826	58,645
Total Liabilities	\$ 30,933	\$ 35,116	\$ 35,961	\$ 41,175	\$ 66,894	\$ 76,291
Pension Deferrals	7,899	935	2,332	196	10,231	1,131
OPEB Deferrals	317	394	137	173	454	567
Total Deferred Inflow of Resources	\$ 8,216	\$ 1,329	\$ 2,469	\$ 369	\$ 10,685	\$ 1,698
Net Position:						
Invested in Capital Assets, Net of Related Debt	10,975	10,277	99,546	91,761	110,521	102,038
Restricted	2,402	1,844	6,259	5,907	8,661	7,751
Unrestricted	12,515	6,881	20,145	20,723	32,660	27,604
Total Net Position	\$ 25,892	\$ 19,002	\$ 125,950	\$ 118,391	\$ 151,842	\$ 137,393

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Activities for Year Ended September 30, 2021 with comparative data for 2020
(In thousands)

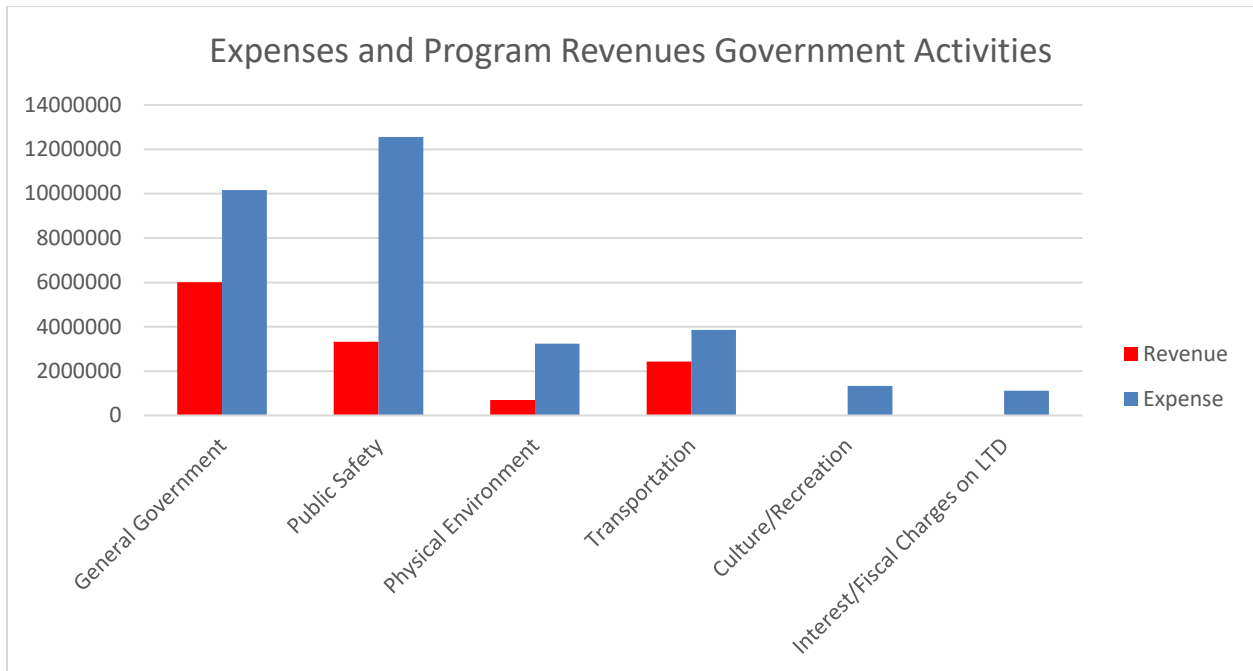
	Governmental		Business-type		Total Primary Government	
	Activities		Activities		Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 9,566	\$ 8,294	\$ 35,663	\$ 33,797	\$ 45,229	\$ 42,091
Operating Grants and Contributions	1,638	111	-	-	1,638	111
Capital Grants and Contributions	1,119	665	2,748	3,835	3,867	4,500
General Revenues						
Taxes	20,623	18,382	-	-	20,623	18,382
Fees	1,731	1,603	-	-	1,731	1,603
Revenue Sharing	742	576	-	-	742	576
Investment Income	46	197	54	317	100	514
Miscellaneous	2,485	2,437	454	480	2,939	2,917
Total Revenues	<u>37,950</u>	<u>32,265</u>	<u>38,919</u>	<u>38,429</u>	<u>76,869</u>	<u>70,694</u>
Program Expenses Including						
Indirect Expenses						
General Administration	10,169	11,081	-	-	10,169	11,081
Public Safety	12,561	11,269	-	-	12,561	11,269
Physical Environment	3,231	3,535	-	-	3,231	3,535
Transportation	3,854	3,711	-	-	3,854	3,711
Culture Recreation	1,328	1,465	-	-	1,328	1,465
Interest Fiscal Charges on Long-term Debt	1,115	1,091	-	-	1,115	1,091
Utilities	-	-	16,674	14,960	16,674	14,960
Stormwater	-	-	1,650	1,462	1,650	1,462
Solid Waste	-	-	4,350	4,143	4,350	4,143
Municipal Marina	-	-	3,342	2,953	3,342	2,953
Visitors Information Center	-	-	4,146	3,807	4,146	3,807
Total Expenses	<u>32,258</u>	<u>32,152</u>	<u>30,162</u>	<u>27,325</u>	<u>62,420</u>	<u>59,477</u>
Increase in Net Position						
Before Transfers	<u>5,692</u>	<u>113</u>	<u>8,757</u>	<u>11,104</u>	<u>14,449</u>	<u>11,217</u>
Transfers	<u>1,198</u>	<u>2,181</u>	<u>(1,198)</u>	<u>(2,181)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>6,890</u>	<u>2,294</u>	<u>7,559</u>	<u>8,923</u>	<u>14,449</u>	<u>11,217</u>
Net Position - Beginning	<u>19,002</u>	<u>16,708</u>	<u>118,391</u>	<u>109,468</u>	<u>137,393</u>	<u>126,176</u>
Net Position - Ending	<u>\$ 25,892</u>	<u>\$ 19,002</u>	<u>\$ 125,950</u>	<u>\$ 118,391</u>	<u>\$ 151,842</u>	<u>\$ 137,393</u>

Governmental Activities

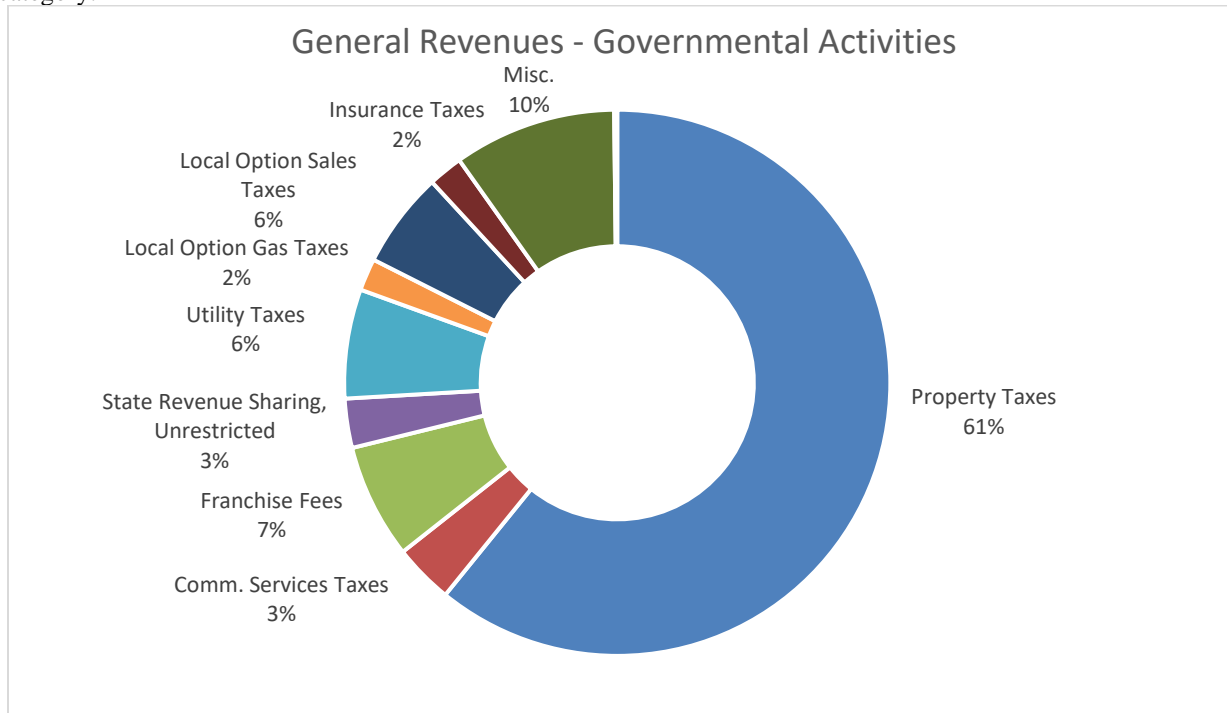
Governmental activities resulted in an increase in the City’s net position of \$6,889,641.

The fiscal year 2021 budget was created and adopted in the summer of 2020 during the height of uncertainty related to COVID-19. A conservative approach was used, and management relied on the State of Florida for several of its revenue estimates which were also conservative. Actual results reflected a “V-Shaped” rebound in the economy of the State of Florida especially in tourism destinations. An examination of the budget to actual on page 63 reflects that the large surplus was primarily due to revenues exceeding budget. Additionally, the City received a COVID-19 reimbursement from St. Johns County of \$1.5 million of which \$1.2 million of the intended use was expended in fiscal year 2020.

Program revenues are revenues that can be assigned or are attributable to a specific program. These revenues account for \$12,323,224 (32%) 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 \$26,824,379 (68%) of total governmental activities revenue. The chart below shows total general revenues by category.



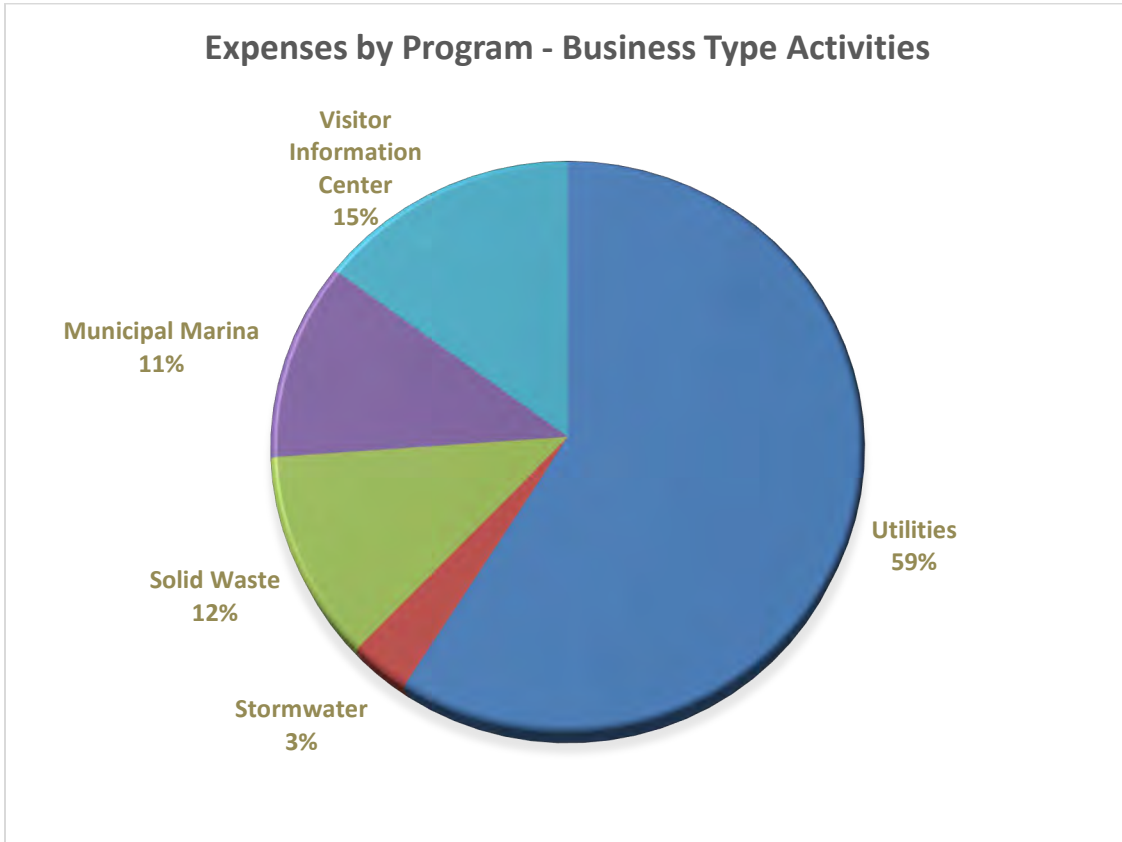
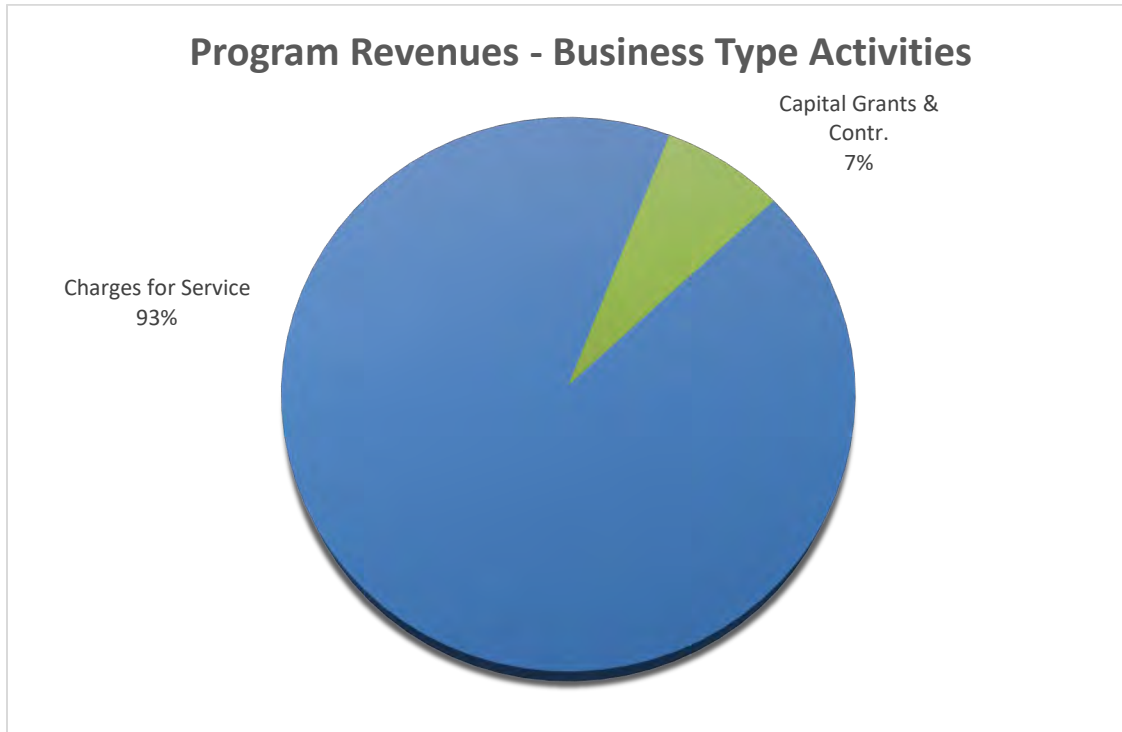
Business-type Activities

Business-type activities increased the City’s net position by \$7,559,315. Key elements of this increase are as follows:

- The Utility received capital grants and contribution of \$2,747,636 and had operating income of \$4,439,990. Fiscal year 2021 saw no rate increases for the first time in several years because a new rate structure has been fully phased in and there was not an increase in the CPI due to COVID-19. For fiscal year 2022 rates were increased by the CPI of 5.8%.
- The Stormwater fund continues to struggle with its net position due to depreciation. It sustained an operating loss of \$514,876 but depreciation was \$808,477. A small rate increase was implemented in fiscal year 2022.
- The Solid Waste Fund performed similar to the Stormwater fund. It has an operating loss of \$182,466 with depreciation expense of \$370,611. A \$60 per year rate increase per account was adopted for the fiscal year 2022 budget to assist the operation.
- The Municipal Marina fund had positive results with revenues exceeding budgets by 13% and operating income of \$686,902. Its unrestricted fund balance is 71% of annual budgeted revenue.
- The Visitor Information Center (VIC) parking garage revenues were 33% more than budgeted and after the large transfers for debt service, mobility and historic preservation the VIC was still able to increase net assets by \$1,111,743. However, the fund remains in a deficit net position of \$1,954,130.

Program revenues are revenues that can be assigned or are attributable to a specific program. These revenues account for \$38,410,612 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 \$19,917,309 an increase of \$4,179,164 (27%) from the previous fiscal year. A \$1.85 million increase in ad valorem tax collections combined with larger than budgeted other revenues such as the \$1.5 million appropriation from St. Johns County were the reasons for this increase in General Fund reserves. The fiscal year 2021 budget was adopted in the summer of 2020 during the COVID-19 pandemic therefore a conservative approach was taken. The actual results were due to the rapid rebound in economic conditions previously discussed.

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 \$5,468,410, while the total fund balance was \$18,281,783. The total fund balance shows an increase of \$4,325,580 (31%) from the previous fiscal year and the unassigned fund balance of the General Fund shows an increase of \$4,230,166 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. It should be noted that four months of operating revenues totaling \$9,768,666 are committed due to the City's reserve policy. This combined with unassigned fund balance of \$5,468,410 leaves the City with reserves to cover almost six months of operating expenses.

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 maintain certain revenue to be used for a specific purpose. The City's Special Revenue Funds report the Historic Area Community Redevelopment Area and the Lincolville Community Redevelopment Area. The Historic Area Community Redevelopment fund transfers its entire fund balance to the Visitor Information Center fund to help pay the debt service on its parking structure. The Lincolville Community Redevelopment fund was able to spend some of the large surplus it gained in fiscal year 2020 by completing 32% of a major renovation to the First Baptist Church and nearly completing a reroofing of the St. Paul AME Church. These expenditures exceeded revenues in fiscal year 2021 by \$146,906 and the ending fund balance is \$1,309,776. A full-time administrator has benefited this endeavor and management anticipates increased spending in the upcoming fiscal year to continue all projects. The City of St. Augustine Community Redevelopment Agency publishes a stand-alone audit report which is available for more in-depth management discussion & analysis.

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 table below lists 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, 2021

	Utility	Stormwater Drainage	Solid Waste	Municipal Marina	Visitors Information Center	Total Proprietary
Net Position - Beginning	\$ 97,057,012	\$ 15,598,513	\$ 1,365,657	\$ 7,435,141	\$ (3,065,873)	\$ 118,390,450
Changes in Net Position	6,208,372	(321,015)	(9,920)	570,135	1,111,743	7,559,315
Net Position	\$ 103,265,384	\$ 15,277,498	\$ 1,355,737	\$ 8,005,276	\$ (1,954,130)	\$ 125,949,765

The table below shows the components of net position for the City's various proprietary funds.

Net Position as of September 30, 2021

	Utility	Stormwater Drainage	Solid Waste	Municipal Marina	Visitors Information Center	Total Proprietary
Net Investment in Capital Assets	\$ 82,955,602	\$ 14,410,606	\$ 1,291,697	\$ 6,012,953	\$ (5,124,961)	\$ 99,545,897
Restricted	6,258,567	-	-	-	-	6,258,567
Unrestricted	14,051,215	866,892	64,040	1,992,323	3,170,831	20,145,301
Total Net Position	\$ 103,265,384	\$ 15,277,498	\$ 1,355,737	\$ 8,005,276	\$ (1,954,130)	\$ 125,949,765

Cumulatively, the proprietary funds had a \$7,559,315 increase in net position. Key factors pertaining to this increase are as follows:

- The Utility Fund had operating income of \$4,439,990 and capital grants and other capital contributions of \$2,307,106.
- The Stormwater Fund incurred an operating loss of (\$514,876). Net transfers out of (\$164,043) and capital grants revenue of \$357,316 resulted in a decrease in net position of (\$321,015). The City increases rates annually in attempt to keep the fund solvent. The non-cash depreciation of \$808,477 is the primary reason for the annual deficit.
- The Solid Waste Fund had an operating loss of (\$182,466). Net transfers in of \$101,565 and operating grants of \$83,214 lead to an overall decrease in net position of (\$9,920).
- The Municipal Marina Fund earned operating income of \$686,902. Net transfers out of (\$130,063) which lead to an increase in net position of \$570,135 due in large part to record fuel sales and dockage occupancy due to the increased popularity of boating as a permissible activity during the pandemic.
- The Visitor Information Center Fund had operating income of \$1,979,820. Interest expense of \$833,666 and net transfers out of (\$21,001) resulted in an increase in net position of \$1,111,743 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, however depreciation is not taken into consideration during the budget process. The budgets are developed with a cash basis in mind taking into account the purchase of capital assets rather than their annual depreciation.

General Fund Budgetary Highlights

There are no material differences between the original budget and the final amended budget for appropriations (expenditures) in the General Fund. There were no material budgetary changes to the General Fund budgets and all budgetary policies and controls were adhered to throughout the year. A cursory review of the actual revenue compared to budgets will inform the reader that the City experienced very favorable results in fiscal year 2021. The St. Johns County COVID-19 relief program yielded \$1.5 million of unanticipated program revenue to help offset costs incurred during the pandemic and nearly all other revenue sources exceeded budget with a total favorable variance of nearly \$4 million. (See budget to actual comparison on page 63-65.)

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, 2021, amounts to \$161,814,453 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,824,622	\$ 6,824,622	\$ 1,401,829	\$ 1,401,829	\$ 8,226,451	\$ 8,226,451
Buildings	8,564,083	8,126,993	24,812,006	25,980,202	33,376,089	34,107,195
Infrastructure	14,346,523	14,687,658	96,599,193	92,925,936	110,945,716	107,613,594
Machinery	3,068,588	2,382,510	3,453,411	3,668,653	6,521,999	6,051,163
Total	32,803,816	32,021,783	126,266,439	123,976,620	159,070,255	155,998,403
Work in Progress	105,402	633,877	2,638,796	2,063,042	2,744,198	2,696,919
Total	\$ 32,909,218	\$ 32,655,660	\$ 128,905,235	\$ 126,039,662	\$ 161,814,453	\$ 158,695,322

The following reconciliation summarizes the change in capital assets, which is presented in detail on pages 92-94 of the Notes to the Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 32,655,660	\$ 126,039,662	\$ 158,695,322
Additions	3,021,458	10,972,772	13,994,230
Retirement	(578,285)	(5,166)	(583,451)
Depreciation	(2,189,615)	(8,102,033)	(10,291,648)
Ending Balance	\$ 32,909,218	\$ 128,905,235	\$ 161,814,453

Governmental Activities:

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

Mobility and Parking Improvements	\$ 89,902
Martin Luther King Streetscape	15,500
Total	\$ 105,402

Business Type Activities:

Construction in progress is composed of the following at September 30, 2021:

Lift Station Rehabilitation	\$	288,266
Automated Meter Reading Pase IV		112,676
May Street Intersection (Phase II)		396,342
High Service Pumps Overhaul		45,771
Wastewater Treatment Plant Hedworks Structural Rehabilitation		292,546
St. Francis Sewer Replacement		16,800
Lift Station 51 and 52 Forcemain		281,451
Wastewater Treatment Plant Floodproofing		146,405
Lake Maria Sanchez Drainage		84,262
Sevilla Street Rebuild and Rebrick		88,043
Coquina Ave Stormwater Project		33,931
King Street Drainage Improvements		109,445
South Whitney & West King Improvements		183,169
South Dixie Highway Improvements		227
Tidflex Valves Improvements		559,460
Total	\$	2,638,794

Long-Term Debt

S&P Global Ratings undertook routine surveillance on the City's water and sewer credit rating during the summer of 2021. The result of that process was an upgrade of the bond rating from AA- to A+. The upgrade was due to "good financial prudence" as reflected by strong debt service coverage, satisfactory liquidity and adequate legal provisions. The rating also refracted the small but growing size of the system.

At the end of fiscal year 2021, the City had total debt outstanding (excluding compensated absences and other post-employment benefits) of **\$53,825,861**. All of this debt is secured solely by specified revenue sources.

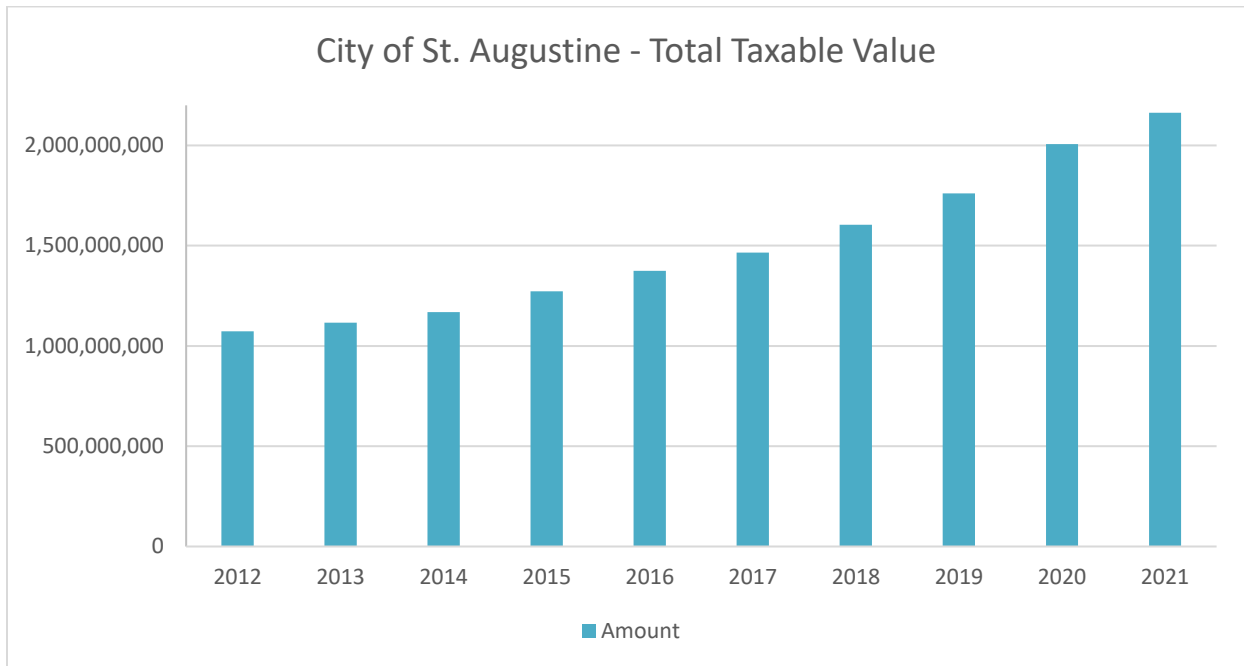
More detail on the long-term debt is presented on pages 95-101 of the Notes to the Financial Statements.

Outstanding Debt at Year End		
	2021	2020
General Long-Term Debt & Obligations		
Capital Improvement and Refunding Revenue Bonds	\$ 18,295,453	\$ 22,347,272
Capital Improvement Refunding Revenue Note	3,608,176	-
Unamortized (Premium) Discount	1,924,389	2,018,881
Total General Long-Term Obligations	\$ 23,828,018	\$ 24,366,153
Proprietary Fund Long-Term Obligations		
Capital Improvement and Refunding Revenue Bonds	\$ 16,089,547	\$ 18,747,727
Capital Improvement Refunding Revenue Note	1,786,824	-
Water and Sewer Revenue Bonds	3,695,000	6,235,000
Revolving Fund Loan DW 550410	7,074,040	7,639,980
Unamortized (Premium) Discount	1,352,611	1,655,960
Total Proprietary Long-Term Obligations	\$ 29,998,022	\$ 34,278,667
Total Long-Term Debt & Obligations	\$ 53,826,040	\$ 58,644,820

Economic Factors

The City primarily relies on property and a limited array of permitted or other taxes and fees for governmental activities. There are a number of state-shared revenues and recurring and non-recurring grants from both the state and federal governments. In addition to new construction and renovations, the tax values of existing properties have seen high rates of increase. This trend is expected to continue in the 2021-2022 fiscal year.

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



The American Rescue Plan was adopted during fiscal year 2021 but the details were uncertain. As of the date of publication the City has received 50% of its almost \$8 million allocation and recently received Commission approval for its use on various capital projects throughout the City.

Additionally, the Florida Department of Environmental Protection has granted the City \$26 million of the State's American Rescue Plan funding for various resilience projects.

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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 17,732,884	\$ 28,466,747	\$ 46,199,631
Receivables (Net)	695,894	3,653,407	4,349,301
Due from Other Governments	383,784	310,819	694,603
Internal Balances	(166,061)	166,061	-
Inventories	894,688	322,948	1,217,636
Prepaid Items	308,694	-	308,694
Restricted Assets:			
Cash and Cash Equivalents	2,361,084	784,151	3,145,235
Pension Related	3,059,857	-	3,059,857
Capital Assets:			
Non-Depreciable	6,930,024	4,040,623	10,970,647
Depreciable (Net)	25,979,194	124,864,612	150,843,806
Total Assets	58,180,042	162,609,368	220,789,410
Deferred Outflows of Resources:			
Pension Related	4,776,923	1,049,612	5,826,535
OPEB Plan	190,363	82,373	272,736
Unamortized Loss on Refunding	1,893,524	638,684	2,532,208
Total Deferred Outflows of Resources	6,860,810	1,770,669	8,631,479
LIABILITIES			
Accounts Payable and Accrued Expenses	2,117,204	3,552,961	5,670,165
Deposits	-	784,154	784,154
Unearned Revenue	176,454	-	176,454
Non-Current Liabilities:			
Due Within One Year:			
Compensated Absences	118,792	39,772	158,564
Revenue Bonds Payable, Current Portion	272,325	2,833,915	3,106,240
Revenue Note Payable, Current Portion	381,216	651,500	1,032,716
Due in More Than One Year			
Retiree Healthcare Related	1,477,735	639,439	2,117,174
Pension Related	211,374	198,231	409,605
Compensated Absences	3,003,307	748,575	3,751,882
Notes Payable, Less Current Portion	3,226,960	8,209,364	11,436,324
Bonds Payable, Less Current Portion	19,947,517	18,303,243	38,250,760
Total Liabilities	30,932,884	35,961,154	66,894,038
Deferred Inflows of Resources:			
Pension Related	7,898,800	2,331,788	10,230,588
Retiree Healthcare Related	317,368	137,330	454,698
Total Deferred Inflows of Resources	8,216,168	2,469,118	10,685,286
NET POSITION			
Net Investment in Capital Assets	10,974,724	99,545,897	110,520,621
Restricted for:			
Expendable Activities:			
Community Redevelopment Agencies	1,465,689	-	1,465,689
Capital Projects	549,781	-	549,781
Renewal and Replacement	-	6,258,567	6,258,567
Non-expendable:			
Permanent Fund	325,750	-	325,750
Other	60,697	-	60,697
Unrestricted	12,515,159	20,145,301	32,660,460
Total Net Position	\$ 25,891,800	\$ 125,949,765	\$ 151,841,565

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Activities
For Year Ended September 30, 2021

FUNCTION/PROGRAM ACTIVITIES	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 10,169,139	\$ 4,669,469	\$ 92,226	\$ 1,119,111
Public Safety	12,561,388	1,779,076	1,545,665	-
Physical Environment	3,230,389	692,423	-	-
Transportation	3,854,241	2,425,254	-	-
Culture/Recreation	1,328,163	-	-	-
Interest/Fiscal Charges on Long-term Debt	1,114,642	-	-	-
Total Governmental Activities	32,257,962	9,566,222	1,637,891	1,119,111
Business-type Activities:				
Utilities	16,674,078	21,039,647	-	2,307,106
Stormwater	1,650,153	1,135,277	-	357,316
Solid Waste	4,349,748	4,167,282	-	83,214
Municipal Marina	3,342,096	4,028,998	-	-
Visitor Information Center	4,145,618	5,291,772	-	-
Total Business-type Activities	30,161,693	35,662,976	-	2,747,636
Total Primary Government	\$ 62,419,655	\$ 45,229,198	\$ 1,637,891	\$ 3,866,747

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
----------------------------	-----------------------------	-------

\$ (4,288,333)	-	\$ (4,288,333)
(9,236,647)	-	(9,236,647)
(2,537,966)	-	(2,537,966)
(1,428,987)	-	(1,428,987)
(1,328,163)	-	(1,328,163)
(1,114,642)	-	(1,114,642)
(19,934,738)	-	(19,934,738)

-	6,672,675	6,672,675
-	(157,560)	(157,560)
-	(99,252)	(99,252)
-	686,902	686,902
	1,146,154	1,146,154

-	8,248,919	8,248,919
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\$ (19,934,738)	\$ 8,248,919	\$ (11,685,819)
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15,511,727	-	15,511,727
1,648,113	-	1,648,113
900,226	-	900,226
1,731,040	-	1,731,040
742,104	-	742,104
485,407	-	485,407
1,451,673	-	1,451,673
520,093	-	520,093
104,903	-	104,903
2,484,819	454,228	2,939,047
46,307	54,135	100,442
1,197,967	(1,197,967)	-
26,824,379	(689,604)	26,134,775

6,889,641	7,559,315	14,448,956
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19,002,159	118,390,450	137,392,609
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\$ 25,891,800	\$ 125,949,765	\$ 151,841,565
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CITY OF ST. AUGUSTINE, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2021

	General	Debt Service	Special Revenue HACRA
ASSETS			
Cash and Cash Equivalents	\$ 17,732,884	\$ -	\$ -
Receivables (Net of Allowance for Uncollectibles)	695,894	-	-
Due from Other Governments	383,784	-	-
Inventories, At Cost	894,688	-	-
Prepaid Expenditures	308,694	-	-
Restricted Assets:			
Cash and Cash Equivalents	569,645	-	-
Total Assets	\$ 20,585,589	\$ -	\$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,221,855	\$ -	\$ -
Unearned Revenue	176,454	-	-
Accrued Expenditures	739,436	-	-
Due to Other Funds	166,061	-	-
Total Liabilities	\$ 2,303,806	\$ -	\$ -
Fund Balances:			
Nonspendable:			
Inventories	894,688	-	-
Prepaid Expenditures	308,694	-	-
Restricted for:			
Education/Confiscation/Donations/Other Trust	60,697	-	-
Trust	-	-	-
Capital Projects	549,781	-	-
Committed	9,768,666	-	-
Assigned, Commission Authorized Projects	1,230,847	-	-
Unassigned	5,468,410	-	-
Total Fund Balances	18,281,783	-	-
Total Liabilities and Fund Balances	\$ 20,585,589	\$ -	\$ -

See accompanying notes to basic financial statements

Special Revenue LCRA	Permanent	Total Governmental
\$ -	\$ -	\$ 17,732,884
-	-	695,894
-	-	383,784
-	-	894,688
-	-	308,694
1,465,689	325,750	2,361,084
\$ 1,465,689	\$ 325,750	\$ 22,377,028

\$ 155,913	\$ -	\$ 1,377,768
-	-	176,454
-	-	739,436
-	-	166,061
\$ 155,913	\$ -	\$ 2,459,719

-	-	894,688
-	-	308,694
-	-	60,697
-	325,750	325,750
1,309,776	-	1,859,557
-	-	9,768,666
-	-	1,230,847
-	-	5,468,410
1,309,776	325,750	19,917,309
\$ 1,465,689	\$ 325,750	\$ 22,377,028

CITY OF ST. AUGUSTINE, FLORIDA
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2021

Total Governmental Fund Balances \$ 19,917,309

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	66,573,235	
Less accumulated depreciation	<u>(33,664,017)</u>	32,909,218

Long-term assets and liabilities are not receivable or payable in the current period and therefore are not reported in the governmental funds. Long-term assets and liabilities at year end consist of:

Governmental bonds and capital lease payable	(23,828,018)	
Compensated absences	(3,122,099)	
Net pension asset	2,848,483	
Net retiree healthcare obligation	<u>(1,477,735)</u>	(25,579,369)

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. 4,776,923

Deferred outflows 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. 190,363

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. 1,893,524

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. (7,898,800)

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. (317,368)

Net Position of Governmental Activities \$ 25,891,800

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CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
September 30, 2021

	General	Debt Service	Special Revenue HACRA
REVENUES			
Ad Valorem Taxes	\$ 14,596,242	\$ -	\$ 531,074
Insurance Premium Tax	520,093	-	-
Local Option Gas & Fuel Tax	485,407	-	-
Utility and Communications Service Taxes	2,548,339	-	-
Grants	2,757,002	-	-
Intergovernmental	2,326,023	-	-
Franchise Fees	1,731,040	-	-
Licenses, Permits and Other Fees	5,594,666	-	-
Fines and Forfeitures	483,747	-	-
Rental Income	1,177,922	-	-
Special Assessments	104,903	-	-
Administrative Overhead Charges	3,973,148	-	-
Investment Income	43,643	-	499
Miscellaneous	688,822	-	-
Total Revenues	37,030,997	-	531,573
EXPENDITURES			
Current Operating:			
General Government	8,310,743	-	-
Public Safety	12,787,083	-	-
Physical Environment	3,208,200	-	-
Transportation	3,917,631	-	-
Culture/Recreation	1,589,235	-	-
Capital Outlay	2,410,927	-	-
Debt Service:			
Principal Retirement	-	443,644	-
Interest and Other	-	1,114,642	-
Total Expenditures	32,223,819	1,558,286	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,807,178	(1,558,286)	531,573
OTHER FINANCING SOURCES (USES)			
Refunding Bond	3,705,820	-	-
Payment to Refunded Bond Escrow Agent	(3,705,820)	-	-
Bond Issuance Costs	(33,657)	-	-
Transfers In	3,396,773	1,558,286	855,890
Transfers (Out)	(3,844,714)	-	(1,387,463)
Total Other Financing Sources (Uses)	(481,598)	1,558,286	(531,573)
Net Change in Fund Balances	4,325,580	-	-
Fund Balances - Beginning	13,956,203	-	-
FUND BALANCES - ENDING	\$ 18,281,783	\$ -	\$ -

See accompanying notes to basic financial statements

Special Revenue LCRA	Permanent	Total Governmental
\$ 384,411	\$ -	\$ 15,511,727
-	-	520,093
-	-	485,407
-	-	2,548,339
-	-	2,757,002
-	-	2,326,023
-	-	1,731,040
-	-	5,594,666
-	-	483,747
-	-	1,177,922
-	-	104,903
-	-	3,973,148
2,165	490	46,797
-	-	688,822
386,576	490	37,949,636
1,091,121	-	9,401,864
-	-	12,787,083
-	-	3,208,200
-	-	3,917,631
-	-	1,589,235
61,556	-	2,472,483
-	-	443,644
-	-	1,114,642
1,152,677	-	34,934,782
(766,101)	490	3,014,854
-	-	3,705,820
-	-	(3,705,820)
-	-	(33,657)
619,195	-	6,430,144
-	-	(5,232,177)
619,195	-	1,164,310
(146,906)	490	4,179,164
1,456,682	325,260	15,738,145
\$ 1,309,776	\$ 325,750	\$ 19,917,309

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 4,179,164

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	2,472,483	
Book value of disposed assets	(29,310)	
Less: current year depreciation and amortization	(2,189,615)	253,558

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	443,644	
Amortization of discount and premium	94,491	
Amortization of gain and loss on bond refunding	(93,508)	444,627

Change in pension liabilities and deferred inflows and outflows related to pensions 1,968,053

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	18,870	
Net retiree healthcare asset (obligation)	25,369	44,239

Change in Net Position of Governmental Activities **\$ 6,889,641**

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, 2021

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Ad Valorem Taxes	\$ 14,289,378	\$ 14,439,101	\$ 14,596,242	\$ 157,141
Insurance Premium Tax	436,905	436,905	520,093	83,188
Local Option Gas & Fuel Tax	422,380	422,380	485,407	63,027
Utility and Communications Service Taxes	2,251,000	2,251,000	2,176,225	(74,775)
Grants	-	698,932	2,757,002	2,058,070
Intergovernmental	1,643,800	1,643,800	2,326,023	682,223
Franchise Fees	1,580,998	1,580,998	2,103,153	522,155
Licenses, Permits and Other Fees	4,784,389	5,142,061	5,594,666	452,605
Fines and Forfeitures	286,000	522,379	483,747	(38,632)
Rental Income	1,154,273	1,154,273	1,177,922	23,649
Special Assesments	60,000	60,000	104,903	44,903
Administrative Overhead Charges	3,973,148	3,973,148	3,973,148	-
Investment Income	120,750	120,750	43,643	(77,107)
Miscellaneous	490,069	627,533	688,823	61,290
Total Revenues	31,493,090	33,073,260	37,030,997	3,957,737
EXPENDITURES				
Current Operating:				
General Government	7,700,108	8,300,621	8,310,743	(10,122)
Public Safety	12,050,468	12,737,999	12,787,083	(49,084)
Physical Environment	3,466,792	3,634,850	3,208,200	426,650
Transportation	4,099,391	4,327,380	3,917,631	409,749
Culture/Recreation	1,715,969	1,790,386	1,589,235	201,151
Capital Outlay	1,603,381	2,123,024	2,410,927	(287,903)
Total Expenditures	30,636,109	32,914,260	32,223,819	690,441
Excess of Revenues Over Expenditures	856,981	159,000	4,807,178	4,648,178
OTHER FINANCING SOURCES (USES)				
Refunding Bond	-	-	3,705,820	3,705,820
Payment to Refunded Bond Escrow Agent	-	-	(3,705,820)	(3,705,820)
Bond Issuance Costs	-	-	(33,657)	33,657
Transfers In	3,379,390	3,727,523	3,396,773	(330,750)
Transfers (Out)	(4,236,371)	(4,693,371)	(3,844,714)	848,657
Total Other Financing Sources (Uses)	(856,981)	(965,848)	(481,598)	551,564
Net Change in Fund Balances	-	(806,848)	4,325,580	5,199,742
Fund Balances - Beginning	13,956,203	13,956,203	13,956,203	-
FUND BALANCES - ENDING	\$ 13,956,203	\$ 13,149,355	\$ 18,281,783	\$ 5,199,742

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, 2021

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 593,321	\$ 593,321	\$ 531,074	\$ (62,247)
Investment Income	-	-	499	499
Total Revenues	593,321	593,321	531,573	(61,748)
EXPENDITURES				
Current Operating:				
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	593,321	593,321	531,573	(61,748)
OTHER FINANCING SOURCES (USES)				
Transfers In	864,480	864,480	855,890	(8,590)
Transfers (Out)	(1,457,801)	(1,457,801)	(1,387,463)	70,338
Total Other Financing Sources (Uses)	(593,321)	(593,321)	(531,573)	61,748
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

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, 2021

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 420,648	\$ 420,648	\$ 384,411	\$ (36,237)
Investment Income	-	-	2,165	2,165
Total Revenues	420,648	420,648	386,576	(34,072)
EXPENDITURES				
Current Operating:				
General Government	908,540	1,978,173	1,091,121	887,052
Capital Outlay	125,000	349,412	61,556	287,856
Total Expenditures	1,033,540	2,327,585	1,152,677	1,174,908
Excess of Revenues Over Expenditures	(612,892)	(1,906,937)	(766,101)	1,140,836
OTHER FINANCING SOURCES (USES)				
Transfers In	612,892	1,681,074	619,195	(1,061,879)
Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	612,892	1,681,074	619,195	(1,061,879)
Net Change in Fund Balances	-	(225,863)	(146,906)	78,957
Fund Balances - Beginning	1,456,682	1,456,682	1,456,682	-
FUND BALANCES - ENDING	\$ 1,456,682	\$ 1,230,819	\$ 1,309,776	\$ 78,957

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, 2021

	Utility	Stormwater Drainage	Solid Waste
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 21,314,786	\$ 733,319	\$ 825,002
Accounts Receivable (Net)	3,004,988	242,981	395,397
Due from Other Funds	503,411	-	-
Due from Other Governmental Units	54,902	172,703	83,214
Prepaid Expenditures	-	-	-
Inventories, at Cost	119,051	-	-
Total Current Assets	24,997,138	1,149,003	1,303,613
Non-Current Assets:			
Restricted: Cash and cash equivalents	784,151	-	-
Property, Plant and Equipment:			
Land and Improvements	1,145,803	256,026	-
Buildings and Structures	31,068,863	-	333,163
Infrastructure	132,334,880	17,845,121	51,164
Machinery and Equipment	4,642,149	548,657	3,543,952
Construction in Progress	1,862,006	776,788	-
Accumulated Depreciation	(77,077,923)	(5,015,986)	(2,636,582)
Net Property, Plant and Equipment:	93,975,778	14,410,606	1,291,697
Total Non-Current Assets	94,759,929	14,410,606	1,291,697
Total Assets	\$ 119,757,067	\$ 15,559,609	\$ 2,595,310
DEFERRED OUTFLOW OF RESOURCES			
Contributions to Pension Plan	652,182	37,307	178,336
OPEB Plan	49,072	3,218	15,943
Unamortized Loss on Refunding	-	-	-
Total Deferred Outflow of Resources	701,254	40,525	194,279
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 2,831,133	\$ 20,953	\$ 547,236
Customer Deposits	784,154	-	-
Revenue Bonds Payable, Current Portion	2,020,261	-	-
Revenue Notes Payable, Current Portion	462,716	-	-
Due to Other Funds	-	176,522	160,828
Compensated Absences, Current Portion	19,740	726	10,566
Total Current Liabilities	6,118,004	198,201	718,630
<i>(Continued)</i>			

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
\$ 2,258,974	\$ 3,334,666	\$ 28,466,747
-	10,041	3,653,407
-	-	503,411
-	-	310,819
-	-	-
35,894	168,003	322,948
<u>2,294,868</u>	<u>3,512,710</u>	<u>33,257,332</u>
-	-	784,151
-	-	1,401,829
2,921,408	25,700,188	60,023,622
7,613,438	1,454,481	159,299,084
190,939	201,099	9,126,796
-	-	2,638,794
<u>(4,712,832)</u>	<u>(14,141,567)</u>	<u>(103,584,890)</u>
6,012,953	13,214,201	128,905,235
6,012,953	13,214,201	129,689,386
<u>\$ 8,307,821</u>	<u>\$ 16,726,911</u>	<u>\$ 162,946,718</u>
95,512	86,275	1,049,612
7,105	7,035	82,373
-	638,684	638,684
102,617	731,994	1,770,669
\$ 40,746	\$ 112,893	\$ 3,552,961
-	-	784,154
-	813,654	2,833,915
-	188,784	651,500
-	-	337,350
2,431	6,309	39,772
<u>43,177</u>	<u>1,121,640</u>	<u>8,199,652</u>

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2021
(Continued)

	Utility	Stormwater Drainage	Solid Waste
LIABILITIES			
Non-Current Liabilities:			
Net Pension Liability (Asset)	\$ 145,673	\$ (20,239)	\$ 32,958
Net OPEB Liability	380,930	24,978	123,761
Notes Payable, Less Current Portion	6,611,324	-	-
Revenue Bonds Payable, Less Current Portion	1,925,875	-	-
Compensated Absences, Less Current Portion	477,819	16,420	138,929
Total Non-Current Liabilities	9,541,621	21,159	295,648
Total Liabilities	15,659,625	219,360	1,014,278
DEFERRED INFLOW OF RESOURCES:			
Pension Plan	1,451,501	97,912	392,994
OPEB Plan	81,811	5,364	26,580
Total Deferred Inflow of Resources	1,533,312	103,276	419,574
NET POSITION			
Invested in Capital Assets, Net of Related Debt	82,955,602	14,410,606	1,291,697
Restricted			
Renewal and Replacement	6,258,567	-	-
Unrestricted	14,051,215	866,892	64,040
Total Net Position	\$ 103,265,384	\$ 15,277,498	\$ 1,355,737

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
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\$ 42,586	\$ (2,747)	\$ 198,231
55,151	54,619	639,439
-	1,598,040	8,209,364
-	16,377,368	18,303,243
54,101	61,306	748,575

151,838	18,088,586	28,098,852
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195,015	19,210,226	36,298,504
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198,302	191,079	2,331,788
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11,845	11,730	137,330
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210,147	202,809	2,469,118
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6,012,953	(5,124,961)	99,545,897
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-	-	6,258,567
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1,992,323	3,170,831	20,145,301
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\$ 8,005,276	\$ (1,954,130)	\$ 125,949,765
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CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2021

	Utility	Stormwater Drainage	Solid Waste
OPERATING REVENUES			
User Charges	\$ 18,268,199	\$ 1,135,277	\$ 4,084,399
Fees	2,671,261	-	76,694
Rental	-	-	-
Other	100,187	-	6,189
Total Operating Revenues	21,039,647	1,135,277	4,167,282
OPERATING EXPENSES			
Salaries, Wages and Employee Benefits	4,396,711	293,849	1,272,566
Utilities	801,284	1,313	8,996
Supplies and Materials	777,480	19,566	183,782
Contractual Services	788,010	119,591	1,661,572
Repairs and Maintenance	1,024,974	21,358	374,469
Cost of Goods Sold	-	-	-
Other	482,805	8,143	8,664
Administrative Overhead Charges	2,538,849	377,856	469,088
Depreciation and Amortization	5,789,544	808,477	370,611
Total Operating Expenses	16,599,657	1,650,153	4,349,748
Operating Income (Loss)	4,439,990	(514,876)	(182,466)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	46,458	588	1,263
Interest Expense and Fiscal Charges	(74,421)	-	-
Bond Issuance Costs	-	-	-
Gain (Loss) on Sale of Capital Assets	28,554	-	-
Other	445,110	-	(13,496)
Total Non-Operating Revenues (Expenses)	445,701	588	(12,233)
Income Before Contributions and Transfers	4,885,691	(514,288)	(194,699)
Capital Grants and Contributions	2,307,106	357,316	83,214
Transfers In	3,111,822	76,493	288,979
Transfers (Out)	(4,096,247)	(240,536)	(187,414)
Change in Net Position	6,208,372	(321,015)	(9,920)
Net Position - Beginning	97,057,012	15,598,513	1,365,657
Net Position - Ending	\$ 103,265,384	\$ 15,277,498	\$ 1,355,737

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
\$ 3,949,889	\$ 492,422	\$ 27,930,186
-	4,590,128	7,338,083
50,870	241	51,111
28,239	208,981	343,596
4,028,998	5,291,772	35,662,976
688,776	902,855	7,554,757
120,762	110,325	1,042,680
30,804	42,352	1,053,984
7,315	183,767	2,760,255
129,102	665,788	2,215,691
1,535,234	225,487	1,760,721
184,733	105,992	790,337
303,049	284,306	3,973,148
342,321	791,080	8,102,033
3,342,096	3,311,952	29,253,606
686,902	1,979,820	6,409,370
2,752	3,074	54,135
-	(833,666)	(908,087)
-	(16,484)	(16,484)
10,544	-	39,098
-	-	431,614
13,296	(847,076)	(399,724)
700,198	1,132,744	6,009,646
-	-	2,747,636
18,922	1,387,463	4,883,679
(148,985)	(1,408,464)	(6,081,646)
570,135	1,111,743	7,559,315
7,435,141	(3,065,873)	118,390,450
\$ 8,005,276	\$ (1,954,130)	\$ 125,949,765

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2021

	Utility	Stormwater Drainage	Solid Waste
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities:			
Received from Customers	\$ 22,979,315	\$ 1,621,719	\$ 4,083,762
Payment to Suppliers for Goods and Services	(5,115,756)	(705,084)	(2,733,261)
Paid to Employees	(4,396,711)	(293,849)	(1,272,566)
Other Revenues (Expenses)	445,110	-	(13,496)
Net Cash Flows from Operating Activities	13,911,958	622,786	64,439
Cash Flows from Capital and Related Financing Activities:			
Principal Paid on Outstanding Bond Issues	(3,105,941)	-	-
Interest Paid on Outstanding Bond Issues	(321,282)	-	-
Acquisition and Construction of Capital Assets	(10,488,445)	(370,848)	-
Proceeds from Sale of Assets	28,554	-	-
Bond Costs	-	-	-
Capital Contributions and Grants	2,307,106	357,316	83,214
Net Cash Flows from Capital and Related Financing Activities	(11,580,008)	(13,532)	83,214
Cash Flows from Investing Activities:			
Investment Income	46,458	588	1,263
Net Cash Flows from Investing Activities	46,458	588	1,263
Cash Flows from Non-Capital Financing Activities:			
Borrowings (Payments) Under Interfund Loan Agreements	475,232	(99,489)	(184,286)
Transfers from Other Funds	3,111,822	76,493	288,979
Transfers (to) Other Funds	(4,096,247)	(240,536)	(187,414)
Net Cash Flows from Non-Capital Financing Activities	(509,193)	(263,532)	(82,721)
Net Change in Cash and Cash Equivalents	1,869,215	346,310	66,195
Cash and Cash Equivalents at Beginning of Year	20,229,722	387,009	758,807
Cash and Cash Equivalents at End of Year	\$ 22,098,937	\$ 733,319	\$ 825,002

(Continued)

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
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\$ 4,028,998	\$ 5,285,970	\$ 37,999,764
(2,674,557)	(1,616,392)	(12,845,050)
(688,776)	(902,855)	(7,554,757)
-	-	431,614

665,665	2,766,723	18,031,571
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-	(871,357)	(3,977,298)
-	(839,057)	(1,160,339)
(47,771)	(65,708)	(10,972,772)
15,710	-	44,264
-	(16,484)	(16,484)
-	-	2,747,636

(32,061)	(1,792,606)	(13,334,993)
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2,752	3,074	54,135
2,752	3,074	54,135

-	-	191,457
18,922	1,387,463	4,883,679
(148,985)	(1,408,464)	(6,081,646)

(130,063)	(21,001)	(1,006,510)
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506,293	956,190	3,744,203
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1,752,681	2,378,476	25,506,695
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\$ 2,258,974	\$ 3,334,666	\$ 29,250,898
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CITY OF ST. AUGUSTINE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2021
(Continued)

	Utility	Stormwater Drainage	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Net Operating Income (Loss)	\$ 4,439,990	\$ (514,876)	\$ (182,466)
Adjustments to Reconcile Net Operating Income to Net Cash Flows from Operating Activities:			
Depreciation and Amortization	5,789,544	808,477	370,611
Other Revenues (Expenses)	445,110	-	(13,496)
Changes in Operating Assets and Liabilities:			
Accounts Receivable	1,890,862	486,442	(83,520)
Inventories	(29,706)	-	-
Prepays	43,702	3,917	13,881
Deferred Outflow of Resources	(287,209)	(362)	(81,275)
Accounts Payable and Compensated Absences	1,773,325	(121,012)	91,368
Net Pension Asset/Liability	(1,588,259)	(108,302)	(420,684)
Net OPEB Liability	66,792	(757)	20,027
Deferred Inflow of Resources	1,319,001	69,259	349,993
Deposits Payable	48,806	-	-
Total Adjustments	9,471,968	1,137,662	246,905
Net Cash Flows from Operating Activities	\$ 13,911,958	\$ 622,786	\$ 64,439

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

Amortization of unamortized bond refunding gain to interest expense of \$63,542

Bond borrowings and payments direct to escrow agent \$85,903

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
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\$ 686,902 \$ 1,979,820 \$ 6,409,370

342,321 791,080 8,102,033
- - 431,614

- (5,802) 2,287,982

19,868 20,169 10,331

21,703 7,001 90,204

(42,342) (1,645) (412,833)

(335,128) 43,982 1,452,535

(209,568) (204,393) (2,531,206)

5,588 4,645 96,295

176,321 131,866 2,046,440

- - 48,806

(21,237) 786,903 11,622,201

\$ 665,665 \$ 2,766,723 \$ 18,031,571

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

	Employee Retirement Funds
ASSETS	
Cash and Short-Term Investments	\$ 2,361,903
Receivables:	
Interest and Dividends	20,896
Total Receivables	20,896
Prepaid Expenses	807
Investments, at Fair Value:	
Fixed income securities	14,171,338
Equity securities	70,728,592
Alternative strategies	3,930,467
Real Estate Fund	13,200,257
Total Investments	102,030,654
Total Assets	104,414,260
LIABILITIES	
Expenses Payable	35,062
Total Liabilities	35,062
NET POSITION, Restricted For Pensions	\$ 104,379,198

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, 2021

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Members	\$ 847,039
City	3,620,920
State Insurance Premium Tax from General Fund	520,092
Total Contributions	4,988,051
Other Income:	
Other Income	6,744
Total Other Income	6,744
Investment Income:	
Net Increase in Fair Value of Investments	16,263,978
Interest and Dividends on Investments	2,495,028
Total Investment Income	18,759,006
Less Investment Expenses	232,559
Net Income from Investing Activities	18,526,447
Total Additions	23,521,242
DEDUCTIONS	
Benefit Payments	5,326,577
Termination Payments	139,738
Administrative Expenses	216,335
Total Deductions	5,682,650
Change in Net Position	17,902,225
Net Position - Beginning	86,476,973
NET POSITION - ENDING	\$ 104,379,198

See accompanying notes to basic financial statements

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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, 2021

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 Funds 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 LCRA 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, 2021

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

d. Permanent Fund

The 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, 2021

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 administrative 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 one fully collateralized investment account with a qualified public depository. 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, 2021

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 acquisition 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. Capital assets received in a service concession arrangement are valued at acquisition value.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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, 2021

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 liability 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, 2021

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, 2021

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

S. Unamortized Bond Premium (Discount)

Unamortized bond premium (discount) represents 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, 2021 are as follows:

	Original Cost	Accumulated Amortization	Unamortized Costs
Beginning of year	\$ 6,187,780	\$ (2,512,940)	\$ 3,674,840
Current year additions	-	(397,840)	(397,840)
Current year retirements	-	-	-
End of year	<u>\$ 6,187,780</u>	<u>\$ (2,910,780)</u>	<u>\$ 3,277,000</u>

T. Revenue Recognition – Property Taxes

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

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

In accordance with the 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, 2021, the funds received \$915,485 in property tax revenue and a \$1,475,085 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, 2021

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

W. Future Accounting Pronouncements

- a. Statement No. 87, "Leases." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2021.
- b. Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for reporting periods starting after December 15, 2021.
- c. Implementation Guide No. 2019-3 "Leases." The requirements of this Statement will take effect for reporting periods ending after June 30, 2022.
- d. Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2022.
- e. Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2022.
- f. Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 a No. 84, and a supersession of GASB Statement No. 32." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2021.
- g. Statement No. 98, "The Annual Comprehensive Financial Report." The requirements of this Statement will take effect for the financial statements ending after December 15, 2021.

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, 2021, the carrying amount of cash on hand was \$1,224,256 and the related bank balance was \$2,626,062. 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 AAA. The Florida PRIME balance of \$47,542,187 maturity as of September 30, 2021. A government money market account with a qualified

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

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, 2021.

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, 2021

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

	September 30, 2021	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	\$ 5,385,300	\$ -	\$ 5,385,300	\$ -
Equity Securities	40,646,023	-	40,646,023	-
Alternative Strategies	3,930,467	-	3,930,467	-
Real Estate Funds	8,708,849	-	-	8,708,849
Investment at Fair Value	\$ 58,670,639	\$ -	\$ 49,961,790	\$ 8,708,849
Police Pension Plan				
Fixed Income Security	\$ 3,804,373	\$ -	\$ 3,804,373	\$ -
Equity Securities	18,408,624	4,137,394	14,271,230	-
Real Estate Funds	4,491,408	-	-	4,491,408
Investment at Fair Value	\$ 26,704,405	\$ 4,137,394	\$ 18,075,603	\$ 4,491,408
Fire Pension Plan				
Fixed Income Security	\$ 4,981,665	\$ 2,009,679	\$ 2,971,986	\$ -
Equity Securities	11,673,945	9,859,584	1,814,361	-
Investment at Fair Value	\$ 16,655,610	\$ 11,869,263	\$ 4,786,347	\$ -
Total Investment at Fair Value	\$ 102,030,654	\$ 16,006,657	\$ 72,823,740	\$ 13,200,257

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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, 2021, 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	\$ 4,725,271	\$ 70,885	\$ 1,483,374	\$ 1,294,989	\$ 1,876,023

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, 2021, the Police Officer’s Pension Plan had the following investments and maturities:

Investment Type	% of Fund	Fair Value	Rating	Effective Duration
Carillon Core Plus	50.61%	\$ 1,925,349	AAA-BB	3.20
T. Rowe Price Spectrum	49.39%	1,879,024	AAA-below B	5.30
	100.00%	\$ 3,804,373		

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, 2021

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, 2021, the Firefighter Pension Plan held the following fixed income investments:

<u>Investment Type</u>	<u>% of Fund</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Effective Duration</u>
US Government Securities & Agencies	40.3%	\$ 2,009,679	AA	10.0-15.0
Corporate Bonds	43.5%	2,167,500	A	11.0
International fixed income investment	16.2%	804,486	BBB-A	2.0-5.0
	<u>100%</u>	<u>\$ 4,981,665</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, 2021, consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 695,894	\$ 3,653,407	\$ 4,349,301
Intergovernmental	383,784	310,819	694,603
Gross Receivables	<u>\$ 1,079,678</u>	<u>\$ 3,964,226</u>	<u>\$ 5,043,904</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 4. CAPITAL ASSETS:

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2021:

Governmental Activities	Balance			Balance
	9/30/2020	Increases	Decreases	9/30/2021
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 6,824,622	\$ -	\$ -	\$ 6,824,622
Construction in Progress	633,877	20,500	(548,975)	105,402
Total Capital Assets				
Not Being Depreciated	<u>7,458,499</u>	<u>20,500</u>	<u>(548,975)</u>	<u>6,930,024</u>
Other Capital Assets:				
Buildings	21,891,155	888,170	-	22,779,325
Infrastructure	25,151,790	584,076	-	25,735,866
Furniture and Other Equipment	9,878,005	1,528,712	(278,697)	11,128,020
Total Other	<u>56,920,950</u>	<u>3,000,958</u>	<u>(278,697)</u>	<u>59,643,211</u>
Less Accumulated Depreciation For:				
Buildings	(13,764,162)	(451,080)	-	(14,215,242)
Infrastructure	(10,464,132)	(925,211)	-	(11,389,343)
Furniture and Other Equipment	(7,495,495)	(813,324)	249,387	(8,059,432)
Total Accumulated Depreciation	<u>(31,723,789)</u>	<u>(2,189,615)</u>	<u>249,387</u>	<u>(33,664,017)</u>
Other Capital Assets, Net	<u>25,197,161</u>	<u>811,343</u>	<u>(29,310)</u>	<u>25,979,194</u>
TOTAL	<u>\$ 32,655,660</u>	<u>\$ 831,843</u>	<u>\$ (578,285)</u>	<u>\$ 32,909,218</u>

Depreciation was allocated to Governmental Activities as follows:

General Government	\$ 1,960,725
Public Safety	105,724
Physical Environment	115,114
Transportation	8,052
Culture & Recreation	-
Total	<u>\$ 2,189,615</u>

Construction in progress is composed of the following at September 30, 2021

Mobility and Parking Improvements	\$ 89,902
Martin Luther King Streetscape	15,500
Total	<u>\$ 105,402</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 4. CAPITAL ASSETS: (continued)

Business-Type Activities

	<u>Balance 9/30/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 9/30/2021</u>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 1,401,829	\$ -	\$ -	\$ 1,401,829
Construction in Progress	<u>2,063,042</u>	<u>1,374,243</u>	<u>(798,491)</u>	<u>2,638,794</u>
Total Capital Assets Not Being Depreciated	<u>3,464,871</u>	<u>1,374,243</u>	<u>(798,491)</u>	<u>4,040,623</u>
Other Capital Assets:				
Buildings	60,023,622	-	-	60,023,622
Infrastructure	149,551,654	9,747,430	-	159,299,084
Furniture and Other Equipment	<u>9,157,347</u>	<u>649,590</u>	<u>(680,141)</u>	<u>9,126,796</u>
Total Other	<u>218,732,623</u>	<u>10,397,020</u>	<u>(680,141)</u>	<u>228,449,502</u>
Less Accumulated Depreciation For:				
Buildings	(34,043,420)	(1,168,196)	-	(35,211,616)
Infrastructure	(56,625,718)	(6,074,173)	-	(62,699,891)
Furniture and Other Equipment	<u>(5,488,694)</u>	<u>(859,664)</u>	<u>674,975</u>	<u>(5,673,383)</u>
Total Accumulated Depreciation	<u>(96,157,832)</u>	<u>(8,102,033)</u>	<u>674,975</u>	<u>(103,584,890)</u>
Other Capital Assets, Net	<u>122,574,791</u>	<u>2,294,987</u>	<u>(5,166)</u>	<u>124,864,612</u>
TOTAL	<u>\$126,039,662</u>	<u>\$ 3,669,230</u>	<u>\$ (803,657)</u>	<u>\$128,905,235</u>

*9/30/2020 Balance was adjusted to correctly reflect capitalized interest and the related amortization

Depreciation was allocated to Business-Type Activities as follows:

Utility Fund	\$ 5,789,544
Stormwater Drainage Fund	808,477
Solid Waste Fund	370,611
Municipal Marina Fund	342,321
Visitor Information Center	<u>791,080</u>
Total	<u>\$ 8,102,033</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 4. CAPITAL ASSETS: (continued)

Construction in progress is composed of the following at September 30, 2021:

Lift Station Rehabilitation	\$ 288,266
Automated Meter Reading Pase IV	112,676
May Street Intersection (Phase II)	396,342
High Service Pumps Overhaul	45,771
Wastewater Treatment Plant Hedworks Structural Rehabilitation	292,546
St. Francis Sewer Replacement	16,800
Lift Station 51 and 52 Forcemain	281,451
Wastewater Treatment Plant Floodproofing	146,405
Lake Maria Sanchez Drainage	84,262
Sevilla Street Rebuild and Rebrick	88,043
Coquina Ave Stormwater Project	33,931
King Street Drainage Improvements	109,445
South Whitney & West King Improvements	183,169
South Dixie Highway Improvements	227
Tideflex Valves Improvements	559,460
Total	<u><u>\$ 2,638,794</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. These specific limits of liability are increased to \$3,000,000 for General Liability (combined single limit) per occurrence, solely for any liability resulting from entry of a claims bill pursuant to Section 768.28 (5) Florida Statutes. 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, 2021, will not materially affect the financial condition of the City. Therefore, the financial statements contain no provision for estimated claims.

At September 30, 2021, the City had outstanding commitments of approximately \$11,972,805 relating to construction contracts.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 6. LONG-TERM DEBT:

Governmental Funds

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, 2021 is as follows:

Year Ended	Series 2013		
September 30,	Principal	Interest	Total
2022	8,046	75,789	83,835
2023	8,365	75,548	83,913
2024	8,525	75,297	83,822
2025	8,951	74,956	83,907
2026	9,271	74,598	83,869
2027-2031	49,764	367,542	417,306
2032-2036	409,575	342,188	751,763
2037-2041	1,031,251	159,186	1,190,437
	<u>\$ 1,533,748</u>	<u>\$ 1,245,104</u>	<u>\$ 2,778,852</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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, 2021 is as follows:

Year Ended	Capital Improvement Revenue Bonds		
	September 30,	Series 2017	
	Principal	Interest	Total
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	-	811,674	811,674
2027-2031	1,047,018	4,005,549	5,052,567
2032-2036	3,867,361	3,695,217	7,562,578
2037-2041	11,319,100	1,753,282	13,072,382
	\$ 16,761,705	\$ 13,555,243	\$ 30,316,948

Capital Improvement Refunding Revenue Note, Series 2021:

On July 9, 2021, the City issued a Capital Improvement Refunding Revenue Note totaling \$5,541,000. The Note was 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 2011B, and (ii) paying certain costs of issuance incurred with respect thereto. 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 cost of issuance with respect to the Refunded Bonds. This issuance results in a \$752,451 difference in cash flow requirements with a present value economic gain of \$705,305.

Principal payments are due annually on October 1, and interest payments of 1.318% are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2021 is as follows:

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 6: LONG TERM DEBT (continued):

Year Ended	Capital Improvement Revenue Note			
	September 30,	Series 2021		Total
	Principal	Interest		
2022	381,216	47,556		428,772
2023	383,891	42,531		426,422
2024	389,910	37,472		427,382
2025	393,923	32,333		426,256
2026	400,611	27,141		427,752
2027-2030	1,658,625	55,030		1,713,655
	<u>\$ 3,608,176</u>	<u>\$ 242,063</u>		<u>\$ 3,850,239</u>

Enterprise Funds

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, 2021 is as follows:

Year Ended	Capital Improvement Revenue Bonds			
	September 30,	Series 2012		Total
	Principal	Interest		
2022	1,805,000	184,750		1,989,750
2023	1,890,000	94,500		1,984,500
	<u>\$ 3,695,000</u>	<u>\$ 279,250</u>		<u>\$ 3,974,250</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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, 2021 is as follows:

Year Ended	Capital Improvement Revenue Bonds		
	Series 2013		
September 30,	Principal	Interest	Total
2022	746,955	670,711	1,417,666
2023	776,635	648,302	1,424,937
2024	791,475	625,003	1,416,478
2025	831,049	593,344	1,424,393
2026	860,729	560,102	1,420,831
2027-2031	4,620,234	2,294,958	6,915,192
2032-2036	6,110,425	721,312	6,831,737
2037-2041	343,750	53,064	396,814
	\$ 15,081,252	\$ 6,166,796	\$ 21,248,048

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, 2021 is on the following page:

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 6. LONG-TERM DEBT: (continued)

Capital Improvement Revenue Bonds			
Year Ended	Series 2017		
September 30,	Principal	Interest	Total
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	-	48,826	48,826
2027-2031	62,982	240,951	303,933
2032-2036	232,639	222,283	454,922
2037-2041	680,900	105,468	786,368
	\$ 1,008,295	\$ 815,407	\$ 1,823,702

Capital Improvement Refunding Revenue Note, Series 2021:

On July 9, 2021, the City issued a Capital Improvement Refunding Revenue Note totaling \$5,541,000. The note was 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 2011B, and (ii) paying certain costs of issuance incurred with respect thereto. 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 \$752,451 difference in cash flow requirements with a present value economic gain of \$705,305.

Principal payments are due annually on October 1, and interest payments of 1.318% are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2021 is as follows:

Capital Improvement Revenue Note			
Year Ended	Series 2021		
September 30,	Principal	Interest	Total
2022	188,784	23,550	212,334
2023	190,109	21,062	211,171
2024	193,090	18,557	211,647
2025	195,076	16,012	211,088
2026	198,388	13,441	211,829
2027-2030	821,377	27,251	848,628
	\$ 1,786,824	\$ 119,873	\$ 1,906,697

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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 \$8,135,146. At September 30, 2021, principal and interest to maturity in 2035 to be paid from pledged future revenues totaled \$7,731,635. As of September 30, 2021, outstanding principal, including capitalized interest, was \$7,074,040. 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, 2021 are as follows:

Year Ended	State Revolving Fund Loan DW 550410		
September 30,	Principal	Series 2017 Interest	Total
2022	462,715	86,288	549,003
2023	468,473	80,533	549,006
2024	474,298	74,706	549,004
2025	480,198	68,806	549,004
2026	486,171	62,833	549,004
2027-2031	2,523,080	221,939	2,745,019
2032-2035	2,179,105	62,490	2,241,595
	\$ 7,074,040	\$ 657,595	\$ 7,731,635

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 7. CHANGES IN LONG-TERM DEBT:

	<u>Balance</u> <u>9/30/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2021</u>	<u>Current</u> <u>Portion</u>
General Long-Term Debt & Obligations					
Capital Improvement and Refunding Revenue Bonds	\$ 22,347,272	\$ (3,705,820)	\$ (345,999)	\$ 18,295,453	\$ 177,832
Capital Improvement Refunding Revenue Note	-	3,705,820	(97,644)	3,608,176	381,216
Unamortized Premium (Discount)	2,018,881	-	(94,492)	1,924,389	94,493
Total Notes and Bonds	<u>24,366,153</u>	<u>-</u>	<u>(538,135)</u>	<u>23,828,018</u>	<u>653,541</u>
Accrued Compensated Absences	3,140,969	-	(18,870)	3,122,099	118,792
Net Pension Liability (Asset):	5,088,178	-	(4,876,804)	211,374	-
Net OPEB Obligation	1,236,312	241,423	-	1,477,735	-
Total General Long-Term Obligations	<u>\$ 33,831,612</u>	<u>\$ 241,423</u>	<u>\$ (5,433,809)</u>	<u>\$ 28,639,226</u>	<u>\$ 772,333</u>
Proprietary Fund Long-Term Obligations					
Capital Improvement and Refunding Revenue Bonds	\$ 18,747,727	\$ (1,835,179)	\$ (823,001)	\$ 16,089,547	\$ 757,168
Capital Improvement Refunding Revenue Note	-	1,835,179	(48,355)	1,786,824	188,784
Water and Sewer Revenue Bonds	6,235,000	-	(2,540,000)	3,695,000	1,805,000
Revolving Fund Loan DW 550410	7,639,980	-	(565,940)	7,074,040	462,715
	<u>32,622,707</u>	<u>-</u>	<u>(3,977,296)</u>	<u>28,645,411</u>	<u>3,213,667</u>
Unamortized (Premium) Discount	1,655,960	-	(303,349)	1,352,611	271,748
	<u>34,278,667</u>	<u>-</u>	<u>(4,280,645)</u>	<u>29,998,022</u>	<u>3,485,415</u>
Accrued Compensated Absences	768,526	19,821	-	788,347	39,772
Net Pension Liability	2,729,437	-	(2,531,206)	198,231	-
Net OPEB Liability	543,144	96,295	-	639,439	-
Total Proprietary Long-Term Obligations	<u>\$ 38,319,774</u>	<u>\$ 116,116</u>	<u>\$ (6,811,851)</u>	<u>\$ 31,624,039</u>	<u>\$ 3,525,187</u>
Total Long-Term Debt & Obligations	<u>\$ 72,151,386</u>	<u>\$ 357,539</u>	<u>\$ (12,245,660)</u>	<u>\$ 60,263,265</u>	<u>\$ 4,297,520</u>

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 \$7,074,040 outstanding with available future borrowings of \$2,329,354. This loan is secured by the City's utility revenues.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 8. INTERFUND RECEIVABLES, PAYMENTS, AND TRANSFERS:

A. As of September 30, 2021, interfund payments and transfers are as follows:

<u>Fund Type/Fund</u>	<u>Transfer-in</u>	<u>Transfers-out</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 3,396,773	\$ 3,844,714
Debt Service Fund	1,558,286	
Special Revenue Fund-HACRA	855,890	1,387,463
Special Revenue Fund-LCRA	619,195	
Permanent Fund	-	-
PROPRIETARY FUNDS		
Utility Fund	3,111,822	4,096,247
Stormwater Fund	76,493	240,536
Solid Waste Fund	288,979	187,414
Municipal Marina Fund	18,922	148,985
Visitor Information Center	1,387,463	1,408,464
	<u>\$ 11,313,823</u>	<u>\$ 11,313,823</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	\$ 3,973,148	\$ -
PROPRIETARY FUNDS		
Utility Fund	-	2,538,849
Stormwater Fund	-	377,856
Solid Waste Fund	-	469,088
Municipal Marina Fund	-	303,049
Visitor Information Center	-	284,306
	<u>\$ 3,973,148</u>	<u>\$ 3,973,148</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, 2021

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

B. As of September 30, 2021, interfund receivables are as follows:

<u>Fund Type/Fund</u>	<u>Due to</u>	<u>Due from</u>
GOVERNMENTAL FUNDS		
General Fund	\$ -	\$ 166,061
Debt Service Fund	-	-
Special Revenue Fund-HACRA	-	-
Special Revenue Fund-LCRA	-	.
Capital Projects Fund	-	-
Permanent Fund	-	-
PROPRIETARY FUNDS		
Utility Fund	503,411	-
Stormwater Fund	-	176,522
Solid Waste Fund	-	160,828
Municipal Marina Fund	-	-
Visitor Information Center	-	-
	<u>\$ 503,411</u>	<u>\$ 503,411</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>
2022	1,323,951
2023	1,363,670
2024	1,404,580
Total future minimum rentals	<u>\$ 4,092,201</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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, 2021, employee membership data related to the pension plans were:

	GERS	PORS	FFRS	Total
Active Participants	244	55	34	333
Inactive Members or Beneficiaries Receiving Benefits	174	30	23	227
Drop Retirees	-	2	-	2
Disabled Members	-	4	2	6
Vested Terminated	9	5	6	20
Inactive or Limited Participants	42	4	0	46
Total Participants	469	100	65	634
Total Covered Payroll	\$11,777,347	\$3,901,486	\$2,307,226	\$17,986,059

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, 2021

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, 2021, the balance of the Police Officers' Retirement System DROP plan is \$60,741.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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, 2021, 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, 2021

NOTE 10. RETIREMENT SYSTEMS: (continued)

A. Actuarial Assumptions

The total pension liability was determined by actuarial valuations as of October 01, 2021, 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	5.0%
Investment Rate of return, including inflation	7.30%	7.30%	7.15%
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 Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Health Retirees, set forward one year.

Male: Pubs.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year

Mortality Rate Disabled Lives:

80% PubG.H-2010 dor Disables Retirees / 20% Pubs.H-2010 for Disabled Retirees

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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	2.75%	55.0%	9.30%
Foreign Equity	2.75%	10.0%	10.30%
Bonds	2.75%	15.0%	5.30%
Real Estate	2.75%	15.0%	7.30%
Treasuries & Other Gov't Obligations	2.75%	5.0%	5.30%
Cash	2.75%	0.0%	1.8%

<u>Development of Long Term Discount Rate – Police Officer Retirement System</u>			
	Inflation	Policy Allocation	Long Term Expected Real Rate of Return
Domestic Equity	2.75%	55.0%	9.50%
Foreign Equity	2.75%	10.0%	10.50%
Corporate Bonds	2.75%	20.0%	5.50%
Real Estate	2.75%	15.0%	7.50%
U. S. Treasuries & Other Gov't Agencies	2.75%	0.0%	5.00%
Cash	2.75%	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%	15.0%	8.50%
Fixed Income	2.50%	35.0%	2.50%
Alternative	2.50%	5.0%	3.50%

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 10. RETIREMENT SYSTEMS: (continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.30% for the GERS and PORS and 7.15% 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 7.30%)	\$	7,067,913	\$	409,605	\$	(5,194,990)
PORS (current rate of 7.30%)	\$	1,000,338	\$	(2,005,099)	\$	(4,508,268)
FFRS (current rate of 7.15%)	\$	992,260	\$	(1,054,758)	\$	(2,765,645)

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

NOTE 10. RETIREMENT SYSTEMS: (continued)

Statement of Fiduciary Net Position (FNP)

	GERS	PORS	FFRS	Total
Assets				
Cash & Cash Equivalents	\$ 913,984	\$ 698,481	\$ 749,438	\$ 2,361,903
Receivables	-	-	20,896	20,896
Fixed Income	5,385,300	3,804,373	4,981,665	14,171,338
Equities	40,646,023	18,408,624	11,673,945	70,728,592
Real Estate	8,708,849	4,491,408	-	13,200,257
Alternative Strategies	3,930,467	-	-	3,930,467
Prepaid	-	-	807	807
Total Assets	\$ 59,584,623	\$ 27,402,886	\$ 17,426,751	\$ 104,414,260
Liabilities				
Accounts Payable	\$ 17,093	\$ 7,402	\$ 10,567	\$ 35,062
Total Liabilities	\$ 17,093	\$ 7,402	\$ 10,567	\$ 35,062
Net Position Held In Trust				
For Pension Benefits – (a)	\$ 59,567,530	\$ 27,395,484	\$ 17,416,184	\$ 104,379,198

Statement of Changes in Total Pension Liability

	GERS	PORS	FFRS	Total
Service cost at 10/01/20	\$ 1,083,642	\$ 469,468	\$ 359,621	\$ 1,912,731
Interest	4,094,536	1,737,632	1,057,354	6,889,522
Change in Excess State Money	-	-	-	-
Share Plan Allocation	-	-	17,203	17,203
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience	1,880,879	382,522	311,459	2,574,860
Changes to Assumptions	1,249,629	578,688	693,753	2,522,070
Benefit Payments, including Refunds Of Employee Contributions	(3,683,439)	(1,078,010)	(704,866)	(5,466,315)
Net Change in Total Pension Liability	\$ 4,625,247	\$ 2,090,300	\$ 1,734,524	\$ 8,450,071
Total Pension Liability at 10/01/20	\$ 55,351,888	\$ 23,230,972	\$ 14,626,902	\$ 93,209,762
Total Pension Liability at 09/30/21 (b)	\$ 59,977,135	\$ 25,321,272	\$ 16,361,426	\$ 101,659,833
Net Pension Liability (a) – (b)	\$ (409,605)	\$ 2,005,099	\$ 1,054,758	\$ 2,650,252

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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, 2021, 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, 2021, 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, 2021, 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 \$196,819.

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, 2021

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, 2021, 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, 2021, the City recognized (credited) pension expense as follows:

General Employees' Pension Plan	\$ 1,071,725
Police Officers' Pension Plan	(237,622)
Fire Fighters' Pension Plan	(1,016,549)
Total	<u>\$ (182,446)</u>

At September 30, 2021 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	\$ 2,060,065	\$ 718,827	\$ 463,687	\$ 3,242,579
Changes in Assumption	1,152,740	778,666	652,550	2,583,956
	<u>\$ 3,212,805</u>	<u>\$ 1,497,493</u>	<u>\$ 1,116,237</u>	<u>\$ 5,826,535</u>

Deferred Inflow of Resources:

	GERS	PORS	FFRS	Total
Differences between expected and actual experience	\$ (276,300)	\$ (236,533)	\$ -	\$ (512,833)
Changes in Assumption	-	(94,818)	(5,416)	(100,234)
Net difference between projected and actual earnings on investments	(5,999,263)	(2,365,962)	(1,252,296)	(9,617,521)
	<u>\$ (6,275,563)</u>	<u>\$ (2,697,313)</u>	<u>\$ (1,257,712)</u>	<u>\$ (10,230,588)</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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

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

<u>Year Ended September 30,</u>	<u>GERS</u>	<u>PORS</u>	<u>FFRS</u>	<u>Total</u>
2022	\$ (104,875)	\$ (189,369)	\$ (35,996)	\$ (330,240)
2023	(412,902)	(142,886)	(25,915)	(581,703)
2024	(1,045,028)	(363,251)	(174,708)	(1,582,987)
2025	(1,499,953)	(504,314)	(72,392)	(2,076,659)
2026	-	-	167,536	167,536
	<u>\$ (3,062,758)</u>	<u>\$ (1,199,820)</u>	<u>\$ (141,475)</u>	<u>\$ (4,404,053)</u>

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, 2021 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, 2021, 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 liabilities, 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, 2021. The ultimate implicit and explicit subsidies which are provided over time

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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

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.....	January 2022	
Actuarial cost method.....	Individual Entry Age	
Medical Inflation rate.....	5%	
Discount rate.....	3.75% per annum	
Aging Factor.....	<u>Under 65</u>	<u>65-85</u>
	3.00%	1.50%
Plan Expenses.....	Assumed payable outside of plan.	
Payroll Growth Rate.....	4.00%	
Projected Salary Increases.....	N/A	
Healthcare Trend Rates.....	5.0%	
Ad hoc post-employment benefit changes.....	None	
Retirement Rates Based Service and Age		

Age	General Employee		
	Years of Service		
	<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%

Age	Police				
	20% immediate at retirement, 80% 5-year DROP				
	Years of Service				
	<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, 2021

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, 2021

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

Disability Incidence Rates:

	General	Police		Fire
	All	Male	Female	All
<u>Age</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, 2021

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	Current Single Discount Rate	1.0% Increase in Discount Rate
Discount Rate	2.75%	3.75%	4.75%
Total OPEB Liability (TOL)	\$1,824,787	\$2,117,174	\$2,488,207
Plan Net Fiduciary Position	-	-	-
Net OPEB Liability	\$1,824,787	\$2,117,174	\$2,488,207
Plan Net Fiduciary Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Annual Covered Payroll	18,317,192	18,317,192	18,317,192
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.96%	11.56%	13.58%

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 Discount Rate	Current Single Discount Rate	1.0% Increase in Discount Rate
Healthcare Cost Trend	4.00%	5.00%	6.00%
Total OPEB Liability (TOL)	\$ 1,820,309	\$ 2,117,174	\$ 2,492,711
Plan Net Fiduciary Position	-	-	-
Net OPEB Liability	1,820,309	2,117,174	2,492,711
Plan Net Fiduciary Position as a Percentage of Total OPEB Liability	0%	0%	0%
Annual Covered Payroll	\$ 18,317,192	\$ 18,317,192	\$ 18,317,192
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.94%	11.56%	13.61%

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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 OPEBs:

The City's total OPEB liability of \$2,117,173 was measured as of September 30th, 2021.

Changes in the Total OPEB Liability

Total OPEB Liability, 10/1/2019	\$	1,719,726
Service Cost (Entry Age Normal Cost) for 2 years		99,252
Interest on Total OPEB Liability for 2 years		138,982
Differences between Expected and Actual Experience		256,870
Changes in Assumptions and Other Inputs		17,805
Benefit Payments		(115,461)
Net Change in OPEB Liability		<u>397,448</u>
Total OPEB Liability, End of Year	\$	<u><u>2,117,174</u></u>

At September 30, 2021, 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	\$ 205,496
Changes in Assumption	67,240
	<u>\$ 272,736</u>

Deferred Inflow of Resources:

	<u>OPEB</u>
Differences between expected and actual experience	\$ 153,004
Changes in Assumption	301,694
	<u>\$ 454,698</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2021

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
2022	\$ (110,168)
2023	(110,168)
2024	(16,560)
2025	54,934
2026	-
	\$ (181,962)

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 \$1,954,930 at September 30, 2021. 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 ten (10) years. The City began to appropriate funds beginning in 2021 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 EVENTS

On October 14, 2021 the City received advance funding from the federal government related to the American Rescue Plan Coronavirus Local Fiscal Recovery Fund Agreement (ARPA) totaling \$3,860,329. The City was awarded grant funds totaling \$7,720,658 from the federal government. Additionally, the Florida Department of Environmental Protection awarded the City approximately \$26.5 million of their ARPA allocation to address resilience concerns. Lastly, on March 4, 2022 the City issued a Water and Sewer Note, Series 2022 for \$12,935,000 to fund capital improvement projects for the Utility Fund.

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

CITY OF ST. AUGUSTINE, FLORIDA
General Employees' Retirement Systems
Schedule of Changes in Net Pension Liability and Related Ratios
Last 8 Fiscal Years

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 1,083,642	\$ 1,161,167	\$ 1,212,444	\$ 1,070,512	\$ 934,169
Interest	4,094,536	3,972,631	3,899,091	3,662,089	3,354,032
Differences Between Expected and Actual					
Experience	1,880,879	816,741	(690,749)	1,205,174	-
Changes of Assumptions	1,249,629	99,193	279,597	270,413	2,259,593
Contributions - Buy Back			-	-	-
Benefit Payments, Including Refunds of					
Employee Contributions	(3,683,439)	(3,616,283)	(3,076,009)	(2,806,416)	(2,560,373)
Net Change in Total Pension Liability	4,625,247	2,433,449	1,624,374	3,401,772	3,987,421
Total Pension Liability - Beginning	55,351,888	52,918,438	51,294,064	47,892,292	43,904,875
Total Pension Liability - Ending	<u>59,977,135</u>	<u>55,351,888</u>	<u>52,918,438</u>	<u>51,294,064</u>	<u>47,892,292</u>
Plan Fiduciary Net Position					
Contributions - Employer	3,010,252	2,935,788	3,054,301	2,720,877	2,199,188
Contributions - Employee	527,391	551,940	464,544	440,965	417,923
Net Investment Income and other income	11,146,101	4,986,042	849,095	2,977,936	4,487,841
Benefit Payments, Including Refunds of					
Employee Contributions	(3,683,439)	(3,616,283)	(3,076,009)	(2,806,415)	(2,560,372)
Administrative Expenses	(80,636)	(68,950)	(68,479)	(65,056)	(59,340)
Net Change in Plan Fiduciary Net Position	10,919,669	4,788,537	1,223,452	3,268,307	4,485,240
Plan fiduciary net position - beginning	48,647,861	43,859,324	42,635,872	39,367,565	34,882,325
Plan fiduciary net position - ending	<u>59,567,530</u>	<u>48,647,861</u>	<u>43,859,324</u>	<u>42,635,872</u>	<u>39,367,565</u>
Net Pension Liability	<u>\$ 409,605</u>	<u>\$ 6,704,027</u>	<u>\$ 9,059,114</u>	<u>\$ 8,658,192</u>	<u>\$ 8,524,727</u>
Plan Fiduciary Net Position as a Percentage of the Total Liability	99.32%	87.89%	82.88%	83.12%	82.20%
Actuarial determined contributions	\$ 2,635,638	\$ 2,837,841	\$ 2,725,709	\$ 2,514,305	\$ 2,065,477
Contributions in relation to the actuarially determined contributions	3,123,136	3,048,816	3,171,892	2,825,631	2,283,857
Contribution (excess) deficiency	<u>\$ (487,498)</u>	<u>\$ (210,975)</u>	<u>\$ (446,183)</u>	<u>\$ (311,326)</u>	<u>\$ (218,380)</u>
Covered Payroll	<u>11,777,347</u>	<u>10,751,684</u>	<u>11,360,507</u>	<u>10,272,429</u>	<u>9,681,447</u>
Contribution as a percent of covered employee payroll	<u>26.52%</u>	<u>28.36%</u>	<u>27.92%</u>	<u>27.51%</u>	<u>23.59%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>3.48%</u>	<u>62.35%</u>	<u>79.74%</u>	<u>84.30%</u>	<u>88.05%</u>

Notes to Schedule:

Valuation Date: - November 2021

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

Amortization Method - Level Percentage, Closed

Remaining Amortization Period - 5 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 - 7.5%

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

Mortality - FRS Mortality

2016	2015	2014
\$ 877,693	\$ 803,520	\$ 773,148
3,199,137	2,974,850	2,922,230
292,529	957,468	524,737
293,019	64,099	-
-	-	-
(2,318,001)	(2,445,651)	(1,946,951)
2,344,377	2,354,286	2,273,164
41,560,498	39,206,212	36,933,048
43,904,875	41,560,498	39,206,212
1,981,476	1,890,973	1,818,974
403,094	388,933	299,058
2,936,911	712,816	3,220,400
(2,318,001)	(2,445,651)	(1,946,951)
(57,582)	(39,139)	(88,525)
2,945,898	507,932	3,302,956
31,936,427	31,428,495	28,125,539
34,882,325	31,936,427	31,428,495
\$ 9,022,550	\$ 9,624,071	\$ 7,777,717
79.45%	76.84%	80.16%
\$ 1,907,612	1,791,789	1,749,201
2,058,258	1,964,248	1,893,589
\$ (150,646)	\$ (172,459)	\$ (144,388)
9,396,015	9,168,707	8,704,913
21.91%	21.42%	21.75%
96.03%	104.97%	89.35%

CITY OF ST. AUGUSTINE, FLORIDA
Police Employees' Retirement Systems
Schedule of Changes in Net Pension Liability and Related Ratios
Last 8 Fiscal Years

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 469,468	\$ 591,972	\$ 548,320	\$ 675,379	\$ 540,900
Interest	1,737,632	1,680,879	1,619,097	1,483,635	1,381,385
Differences Between Expected and Actual					
Experience	382,522	126,193	(413,933)	782,820	-
Changes of Assumptions	578,688	(158,030)	212,449	114,054	501,237
Contributions - Buy Back			-	-	-
Benefit Payments, Including Refunds of					
Employee Contributions	(1,078,010)	(1,069,800)	(1,045,032)	(1,019,276)	(1,440,875)
Net Change in Total Pension Liability	2,090,300	1,171,214	920,901	2,036,612	982,647
Total Pension Liability - Beginning	23,230,972	22,059,758	21,138,857	19,102,245	18,119,598
Total Pension Liability - Ending	<u>25,321,272</u>	<u>23,230,972</u>	<u>22,059,758</u>	<u>21,138,857</u>	<u>19,102,245</u>
Plan Fiduciary Net Position					
Contributions - Employer	332,367	454,562	575,062	541,133	478,581
Contributions - Employee	208,383	190,186	184,388	170,931	178,168
Contributions - State	323,273	261,106	261,770	246,831	194,937
Premium Tax not Counted	(40,051)		-	-	-
Net Investment Income	5,016,380	1,518,627	832,584	1,766,632	2,159,405
Benefit Payments, Including Refunds of					
Employee Contributions	(1,078,010)	(1,069,800)	(1,045,032)	(1,019,276)	(1,440,875)
Administrative Expenses	(81,237)	(86,799)	(75,736)	(60,925)	(50,802)
Net Change in Plan Fiduciary Net Position	4,681,105	1,267,882	733,036	1,645,326	1,519,414
Plan fiduciary net position - beginning	22,645,266	21,388,513	20,655,477	19,010,151	17,490,737
Plan fiduciary net position - ending	<u>27,326,371</u>	<u>22,645,266</u>	<u>21,388,513</u>	<u>20,655,477</u>	<u>19,010,151</u>
Net Pension Liability	<u>\$ (2,005,099)</u>	<u>\$ 585,706</u>	<u>\$ 671,245</u>	<u>\$ 483,380</u>	<u>\$ 92,094</u>
Plan Fiduciary Net Position as a Percentage of the Total Liability	107.92%	97.48%	96.96%	97.71%	99.52%
Actuarial determined contributions	\$ 590,285	\$ 702,783	\$ 828,511	\$ 704,412	\$ 613,512
Contributions in relation to the actuarially determined contributions	<u>638,675</u>	<u>742,863</u>	<u>868,841</u>	<u>818,301</u>	<u>699,448</u>
	<u>(48,390)</u>	<u>(40,080)</u>	<u>(40,330)</u>	<u>(113,889)</u>	<u>(85,936)</u>
Covered Payroll	<u>3,901,486</u>	<u>3,571,718</u>	<u>3,428,854</u>	<u>3,615,909</u>	<u>2,943,236</u>
Contribution as a percent of covered employee payroll	<u>16.37%</u>	<u>20.80%</u>	<u>25.34%</u>	<u>22.62%</u>	<u>23.80%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>-51.39%</u>	<u>16.40%</u>	<u>19.58%</u>	<u>13.38%</u>	<u>3.14%</u>

Notes to Schedule:

Valuation Date: - November 2021

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

Amortization Method - Level Dollar, Closed

Remaining Amortization Period - 5 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 - 7.5%

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

Mortality - FRS Mortality

2016	2015	2014
\$ 535,582	\$ 514,463	\$ 461,946
1,667,171	1,218,700	1,208,257
(19,092)	(234,101)	(109,454)
93,784	19,821	-
-	-	-
(799,841)	(689,626)	(876,479)
1,477,604	829,257	684,270
16,641,994	15,812,737	15,128,467
<u>18,119,598</u>	<u>16,641,994</u>	<u>15,812,737</u>
399,211	411,658	387,688
153,529	164,848	140,007
175,835	181,087	167,880
-	-	-
1,654,228	123,357	1,619,894
(799,841)	(689,626)	(876,479)
(59,938)	(40,273)	(47,946)
1,523,024	151,051	1,391,044
15,967,713	15,816,662	14,425,618
17,490,737	15,967,713	15,816,662
<u>\$ 628,861</u>	<u>\$ 674,281</u>	<u>\$ (3,925)</u>
96.52%	95.93%	100.02%
\$ 606,441	\$ 578,501	\$ 538,160
597,329	610,097	571,885
9,112	(31,596)	(33,725)
2,646,904	2,867,573	2,812,632
22.60%	21.30%	20.33%
23.76%	23.51%	-0.14%

CITY OF ST. AUGUSTINE, FLORIDA
Fire Employees' Retirement Systems
Schedule of Changes in Net Pension Liability and Related Ratios
Last 8 Fiscal Years

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 359,621	\$ 336,036	\$ 325,027	\$ 311,731	\$ 275,743
Interest	1,057,354	1,046,101	964,117	893,103	740,339
Changes in excess state money			-	(389,245)	88,941
Share plan allocation	17,203	30,460	11,011	116,195	-
Differences Between Expected and Actual					
Experience	311,459	44,590	84,337	316,244	160,964
Changes of Assumptions	693,753	111,627	-	-	(32,498)
Contributions - Buy Back			-	-	-
Benefit Payments, Including Refunds of					
Employee Contributions	(704,866)	(710,129)	(743,255)	(753,841)	(767,735)
Net Change in Total Pension Liability	1,734,524	858,685	641,237	494,187	465,754
Total Pension Liability - Beginning *restated	14,626,902	13,768,217	13,126,980	12,632,793	12,167,039
Total Pension Liability - Ending	<u>16,361,426</u>	<u>14,626,902</u>	<u>13,768,217</u>	<u>13,126,980</u>	<u>12,632,793</u>
Plan Fiduciary Net Position					
Contributions - Employer	278,301	269,544	359,136	349,974	225,053
Contributions - State	196,819	194,675	184,434	176,271	163,451
Contributions - Employee	111,265	106,077	102,020	97,030	92,832
Contributions - Buy Back		1,223	-	-	-
Net Investment Income	2,434,343	1,615,800	509,441	1,063,931	1,158,206
Benefit Payments, Including Refunds of					
Employee Contributions	(704,866)	(710,129)	(743,255)	(753,841)	(767,735)
Administrative Expenses	(54,462)	(42,062)	(54,443)	(41,140)	(47,428)
Net Change in Plan Fiduciary Net Position	2,261,400	1,435,128	357,333	892,225	824,379
Plan fiduciary net position - beginning	15,154,784	13,719,656	13,362,323	12,470,098	11,645,719
Plan fiduciary net position - ending	<u>17,416,184</u>	<u>15,154,784</u>	<u>13,719,656</u>	<u>13,362,323</u>	<u>12,470,098</u>
Net Pension Liability	<u>(1,054,758)</u>	<u>(527,882)</u>	<u>48,561</u>	<u>(235,343)</u>	<u>162,695</u>
Plan Fiduciary Net Position as a Percentage of the Total Liability	106.45%	103.61%	99.65%	101.79%	98.71%
Actuarial determined contributions	\$ 470,674	\$ 442,767	\$ 437,053	\$ 438,963	\$ 334,010
Contributions in relation to the actuarially determined contributions	482,496	433,774	532,559	688,965	301,274
Contribution (excess) deficiency	<u>\$ (11,822)</u>	<u>\$ 8,993</u>	<u>\$ (95,506)</u>	<u>\$ (250,002)</u>	<u>\$ 32,736</u>
Covered Payroll	<u>2,307,226</u>	<u>2,121,547</u>	<u>2,040,395</u>	<u>1,940,595</u>	<u>1,856,640</u>
Contribution as a percent of covered employee payroll	<u>20.91%</u>	<u>20.45%</u>	<u>26.10%</u>	<u>35.50%</u>	<u>16.23%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>-45.72%</u>	<u>-24.88%</u>	<u>2.38%</u>	<u>-12.12%</u>	<u>8.77%</u>

Notes to Schedule:

Valuation Date - February 2022

Salary Increases - Flat 5%

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

Investment Return - 7.25

Withdrawal - 5% for first 14 years followed by 0% after

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

Actuarial Cost Method - 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 - 15 years

Method/Assumption changes - 15 years

Benefit Changes - 15 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.

2016	2015	2014
\$ 234,355	\$ 230,062	\$ 209,592
787,330	721,743	753,466
(295,791)	90,698	9,746
378,685	165,171	29,234
124,845	-	-
393,462	-	-
924	13,864	3,178
<u>(700,051)</u>	<u>(643,641)</u>	<u>(765,357)</u>
923,759	577,897	239,859
<u>11,243,280</u>	<u>10,665,383</u>	<u>10,425,524</u>
<u>12,167,039</u>	<u>11,243,280</u>	<u>10,665,383</u>
196,389	243,834	270,792
157,404	180,080	186,295
81,793	80,812	78,484
924	13,864	3,178
1,082,244	(138,907)	11,070,564
(700,051)	(643,641)	(765,357)
(47,394)	(37,717)	(24,882)
<u>771,309</u>	<u>(301,675)</u>	<u>856,074</u>
<u>10,874,410</u>	<u>11,176,085</u>	<u>10,320,011</u>
<u>11,645,719</u>	<u>10,874,410</u>	<u>11,176,085</u>
<u>521,320</u>	<u>368,870</u>	<u>(510,702)</u>
95.71%	96.70%	104.79%
\$ 303,615	\$ 350,237	\$ 381,591
336,351	350,237	381,591
<u>\$ (32,736)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>1,635,855</u>	<u>1,645,062</u>	<u>1,569,689</u>
<u>20.56%</u>	<u>21.29%</u>	<u>24.31</u>
<u>31.87%</u>	<u>22.42%</u>	<u>-32.54%</u>

CITY OF ST. AUGUSTINE, FLORIDA

Required Supplementary Information
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
 Last 4 Fiscal Years

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 46,199	\$ 53,053	\$ 154,075	\$ 81,206
Interest	75,556	63,426	170,941	76,692
Differences Between Expected and Actual				
Experience	197,462	(70,086)	(286,270)	-
Changes of Assumptions	77,213	(95,017)	(281,500)	123,660
Contributions - Buy Back			-	-
Benefit Payments, Including Refunds of				
Employee Contributions	(58,711)	(56,750)	(132,808)	(58,167)
Net Change in Total OPEB Liability	337,719	59,729	(375,562)	223,391
Total OPEB Liability - Beginning	1,779,455	1,719,726	2,095,288	1,871,897
Total OPEB Liability - Ending	<u>2,117,174</u>	<u>1,779,455</u>	<u>1,719,726</u>	<u>2,095,288</u>
Plan Fiduciary Net Position				
Contributions - Employer	-	-	-	-
Contributions - Employee	-	-	-	-
Contributions - Buy Back	-	-	-	-
Net Investment Income (loss)	-	-	-	-
Benefit Payments, Including Refunds of				
Employee Contributions	-	-	-	-
Administrative Expenses	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB Liability	2,117,174	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%	0.00%
Actuarial determined contributions	\$ 515,086	\$ 440,696	\$ 438,632	\$ 415,625
Contributions in relation to the actuarially determined contributions	77,347	56,750	52,743	62,316
	<u>437,739</u>	<u>383,946</u>	<u>385,889</u>	<u>353,309</u>
Covered Payroll	<u>18,317,192</u>	<u>14,573,762</u>	<u>14,013,232</u>	<u>16,374,771</u>
Contribution as a percent of covered employee payroll	<u>0.42%</u>	<u>0.39%</u>	<u>0.38%</u>	<u>0.38%</u>
Net OPEB Liability as a Percentage of Covered Payroll	<u>11.56%</u>	<u>12.21%</u>	<u>12.27%</u>	<u>12.80%</u>

Notes to Schedule:

Valuation Date: - January 2022
 Actuarial Cost Method - Individual Entry Age
 Amortization Method - Level Dollar, Closed
 Remaining Amortization Period - 6 years
 Asset Valuation Method - N/A
 Medical Inflation - 5.0%
 Salary Increases - 3.5% to 7.0%
 Investment Rate of Return - 3.75%
 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, 2021**

	General Employees' Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Employee Retirement Funds
ASSETS				
Cash and Short-term Investments	\$ 913,984	\$ 698,481	\$ 749,438	\$ 2,361,903
Receivables:				
Interest and Dividends	-	-	20,896	20,896
Total Receivables	-	-	20,896	20,896
Prepaid Expenses	-	-	807	807
Investments, at Fair Value:				
Fixed income securities	5,385,300	3,804,373	4,981,665	14,171,338
Equity securities	40,646,023	18,408,624	11,673,945	70,728,592
Alternative strategies	3,930,467	-	-	3,930,467
Real estate fund	8,708,849	4,491,408	-	13,200,257
Total Investments	58,670,639	26,704,405	16,655,610	102,030,654
Total Assets	59,584,623	27,402,886	17,426,751	104,414,260
LIABILITIES				
Expenses Payable	17,093	7,402	10,567	35,062
Total Liabilities	17,093	7,402	10,567	35,062
NET POSITION, Restrictd For Pensions	\$ 59,567,530	\$ 27,395,484	\$ 17,416,184	\$ 104,379,198

CITY OF ST. AUGUSTINE, FLORIDA

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended September 30, 2021

	General Employees' Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Employee Retirement Funds
ADDITIONS				
Contributions				
Members	\$ 527,391	\$ 208,383	\$ 111,265	\$ 847,039
City	3,010,252	332,367	278,301	3,620,920
State Insurance Premium Tax, from General Fund	-	323,273	196,819	520,092
Total Contributions	3,537,643	864,023	586,385	4,988,051
Other Income				
Other Income	6,396	-	348	6,744
Total Other Income	6,396	-	348	6,744
Investment Income				
Net Increase in Fair Value of Investments	10,147,986	4,411,851	1,704,141	16,263,978
Interest and Dividends on Investments	1,048,657	661,657	784,714	2,495,028
Total Investment Income	11,196,643	5,073,508	2,488,855	18,759,006
Less Investment Expenses	56,938	57,128	54,860	232,559
Net Investment Income	11,139,705	5,016,380	2,433,995	18,526,447
Total Additions	14,683,744	5,880,403	3,020,728	23,521,242
DEDUCTIONS				
Benefit Payments	3,559,833	1,061,878	704,866	5,326,577
Termination Payments	123,606	16,132	-	139,738
Administrative Expenses	80,636	81,237	54,462	216,335
Total Deductions	3,764,075	1,159,247	759,328	5,682,650
Change in Net Position	10,919,669	4,721,156	2,261,400	17,902,225
Net Position - Beginning	48,647,861	22,674,328	15,154,784	86,476,973
NET POSITION - ENDING	\$ 59,567,530	\$ 27,395,484	\$ 17,416,184	\$ 104,379,198

Schedule of Expenditures of Federal Awards

CITY OF ST. AUGUSTINE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2021

Federal Grantor/Pass-through Grantor/Program	CFDA No.	Contract Number	Federal Expenditures
U.S. Department of Homeland Security/ FEMA			
Florida Division of Emergency Management			
Disaster Grants - Public Assistance - Matthew	97.036	PA-04-FL-4283	\$ 349,182
Disaster Grants - Public Assistance - Dorian	97.036	Z1560-DR-4468	68,893
Hazard Mitigation Grant Program - Lake Maria Sanchez	97.039	4283-022-R/F59-6000420	227,942
Hazard Mitigation Grant Program - South Whitney	97.039	4337-382-R	80,571
Total U.S. Department of Homeland Security/ FEMA			726,588
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	625,327
U.S. Department of Interior			
National Park Service			
State of Florida, Department of State			
Hurricane Irma Impacts to the Town Plan	15.957	P198AP00012 / 20.h.fh.100.002	100,000
Hurricane Irma Impacts to Older NRHDS	15-957	P198AP00012 / 20.h.fh.100.003	66,711
Total U.S. Department of Interior			166,711
U.S. Department of Justice			
Florida Department of Law Enforcement			
St. Augustine Police Dept. Special Projects Part 5	16.738	2020-JAGC-STJO-1-4R-045	4,590
St. Augustine Police Dept. Public Safety Initiative	16.738	2020-JAGD-STJO -4-5R-058	18,645
St. Augustine Police Dept. Safety Initiative ATV	16.738	2020-JAGC-STJO-1-Y5-114	18,920
Bullet Proof Vest Partnership	16.607	2021-BUBX-21026167	5,988
Total U.S. Department of Justice			48,143
Total Expenditures of Federal Awards			\$ 1,566,769

CITY OF ST. AUGUSTINE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2021

A. Basis of Presentation:

The Schedule of Expenditures of Federal Awards presented on page 135 (the Schedule) includes the federal grant activity of the City of St. Augustine for the fiscal year ended September 30, 2021. 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, 2020 and 2021; 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 and 2021. 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 \$8,208,099 has been expended. There were no reportable expenditures for this grant for the fiscal year ended September 30, 2021.

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	140-147
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	148-152
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	
Debt Capacity	153-160
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	161-169
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	170-174
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

September 30, 2021

	2011/12	2012/13	2013/14	2014/15
<u>Governmental Activities</u>				
Invested in Capital Assets, net of related debt	\$ 11,255,991	\$ 1,503,296	\$ 2,977,346	\$ 6,987,074
Restricted	5,620,856	1,936,545	2,212,379	1,150,905
Unrestricted	9,834,076	8,071,115	8,064,965	1,005,259
Total governmental activities net position	\$ 26,710,923	\$ 11,510,956	\$ 13,254,690	\$ 9,143,238
<u>Business-type activities</u>				
Invested in Capital Assets, net of related debt	\$ 51,779,723	\$ 60,744,774	\$ 61,798,072	\$ 67,005,168
Restricted	2,147,376	4,994,135	3,872,255	5,279,739
Unrestricted	9,505,607	15,838,640	17,383,273	10,953,364
Total business-type activities net position	\$ 63,432,706	\$ 81,577,549	\$ 83,053,600	\$ 83,238,271
<u>Primary Government</u>				
Invested in Capital Assets, net of related debt	\$ 63,035,714	\$ 62,248,070	\$ 64,775,418	\$ 73,992,242
Restricted	7,768,232	6,930,680	6,084,634	6,430,644
Unrestricted	19,339,683	23,909,755	25,448,238	11,958,623
Total primary government net position	\$ 90,143,629	\$ 93,088,505	\$ 96,308,290	\$ 92,381,509

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
\$ 8,168,623	\$ 10,018,643	\$ 11,227,466	\$ 9,650,381	\$ 10,276,539	\$ 10,974,724
596,974	712,728	398,551	2,009,797	1,843,746	2,401,917
3,039,161	1,674,662	3,464,098	5,048,152	6,881,874	12,515,159
<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>	<u>\$ 25,891,800</u>
\$ 69,601,163	\$ 78,978,209	\$ 78,892,021	\$ 86,160,080	\$ 91,760,995	\$ 99,545,897
6,293,059	560,168	612,664	4,487,846	5,906,586	6,258,567
9,907,553	14,044,492	18,766,230	18,819,984	20,722,869	20,145,301
<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>	<u>\$ 125,949,765</u>
\$ 77,769,786	\$ 88,996,852	\$ 90,119,487	\$ 95,810,461	\$ 102,037,534	\$ 110,520,621
6,890,033	1,272,896	1,011,215	6,497,643	7,750,332	8,660,484
12,946,714	15,719,154	22,230,328	23,868,136	27,604,743	32,660,460
<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>	<u>\$ 151,841,565</u>

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

CITY OF ST. AUGUSTINE, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)
September 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Governmental Activities:										
General Government	\$ 8,713	\$ 10,348	\$ 9,150	\$ 9,064	\$ 8,786	\$ 10,633	\$ 8,265	\$ 8,860	\$ 11,082	\$ 10,169
Public Safety	8,179	8,439	8,849	9,327	9,406	9,474	9,048	12,079	11,269	12,561
Physical Environment	3,679	3,681	3,982	2,572	2,707	2,643	2,509	3,144	3,535	3,230
Transportation	214	202	229		2,980	2,731	3,156	3,923	3,711	3,854
Culture & Recreation	447	485	471	1,456	425	1,438	1,245	1,561	1,465	1,328
Interest and Fiscal Charges	1,223	1,200	1,224	1,227	1,213	1,515	1,263	1,106	1,091	1,115
Total Governmental Activities Expenses	\$22,455	\$ 24,355	\$ 23,904	\$ 25,599	\$ 26,518	\$ 28,433	\$ 25,487	\$ 30,673	\$ 32,153	\$ 32,258
Business-type Activities:										
Utility	\$11,471	\$ 12,131	\$ 12,058	\$ 12,425	\$ 13,137	\$ 13,793	\$ 14,019	\$ 15,597	\$ 14,960	\$ 16,674
Stormwater Drainage	555	630	741	904	1,258	1,264	1,250	1,444	1,462	1,650
Solid Waste	2,970	3,275	3,120	3,569	3,945	5,727	4,621	4,055	4,143	4,350
Municipal Marina	2,410	2,243	2,347	2,238	2,138	2,423	3,561	3,056	2,953	3,342
Visitor Information Center	3,911	3,606	3,522	3,331	3,688	3,683	3,772	4,184	3,807	4,146
Total Business-type Activities Expenses	\$21,317	\$ 21,885	\$ 21,789	\$ 22,468	\$ 24,165	\$ 26,890	\$ 27,223	\$ 28,335	\$ 27,325	\$ 30,162
Total Primary Government Expenses	\$43,772	\$ 46,240	\$ 45,693	\$ 48,067	\$ 50,683	\$ 55,324	\$ 52,710	\$ 59,008	\$ 59,478	\$ 62,420
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services										
General Government	\$ 5,227	\$ 5,794	\$ 5,242	\$ 2,724	\$ 2,841	\$ 2,474	\$ 1,816	\$ 2,916	\$ 3,481	\$ 4,669
Public Safety	1,098	1,213	1,276	2,100	2,481	2,633	1,587	3,329	1,715	1,779
Physical Environment	353	380	399	373	505	335	-	400	1,151	692
Transportation	21	22	22	2,643	2,718	2,107	2,486	2,733	1,766	2,425
Culture/Recreation	43	46	77	190	256	190	-	199	181	-
Operating Grants and Contributions	27	81	76	30	43	1,000	45	103	111	1,638
Capital Grants and Contributions	1,062	164	1,803	1,481	284	20	775	166	665	1,119
Total Governmental Activities Program Revenues	\$ 7,831	\$ 7,700	\$ 8,896	\$ 9,540	\$ 9,128	\$ 8,758	\$ 6,709	\$ 9,845	\$ 9,070	\$ 12,323
Business-type activities (a):										
Charges for Services										
Utility	\$12,364	\$ 12,759	\$ 13,221	13,888	\$ 15,689	\$ 18,182	\$ 18,569	\$ 19,863	\$ 22,326	\$ 21,040
Stormwater Drainage	750	749	875	\$ 944	926	920	950	978	1,129	1,135
Solid Waste	3,367	3,409	3,427	3,420	3,669	3,653	3,827	3,955	4,078	4,167
Municipal Marina	2,482	2,343	2,508	2,533	2,363	2,632	2,262	3,464	3,116	4,029
Visitor Information Center	3,188	2,825	3,066	3,871	4,084	3,847	4,609	4,755	3,150	5,292
Operating Grants and Contributions	-	-	-	8	-	-	-	-	-	-
Capital Grants and Contributions	2,163	4,348	1,312	3,190	1,444	4,484	2,586	7,267	3,835	2,748
Total Business-type Activities Program Revenues	\$24,314	\$ 26,433	\$ 24,409	\$ 27,853	\$ 28,174	\$ 33,718	\$ 32,803	\$ 40,282	\$ 37,632	\$ 38,411
Total Primary Government Revenues	\$32,145	\$ 34,133	\$ 33,305	\$ 37,302	\$ 37,302	\$ 42,476	\$ 39,512	\$ 50,128	\$ 46,702	\$ 50,734

(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)

(continued)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	\$ (14,624)	\$ (16,654)	\$ (15,008)	\$ (16,059)	\$ (17,390)	\$ (19,675)	\$ (18,778)	\$ (20,828)	\$ (23,083)	\$ (19,935)
Business-type Activities	2,997	4,548	2,620	5,385	4,009	6,827	5,580	11,948	10,307	8,249
Total primary government net expense	\$ (11,627)	\$ (12,106)	\$ (12,388)	\$ (10,674)	\$ (13,381)	\$ (12,848)	\$ (13,198)	\$ (8,880)	\$ (12,776)	\$ (11,686)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 8,309	\$ 8,042	\$ 8,354	\$ 8,767	\$ 9,699	\$ 10,509	\$ 11,235	\$ 12,377	\$ 13,662	\$ 15,512
Utility Taxes	1,015	1,104	1,207	1,213	1,341	1,496	1,577	1,608	1,550	1,648
Communication Service Taxes	1,108	1,080	818	919	902	1,484	916	812	799	900
Franchise Fees	1,448	1,368	1,450	1,588	1,642	1,602	1,738	1,759	1,603	1,731
State Revenue Sharing, Unrestricted	549	549	554	563	565	570	577	767	576	742
Local Option Gas Taxes	517	487	502	525	554	527	514	505	424	485
Local Option Sales Taxes	880	936	1,005	1,077	1,138	1,166	1,225	1,247	1,181	1,452
Insurance Premium Taxes	330	295	354	361	333	358	423	446	474	520
Other Taxes	153	108	142	149	162	160	178	-	292	105
Miscellaneous	661	999	1,133	1,088	2,131	2,162	1,742	539	2,437	2,485
Investment Income	36	29	52	50	67	119	223	373	197	46
Interfund Trans of Assets (net)	-	-	-	-	-	-	-	-	-	-
Transfers	(467)	(13,545)	1,181	2,139	1,516	121	1,551	2,013	2,181	1,198
Total Governmental Activities	\$ 14,539	\$ 1,452	\$ 16,752	\$ 18,439	\$ 20,051	\$ 20,276	\$ 21,899	\$ 22,446	\$ 25,377	\$ 26,824
Business-type activities (a):										
Unrestricted Invest Earnings	\$ 82	\$ 52	\$ 36	\$ 95	\$ 71	\$ 146	\$ 332	\$ 560	\$ 317	\$ 54
Interfund Trans of Assets (net)	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	929	1,098	702	480	454
Transfers	467	13,545	(1,181)	(2,139)	(1,516)	(121)	(1,551)	(2,013)	(2,181)	(1,198)
Total Business-type Activities	\$ 549	\$ 13,597	\$ (1,145)	\$ (2,044)	\$ (1,445)	\$ 954	\$ (121)	\$ (751)	\$ (1,384)	\$ (690)
Total Primary Government	\$ 15,088	\$ 15,049	\$ 15,607	\$ 16,395	\$ 18,606	\$ 21,230	\$ 21,778	\$ 21,695	\$ 23,992	\$ 26,134
Change in Net Position										
Governmental Activities	\$ (85)	\$ (15,202)	\$ 1,744	\$ 2,380	\$ 2,662	\$ 601	\$ 3,121	\$ 1,618	\$ 2,294	\$ 6,890
Business-type Activities	3,546	18,145	1,475	3,341	2,563	7,781	5,459	11,197	8,923	7,559
Total Primary Government	\$ 3,461	\$ 2,943	\$ 3,219	\$ 5,721	\$ 5,225	\$ 8,382	\$ 8,580	\$ 12,815	\$ 11,216	\$ 14,449

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

**FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
September 30, 2021**

	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ 610,785	\$ 671,931	\$ 634,204	\$ 636,991	\$ 783,289
Restricted	15,541,007	65,389	70,933	64,333	70,806
Committed	1,881,954	1,206,207	7,871,887	7,305,641	
Assigned	425,560	219,170	555,497	555,541	1,047,221
Unassigned	7,193,586	8,071,115	798,893	10,646	220,916
Total General Fund	25,652,892	10,233,812	9,931,414	8,573,152	10,661,056
All Other Governmental Funds					
Nonspendable	\$ 63,743	\$ 63,829	\$ 312,977	\$ 314,256	\$ -
Restricted	-	1,135,396	1,194,265	135,325	324,556
Committed	-	1,101,692	363,094	500,761	371,115
Assigned	-	-	-	-	-
Unassigned reported in:					
Capital Projects Fund	-	-	-	-	-
Debt Service	-	-	(430)	-	-
Total All Other Governmental Funds	\$ 63,743	\$ 2,300,917	\$ 1,869,906	\$ 950,342	\$ 695,671
Total Governmental Funds	\$ 25,716,635	\$ 12,534,729	\$ 11,801,320	\$ 9,523,494	\$ 11,356,727

	2017	2018	2019	2020	2021
\$	893,538	\$ 1,331,857	\$ 1,217,640	\$ 1,461,855	\$ 1,203,382
	77,301	785,120	874,152	61,804	610,478
	7,483,630	7,920,294	8,508,568	9,173,314	9,768,666
	509,887	976,224	1,566,801	2,020,986	1,230,847
	88,440	313,234	1,430,654	1,238,244	5,468,410
	<u>9,052,796</u>	<u>11,326,729</u>	<u>13,597,815</u>	<u>13,956,203</u>	<u>18,281,783</u>
\$	-	\$ 313,790	\$ -	\$ -	\$ -
	308,351	-	1,081,414	1,781,942	1,635,526
	365,823	471,068	-	-	-
	-	-	36,286	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
\$	<u>674,174</u>	<u>784,858</u>	<u>1,117,700</u>	<u>1,781,942</u>	<u>1,635,526</u>
\$	<u>9,726,970</u>	<u>12,111,587</u>	<u>14,715,515</u>	<u>15,738,145</u>	<u>19,917,309</u>

CITY OF ST. AUGUSTINE, FLORIDA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

September 30, 2021

	2012	2013	2014	2015	2016
REVENUES					
Ad Valorem Taxes	\$ 8,088,994	\$ 7,858,737	\$ 8,353,876	\$ 8,767,045	\$ 9,698,505
Sales and Use Taxes	846,498	781,883	856,593	885,819	886,755
Utility Excise Taxes	2,123,115	2,186,496	2,025,371	2,131,711	2,243,500
Licenses, Permits & Fees	3,218,885	3,780,188	3,311,962	3,698,959	3,655,864
Intergovernmental	1,824,800	1,814,169	1,730,263	1,788,627	
Fines & Forfeitures	256,665	299,368	282,512	466,019	621,657
Interest Earnings	35,596	29,342	51,680	50,300	67,261
Administrative Service Charges	1,979,089	2,131,456	2,134,031	2,532,364	3,536,037
Other	4,464,133	3,818,462	5,720,966	5,519,453	5,087,729
Total Revenues	22,837,775	22,700,101	24,467,254	25,840,297	27,663,114
EXPENDITURES					
Current:					
General Government	\$ 6,976,904	\$ 8,573,559	\$ 8,064,638	\$ 8,063,056	\$ 7,251,493
Public Safety	8,160,380	8,235,598	8,858,310	9,263,984	9,784,975
Physical Environment	3,677,011	3,635,979	3,883,309	2,459,077	2,602,746
Transportation	213,598	188,283	223,122	1,949,930	2,979,462
Culture & Recreation	446,285	477,295	471,297	1,452,229	1,424,595
Capital Outlay	2,283,141	1,131,616	3,475,857	5,398,703	1,634,176
Debt Service:					
Principal Retirement	335,177	392,983	396,186	442,785	454,974
Interest and Fiscal Charges	1,222,551	1,200,327	1,223,670	1,226,945	1,213,391
Issuance Cost	158,142	-	-	-	-
Total Expenditures	23,473,189	23,835,640	26,596,389	30,256,709	27,345,812
Excess (deficiency) of revenues over (under) expenditures	(635,414)	(1,135,539)	(2,129,135)	(4,416,412)	317,302
Other Financing Sources (Uses)					
Borrowing from Capitalized Lease	\$ -	\$ -	\$ 215,000	\$ -	\$ -
Transfers In	4,995,305	7,071,268	5,387,354	7,931,816	5,602,834
Transfers (Out)	(5,462,473)	(20,616,655)	(4,206,628)	(5,793,230)	(4,086,903)
Sale of Capital Assets	-	-	-	-	-
Long-term Debt Issued	6,971,120	1,576,691	-	-	-
Retirement to Escrow Agent	(6,720,721)	-	-	-	-
Bonds Refunded	-	(197,083)	-	-	-
Bond Proceeds	-	-	-	-	-
Payments to Defeased Bonds	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Discount on Long-Term Debt Issued	(74,404)	-	-	-	-
Premium on Long-Term Debt Issued	(67,206)	119,412	-	-	-
Total Other Financing Sources (Uses)	(358,379)	(12,046,367)	1,395,726	2,138,586	1,515,931
Net Change in Fund Balances	\$ (993,793)	\$ (13,181,906)	\$ (733,409)	\$ (2,277,826)	\$ 1,833,233
Debt Service as a percentage of noncapital expenditures	8.00%	7.02%	7.01%	6.72%	6.49%

	2017	2018	2019	2020	2021
\$	10,509,003	\$ 11,234,749	\$ 12,376,972	\$ 13,662,240	\$ 15,511,727
	527,151	423,187	951,484	897,604	1,005,500
	2,979,244	2,492,867	2,419,967	2,349,425	2,176,225
	3,483,221	819,746	7,284,367	4,378,179	5,594,666
	2,255,292	2,360,183	2,650,062	2,723,710	5,083,025
	360,707	384,656	317,319	240,746	483,747
	119,451	223,499	373,488	196,613	46,797
	3,423,132	3,545,795	3,733,288	3,916,089	3,973,148
	5,285,986	9,118,720	1,660,536	3,664,380	4,074,801
	28,943,187	30,603,402	31,767,483	32,028,986	37,949,636
\$	9,322,157	\$ 7,826,693	\$ 8,953,185	\$ 9,364,583	\$ 9,431,627
	9,600,675	10,395,600	11,198,645	11,653,469	12,787,083
	2,578,357	2,769,827	2,914,985	3,348,736	3,208,200
	2,772,239	3,802,800	2,685,795	3,669,491	3,917,631
	1,459,825	1,436,229	1,447,614	1,441,076	1,589,235
	3,416,681	3,303,643	2,489,834	2,376,735	2,442,720
	342,952	469,631	515,592	477,584	443,644
	1,201,548	1,262,847	1,106,835	1,092,332	1,114,642
	-	-	-	-	-
	30,694,434	31,267,270	31,312,485	33,424,006	34,934,782
	(1,751,247)	(663,868)	454,998	(1,395,020)	3,014,854
\$	-	\$ -	\$ -	\$ -	\$ -
	5,102,468	5,805,825	6,693,259	7,030,537	6,430,144
	(4,980,978)	(4,255,189)	(4,680,469)	(4,849,397)	(5,232,177)
	-	-	136,140	236,510	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	3,705,820
	-	19,968,267	-	-	-
	-	(18,470,418)	-	-	-
	-	-	-	-	(33,657)
	-	-	-	-	(3,705,820)
	-	-	-	-	-
	-	-	-	-	-
	121,490	3,048,485	2,148,930	2,417,650	1,164,310
\$	(1,629,757)	\$ 2,384,617	2,603,928	1,022,630	4,179,164
	5.66%	6.20%	5.33%	5.06%	5.03%

CITY OF ST. AUGUSTINE, FLORIDA

**TOTAL ASSESSED VALUATIONS AND TOTAL EXEMPTIONS
LAST TEN FISCAL YEARS
September 30, 2021**

	2012	2013	2014	2015	2016
Real Property	\$ 1,506,640,382	\$ 1,550,025,682	\$ 1,600,223,236	\$ 1,718,302,003	\$ 1,829,080,525
Personal Property	98,758,852	99,441,437	101,527,054	103,628,284	103,885,128
Railroad & Telegraph	2,148,694	2,558,367	2,928,245	3,369,083	3,695,243
Total Assessed Valuations	1,607,547,928	1,652,025,486	1,704,678,535	1,825,299,370	1,936,660,896
Homestead Exempt Property (a)	\$ 139,761,480	\$ 141,569,199	\$ 145,786,764	\$ 150,699,482	\$ 155,237,830
Other Exemptions	394,769,492	394,162,661	389,557,411	402,135,455	407,304,069
Total Exempt Property	534,530,972	535,731,860	535,344,175	552,834,937	562,541,899
Total Taxable Value	\$ 1,073,016,956	\$ 1,116,293,626	\$ 1,169,334,360	\$ 1,272,464,433	\$ 1,374,118,997
Direct Rate	7.500	7.500	7.500	7.500	7.500

NOTES:

(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.**

2017	2018	2019	2020	2021
\$ 1,917,447,480	\$ 2,065,250,505	\$ 2,258,662,327	\$ 2,541,614,732	\$ 2,724,970,196
114,084,278	124,468,101	126,260,505	144,460,685	155,942,325
3,872,697	3,900,865	3,917,574	3,874,570	3,697,466
2,035,404,455	2,193,619,471	2,388,840,406	2,689,949,987	2,884,609,987
\$ 160,319,086	\$ 164,471,795	\$ 167,642,609	\$ 171,359,015	\$ 186,916,766
409,105,684	425,129,343	459,904,126	511,850,847	536,878,869
569,424,770	589,601,138	627,546,735	683,209,862	723,795,635
\$ 1,465,979,685	\$ 1,604,018,333	\$ 1,761,293,671	\$ 2,006,740,125	\$ 2,160,814,352
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, 2021

Fiscal Year Ended	Direct	Overlapping				Total
	St. Augustine	St. Johns County	School District	Management District	Other	
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	5.514	5.953	0.229	0.297	19.493
2021	7.500	5.514	5.812	0.219	1.581	20.626

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, 2021

Taxpayer	2020/2021		
	Taxable Assessed Value	Rank	Percent of Total Assessment
THE LANDING TWO LLC	\$ 38,999,996.00	1	1.80%
THE LANDING ONE LLC	\$ 34,125,000.00	2	1.58%
WEST SHORE ANTIGUA LLC	\$ 31,125,000.00	3	1.44%
PATRIS REAL ESTATE LLC	\$ 14,857,237.00	4	0.69%
THE FLAGLER RESORT LTD	\$ 10,348,800.00	5	0.48%
KAPG ST AUGUSTINE SENIOR HOUSING LLC	\$ 10,214,605.00	6	0.47%
116 SAN MARCO ST AUGUSTINE OWNER LLC	\$ 7,230,200.00	7	0.33%
WINDWARD SHIPYARD LLC	\$ 7,194,562.00	8	0.33%
TARGET CORPORATION	\$ 7,159,016.00	9	0.33%
GATES OF ST JOHNS LLC	\$ 6,735,972.00	10	0.31%
Principal Tax Payers Total Assessment	<u>\$ 167,990,388.00</u>		<u>7.45%</u>
Total Assessment for the City of St. Augustine	<u>\$ 2,163,607,035.00</u>		<u>100.00%</u>

Source: St. Johns County Property Appraiser's Office

CITY OF ST. AUGUSTINE, FLORIDA

**PROPERTY TAX LEVIES AND
COLLECTIONS LAST TEN FISCAL YEARS
September 30, 2021**

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
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	12,027,297	11,632,418	96.72%	1,761,874,600	1,761,874	100%
2020	13,213,507	12,777,533	96.70%	2,006,740,124	2,006,740	100%
2021	15,041,450	14,552,551	96.75%	2,163,607,035	2,163,607	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, 2021**

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	54,312,049	15,887,616	39,082,363	0.15	2,553
2021	15,650	2,884,610	49,941,221	22,593,617	27,955,423	0.10	1,786

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, 2021**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
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
2021	443,644	1,114,642	1,558,286	32,223,819	4.84

CITY OF ST. AUGUSTINE, FLORIDA
UTILITY REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
September 30, 2021

Fiscal Year Ended	Gross Revenue (a)	Operating Expenses (b)	Net Revenue (c)	Debt Service Requirements (d)	Debt Service Coverage
2011	12,301,380	6,847,896	5,453,484	3,318,894	1.64
2012	12,293,699	7,586,408	4,707,291	3,344,052	1.41
2013	20,661,902	8,223,690	4,417,087	2,843,032	1.55
2014	12,864,764	8,264,157	4,600,607	2,833,938	1.62
2015	13,275,185	8,561,023	4,714,162	2,837,388	1.66
2016	15,230,758	8,907,224	6,323,535	3,828,544	1.65
2017	18,182,456	9,509,919	8,672,537	4,406,936	1.97
2018	18,429,492	9,919,482	8,510,010	3,041,968	2.80
2019	19,787,256	10,519,220	9,268,036	3,966,008	2.34
2020	20,914,684	10,420,529	10,494,155	3,447,702	3.04
2021	20,546,790	10,810,113	9,736,677	4,254,622	2.29

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, 2021

Fiscal Year	General Obligation Bonds Governmental Activities	Percentage of Taxable Value of Property (a)	Per Capita (b)	Percentage of Personal Income [c]
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%
2021	21,934,494	0.85%	1,169	0.09%

Fiscal Year	General Obligation Bonds Business-Type Activities	Percentage of Taxable Value of Property (a)	Per Capita (b)	Percentage of Personal Income [c]
2012	23,614,644	2.20%	1,804	0.21%
2013	23,663,021	2.00%	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	20,403,687	0.93%	1,225	0.10%
2021	24,311,727	0.74%	1,028	0.08%

Fiscal Year	Water Revenue Bonds	Total Primary Government (d)	Per Capita (b)	Percentage of Personal Income [c]
2012	20,508,832	68,278,832	5,136	0.18%
2013	21,800,000	68,624,999	5,242	0.19%
2014	19,815,000	65,675,000	4,968	0.17%
2015	17,750,000	63,610,000	4,627	0.14%
2016	15,650,000	60,500,000	4,401	0.11%
2017	13,365,000	57,185,000	4,079	0.09%
2018	11,050,000	59,315,528	4,230	0.08%
2019	8,690,000	51,134,998	3,644	0.05%
2020	6,235,000	47,329,999	3,092	0.03%
2021	3,695,000	38,080,000	2,433	0.02%

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, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
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Debt Repaid with Property Taxes

St. Johns County Commission Capital Improvement Revenue Bonds	18,801,000	5.53%	1,039,355
St. Johns County Commission Sales Tax Revenue Refunding Bonds	82,945,000	5.53%	4,585,356
St. Johns County Commission Transportation Improvement Revenue Bonds	40,680,000	5.53%	2,248,867

Other Debt

St. Johns County Commission Other Debt	47,357,463	5.53%	2,618,010
St. Johns County School Board Certificates of Participation	196,146,543	5.53%	10,843,351
St. Johns County School Board General Obligation Bonds	1,980,000	5.53%	109,458
St. Johns County School Board Sales Tax Revenue Bonds	27,732,088	5.53%	1,533,082

Subtotal Overlapping Debt \$ 22,977,479

City Direct Debt

Capital Improvement and Refunding Revenue Bonds	21,934,494	5.53%	1,212,580
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Subtotal Direct Debt \$ 1,011,407

Total Direct and Overlapping Debt \$ 23,988,886

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, within 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.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental units' taxable value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This same formula is used for other overlapping debt.

CITY OF ST. AUGUSTINE, FLORIDA

DIRECT AND OVERLAPPING RATIOS

September 30, 2021

Direct and Overlapping General Obligation Debt	\$ 23,988,886
Per Capita	1,532.84
As a Percentage of Taxable Assessed Valuation	1.00%
As a Percentage of Total Just Valuation	0.82%

CITY OF ST. AUGUSTINE, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2021

**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
September 30, 2021**

Revenue Source	2016/17	2017/18	2018/19	2019/20	2020/21
Public Service Tax					
Electric	\$ 1,445,175	\$ 1,525,928	\$ 1,559,461	\$ 1,506,962	\$ 1,607,257
Communication	1,483,667	916,000	811,896	799,042	900,226
Gas	50,402	50,939	48,609	43,420	40,856
Fuel Oil	-	-	-	-	-
Total	\$ 2,979,244	\$ 2,492,867	\$ 2,419,966	\$ 2,349,424	\$ 2,548,339
Florida Revenue Sharing					
Revenue Sharing	\$ 570,421	\$ 576,587	\$ 581,797	\$ 576,197	\$ 590,618
Guaranteed Entitlements					
Local Option Gas Tax	\$ 527,151	\$ 514,361	\$ 505,278	\$ 423,885	\$ 485,407
Total	\$ 527,151	\$ 514,361	\$ 505,278	\$ 423,885	\$ 485,407
Total Pledged Funds	\$ 4,076,816	\$ 3,583,815	\$ 3,507,041	\$ 3,349,506	\$ 3,624,364

CITY OF ST. AUGUSTINE, FLORIDA

DEMOGRAPHIC STATISTICS

September 30, 2021

Year	Population		Per Capita Personal Income	Total Personal Income (In Millions)	Unemployment Rate
	City of St. Augustine	St. Johns County			
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%
2021	15,650	285,533 (est)	\$ 73,944	\$ 20,609,326	3.4%

Year	Population Projection	
	City of St. Augustine	St. Johns County
2022	15,650	285,533
2027	20,069	304,600
Avg Household Size:	2.30	2.49

**Sources: 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)

September 30, 2021

Employer	Sector	2021	
		Approximate Employees	% of Total County Employment
St. Johns County School District	Education	5,039	3.97%
Flagler Health+	Medical	1,564	1.23%
St. Johns County	Public Administration	1,299	1.02%
Northrop Grumman	Manufacturing	1,110	0.88%
Florida NationalGuard Headquarters Office	Military	900	0.71%
PGA TOUR, Inc.	Event Management	800	0.63%
St. Johns County Sheriff's Office	Public Safety	689	0.54%
Florida School for the Deaf & Blind	Education	682	0.54%
Carlisle Interconnect Technologies	Manufacturing	644	0.51%
Ring Power	Heavy Equipment Sales	548	0.43%

CITY OF ST. AUGUSTINE, FLORIDA

SUMMARY OF TEN LARGEST WATER CUSOMERS
September 30, 2021

Customer	Usage for Fiscal Year Ended September 30, 2021 (in thousands of gallons)
CITY OF ST AUGUSTINE	158,315
FLAGLER COLLEGE	150,674
D & B SCHOOL	134,715
ST JOHNS COUNTY SCHOOL BOARD	111,493
NORTHROP GRUMMAN SYSTEMS CORPORATION	104,209
SJC BOARD OF COUNTY COMMISSIONERS	100,972
DREAM FINDERS HOMES, LLC	96,042
FLAGLER HOSPITAL	91,559
THE LANDING AT ST. AUGUSTINE	84,640
FLAGLER RESORT LTD	70,980

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)
September 30, 2021**

Fiscal Year Ended	Water Customers			Sewer Customers		
	Inside City	Outside City	Total	Inside City	Outside City	Total
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
2021	9,158	7,344	16,502	7,751	4,155	11,906

Source: City of St. Augustine Customer Service Department

Water Sales (Thousands of Gallons)		
Inside City	Outside City	Total
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
548,945	411,312	960,257
557,225	421,331	978,556
585,057	443,263	1,028,320
601,624	427,695	1,029,319

CITY OF ST. AUGUSTINE, FLORIDA

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

(In Millions)
September 30, 2021

Fiscal Year Ended	Water Treatment Plant		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)
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
2021	3.348	3.749	4.075	6.014

Source: City of St. Augustine Engineering Department

CITY OF ST. AUGUSTINE, FLORIDA

**WATER AND SEWER UTILITIES
HISTORICAL RATE STRUCTURES**

**(In Thousands)
September 30, 2021**

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.
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
2021	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, 2021

Fiscal Year	Single Family Units	Multi-Family Units	New Residential Valuation	New Non-Residential Valuations	Residential & Non-Residential Additions/Alterations	Public Valuation	Total Valuation
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
2021	117	1	36,556	14,755	125	5,131	56,442

Source: City of St. Augustine Planning & Building Department

CITY OF ST. AUGUSTINE, FLORIDA

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

Fiscal Year	Commercial Construction (a)		Residential Construction (a)		Bank Deposits (b)
	Number of Units	Value	Number of Units	Value	
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
2021	7	14,755	118	36,556	5,966,278

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, 2021

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	31
Police Protection:	
Number of Police Stations	1
Number of Police Officers	57
Utility Customers:	
Water	16,502
Sewer	11,906
Solid Waste	8,420
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	12
Parks and Playgrounds	44
Public Golf Courses	5
Public Tennis Courts	28
Restaurants	200 +
Sightseeing Services	7
State Parks	3

(continued)

CITY OF ST. AUGUSTINE, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 2021

(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**

FUNCTION	2017	2018	2019	2020	2021
Governmental Activities:					
General Government	53.5	56.5	57.5	59	59
Public Safety	104	105	103.5	109.5	108
Physical Environment	34.5	36.5	36	36.5	36.5
Transportation	18	18	18	17	15
Culture/Recreation	9	10	12	14	13
Business-Type Activities:					
Utilities	60	63	61	62	58
Stormwater	3	4	5	4	4
Solid Waste	19	19	19	18	18
Municipal Marina	11.5	11.5	12	12.5	12
Visitor Information Center	21.5	21	22.5	22	10.5

Source: City of St. Augustine Human Resources Department

CITY OF ST. AUGUSTINE, FLORIDA

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

FUNCTION	2017	2018	2019	2020	2021
Police					
Physical Arrests	979	1,345	1,222	682	616
Traffic Violations	2,012	1,105	1,968	1,443	2,018
Calls for Service	45,151	44,643	47,262	41,716	27,578
Parking Violations (includes those issued by Parking Enforcement)	11,880	12,835	14,229	6,755	9,170
Fire					
Number of calls answered	4,288	4,235	4,199	4,038	4,923
Inspections	432	218	420	590	634
Pre-fire tours	419	270	475	325	385
Hydrants Flow Tested	303	1,648	18	642	27
Highways and Streets					
New Street Pavings (miles)	-	-	0.48	-	0.12
Streets Resurfaced (miles)	3.7	6.6	5.03	7.48	4.17
Sanitation					
Refuse Collected (tons/day)	68.5	69.7	66.3	75.1	93.9
Recyclables Collected (tons/day)	9.5	10.5	18.9	24.4	27.1
Culture and Recreation					
Field Permits Issued	16	16	24	9	12
Lightner Museum Courtyard Permits Issued			304	310	348
Plaza Permits Issued	30	26	52	22	20
Other Event Permits Issued	52	62	75	43	48
Water					
New Connections	466	397	701	408	306
Average Daily Consumption (thousands of gallons)	3,304	3,225	3,223	3,404	3,348
Wastewater					
Average Daily Usage (thousands of gallons)	3,516	3,955	3,453	3,552	4,075

Source: Various City Departments

CITY OF ST. AUGUSTINE, FLORIDA

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

FUNCTION	2017	2018	2019	2020	2021
Police					
Stations	1	1	1	1	1
Boats	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Vehicles	10	10	10	10	10
Boats	2	2	2	2	1
Sanitation					
Collection Trucks	13	13	13	13	13
Water					
New Feet of Water Mains Added	12,475	10,404	16,958	9,912	8,677
Fire hydrants	1,173	1,177	1,206	1,221	17
Maximum Monthly Average Daily Flow (thousands of gallons)	3,690	3,382	3,629	3,619	3,749
Wastewater					
New Feet of Sanitary Sewer Added	12,306	9,327	3,217	20,485	11,159
New Feet of Storm Sewers Added	1,000	1,192	270	1,296	0
Maximum Monthly Average Daily Flow (thousands of gallons)	5,553	6,417	5,177	5,437	6,014

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, 2021, 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, 2022.

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 & Widy, P.A.
Certified Public Accountants
Jacksonville, Florida

March 31, 2022



**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, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City of St. Augustine, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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, 2022

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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, 2021. 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, 2021.

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.

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

March 31, 2022

CITY OF ST. AUGUSTINE, FLORIDA
Schedule of Findings
and Questioned Costs
For the Year Ended September 30, 2021

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>
Small Cities Community Development Block Grants	14.228
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, 2021

(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, 2021 and have issued our report thereon dated March 31, 2022.

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, 2022, 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 and Management

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 findings and recommendations.

Finding and Recommendation 2021-1 Utility Receivable Detail:

During the audit it was noted the City's detail of utility receivables did not agree to the balance on the general ledger nor was an accurate reconciliation available to identify the difference. Per further inquiry, the City acknowledged that the reconciliation that is normally done monthly between the general ledger and the detail utility receivable report was inadvertently stopped due to an internal communication error. We recommend the City take steps to ensure the general ledger is reconciled to the utility receivable detail on a timely basis to ensure any adjustments are recognized and posted in a timely fashion.

Response:

The City acknowledges the occurrence of the above and has re-established the monthly reconciliation of the utility receivable detail to the general ledger and has begun to make the necessary adjustments to the general ledger to ensure all identified difference are posted timely.

Finding and Recommendation 2021-2 Central Warehouse Inventory test counts:

In performing audit test counts at the central warehouse after the client had completed their physical count it was noted numerous audit test counts did not agree to the clients physical count but did agree to the pre-count that was listed in the inventory software at the inventory date. Upon inquiry of the warehouse employees, there was no explanation as to why the differences existed. Based on the percent of miscounts, it could be concluded that the City did not actually perform a physical count but simply used the count on hand at the inventory date as detailed in the physical count without performing the actual physical. We recommend the City review its handling of physical inventory counts to ensure those counts accurately reflect inventory on hand at the inventory date.

Response:

The City is aware the inventory test counts performed at the central warehouse for audit purposes had a higher than normal error ratio with the City's physical count and will establish procedures and oversight to ensure improvement in the accuracy of the counts moving forward.

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.

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

March 31, 2022