

CITY OF FERNANDINA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

Prepared by:
Finance Department

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CITY OF FERNANDINA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Transmittal Letter.....	i
List of Principal Officials.....	vi
Organizational Chart.....	vii
Certificate of Achievement for Excellence in Financial Reporting.....	viii

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis.....	4

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	15
Statement of Activities.....	16

Fund Financial Statements

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

Required Supplementary Information:

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	60
Schedule of Changes in Net Pension Liability and Related Ratios – General Employees’ Pension Plan	62
Schedule of Changes in Net Pension Liability and Related Ratios – Firefighters’ and Police Officers’ Pension Plan.....	63
Schedule of Contributions – General Employees’ Pension	64
Schedule of Contributions – Firefighters’ and Police Officers’ Pension	65
Schedule of Pension Investment Returns	66
Schedule of the City’s Total OPEB Liability and Related Ratios	67

CITY OF FERNANDINA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS (Continued)

Page

FINANCIAL SECTION (Continued)

Supplementary Information:

Combining and Individual Nonmajor Fund Statements and Schedules

Combining Balance Sheet – Nonmajor Governmental Funds.....	68
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances – Nonmajor Governmental Funds.....	70
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Special Revenue Funds:	
Federal Forfeiture Fund.....	72
Tree Trust Fund.....	73
HDC Fund	74
Community Development Block Grant Fund	75
Land Conservation Trust Fund	76
Building Fees Fund	77
Cemetery Fund.....	78
Community Redevelopment Area Fund	79
Law Enforcement Recovery Fund.....	80
Utility Tax Fund.....	81
Law Enforcement Trust Fund	82
Debt Service Fund:	
Bond Debt Service Fund	83
Capital Project Fund:	
Capital Improvement Fund	84
Capital Expansion Fund.....	85
Other Capital Improvement Fund.....	86
Combining Statement of Net Position – Internal Service Funds.....	87
Combining Statement of Revenues, Expenses, and Changes in Net	
Position – Internal Service Funds.....	88
Combining Statement of Cash Flows – Internal Service Funds.....	89
Combining Statement of Fiduciary Net Position – Pension Trust Funds.....	90
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	91

STATISTICAL SECTION

Net Position by Component.....	92
Changes in Net Position.....	93
Fund Balances, Governmental Funds	95
Changes in Fund Balances, Governmental Funds.....	96

CITY OF FERNANDINA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS (Continued)

Page

STATISTICAL SECTION (Continued)

Tax Revenue by Source, Governmental Activities	97
Assessed and Estimated Actual Value of Taxable Property	98
Property Tax Rates – Direct and Overlapping Governments	99
Principal Property Taxpayers	100
Property Tax Levies and Collections	101
Ratio of Outstanding Debt by Type	102
Ratio of General Bonded Debt Outstanding.....	103
Direct and Overlapping Governmental Activities Debt.....	104
Pledged Revenue Coverage.....	105
Demographic and Economic Statistics	106
Principal Employers.....	107
Full-Time Equivalent Government Employees by Function/Program	108
Operations Indicators by Function/Program.....	109
Capital Assets Statistics by Function.....	110

OTHER REPORTS

Schedule of Expenditures of Federal Awards and State Financial Assistance	111
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>.....	112
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.....	114
Schedule of Findings and Questioned Costs	117
Schedule of Prior Year Findings	119
Independent Auditor’s Management Letter	120
Independent Accountant’s Report – Investment Compliance.....	122
Impact Fee Affidavit.....	123

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Introductory Section

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March 16, 2023

To the Honorable Mayor and City Commissioners:

We are pleased to present the City of Fernandina Beach’s (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. State Law requires that all general-purpose local governments publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements included in this report conform with Generally Accepted Accounting Principles (GAAP) and are audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Mauldin & Jenkins CPA & Advisors, a firm of licensed certified public accountants, has audited the City’s financial statements. The goal of the independent audit was to provide reasonable assurances that the financial statements of the City for the fiscal year ended September 30, 2022, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit and the reports of the auditors, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

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

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

City Profile

The City of Fernandina Beach, incorporated in 1951, is a seaside community located on beautiful Amelia Island in Nassau County, Florida. The island has thirteen miles of beaches on the Atlantic coast with forty access points. The City of Fernandina Beach is rich in history, walkable by design and loaded with culinary delights. The City encompasses an area of approximately twelve square miles, with nearly ten miles of coastline and a population of just under 13,000. The City is conveniently located approximately thirty miles north of Jacksonville and hosts nearly 1,000,000 visitors each year.

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

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

The annual budget serves as the foundation of the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents the proposed budget to the City Commission on or before August 1 of each year. The City Commission is required to hold public hearings on the proposed budget and adopt a final budget by September 30 of each year. The appropriated budget is prepared by fund, function (e.g Public Safety), and department (e.g., Police). The City Manager is authorized to transfer appropriations up to \$24,999; however, any other revisions require approval of the City Commission.

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

Local Economy

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

The City residents and businesses derive a vast majority of their income and revenues from the Trade/Transportation/Utilities and Tourism sectors. This can be attributed in part to the City's coastal location and mild climate. The City's unemployment rate as of September 2022 of 2.4%, which is below the State average of 2.8% and Federal average of 3.3%.

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

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

In fiscal year 2022, the City Commission continued the City's efforts donating funds to several local non-profits. This funding was needed to supply food for the residents with free meals for seniors in crisis and the local food banks for distribution to adults and families in need. Funding was also provided to non-profits specializing in mental health and domestic violence services.

During the fiscal year, the Building Department conducted 14,511 inspections, processed 3,149 building permits, and issued 1,928 business tax licenses. The department is also looking to implement a new permitting software system. This new software is intended to simplify permit applications while providing tracking for residents, contractors, and staff.

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

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

Long Term Financial Planning

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

Major Initiatives

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

- The Commission continues to support the Amelia River waterfront resiliency effort. The City has received a State appropriation for \$1,000,000 to design the next segment of the seawall project. When fully constructed, the seawall will provide enhanced protection from the threats of tidal flooding, sea level rise and storm surge to the City historical downtown district.
- The City secured financing for the Alachua Street construction project. This project will open Alachua Street from N. 2nd Street to N. Front Street. The project required the installation of a new railroad crossing requiring coordination with First Coast Railroad and Florida Department of Transportation. Once completed, this project will create new traffic patterns and ease congestion downtown.
- Federal and state grant funding supported rehabilitation of existing infrastructure and development of new facilities at the City-owned Airport. These projects included the construction of two new hangar buildings (adding six T-hangars) and prepared design and procurement documents for pending rehabilitation of the transient aircraft parking apron.
- The City broke ground on the new Fire Station located at the City's Airport. The new facility will be centrally located to provide better overall response times to a previously underserved area of the community. This facility will provide direct support for aircraft rescue and firefighting and in addition includes a four-story training tower.
- The City solicited bids for the restoration of the existing exterior brick façade for the historic Peck Center (a Rosenwald school) Building. Several grants from the Department of State Historic Preservation were secured for this \$1,500,000 project. In addition to the construction the City was awarded funding for the Peck Center historical exhibition to be permanently located in the facility. The restoration should be completed early next year.

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

Awards and Acknowledgements

The Governments Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fernandina Beach for its annual comprehensive financial report for fiscal year ended September 30, 2021. This is the first time the City of Fernandina Beach has received the award for excellence in financial reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to program standards.

A Certificate of Achievement is valid for a period of one year. We believe our current report conforms to the Certificate of Achievement program requirements, and we will submit it to the Government Finance Officers Association to determine its eligibility for another certificate.

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

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

Respectfully submitted,



Mark Foxworth
Interim City Manager



Pauline Testagrose, CPA
Comptroller

CITY OF FERNANDINA BEACH, FLORIDA

**LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2022**

CITY COMMISSIONERS

Michael A. Lednovich, Mayor

Len Kreger, Vice-Mayor

Bradley Bean

David Sturges

Ronald "Chip" Ross

CITY MANAGER

Dale Martin

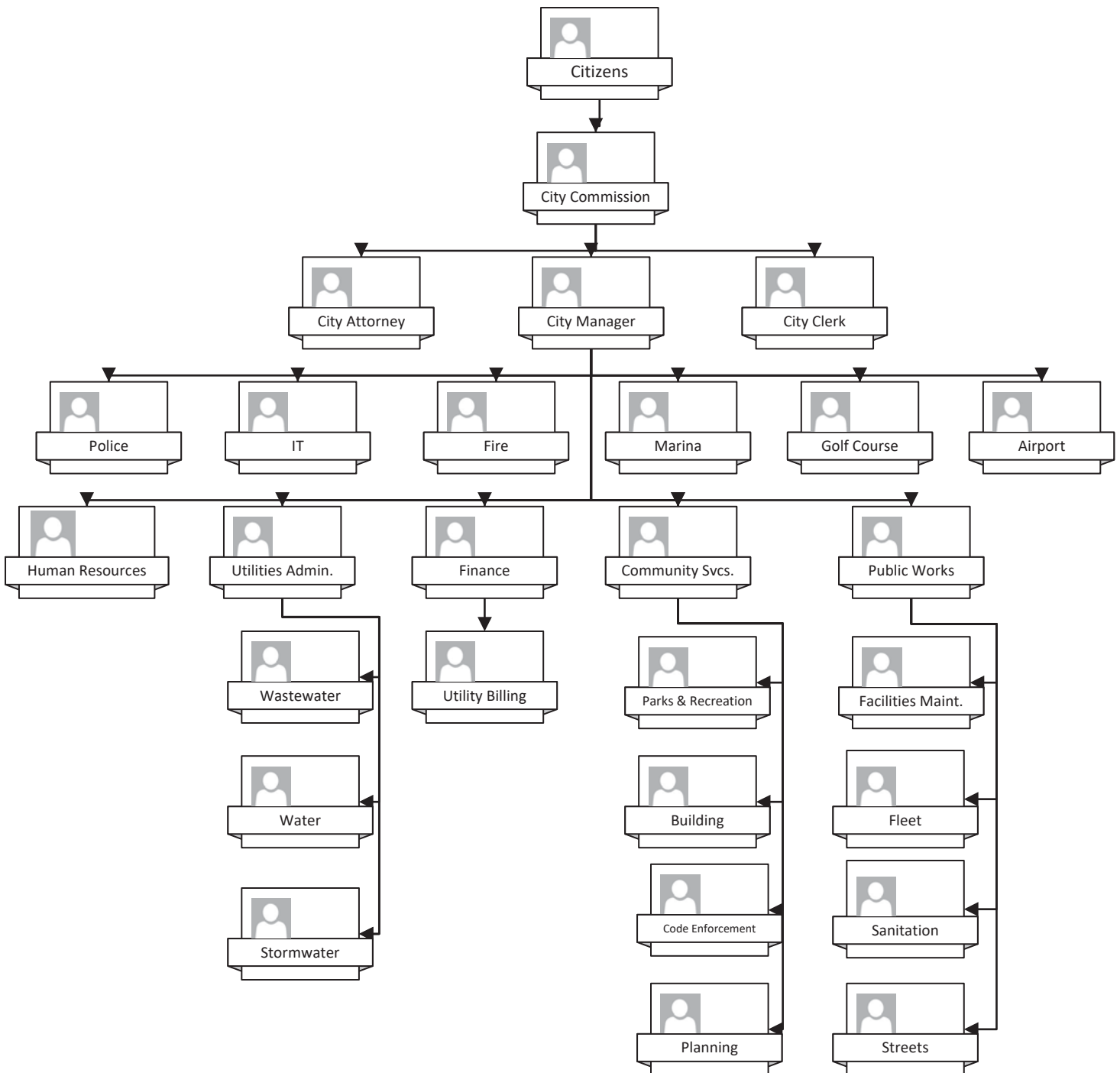
CITY CLERK

Caroline Best

CITY ATTORNEY

Tammi E. Bach

City of Fernandina Beach Organizational Chart



Full-Time: 227

Part-Time: 85

Temporary/Seasonal: 74



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fernandina Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the City Commission,
City of Fernandina Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Fernandina Beach, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information, schedules of net pension liability and related ratios, schedules of contributions, schedule of pension investment returns, and schedule of the City's total OPEB liability and related ratios on pages 60 through 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying combining and individual nonmajor fund statements and schedules and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.



Bradenton, Florida
March 16, 2023

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MANAGEMENT’S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022

The City of Fernandina Beach, Florida’s (the City) financial statements are designed to provide the readers of the financial statements easy to understand information and analysis of the City’s financial activities based on currently known facts, decisions, and conditions. As management of the City, we offer the readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. The Management’s Discussion and Analysis should be read in conjunction with the transmittal letter beginning on page i and the City’s financial statements which immediately follow this discussion.

HIGHLIGHTS

Financial Highlights

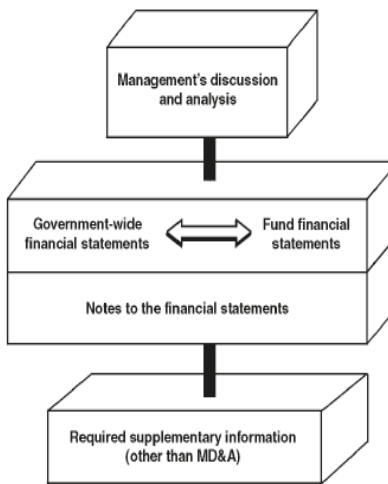
- The City’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$114,530,097. The Unrestricted portion of the City’s Net Position is \$28,188,829. This compares to the Unrestricted Net Position last year of \$19,596,797. Deferred Outflows of Resources due to Pension and OPEB remained relatively flat year over year. Deferred Inflow of Resources increased \$9,835,921 over the last year due to Pension and OPEB of \$4,271,486 and Leases for \$5,564,435. The City implemented GASB 87 – Lease Accounting, which provides the user with improved disclosure for commitments. Liabilities decreased this year versus last year due to a decrease in unearned revenue related to the American Rescue Plan Act funds. The decrease in Noncurrent liabilities - Due in more than one year, is a result of a prepayment of the Marina Capital Improvements Revenue Refunding Note, Series 2021, debt using FEMA reimbursements.
- Revenues from Governmental Activities increased by \$7,776,249 or 25.0% when compared to fiscal year 2021. There was an increase in Charges for Services of \$238,368, Property Taxes of \$520,959, Intergovernmental revenue of \$1,275,606 and a gain on sale of capital assets. Operating Grants and Capital Grants revenue increased by \$5,622,695 due to funding from the American Rescue Plan Act. The changes in fund balance of \$947,131 in the General Fund this year compares to an increase of \$2,490,631 in 2021. Although revenues increased, there was a transfer from the General Fund to the Other Capital Improvements Fund of \$6,595,742 in 2022. The change in fund balance of \$9,128,910 for Total Governmental Funds compares to an excess of \$3,912,468 in 2021, an increase of \$5,216,442. The increase year over year is primarily due to the American Rescue Plan Act funds of \$6,595,742 recognized in fiscal year 2022.
- Business-Type Activities (the City’s enterprise funds) total revenues increased by \$7,913,624 or 34.6%. The Airport Fund revenues decreased (\$2,045,458) due to a decrease in Capital Grants. This decrease was offset by a combined increase in the City’s other Enterprise Funds Operating and Grant revenues of \$9,832,261 and investment income of \$126,821. The most notable increase in operating revenue was in the Marina Fund with an increase of \$2,286,409 over last year for fuel sales and the FEMA reimbursement of \$5,627,398.
- The City decreased the total ad valorem property tax rate from 5.4683 to 5.3330 in 2022. This decrease in millage was the result of the City adopting the adjusted rollback rate. The voter-approved debt was satisfied in 2021 and a millage was not levied in 2022. The adjusted taxable value (comparable) increased \$196.9 million. This was the eighth increase after six years of declining property tax values.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Components of the Financial Section



Government-Wide Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 59 of this report.

Other Information

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Summary of Net position

The following table presents the condensed *Summary* of Net Position for fiscal year 2022 and fiscal year 2021:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2022	FYE 2021	FYE 2022	FYE 2021	FYE 2022	FYE 2021
Current and Other Assets	\$ 36,731,857	\$ 27,479,274	\$ 32,135,072	\$ 23,422,327	\$ 68,866,929	\$ 50,901,601
Capital Assets	32,657,054	29,970,650	69,852,093	68,202,567	102,509,147	98,173,217
Total Assets	69,388,911	57,449,924	101,987,165	91,624,894	171,376,076	149,074,818
Deferred Outflows of Resources	5,030,422	5,230,079	1,358,740	1,260,041	6,389,162	6,490,120
Current Liabilities	2,398,749	4,453,321	2,034,930	1,530,859	4,433,679	5,984,180
Non-Current Liabilities	12,458,237	16,612,307	34,888,852	39,954,324	47,347,089	56,566,631
Total Liabilities	14,856,986	21,065,628	36,923,782	41,485,183	51,780,768	62,550,811
Deferred Inflows of Resources	6,511,105	1,361,525	4,943,267	256,926	11,454,372	1,618,451
Net Position:						
Net Investment in Capital Assets	31,979,561	29,263,400	41,820,253	31,656,480	73,799,814	60,919,880
Restricted	10,987,278	8,949,357	1,554,176	1,929,642	12,541,454	10,878,999
Unrestricted	10,084,403	2,040,093	18,104,426	17,556,704	28,188,829	19,596,797
Total Net Position	\$ 53,051,242	\$ 40,252,850	\$ 61,478,855	\$ 51,142,826	\$ 114,530,097	\$ 91,395,676

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$114,530,097.

The majority of the City's net position (64.4%) reflects its investment in capital assets, less any outstanding related debt and deferred outflow/inflows used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (11.0%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects (restricted assets). The remaining balance of unrestricted net position (24.6%) may be used to meet the City's ongoing obligations to its citizens.

At the end of the current fiscal year, the City can report a positive balance in all three categories on net position for both the business-type activities and for the governmental activities.

There was an overall increase in net position of \$23,134,421 for the current fiscal year. The increase of \$12,798,392 in the governmental activities and \$10,336,029 in business activities is primarily due to an increase in Charges for Services and additional Operating and Capital Grant revenues.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022**

Summary of Activities

The following table presents the condensed Summary of Activities for fiscal year 2022 and fiscal year 2021:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2022	FYE 2021	FYE 2022	FYE 2021	FYE 2022	FYE 2020
REVENUES						
Program Revenues:						
Charges for Services	\$ 6,189,569	\$ 5,951,201	\$ 22,702,827	\$ 19,403,019	\$ 28,892,396	\$ 25,354,220
Operating Grants and Contrib.	7,155,612	1,532,917	0	0	7,155,612	1,532,917
Capital Grants and Contrib.	387,897	434,394	7,667,339	3,180,345	8,055,236	3,614,739
General Revenues:						
Property Taxes	15,473,422	14,952,463			15,473,422	14,952,463
Franchise and Utility Taxes	3,620,897	3,582,576			3,620,897	3,582,576
Sales and Use Taxes	3,756,359	3,098,966			3,756,359	3,098,966
Other Taxes (Insur Premium)	284,463	283,290			284,463	283,290
Local Option Gas Tax	1,040,504	546,417			1,040,504	546,417
Unrest. State Revenue Sharing	372,319	249,366			372,319	249,366
Business Tax	182,467	199,211			182,467	199,211
Investment Earnings	215,968	164,064	312,136	201,634	528,104	365,698
Gain on Sale of capital asset	143,632	51,995	76,084	59,765	219,716	111,760
Total Revenues	38,823,109	31,046,860	30,758,386	22,844,763	69,581,495	53,891,623
EXPENSES						
Program Activities						
Governmental Activities:						
General Government	6,624,029	6,331,488			6,624,029	6,331,488
Public Safety	11,869,832	12,171,877			11,869,832	12,171,877
Physical Environment	162,880	164,652			162,880	164,652
Transportation	2,128,742	2,180,181			2,128,742	2,180,181
Economic Environment	75,432	73,461			75,432	73,461
Human Services	121,025	399,486			121,025	399,486
Culture and Recreation	4,191,941	3,972,297			4,191,941	3,972,297
Interest	49,856	33,009			49,856	33,009
Business-type Activities:						
Airport			1,621,213	1,414,228	1,621,213	1,414,228
Sanitation			3,265,807	2,869,263	3,265,807	2,869,263
Sewer & Water			9,152,170	7,890,975	7,890,975	7,890,975
Marina			4,059,198	2,051,096	4,059,198	2,051,096
Golf			2,186,032	1,603,647	2,186,032	1,603,647
Stormwater			938,917	1,146,349	938,917	1,146,349
Total Expenses	25,223,737	25,326,451	21,223,337	16,975,558	46,447,074	42,302,009
Change in net position						
before transfers	13,599,372	5,720,409	9,535,049	5,869,205	23,134,421	11,589,614
Transfers	(800,980)	485,828	800,980	(485,828)	-	-
Change in Net Position	12,798,392	6,206,237	10,336,029	5,383,377	23,134,421	11,589,614
Net Position, beginning	40,252,850	34,046,613	51,142,826	45,759,449	91,395,676	79,806,062
Net Position, ending	\$ 53,051,242	\$ 40,252,850	\$ 61,478,855	\$ 51,142,826	\$ 114,530,097	\$ 91,395,676

**MANAGEMENT’S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022**

Revenues

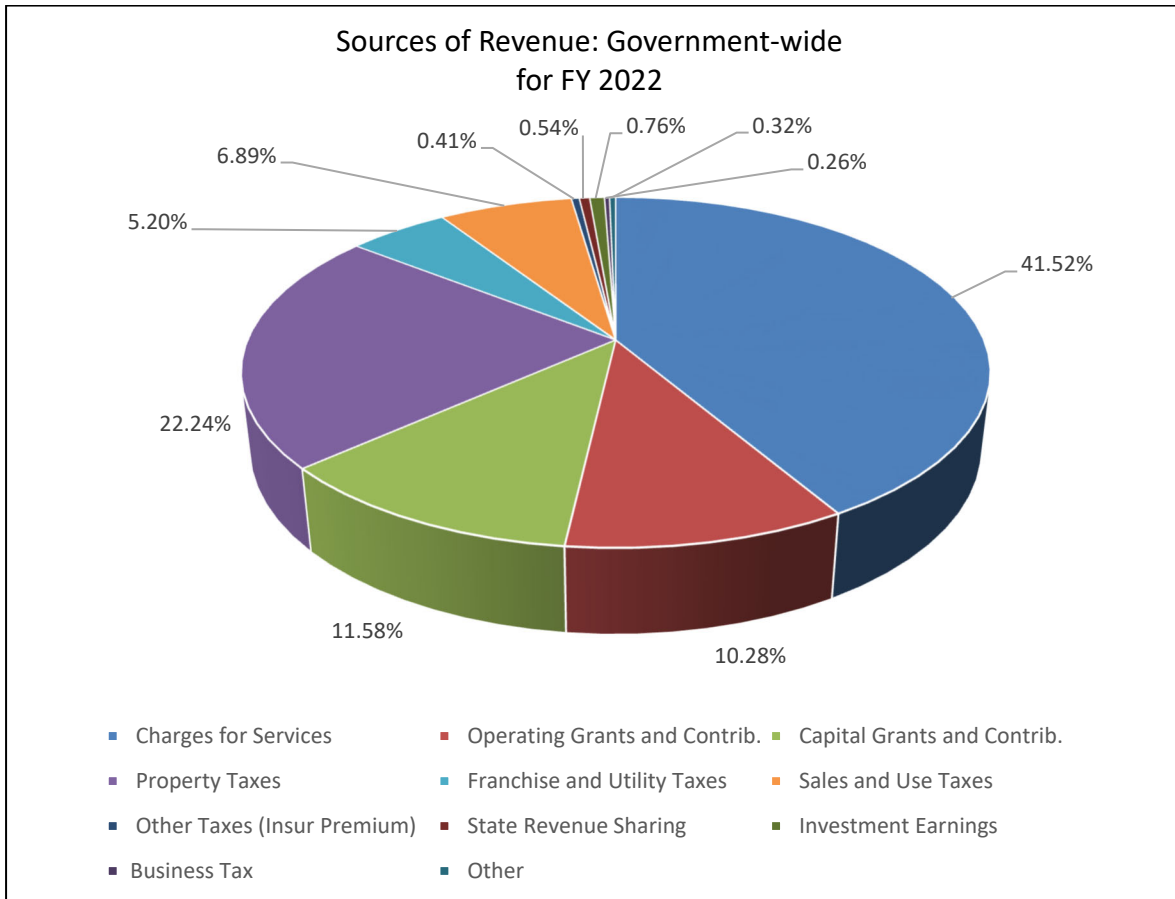
For the fiscal year ended September 30, 2022, revenues from governmental activities totaled \$38,823,109.

The City’s property tax revenue was \$15,473,422, an increase of \$520,959 or 3.5% compared to the previous fiscal year. In the current year, the City adopted the adjusted rollback rate of \$5.3330 mils, which generated \$520,959 in additional revenue. The taxable value increased \$196.9 million on a comparable basis.

Charges for services was \$3,538,176 higher than last year. This increase is primarily due to the City’s Marina fuel operations which began in June of 2021, after damage caused by Hurricane Matthew in 2016.

Operating grants and contributions increased by \$5,622,695 from the prior year due to the receipt of the American Rescue Plan Act funds. The City chose the standard allowance for revenue loss. The federal rule stipulated the funds may be used for payroll and covered benefits for Public Safety Officers such as Police and Fire.

Revenue from capital grants and contributions increased by \$4,440,994 from fiscal 2021, primarily due to contributions received from FEMA for damages at the Marina caused by Hurricane Matthew in 2016.



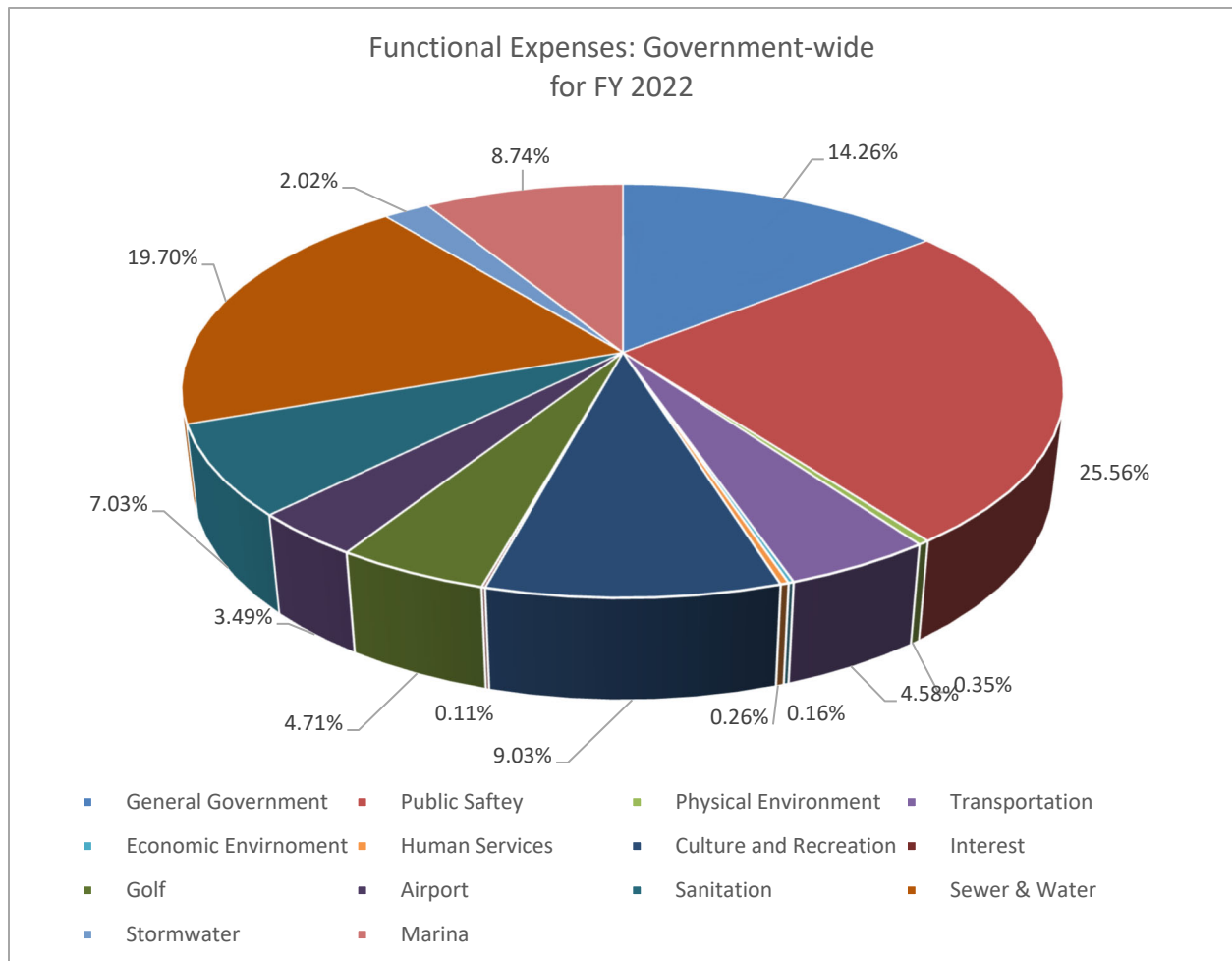
**MANAGEMENT’S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022**

Expenses

For the fiscal year ended September 30, 2022, expenses for governmental activities totaled \$25,223,737, a decrease of (\$102,714) from the prior fiscal year. The increase in expenses due to inflationary price increases and a negotiated mid-year salary increase for bargaining unit employees of \$381,175 was offset by a decrease from 2021 of (\$278,461) in donations to non-profits due to COVID-19 and the pandemic.

Expenses for the City’s business-type activities, which provide water, sewer, sanitation, stormwater services and airport, golf, and marina operations, totaled \$21,223,337. This is an increase of \$4,247,779 which is due primarily to the cost of fuel operations and dredging at the City Marina for \$2,008,102, combined with inflationary price increases and negotiated mid-year salary increases for bargaining unit employees of \$2,239,677.

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



**MANAGEMENT’S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022**

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

For the fiscal year ended September 30, 2022, the governmental funds reflect a combined fund balance of \$32,061,069 an increase of \$9,128,910 compared to the prior year. Approximately 99.2% of this total amount (\$31,808,358) represents spendable fund balance. The remainder of fund balance is non-spendable and not available for new spending because it has already been committed for prepaid items (\$252,711). The Other Governmental Funds fund balance increased by \$2,172,245 primarily due to an increase in the Capital Expansion Fund of \$895,405 from impact fees paid related to growth and a loan in the Community Development Fund of \$1,072,103 for the Alachua Street project. The Capital Improvements Fund had an increase in fund balance of \$1,079,744 due to a delay in the several capital projects. The General Fund had an increase in fund balance of \$947,131, which is due to an increase in revenues of from the American Rescue Plan Act offset by increase in transfers for capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was amended to account for \$6,595,742 in the City’s share of the American Rescue Plan Act funding. The Final Rule offered a standard allowance for revenue loss of \$10 million and the funds could be used for payroll and covered benefits for public safety, public health, health care, human services, and similar employees, including first responders.

	General Fund		
	Original Budget	Final Budget	Actual Amounts
Revenues:			
Taxes, Licenses, and Permits	\$ 20,583,939	\$ 20,583,939	\$ 21,770,968
Intergovernmental	2,400,958	8,996,700	9,012,783
Fines and Forfeitures	26,390	26,390	31,829
Charges for Services	1,566,586	1,566,586	1,636,578
Investment earnings	76,026	76,026	139,775
Miscellaneous revenues	<u>248,901</u>	<u>248,901</u>	<u>412,101</u>
Total	<u>24,902,800</u>	<u>31,498,542</u>	<u>33,004,034</u>
Expenditures	<u>23,455,683</u>	<u>23,570,542</u>	<u>21,603,437</u>
Excess of revenues over (under) expenditures	<u>1,447,117</u>	<u>7,928,000</u>	<u>11,400,597</u>
Other Financing sources (uses):			
Transfers in	540,000	540,000	540,000
Transfers (out)	<u>(4,327,724)</u>	<u>(10,993,466)</u>	<u>(10,993,466)</u>
Total	<u>(3,787,724)</u>	<u>(10,453,466)</u>	<u>(10,453,466)</u>
Net change in Fund Balance	<u>\$ (2,340,607)</u>	<u>\$ (2,525,466)</u>	<u>\$ 947,131</u>

Actual General Fund revenue increased \$1,505,492 when compared to the amended budget. The increases in revenues for the General Fund are directly related to the City’s share of state revenue sharing and utility taxes. Actual General Fund expenses decreased by \$1,967,105 when compared to the amended budget. This favorable variance was due to decreases in general government for \$367,573, public safety for \$707,782, culture and recreation for \$666,689 and all others \$225,061.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022**

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities at the end of the fiscal year 2022 totaled \$102,509,147 (net of accumulated depreciation). Approximately 31.9% or \$32,657,054 is related to governmental activities and includes land, construction in progress, building and improvements, machinery and equipment and infrastructure. Capital assets held by the City at the end of the current fiscal year are summarized as follows:

Capital Assets at Year-End							
(Net of Accumulated depreciation)							
	Governmental Activities		Business-Type		Total		
	2022	2021	2022	2021	2022	2021	
Land	\$ 12,539,763	\$ 12,482,276	\$ 1,546,370	\$ 1,546,370	\$ 14,086,133	\$ 14,028,646	
Construction in Progress	2,163,446	1,217,488	1,740,911	792,280	3,904,357	2,009,768	
Building and Improvements	10,168,762	8,244,027	65,319,361	64,238,232	75,488,123	72,482,259	
Machinery and Equipment	3,677,797	3,839,780	1,245,451	1,625,685	4,923,248	5,465,465	
Infrastructure	4,107,286	4,187,079			4,107,286	4,187,079	
Total	<u>\$ 32,657,054</u>	<u>\$ 29,970,650</u>	<u>\$ 69,852,093</u>	<u>\$ 68,202,567</u>	<u>\$ 102,509,147</u>	<u>\$ 98,173,217</u>	

In the governmental funds major additions included the waterfront resiliency, three police vehicles, additional licenses plate readers, additional police radios, a fire vehicle, a skid steer, new playground equipment for Central Park, grasshopper mowers, two polaris vehicles, and the historic Peck Center windows.

In the business-type funds major additions included golf course equipment, T-hangars at the Airport, three utility vehicles, ground penetrating radar equipment, submersible pumps, and various other utility and stormwater improvement projects.

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

LONG-TERM DEBT

At the end of the fiscal year, the City had total long-term liabilities of \$47,347,089. Of this amount, \$32,639,493 represents bonds and a direct borrowing secured solely by specified revenue sources. More detailed information about the City's long-term debt is presented in Note 8 to the financial statements.

Moody's Investor Services upgraded the City of Fernandina Beach utility system refunding revenue bonds, Series 2013A, to Aa3 from A1. This rating reflects the utility's solid financial position and liquidity supported by ample cash reserves, strong annual debt service coverage and sufficient capacity.

The City refinanced the Marina's two Letters of Credit and the Refunding Note Series 2016B with the Marina Refunding Note Series 2021. A principal payment of \$7,483,663 was made with FEMA reimbursements received during the fiscal year. This reimbursement was for the Marina reconstruction for damage sustained during Hurricane Matthew in 2016.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

According to the Nassau County Property Appraiser the City of Fernandina Beach’s current gross taxable value is \$3,353,070,014. This represents an increase of 11.4% or \$343,182,724 when compared to the prior year. The City’s millage rate of \$5.3330 adopted for fiscal year 2023 is expected to generate \$17,570,498 in Ad Valorem taxes. The above increases are evidence that the outlook for fiscal year 2023 is good.

The state and local economy remains strong despite the effects of the inflationary pressure on consumer goods. The City continues to see new businesses opening, and tourists once again enjoying the City’s historic downtown district and beautiful beaches.

REQUEST FOR INFORMATION

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

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Basic Financial Statements

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CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 31,932,217	\$ 18,597,573	\$ 50,529,790
Accounts receivables, net	705,332	1,627,237	2,332,569
Due from other governments	708,974	1,616,265	2,325,239
Leases receivable	1,573,927	4,066,390	5,640,317
Prepaid items	252,711	307,946	560,657
Inventory	42,224	162,962	205,186
Restricted cash and investments	1,516,472	5,756,699	7,273,171
Capital assets			
Non-depreciable	14,703,209	3,287,281	17,990,490
Depreciable, net	17,953,845	66,564,812	84,518,657
Total assets	69,388,911	101,987,165	171,376,076
Deferred outflows of resources			
Deferred loss on refunding	-	88,711	88,711
Deferred outflows - pensions	4,518,848	1,099,505	5,618,353
Deferred outflows - OPEB	511,574	170,524	682,098
Total deferred outflows of resources	5,030,422	1,358,740	6,389,162
Liabilities			
Accounts payable	2,384,794	1,534,242	3,919,036
Accrued interest payable	13,955	101,496	115,451
Customer deposits payable	-	302,060	302,060
Unearned revenue	-	97,133	97,133
Noncurrent liabilities			
Due within one year	1,220,412	2,911,286	4,131,698
Due in more than one year	11,237,825	31,977,566	43,215,391
Total liabilities	14,856,986	36,923,783	51,780,769
Deferred inflows of resources			
Deferred inflows - leases	1,545,026	4,019,409	5,564,435
Deferred inflows - pensions	4,113,324	639,609	4,752,933
Deferred inflows - OPEB	852,755	284,249	1,137,004
Total deferred inflows of resources	6,511,105	4,943,267	11,454,372
Net position			
Net investment in capital assets	31,979,561	41,820,253	73,799,814
Restricted for			
Building inspection	3,340,125	-	3,340,125
Public safety	71,357	-	71,357
Land conservation	151,177	-	151,177
Community development	1,455,799	-	1,455,799
Debt service	-	150,313	150,313
Capital projects	5,968,820	1,403,863	7,372,683
Unrestricted	10,084,403	18,104,426	28,188,829
Total net position	\$ 53,051,242	\$ 61,478,855	\$ 114,530,097

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs							
Governmental activities							
General government	\$ 6,624,029	\$ 1,472,583	\$ 187,924	\$ 1,000,000	\$ (3,963,522)	\$ -	\$ (3,963,522)
Public safety	11,869,832	1,814,404	6,967,688	-	(3,087,740)	-	(3,087,740)
Physical environment	162,880	1,388,857	-	-	1,225,977	-	1,225,977
Transportation	2,128,742	1,000	-	64,376	(2,063,366)	-	(2,063,366)
Economic environment	75,432	-	-	-	(75,432)	-	(75,432)
Human services	121,025	-	-	-	(121,025)	-	(121,025)
Culture and recreation	4,191,941	1,012,725	-	323,521	(2,855,695)	-	(2,855,695)
Interest on long-term debt	49,856	-	-	-	(49,856)	-	(49,856)
Total governmental activities	25,223,737	5,689,569	7,155,612	1,387,897	(10,990,659)	-	(10,990,659)
Business-type activities							
Airport	1,621,213	888,178	-	771,923	-	38,888	38,888
Sanitation	3,265,807	3,408,896	-	-	-	143,089	143,089
Sewer and water	9,152,170	12,124,398	-	-	-	2,972,228	2,972,228
Marina	4,059,198	3,518,932	-	6,321,961	-	5,781,695	5,781,695
Golf	2,186,032	1,690,005	-	-	-	(496,027)	(496,027)
Stormwater	938,917	1,072,418	-	573,455	-	706,956	706,956
Total business-type activities	21,223,337	22,702,827	-	7,667,339	-	9,146,829	9,146,829
Total primary government	\$ 46,447,074	\$ 28,392,396	\$ 7,155,612	\$ 9,055,236	(10,990,659)	9,146,829	(1,843,830)
General revenues							
Property taxes					15,473,422	-	15,473,422
Franchise and utility taxes					3,620,897	-	3,620,897
Discretionary sales surtax					2,581,374	-	2,581,374
Half-cent sales tax					1,174,985	-	1,174,985
Unrestricted state revenue sharing					372,319	-	372,319
Local option gas tax					540,504	-	540,504
Insurance premium tax					284,463	-	284,463
Business tax					182,467	-	182,467
Investment earnings					215,968	312,136	528,104
Gain on sale of capital assets					143,632	76,084	219,716
Transfers					(800,980)	800,980	-
Total general revenues and transfers					23,789,051	1,189,200	24,978,251
Change in net position					12,798,392	10,336,029	23,134,421
Net position, beginning of year					40,252,850	51,142,826	91,395,676
Net position, end of year					\$ 53,051,242	\$ 61,478,855	\$ 114,530,097

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>Other Capital Improvements Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and investments	\$ 13,319,729	\$ 4,930,806	\$ 1,340,093	\$ 12,110,987	\$ 31,701,615
Accounts receivable, net	705,145	-	-	187	705,332
Due from other governments	141,103	-	500,000	67,871	708,974
Lease receivable	1,573,927	-	-	-	1,573,927
Prepaid items	246,089	-	6,622	-	252,711
Restricted cash and cash equivalents	-	-	500,000	1,016,472	1,516,472
Total assets	<u>\$ 15,985,993</u>	<u>\$ 4,930,806</u>	<u>\$ 2,346,715</u>	<u>\$ 13,195,517</u>	<u>\$ 36,459,031</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,893,334	\$ -	\$ 172,980	\$ 286,622	\$ 2,352,936
Total liabilities	<u>1,893,334</u>	<u>-</u>	<u>172,980</u>	<u>286,622</u>	<u>2,352,936</u>
Deferred inflows of resources					
Lease related	1,545,026	-	-	-	1,545,026
Unavailable revenue	-	-	500,000	-	500,000
Total deferred inflows of resources	<u>1,545,026</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>2,045,026</u>
Fund balances					
Nonspendable					
Prepays	246,089	-	6,622	-	252,711
Restricted for:					
Building inspection	-	-	-	3,340,125	3,340,125
Public safety	2,803	-	-	68,554	71,357
Land conservation	-	-	-	151,177	151,177
Community development	-	-	-	1,455,799	1,455,799
Capital improvements	-	-	-	5,968,820	5,968,820
Committed for:					
Conservation and resource management	-	-	-	474,315	474,315
Historical district trust	-	-	-	90,396	90,396
Cemetery	-	-	-	1,194,503	1,194,503
Emergencies	5,213,387	-	-	-	5,213,387
Assigned for:					
Cemetery	-	-	-	158,640	158,640
Debt service	-	-	-	6,566	6,566
Capital projects	-	4,930,806	1,667,113	-	6,597,919
Subsequent year's budget	2,549,510	-	-	-	2,549,510
Unassigned	4,535,844	-	-	-	4,535,844
Total fund balances	<u>12,547,633</u>	<u>4,930,806</u>	<u>1,673,735</u>	<u>12,908,895</u>	<u>32,061,069</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,985,993</u>	<u>\$ 4,930,806</u>	<u>\$ 2,346,715</u>	<u>\$ 13,195,517</u>	<u>\$ 36,459,031</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total fund balances for governmental funds		\$ 32,061,069
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 75,022,539	
Accumulated depreciation	<u>(42,647,773)</u>	32,374,766
<p>Deferred outflows and deferred inflows are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.</p>		
Deferred outflows - OPEB	511,574	
Deferred inflows - OPEB	(852,755)	
Deferred outflows - pensions	4,518,848	
Deferred inflows - pensions	<u>(4,113,324)</u>	64,343
<p>Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.</p>		
Accrued interest payable	(13,955)	
Compensated absences	(1,269,806)	
Net pension liability	(7,832,977)	
Total OPEB liability	(1,633,027)	
Financed purchase payable	(581,214)	
Notes payable	<u>(1,112,751)</u>	(12,443,730)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.</p>		
		<u>494,794</u>
Net position of governmental activities		<u><u>\$ 53,051,242</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	General Fund	Other Capital Improvements Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 15,357,697	\$ -	\$ -	\$ 115,725	\$ 15,473,422
Other taxes	4,836,860	-	-	-	4,836,860
Licenses and permits	28,533	-	-	1,087,905	1,116,438
Impact fees	-	-	-	1,238,472	1,238,472
Intergovernmental revenues	9,012,783	323,513	121,167	297,159	9,754,622
Charges for services	1,636,578	-	-	168,014	1,804,592
Franchise fees	1,547,878	-	-	-	1,547,878
Fines and forfeitures	31,829	-	-	42,675	74,504
Investment earnings	139,775	19,122	12,232	43,257	214,386
Miscellaneous revenues	412,101	-	500,000	161,158	1,073,259
Total revenues	<u>33,004,034</u>	<u>342,635</u>	<u>633,399</u>	<u>3,154,365</u>	<u>37,134,433</u>
Expenditures					
Current					
General government	5,196,580	19,695	-	124,495	5,340,770
Public safety	11,061,322	-	-	1,171,227	12,232,549
Physical environment	-	-	-	167,966	167,966
Transportation	1,403,805	-	-	-	1,403,805
Economic environment	75,432	-	-	-	75,432
Human services	121,025	-	-	-	121,025
Culture and recreation	3,427,939	-	-	-	3,427,939
Debt service					
Principal retirement	-	-	126,036	37,249	163,285
Interest	-	-	20,372	32,306	52,678
Capital outlay	317,334	1,988,892	2,294,955	785,210	5,386,391
Total expenditures	<u>21,603,437</u>	<u>2,008,587</u>	<u>2,441,363</u>	<u>2,318,453</u>	<u>28,371,840</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,400,597</u>	<u>(1,665,952)</u>	<u>(1,807,964)</u>	<u>835,912</u>	<u>8,762,593</u>
Other financing sources (uses)					
Proceeds from the sale of capital assets	-	-	-	37,297	37,297
Issuance of revenue note	-	-	-	1,150,000	1,150,000
Transfers in	540,000	6,595,742	2,887,708	149,036	10,172,486
Transfers out	(10,993,466)	-	-	-	(10,993,466)
Total other financing sources (uses)	<u>(10,453,466)</u>	<u>6,595,742</u>	<u>2,887,708</u>	<u>1,336,333</u>	<u>366,317</u>
Change in fund balances	947,131	4,929,790	1,079,744	2,172,245	9,128,910
Fund balances, beginning of year	<u>11,600,502</u>	<u>1,016</u>	<u>593,991</u>	<u>10,736,650</u>	<u>22,932,159</u>
Fund balances, end of year	<u>\$ 12,547,633</u>	<u>\$ 4,930,806</u>	<u>\$ 1,673,735</u>	<u>\$ 12,908,895</u>	<u>\$ 32,061,069</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, 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, 2022**

Net change in fund balances – total governmental funds \$ 9,128,910

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 these assets is depreciated over their estimated useful lives.

Capital outlay	\$ 5,240,928	
Less current year depreciation	(2,505,516)	2,735,412

The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.	(3,005)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance 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 those differences in the treatment of long-term debt and related items.

Repayment of principal of long-term debt	163,285
Debt proceeds	(1,150,000)

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:

Pension expense	1,484,180	
Change in total OPEB liability and deferred items	(29,981)	
Change in accrued interest	2,822	
Change in compensated absences	(115,265)	1,341,756

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

82,034

Change in net position of governmental activities **\$ 12,798,392**

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Assets								
Current assets								
Cash and investments	\$ 799,495	\$ 271,284	\$ 17,123,396	\$ 301	\$ -	\$ 34,882	\$ 18,229,358	\$ 598,817
Accounts receivable, net	66,095	363,424	1,035,504	50,870	104,249	-	1,620,142	7,095
Due from other governments	218,902	-	-	670,363	727,000	-	1,616,265	-
Due from other funds	-	-	393,043	-	-	-	393,043	-
Leases receivable	239,432	-	-	-	-	-	239,432	-
Prepays	330	-	2,438	301,549	1,200	425	305,942	2,004
Inventory	-	-	61,719	62,814	-	38,429	162,962	42,224
Total current assets	<u>1,324,254</u>	<u>634,708</u>	<u>18,616,100</u>	<u>1,085,897</u>	<u>832,449</u>	<u>73,736</u>	<u>22,567,144</u>	<u>650,140</u>
Noncurrent assets								
Due from other funds - advances	-	-	5,480,792	-	-	-	5,480,792	-
Restricted cash and investments	3,826,861	62,205	1,833,508	-	34,125	-	5,756,699	-
Leases receivable	3,826,958	-	-	-	-	-	3,826,958	-
Capital assets, non-depreciable	1,227,480	-	607,238	1,085,718	78,593	288,252	3,287,281	4,040
Capital assets, net	<u>18,996,320</u>	<u>112,414</u>	<u>27,887,023</u>	<u>11,382,733</u>	<u>6,726,854</u>	<u>1,457,420</u>	<u>66,562,764</u>	<u>280,296</u>
Total noncurrent assets	<u>27,877,619</u>	<u>174,619</u>	<u>35,808,561</u>	<u>12,468,451</u>	<u>6,839,572</u>	<u>1,745,672</u>	<u>84,914,494</u>	<u>284,336</u>
Total assets	<u>29,201,873</u>	<u>809,327</u>	<u>54,424,661</u>	<u>13,554,348</u>	<u>7,672,021</u>	<u>1,819,408</u>	<u>107,481,638</u>	<u>934,476</u>
Deferred outflows of resources								
Deferred loss on refunding	-	-	88,711	-	-	-	88,711	-
Deferred outflows - pensions	50,864	32,082	760,027	-	98,046	158,486	1,099,505	-
Deferred outflows - OPEB	6,435	6,435	119,045	-	19,304	19,305	170,524	-
Total deferred outflows of resources	<u>57,299</u>	<u>38,517</u>	<u>967,783</u>	<u>-</u>	<u>117,350</u>	<u>177,791</u>	<u>1,358,740</u>	<u>-</u>

(Continued)

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Liabilities								
Current liabilities								
Accounts payable and accrued liabilities	\$ 517,705	\$ 273,481	\$ 334,030	\$ 266,993	\$ 19,809	\$ 86,707	\$ 1,498,725	\$ 67,375
Revenue bonds, financed purchases and notes payable	293,656	-	1,803,000	455,000	104,608	-	2,656,264	-
Accrued interest	9,705	-	79,208	6,601	5,982	-	101,496	-
Customer deposits payable	23,550	62,205	200,123	-	16,182	-	302,060	-
Due to other funds	-	-	-	-	393,043	-	393,043	-
Unearned revenue	10,766	-	-	33,546	-	52,821	97,133	-
Compensated absences	55,210	2,405	100,800	-	19,034	22,854	200,303	83,181
Total current liabilities	<u>910,592</u>	<u>338,091</u>	<u>2,517,161</u>	<u>762,140</u>	<u>558,658</u>	<u>162,382</u>	<u>5,249,024</u>	<u>150,556</u>
Noncurrent liabilities								
Due to other funds - advances	-	-	-	4,072,282	-	1,408,510	5,480,792	-
Revenue bonds, financed purchases and notes payable, net of current portion	5,386,592	-	20,810,467	2,778,028	292,511	-	29,267,598	-
Net pension liability	100,185	63,190	1,496,977	-	193,114	312,159	2,165,625	-
Total OPEB liability	<u>20,541</u>	<u>20,541</u>	<u>380,013</u>	<u>-</u>	<u>61,624</u>	<u>61,624</u>	<u>544,343</u>	<u>-</u>
Total non-current liabilities	<u>5,507,318</u>	<u>83,731</u>	<u>22,687,457</u>	<u>6,850,310</u>	<u>547,249</u>	<u>1,782,293</u>	<u>37,458,358</u>	<u>-</u>
Total liabilities	<u>6,417,910</u>	<u>421,822</u>	<u>25,204,618</u>	<u>7,612,450</u>	<u>1,105,907</u>	<u>1,944,675</u>	<u>42,707,382</u>	<u>150,556</u>
Deferred inflows of resources								
Lease related	4,019,409	-	-	-	-	-	4,019,409	-
Deferred inflows - pension	29,589	18,663	442,127	-	57,035	92,195	639,609	-
Deferred inflows - OPEB	10,726	10,726	198,439	-	32,179	32,179	284,249	-
Total deferred inflows of resources	<u>4,059,724</u>	<u>29,389</u>	<u>640,566</u>	<u>-</u>	<u>89,214</u>	<u>124,374</u>	<u>4,943,267</u>	<u>-</u>
Net position								
Net investment in capital assets	18,346,863	112,414	5,969,505	9,235,423	6,408,328	1,745,672	41,818,205	284,336
Restricted for								
Debt service	-	-	150,313	-	-	-	150,313	-
Capital improvements	-	-	1,403,863	-	-	-	1,403,863	-
Unrestricted	<u>434,675</u>	<u>284,219</u>	<u>22,023,579</u>	<u>(3,293,525)</u>	<u>185,922</u>	<u>(1,817,522)</u>	<u>17,817,348</u>	<u>499,584</u>
Total net position	<u>\$ 18,781,538</u>	<u>\$ 396,633</u>	<u>\$ 29,547,260</u>	<u>\$ 5,941,898</u>	<u>\$ 6,594,250</u>	<u>\$ (71,850)</u>	<u>61,189,729</u>	<u>\$ 783,920</u>
Adjustment to reflect the consolidation of internal service fund activities							289,126	
Total net position of business-type activities							<u>\$ 61,478,855</u>	

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Operating revenues								
Charges for services	\$ 4,816	\$ 3,322,325	\$ 10,686,167	\$ -	\$ 927,372	\$ 1,690,005	\$ 16,630,685	\$ 2,046,820
Fees, rentals and miscellaneous	883,362	86,571	430,578	3,518,932	145,046	-	5,064,489	4,295
Total operating revenues	<u>888,178</u>	<u>3,408,896</u>	<u>11,116,745</u>	<u>3,518,932</u>	<u>1,072,418</u>	<u>1,690,005</u>	<u>21,695,174</u>	<u>2,051,115</u>
Operating expenses								
Personnel services and benefits	209,712	165,747	2,183,100	-	401,354	1,247,869	4,207,782	1,231,907
Materials, supplies and other	297,992	3,067,516	3,054,332	3,490,439	122,468	701,687	10,734,434	912,914
Depreciation and amortization	997,397	32,544	1,925,484	304,029	401,569	236,476	3,897,499	53,898
Total operating expenses	<u>1,505,101</u>	<u>3,265,807</u>	<u>7,162,916</u>	<u>3,794,468</u>	<u>925,391</u>	<u>2,186,032</u>	<u>18,839,715</u>	<u>2,198,719</u>
Operating income (loss)	<u>(616,923)</u>	<u>143,089</u>	<u>3,953,829</u>	<u>(275,536)</u>	<u>147,027</u>	<u>(496,027)</u>	<u>2,855,459</u>	<u>(147,604)</u>
Nonoperating revenues (expenses)								
Investment earnings	127,598	1,475	177,472	2,148	-	-	308,693	5,025
Gain (loss) on disposal of capital assets	-	-	80,250	-	5,700	(9,866)	76,084	109,340
Interest expense	(116,112)	-	(882,885)	(264,730)	(13,526)	-	(1,277,253)	-
Total nonoperating revenues, net	<u>11,486</u>	<u>1,475</u>	<u>(625,163)</u>	<u>(262,582)</u>	<u>(7,826)</u>	<u>(9,866)</u>	<u>(892,476)</u>	<u>114,365</u>
Income (loss) before contributions and transfers	(605,437)	144,564	3,328,666	(538,118)	139,201	(505,893)	1,962,983	(33,239)
Capital grants and contributions	771,923	-	-	6,321,961	573,455	-	7,667,339	-
Transfers								
Transfers in	275,000	60,000	-	925,980	-	100,000	1,360,980	20,000
Transfers out	-	(20,000)	(540,000)	-	-	-	(560,000)	-
Total transfers	<u>275,000</u>	<u>40,000</u>	<u>(540,000)</u>	<u>925,980</u>	<u>-</u>	<u>100,000</u>	<u>800,980</u>	<u>20,000</u>
Change in net position	441,486	184,564	2,788,666	6,709,823	712,656	(405,893)	10,431,302	(13,239)
Total net position, beginning of year	<u>18,340,052</u>	<u>212,069</u>	<u>26,758,594</u>	<u>(767,925)</u>	<u>5,881,594</u>	<u>334,043</u>		<u>797,159</u>
Total net position, end of year	<u>\$ 18,781,538</u>	<u>\$ 396,633</u>	<u>\$ 29,547,260</u>	<u>\$ 5,941,898</u>	<u>\$ 6,594,250</u>	<u>\$ (71,850)</u>		<u>\$ 783,920</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.							(95,273)	
Changes in net position of business-type activities							<u>\$ 10,336,029</u>	

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Stormwater Fund	Nonmajor Golf Course Fund	Total	Internal Service Funds
Cash flows from operating activities								
Cash received from customers	\$ 718,003	\$ 3,389,411	\$ 11,105,128	\$ 4,884,196	\$ 577,705	\$ 1,609,045	\$ 22,283,488	\$ -
Cash received for interfund services	-	-	-	-	-	-	-	2,051,616
Cash paid to suppliers for goods and services	190,717	(3,007,831)	(2,821,574)	(3,739,011)	(246,983)	(644,696)	(10,269,378)	(883,621)
Cash paid to employees for services and benefits	(226,385)	(132,513)	(2,249,901)	-	(402,659)	(994,374)	(4,005,832)	(1,217,801)
Net cash provided (used in) by operating activities	<u>682,335</u>	<u>249,067</u>	<u>6,033,653</u>	<u>1,145,185</u>	<u>(71,937)</u>	<u>(30,025)</u>	<u>8,008,278</u>	<u>(49,806)</u>
Cash flows from noncapital financing activities								
Transfer to other funds	-	(21,195)	(540,000)	(317,979)	358,575	-	(520,599)	-
Transfer from other funds	275,000	60,000	(87,703)	925,980	-	148,302	1,321,579	20,000
Net cash provided by (used in) noncapital financing activities	<u>275,000</u>	<u>38,805</u>	<u>(627,703)</u>	<u>608,001</u>	<u>358,575</u>	<u>148,302</u>	<u>800,980</u>	<u>20,000</u>
Cash flows from capital and related financing activities								
Acquisition and construction of capital assets	(2,361,273)	-	(2,037,639)	(443,548)	(731,772)	(88,159)	(5,662,391)	(4,039)
Cash received from sale of capital assets	-	-	178,879	-	5,700	3,014	187,593	109,340
Principal paid on bonds and notes payable	(240,752)	-	(1,724,000)	(7,353,972)	(101,485)	-	(9,420,209)	-
Proceeds from issuance of notes payable	4,850,000	-	-	-	-	-	4,850,000	-
Interest paid	(108,986)	-	(1,030,258)	(279,744)	(15,088)	-	(1,434,076)	-
Capital contributions	771,923	-	-	6,321,961	573,455	-	7,667,339	-
Net cash provided by (used in) capital and related financing activities	<u>2,910,912</u>	<u>-</u>	<u>(4,613,018)</u>	<u>(1,755,303)</u>	<u>(269,190)</u>	<u>(85,145)</u>	<u>(3,811,744)</u>	<u>105,301</u>
Cash flows from investing activities								
Interest received	127,598	1,475	177,472	2,148	-	-	308,693	5,025
Net cash provided by investing activities	<u>127,598</u>	<u>1,475</u>	<u>177,472</u>	<u>2,148</u>	<u>-</u>	<u>-</u>	<u>308,693</u>	<u>5,025</u>
Net change	3,995,845	289,347	970,404	31	17,448	33,132	5,306,207	80,520
Cash and investments, beginning of year	630,511	44,142	17,986,500	270	16,677	1,750	18,679,850	518,297
Cash and investments, end of year	\$ 4,626,356	\$ 333,489	\$ 18,956,904	\$ 301	\$ 34,125	\$ 34,882	\$ 23,986,057	\$ 598,817
Cash and cash equivalents classified as								
Cash and investments	\$ 799,495	\$ 271,284	\$ 17,123,396	\$ 301	\$ -	\$ 34,882	\$ 18,229,358	\$ 598,817
Restricted cash and investments	3,826,861	62,205	1,833,508	-	34,125	-	5,756,699	-
Total cash and investments	<u>\$ 4,626,356</u>	<u>\$ 333,489</u>	<u>\$ 18,956,904</u>	<u>\$ 301</u>	<u>\$ 34,125</u>	<u>\$ 34,882</u>	<u>\$ 23,986,057</u>	<u>\$ 598,817</u>

(Continued)

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Stormwater Fund	Nonmajor Golf Course Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities								
Operating income (loss)	\$ (616,923)	\$ 143,089	\$ 3,953,829	\$ (275,536)	\$ 147,027	\$ (496,027)	\$ 2,855,459	\$ (147,604)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:								
Depreciation	997,397	32,544	1,925,484	304,029	401,569	236,476	3,897,499	53,898
Change in operating assets and liabilities:								
(Increase) decrease in assets:								
Accounts receivable	(3,227)	(37,549)	(49,229)	44,391	(6,518)	465	(51,667)	501
Leases receivable	232,867	-	-	-	-	-	232,867	-
Due from other governments	(70,247)	-	-	1,288,453	(487,700)	-	730,506	-
Prepays	857	-	(2,018)	(29,319)	(1,200)	5,149	(26,531)	204
Inventory	-	-	(33,766)	(32,397)	-	3,148	(63,015)	(184)
Deferred outflows - pension	9,532	(15,498)	1,207	-	10,566	(136,083)	(130,276)	-
Deferred outflows - OPEB	1,994	(2,221)	28,449	-	(2,448)	(2,449)	23,325	-
Increase (decrease) in liabilities:								
Accounts payable	487,852	59,685	268,542	(186,856)	(123,315)	48,694	554,602	29,273
Unearned revenue	(49,120)	-	-	32,420	-	(81,425)	(98,125)	-
Compensated absences payable	6,908	(896)	19,224	-	5,993	20,197	51,426	14,106
Customer deposits	(600)	18,064	37,612	-	(495)	-	54,581	-
Deferred inflows - leases	(279,848)	-	-	-	-	-	(279,848)	-
Deferred inflows - pension	23,696	17,045	367,852	-	46,438	90,009	545,040	-
Deferred inflows - OPEB	3,667	7,196	74,907	-	18,061	18,061	121,892	-
Net pension liability	(57,186)	19,979	(486,519)	-	(89,889)	253,786	(359,829)	-
Total OPEB liability	(5,284)	7,629	(71,921)	-	9,974	9,974	(49,628)	-
Net cash provided by (used in) operating activities	<u>\$ 682,335</u>	<u>\$ 249,067</u>	<u>\$ 6,033,653</u>	<u>\$ 1,145,185</u>	<u>\$ (71,937)</u>	<u>\$ (30,025)</u>	<u>\$ 8,008,278</u>	<u>\$ (49,806)</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 1,462,981
Receivables/prepays	
Employer and employee contributions	776,624
Prepaid items	279,608
Interest receivable	64,616
Total receivables	1,120,848
Investments, at fair value	
U.S. government and agency securities	1,110,640
Mortgages and federal agency securities	4,658,095
Corporate bonds	3,846,966
Real estate fund	6,934,284
Equity securities	34,508,536
Total investments	51,058,521
Total assets	\$ 53,642,350
Liabilities	
Accounts payable	\$ 45,012
Total liabilities	45,012
Net position	
Restricted for pension benefits - active and retired members' benefits	53,597,338
Total liabilities and net position	\$ 53,642,350

The accompanying notes to financial statements are an integral part of this statement.

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Pension Trust Funds
Additions	
Contributions	
City	\$ 2,923,270
Employees	900,463
State of Florida	284,463
Total contributions	4,108,196
Investment income (loss)	
Interest and dividends	1,175,369
Net depreciation in the fair value of investments	(10,715,835)
Less: investment expense	(252,802)
Net investment loss	(9,793,268)
Total additions	(5,685,072)
Deductions	
Pension benefits	3,611,522
Administrative expenses	127,771
Total deductions	3,739,293
Change in net position	(9,424,365)
Net position, restricted for pension benefits	
Beginning of year	63,021,703
End of year	\$ 53,597,338

The accompanying notes to financial statements are an integral part of this statement.

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CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

The City also has two single-employer defined benefit pension plans. The General Employees Pension Plan is administered by a Board of Trustees established by City Ordinance. The Board of Trustees is comprised of two Commission appointees, two members elected by the membership, and a fifth member elected by the other four and appointed by the Commission. The Firefighters’ and Police Officers’ Pension Plan is administered by a Board of Trustees established by City Ordinance. The Board consists of five trustees, two of which are appointed by the City Commission, one must be a police officer elected by a majority of the member police officers, one member must be a firefighter elected by the majority of the member firefighters, and the fifth member is elected by the other four members and appointed by the City Commission. The Plans are reported as fiduciary component units in accordance with Governmental Accounting Standards Board Statement Number 84.

B. Government-Wide and Fund Financial Statements

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Other Capital Improvements Fund* accounts for the resources accumulated for capital improvements, equipment purchases, and repairs and renovations with respect to funds received by the City under various grant programs.
- The *Capital Improvement Fund* accounts for the resources accumulated for major capital improvements, major equipment purchases, and major repairs and renovations.

The City reports the following major proprietary funds:

- The *Airport Fund* accounts for the activities of the government's airport operations.
- The *Sanitation Fund* accounts for the activities of the government's sanitation operations.
- The *Sewer and Water Fund* accounts for the activities of the government's water distribution and sewer collection operations.
- The *Marina Fund* accounts for the activities of the government's marina operations.
- The *Stormwater Fund* was formed due to the critical need for improvements to the City's storm drains, drainage system and the development of a comprehensive plan for stormwater so that the City would be prepared to comply with future state and federal requirements. The Stormwater Department is responsible for finding solutions to existing flooding and drainage problems in City streets, as well as maintenance and improvement to the existing drainage systems. The Stormwater Management staff is also responsible for reviewing all construction plans for commercial projects, residential developments, parking lots and storm drainage systems throughout the City.

Additionally, the City reports the following fund types:

- The *internal services funds* account for fleet management, utility billing services, and utility administration services provided to other departments or agencies of the City on a cost reimbursement basis.
- The *pension trust funds* account for the activities of the General Employees' Pension and the Firefighters' and Police Officers' Pension Plans, which accumulate resources for defined benefit payments to qualified employees.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Investments

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

Receivables and Payables

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

Leases

Lessor – The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and deferred inflow of resources in the fund level and government-wide financial statements. The City recognizes lease receivables with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the commencement. Subsequently, the deferred inflow of resources is amortized on a straight-line basis and recognized as revenue over the lease term.

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate stated in the agreement as the discount rate. When the interest rate charged is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option prices that the lease vendor is reasonably certain to exercise.

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

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

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

Assets	Years
Buildings and improvements	15 - 30
Infrastructure	15 - 60
Vehicles	5
Office equipment	10
Computer equipment	5

Compensated Absences

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-Term Liabilities

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

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

Deferred Inflows/Outflows of Resources

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Pensions

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

Net Position

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

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

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

Fund Balance

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 – PROPERTY TAX CALENDAR

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

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

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

- The City Manager is responsible for preparation and submission of a proposed budget to the Commission no later than August 1. The budget includes proposed expenditures and the means to finance them.
- Public hearings are held to obtain taxpayer comments.
- On or before the last day of the fiscal year, the budget is adopted by ordinance.
- The City Manager is authorized to transfer part or all of any unencumbered appropriation balance among programs within a department not to exceed \$25,000. Additionally, the City Manager is authorized to transfer part or all of any unencumbered appropriation balance from one division to another not to exceed \$15,000.
- Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

A detailed budgetary comparison schedule in sufficient detail to demonstrate compliance at the legal level of budgetary control may be found at <https://www.fbfl.us/84/finance> or by contacting the City's Comptroller at City of Fernandina Beach, 204 Ash Street, Fernandina Beach, Florida 32034.

NOTE 4 – CASH AND INVESTMENTS

At year-end, the carrying amount of the City's cash deposits was \$46,133,976 and the bank balance was \$45,416,797. The bank balance was covered by federal depository insurance or by collateral held by the City's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of Federal Deposit Insurance Corporation (FDIC) coverage in accordance with the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes.

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The total cash and investment balances of the City at September 30, 2022 are comprised of the following items:

<u>Cash</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>
Petty cash	\$ 4,490	N/A	N/A
Public depository accounts			
Checking	45,416,797	N/A	N/A
Total cash and cash equivalents	<u>45,421,287</u>		
<u>Investments</u>			
Investment with State Board of Administration:			
Florida PRIME (S&P Rating)	6,274,880	AAAm	Less than 1 year
Certificates of deposit	6,106,794	Unrated	Less than 1 year
Total investments	<u>12,381,674</u>		
Total cash and investments	<u>\$ 57,802,961</u>		

Amounts as presented on the entity wide statement of net position:

Cash and investments	\$ 50,529,790
Restricted cash and investments	7,273,171
Total cash and investments	<u>\$ 57,802,961</u>

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

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

Restricted Cash

Restricted cash and cash equivalents at September 30, 2022 in the enterprise funds are as follows:

<u>Fund</u>	<u>Customer Deposits</u>	<u>Renewal and Replacement</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Impact Fees</u>	<u>Total</u>
Capital improvement	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000
Community redevelopment	-	-	-	1,016,472	-	1,016,472
Sanitation	62,205	-	-	-	-	62,205
Sewer and water	200,123	200,000	229,522	-	1,203,863	1,833,508
Stormwater	16,182	-	-	17,943	-	34,125
Airport	23,550	-	-	3,803,311	-	3,826,861
Total	<u>\$ 302,060</u>	<u>\$ 200,000</u>	<u>\$ 229,522</u>	<u>\$ 5,337,726</u>	<u>\$ 1,203,863</u>	<u>\$ 7,273,171</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Pension Investments

The City’s pension trust funds contain cash and money market funds of \$1,462,981. Listed below are the investments and maturities in the City’s pension trust funds at September 30, 2022:

Investment Type	Fair Value	Investment Maturity (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Equities	\$34,508,536	\$ 34,508,536	\$ -	\$ -	\$ -
Mortgages	4,658,095	-	778,223	84,672	3,795,200
U.S. government securities	1,110,640	-	488,168	622,472	-
Corporate bonds	3,846,966	-	1,465,520	1,558,663	822,783
Real estate fund	6,934,284	6,934,284	-	-	-
Totals	<u>\$51,058,521</u>	<u>\$ 41,442,820</u>	<u>\$ 2,731,911</u>	<u>\$ 2,265,807</u>	<u>\$ 4,617,983</u>

Authorized Investments

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

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

Florida Statute, 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. Throughout the year and as of September 30, 2022, the pools contained certain floating and adjustable-rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates.

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

Equities

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Fixed Income

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

Money Market

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

Risk Disclosure

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

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

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

Investment Type	Fair Value	Credit Rating				
		Unrated	AA	A	BBB	BB
Equities	\$34,508,536	\$ 34,508,536	\$ -	\$ -	\$ -	\$ -
Mortgages	4,658,095	-	4,658,095	-	-	-
U.S. government securities	1,110,640	-	1,110,640	-	-	-
Corporate bonds	3,846,966	802,392	113,088	1,369,836	1,468,823	92,827
Real estate fund	6,934,284	6,934,284	-	-	-	-
Totals	<u>\$51,058,521</u>	<u>\$ 42,245,212</u>	<u>\$ 5,881,823</u>	<u>\$ 1,369,836</u>	<u>\$ 1,468,823</u>	<u>\$ 92,827</u>

Fair Value Measurements

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The fair value measurements for the City's pension trust fund investments are as follows at September 30, 2022:

<u>Investment</u>	<u>Fair Value Hierarchy</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$34,508,536	\$34,508,536	\$ -	\$ -
Mortgages	4,658,095	-	4,658,095	-
U.S. government securities	1,110,640	1,110,640	-	-
Corporate bonds	3,846,966	-	3,846,966	-
Total investments at fair value level	<u>\$44,124,237</u>	<u>\$35,619,176</u>	<u>\$ 8,505,061</u>	<u>\$ -</u>

<u>Investments Measured at Net Asset Value (NAV)</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Real estate fund	\$ 6,934,284	\$ -	Quarterly	10 business days
Total investments	<u>\$51,058,521</u>			

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

NOTE 5 – RECEIVABLES

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

	<u>Accounts Receivable</u>	<u>Taxes Receivable</u>	<u>Leases Receivable</u>	<u>Allowance</u>	<u>Net Total Receivables</u>
Governmental Activities					
General	\$1,086,074	\$ 120,890	\$ 1,573,927	\$ (501,819)	\$2,279,072
	<u>\$1,086,074</u>	<u>\$ 120,890</u>	<u>\$ 1,573,927</u>	<u>\$ (501,819)</u>	<u>\$2,279,072</u>
	<u>Accounts Receivable</u>	<u>Unbilled Receivable</u>	<u>Leases Receivable</u>	<u>Allowance</u>	<u>Net Total Receivables</u>
Business-Type Activities					
Airport	\$ 71,131	\$ -	\$ 4,066,390	\$ (5,036)	\$4,132,485
Sanitation	201,498	191,445	-	(29,519)	363,424
Sewer and water	580,399	540,121	-	(85,016)	1,035,504
Stormwater	60,844	52,315	-	(8,910)	104,249
Marina	53,833	-	-	(2,963)	50,870
Internal service:					
Utility billing	7,095	-	-	-	7,095
	<u>\$ 974,800</u>	<u>\$ 783,881</u>	<u>\$ 4,066,390</u>	<u>\$ (131,444)</u>	<u>\$5,693,627</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	<u>Balance October 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30</u>
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 12,482,276	\$ 57,487	\$ -	\$ -	\$ 12,539,763
Construction in progress	1,217,488	4,114,405	(12,571)	(3,155,876)	2,163,446
Total capital assets, not being depreciated	<u>13,699,764</u>	<u>4,171,892</u>	<u>(12,571)</u>	<u>(3,155,876)</u>	<u>14,703,209</u>
Capital assets, being depreciated					
Buildings and improvements	21,449,130	9,499	-	2,742,715	24,201,344
Equipment, furniture, fixtures and vehicles	12,325,773	1,050,357	(550,191)	59,798	12,885,737
Infrastructure	23,750,216	13,218	-	353,363	24,116,797
Total capital assets, being depreciated	<u>57,525,119</u>	<u>1,073,074</u>	<u>(550,191)</u>	<u>3,155,876</u>	<u>61,203,878</u>
Less accumulated depreciation for					
Buildings and improvements	(13,205,103)	(827,479)	-	-	(14,032,582)
Equipment, furniture, fixtures and vehicles	(8,485,993)	(1,281,705)	559,758	-	(9,207,940)
Infrastructure	(19,563,137)	(446,374)	-	-	(20,009,511)
Total accumulated depreciation	<u>(41,254,233)</u>	<u>(2,555,558)</u>	<u>559,758</u>	<u>-</u>	<u>(43,250,033)</u>
Total capital assets, being depreciated, net	<u>16,270,886</u>	<u>(1,482,484)</u>	<u>9,567</u>	<u>3,155,876</u>	<u>17,953,845</u>
Governmental activities capital assets, net	<u>\$ 29,970,650</u>	<u>\$ 2,689,408</u>	<u>\$ (3,004)</u>	<u>\$ -</u>	<u>\$ 32,657,054</u>
	<u>Balance October 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance September 30</u>
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 1,546,370	\$ -	\$ -	\$ -	\$ 1,546,370
Construction in progress	792,280	4,132,143	-	(3,183,512)	1,740,911
Total capital assets, not being depreciated	<u>2,338,650</u>	<u>4,132,143</u>	<u>-</u>	<u>(3,183,512)</u>	<u>3,287,281</u>
Capital assets, being depreciated					
Buildings and improvements	128,545,849	1,231,811	(2,821,430)	3,182,164	130,138,394
Equipment, furniture, fixtures and vehicles	5,072,433	298,437	(302,159)	1,348	5,070,059
Total capital assets, being depreciated	<u>133,618,282</u>	<u>1,530,248</u>	<u>(3,123,589)</u>	<u>3,183,512</u>	<u>135,208,453</u>
Less accumulated depreciation for					
Buildings and improvements	(64,307,617)	(3,310,542)	2,799,126	-	(64,819,033)
Equipment, furniture, fixtures and vehicles	(3,446,749)	(590,813)	212,954	-	(3,824,608)
Total accumulated depreciation	<u>(67,754,366)</u>	<u>(3,901,355)</u>	<u>3,012,080</u>	<u>-</u>	<u>(68,643,641)</u>
Total capital assets, being depreciated, net	<u>65,863,916</u>	<u>(2,371,107)</u>	<u>(111,509)</u>	<u>3,183,512</u>	<u>66,564,812</u>
Business-type activities capital assets, net	<u>\$ 68,202,566</u>	<u>\$ 1,761,036</u>	<u>\$ (111,509)</u>	<u>\$ -</u>	<u>\$ 69,852,093</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Included in governmental activities capital assets are \$282,288 of assets from internal service funds. Included in business-type activities are \$2,048 of assets from internal service funds. Depreciation expense was charged to the functions of the government as follows:

Governmental Activities		
General government		\$ 248,922
Public safety		875,767
Transportation		588,537
Culture and recreation		792,290
Internal service - garage		50,042
Total depreciation expense, governmental activities		<u>\$ 2,555,558</u>
 Business-Type Activities		
Airport		\$ 997,397
Sanitation		32,544
Sewer and water		1,925,484
Marina		304,029
Non-major - golf course		236,476
Stormwater		401,569
Internal service - utility		3,856
Total depreciation expense, business-type activities		<u>\$ 3,901,355</u>

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2022 is as follows:

	Due From			Total
	Marina Fund	Non-Major Golf Course Fund	Stormwater Fund	
Due To				
Sewer and Water Fund	\$ 4,072,282	\$ 1,408,510	\$ 393,043	\$ 5,873,835
Total	<u>\$ 4,072,282</u>	<u>\$ 1,408,510</u>	<u>\$ 393,043</u>	<u>\$ 5,873,835</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund Transfers:

	Transfers In									
	General Fund	Other Capital Improvements	Capital Improvement Fund	Non-Major Governmental Funds	Airport Fund	Sanitation Fund	Marina Fund	Non-Major Enterprise Fund	Internal Service Funds	Total
Transfers Out										
General Fund	\$ -	\$ 6,595,742	\$ 2,887,708	\$ 149,036	\$ 275,000	\$ 60,000	\$ 925,980	\$ 100,000	\$ -	\$ 10,993,466
Sanitation Fund	-	-	-	-	-	-	-	-	20,000	20,000
Sewer and Water Fund	540,000	-	-	-	-	-	-	-	-	540,000
Total	<u>\$ 540,000</u>	<u>\$ 6,595,742</u>	<u>\$ 2,887,708</u>	<u>\$ 149,036</u>	<u>\$ 275,000</u>	<u>\$ 60,000</u>	<u>\$ 925,980</u>	<u>\$ 100,000</u>	<u>\$ 20,000</u>	<u>\$ 11,553,466</u>

Interfund transfers out of the General Fund were used to assist with funding expenses/expenditures in the Capital Improvement, Golf Course and Marina Funds. Interfund transfers into the General Fund from the Sanitation and Sewer and Water Funds were used to pay for overhead costs.

NOTE 8 – LONG-TERM DEBT

Financed Purchases

The City has entered into three agreements for the financing of a fire truck, police and fire radios, and a street sweeper, respectively.

Revenue Bonds and Notes

The City also issues bonds and revenue notes where the City pledges income derived from the acquired or constructed assets or other governmental fees and taxes to pay debt service.

Financed purchases, revenue bonds and notes outstanding at year-end are as follows:

Issue and Purpose	Interest Rate	Amount Outstanding	Maturity Date
Governmental Activities			
General government:			
Revenue notes payable	1.89%	\$ 1,112,751	2041
Financed purchases	2.50%	581,214	2028
Total Governmental Activities Revenue Notes		<u>\$ 1,693,965</u>	
Business-Type Activities			
Sewer and Water:			
Utility System Subordinate Refunding Revenue Note, Series 2015	2.19%	\$ 2,591,000	2024
Utility System Refunding Bonds, Series 2013A	3%-5%	19,070,000	2033
Stormwater:			
Financed purchases	3%-4%	397,120	2026
Marina:			
Capital Improvement Revenue Refunding Notes, Series 2021	2.45%	3,233,027	2040
Airport:			
Airport Refunding Revenue Note, Series 2017	4.28%	987,000	2032
Capital Improvement Revenue Refunding Note, Series 2022	1.89%	4,693,248	2041
Total Business-Type Activities Revenue Bonds and Notes		<u>\$ 30,971,395</u>	

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Financed purchases, revenue bonds and notes outstanding debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 181,797	\$ 35,713	\$ 217,510	\$ 2,656,264	\$ 1,349,219	\$ 4,005,483
2024	191,357	30,963	222,320	2,747,524	1,257,820	4,005,344
2025	127,582	25,970	153,552	2,542,673	1,194,252	3,736,925
2026	130,739	22,805	153,544	2,623,522	1,088,971	3,712,493
2027	133,961	19,555	153,516	2,646,816	979,880	3,626,696
2028-2032	353,190	73,100	426,290	12,947,939	2,856,807	15,804,746
2033-2037	308,736	43,123	351,859	3,674,264	343,351	4,017,615
2038-2041	266,603	12,824	279,427	1,132,393	63,733	1,196,126
	<u>\$ 1,693,965</u>	<u>\$ 264,053</u>	<u>\$ 1,958,018</u>	<u>\$ 30,971,395</u>	<u>\$ 9,134,033</u>	<u>\$ 40,105,428</u>

Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Direct placements:					
Revenue notes payable	\$ -	\$ 1,150,000	\$ (37,249)	\$ 1,112,751	\$ 49,344
Finance purchases	707,250	-	(126,036)	581,214	132,453
Compensated absences	1,180,643	1,560,811	(1,443,186)	1,298,268	1,038,615
Total OPEB liability	2,053,071	192,515	(612,559)	1,633,027	-
Net pension liability	12,671,343	7,906,449	(12,744,815)	7,832,977	-
Total governmental activities	<u>\$ 16,612,307</u>	<u>\$ 10,809,775</u>	<u>\$ (14,963,845)</u>	<u>\$ 12,458,237</u>	<u>\$ 1,220,412</u>
Business-type activities					
Revenue bonds	\$ 20,565,000	\$ -	\$ (1,495,000)	\$ 19,070,000	\$ 1,085,000
Bond premiums	1,101,444	-	(148,977)	952,467	-
Total revenue bonds	21,666,444	-	(1,643,977)	20,022,467	1,085,000
Direct placements:					
Revenue notes	14,478,000	4,850,000	(7,823,725)	11,504,275	1,466,657
Finance purchases	498,605	-	(101,485)	397,120	104,607
Compensated absences	191,850	178,849	(115,677)	255,022	255,022
Total OPEB liability	593,971	64,172	(113,800)	544,343	-
Net pension liability	2,525,454	1,832,857	(2,192,686)	2,165,625	-
Total business-type activities	<u>\$ 39,954,324</u>	<u>\$ 6,925,878</u>	<u>\$ (11,991,350)</u>	<u>\$ 34,888,852</u>	<u>\$ 2,911,286</u>

Compensated absences, the total OPEB liability, and the net pension liability are liquidated by the fund which pays the corresponding employee's payroll expenses, retirement contribution, and health insurance expenses. For governmental activities, this is primarily paid by the General Fund.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Pledged Revenue

Pledged revenues on the City's outstanding debt for the year ended September 30, 2022 was as follows:

<u>Pledged Revenue</u>		<u>Pledged Through</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Principal and Interest Payments</u>	<u>Revenue Received</u>	<u>Estimated Percentage Pledged</u>
Net airport revenue	Airport Refunding Revenue Note, Series 2017	2032	1,381,000	987,000	<u>\$ 114,952</u>	<u>\$ 888,178</u>	13%
Net sewer and water utility revenue	Utility System Refunding Bonds, Series 2013A	2033	29,720,000	19,070,000	\$ 2,463,500		
	Utility System Subordinate Refunding Revenue Note, Series 2015	2024	4,285,000	2,591,000	<u>290,758</u>		
					<u>\$ 2,754,258</u>	<u>\$ 5,173,899</u>	53%

NOTE 9 – EMPLOYEE PENSION PLANS

General Employees' Pension Plan (GEP Plan)

Plan Description – All regular full-time City employees who are not classified as full-time sworn police officers or firefighters are eligible to participate in the GEP Plan, a single-employer, defined benefit pension plan.

Plan Administration – The GEP Plan is administered by a Board of Trustees established by City Ordinance. The Board of Trustees is comprised of two Commission appointees, two members elected by the membership, and a fifth member elected by the other four and appointed by the Commission. The GEP Plan provides retirements, disability, and death benefits to plan members. These benefits are established and can be amended by City Ordinance. Revisions to the GEP Plan were effective in 2007, allowing vesting in the plan to occur after six years of credited service instead of ten.

Plan Membership – GEP Plan membership as of October 1, 2021 and 2020 consisted of the following:

	<u>October 1, 2021</u>	<u>October 1, 2020</u>
Retirees and beneficiaries		
Inactive plan members or beneficiaries currently receiving benefits	85	83
Inactive plan members entitled to but not yet receiving benefits	54	44
Active plan members	<u>130</u>	<u>127</u>
Total retirees and beneficiaries	<u><u>269</u></u>	<u><u>254</u></u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

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

Benefits Provided – The plan provides retirement, termination, disability, and death benefits. Normal retirement is the earlier of: (1) age 55 and 25 years of credited service, (2) age 65 and six years of credited service, or (3) 35 years of credited service regardless of age. Early retirement is the earlier of: (1) age 55 and have completed six years of credited service, or (2) 25 years of credited service, regardless of age. Vesting in the plan occurs 100% after six years of credited service. Employees employed prior to February 1, 1993 had the option to elect either Plan A or Plan B. Any employees employed after February 1, 1993, are under Plan A. Benefits under Plan A are 2.75% of Average Final Compensation times Credited Service. Benefits under Plan B are 1.9% of Average Final Compensation times Credited Service. Benefits under early retirement are reduced by 2% per year. Eligibility for disability is based upon the date through which service is considered incurred from the date of employment, while nonservice incurred is based upon ten years of credited service. Disability benefits are accrued to the date of disability but not less than 42% of average final compensation (service incurred) or 25% of average final compensation (non-service incurred). Pre-retirement death benefits for vested employees pay the monthly accrued benefit payable to the designated beneficiary for ten years beginning at otherwise early (reduced) or normal (unreduced) retirement date. Pre-retirement death benefits for non-vested employees include a refund of accumulated contributions, if any.

Funding Policy – The funding policy is established by City Ordinance. The City's funding policy is to provide amounts required to pay current costs and amortize unfunded past service costs. Employees who are Plan A members are required to contribute 6.5% of the covered payroll to the plan. Employees who are Plan B members do not contribute to the plan. The City's contribution is actuarially determined. Based on the actuarial valuation performed as of October 1, 2018, the City's required contribution as a percentage of covered payroll was 23.96% for fiscal year 2020.

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

Plan Description – All of the City's full-time police officers and full-time firefighters are eligible to participate in the FPOP Plan, a single-employer, defined benefit pension plan. The FPOP Plan provides retirement, disability, and death benefits to Plan members. Plan members vest in the FPOP Plan after six years of creditable service. These benefits are established and amended by City Ordinance.

Plan Administration – The FPOP Plan is administered by a Board of Trustees established by City Ordinance. The Board consists of five trustees, two of which are appointed by the City Commission, one must be a police officer elected by a majority of the member police officers, one member must be a firefighter elected by the majority of the member firefighters, and the fifth member is elected by the other four members and appointed by the City Commission.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

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

Plan Membership – FPOP Plan membership as of October 1, 2021 and 2020, consisted of the following:

	October 1, 2021	October 1, 2020
Retirees and beneficiaries		
Inactive plan members or beneficiaries currently receiving benefits	57	50
Inactive plan members entitled to but not yet receiving benefits	17	14
Active plan members	63	65
Total retirees and beneficiaries	137	129

Benefits Provided – The plan provides retirement, termination, disability, and death benefits. Normal retirement is the earlier of age 55 and six years of credited service or 25 years of credited service, regardless of age. Early retirement is age 50 and six years of credited service. Benefits under early retirement are reduced by 3% for each year prior to normal retirement (if employed prior to January 1, 2000, normal retirement date is determined as if the member continued employment). Vesting in the plan occurs 100% after six years of credited service. The member will receive the accrued benefit payable at the otherwise early or normal retirement date. If employed prior to January 1, 2000, early and normal retirement date determined as if the member continued employment. Eligibility for disability is based upon the date through which service is considered incurred from the date of employment, while the non-service incurred date is based upon ten years of credited service. Disability benefits are accrued to the date of disability but not less than 42% of average final compensation (service incurred). Pre-retirement death benefits for vested employees pay the monthly accrued benefit payable to the designated beneficiary for ten years beginning at otherwise early (reduced) or normal (unreduced) retirement date. Pre-retirement death benefits for non-vested employees include a refund of accumulated contributions without interest.

Funding Policy – FPOP Plan members are required to contribute 7.7% of salary to the FPOP Plan. The State of Florida also contributes to the FPOP Plan on behalf of the City. The City is required to contribute the remaining amounts, per an actuarial valuation, necessary to pay current costs and amortize unfunded past service costs over 30 years. Based on the actuarial valuation performed as of October 1, 2017, the City’s required contribution as a percentage of covered payroll was 42.54%.

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures

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

Investments:

Investment Policy – The following table illustrates the GEP and FPOP Plans Board of Trustees' adopted asset allocation policy as of September 30, 2022:

<u>Asset Class</u>	<u>2022 Target Allocation</u>
Domestic equity	50.0%
International equity	15.0%
Broad market fixed income	15.0%
Global fixed income	5.0%
Real estate	10.0%
GTAA	5.0%
Total	<u>100.0%</u>

Investment Value – Equities and fixed income instruments are reported at fair value based upon quoted market prices. Real Estate is reported at fair value based upon appraisals of the underlying assets.

Concentrations – The GEP and FPOP Plans did not hold investments in any one organization that represent 5% or more of their respective fiduciary net positions.

Rate of Return – For the year ended September 30, 2020, the annual money-weighted rate of return on plan investments, net of pension plan investment expenses, was 4.18% for the GEP and 7.79% for FPOP Plan. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP) – For both plans, eligibility for DROP occurs upon satisfaction of normal or early retirement requirements. Participation in DROP cannot be more than 60 months. A DROP member may elect the actual rate of investment return, or 6.5% rate of return. Earnings are credited to DROP each fiscal quarter. The DROP balance as of September 30, 2022, is \$0 for GEP Plan and \$540,460 for FPOP Plan.

Measurement Date:

As permitted by generally accepted accounting standards, the City has elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2021, one year prior to the reporting date. The GEP and FPOP Plans do not issue separate financial statements. Therefore, the disclosures required for pension plans, as of September 30, 2022, are also included on the following page.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures (Continued)

Net Pension Liability:

The components of the net pension liability for each plan as of the September 30, 2021 measurement date, and for the year then ended, were as follows:

General Employees Pension	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at September 30, 2020	\$ 31,608,294	\$ 23,767,568	\$ 7,840,726
Changes for the year:			
Service cost	867,900	-	867,900
Interest on total pension liability	2,441,597	-	2,441,597
Changes of benefit terms	-	-	-
Differences between expected and actual experience	86,108	-	86,108
Change in assumptions	1,388,790	-	1,388,790
Benefit payments, including refunds of contributions	(1,943,444)	(1,943,444)	-
Contributions - employer	-	1,446,017	(1,446,017)
Contributions - employee	-	436,377	(436,377)
Net investment income	-	5,082,467	(5,082,467)
Administrative expenses	-	(39,786)	39,786
Net change	<u>2,840,951</u>	<u>4,981,631</u>	<u>(2,140,680)</u>
Balances at September 30, 2021	<u>\$ 34,449,245</u>	<u>\$ 28,749,199</u>	<u>\$ 5,700,046</u>
Firefighters and Police Officers Pension	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at September 30, 2020	\$ 36,019,071	\$ 28,663,000	\$ 7,356,071
Changes for the year:			
Service cost	856,982	-	856,982
Interest on total pension liability	2,750,218	-	2,750,218
Share plan allocation	29,991	-	29,991
Changes of benefit terms	-	-	-
Differences between expected and actual experience	357,327	-	357,327
Change in assumptions	875,348	-	875,348
Benefit payments, including refunds of contributions	(2,317,877)	(2,317,877)	-
Contributions - employer	-	1,500,869	(1,500,869)
Contributions - employee	-	354,834	(354,834)
Net investment income	-	6,116,937	(6,116,937)
Administrative expenses	-	(45,259)	45,259
Net change	<u>2,551,989</u>	<u>5,609,504</u>	<u>(3,057,515)</u>
Balances at September 30, 2021	<u>\$ 38,571,060</u>	<u>\$ 34,272,504</u>	<u>\$ 4,298,556</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures (Continued)

The components of the City’s net pension liability measured as of September 30, 2022 are as follows:

	General Employees	Firefighters and Police Officers	Total
Total pension liability	\$ 35,522,383	\$ 40,822,443	\$ 76,344,826
Plan fiduciary net position	(25,122,769)	(28,474,569)	(53,597,338)
City's net pension liability	<u>\$ 10,399,614</u>	<u>\$ 12,347,874</u>	<u>\$ 22,747,488</u>
Plan fiduciary net position as a percentage of the net pension liability	70.72%	69.75%	70.20%

Differences between plan fiduciary net position presented above and the amounts presented in the financial statements are due to certain accruals which are the result of timing differences. These differences are not considered to be significant.

For the year ended September 30, 2022, the City recognized total pension expense of \$1,767,229 (\$1,043,513 from GEP Plan and \$723,716 from FPOP Plan). The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees	Firefighters and Police Officers	Total
Deferred Outflows of Resources			
Changes of assumptions	\$ 1,067,393	\$ 906,899	\$ 1,974,292
Differences between expected and actual experience	150,467	285,862	436,329
Contributions made after the measurement date	1,676,098	1,531,634	3,207,732
	<u>\$ 2,893,958</u>	<u>\$ 2,724,395</u>	<u>\$ 5,618,353</u>
Deferred Inflows of Resources			
Changes of assumptions	\$ -	\$ 151,026	\$ 151,026
Net difference between projected and actual earnings on plan investments	1,536,772	2,645,226	4,181,998
Differences between expected and actual experience	146,716	273,193	419,909
	<u>\$ 1,683,488</u>	<u>\$ 3,069,445</u>	<u>\$ 4,752,933</u>

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

Year Ending September 30,	General Employees	Firefighters and Police Officers	Total
2023	\$ 68,201	\$ (401,563)	\$ (333,362)
2024	230,351	(280,620)	(50,269)
2025	(115,341)	(655,155)	(770,496)
2026	(648,839)	(539,346)	(1,188,185)
	<u>\$ (465,628)</u>	<u>\$ (1,876,684)</u>	<u>\$ (2,342,312)</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures (Continued)

Actuarial Assumptions:

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

	<u>General Employees</u>	
	10/1/2021	10/1/2020
Valuation date	10/1/2021	10/1/2020
Inflation	2.50%	2.50%
Salary increases	Service based	Service based
Investment rate of return	7.25%	7.75%
Discount rate	7.25%	7.75%
	 Firefighters and Police Officers	
	<u>Firefighters and Police Officers</u>	
	10/1/2021	10/1/2020
Valuation date	10/1/2021	10/1/2020
Inflation	2.50%	2.50%
Salary increases	Service based	Service based
Investment rate of return	7.50%	7.70%
Discount rate	7.50%	7.70%

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

The long-term expected rate of return on pension investments was determined using a building block method in which best-estimate ranges of expected future rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEP and FPOP Plans' target asset allocation as of September 30, 2021 are summarized in the following table:

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures (Continued)

Discount Rate:

The discount rate used to measure the total pension liability for the GEP and FPOP Plans was 7.25% and 7.50%, respectively for the year ended September 30, 2021 and 7.25% and 7.50%, respectively for the year ended September 30, 2022. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

As of September 30, 2022:	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
GEP Plan Net Pension Liability	\$ 14,515,745	\$ 10,399,614	\$ 6,951,129
	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
FPOP Plan Net Pension Liability	\$ 16,802,680	\$ 12,347,874	\$ 8,590,534
	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
As of September 30, 2021:			
GEP Plan Net Pension Liability	\$ 9,700,180	\$ 5,700,046	\$ 2,342,312
	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
FPOP Plan Net Pension Liability	\$ 8,584,561	\$ 4,298,556	\$ 686,155

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Statements of fiduciary net position and statements of changes in fiduciary net position for the City's defined benefit pension plans are as follows, as of and for the year ended September 30, 2022:

STATEMENTS OF FIDUCIARY NET POSITION

	General Employees' Pension Plan	Firefighters' and Police Officers' Pension Plan
ASSETS		
Cash and cash equivalents	\$ 539,642	\$ 923,339
Contributions receivable	464,132	312,492
Interest receivable	28,626	35,990
Prepaid benefits	139,311	140,297
Investments, at fair value		
U.S. government and agency securities	512,638	598,002
Mortgages and federal agency securities	2,011,989	2,646,106
Corporate bonds	1,659,702	2,187,264
Real estate fund	3,232,497	3,701,787
Equity securities	16,557,396	17,951,140
Total investments	23,974,222	27,084,299
Total assets	\$ 25,145,933	\$ 28,496,417
LIABILITIES		
Accounts payable	\$ 23,164	\$ 21,848
Total liabilities	23,164	21,848
NET POSITION		
Restricted for pension benefits	25,122,769	28,474,569
Total liabilities and net position	\$ 25,145,933	\$ 28,496,417

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	General Employees' Pension Plan	Firefighters' and Police Officers' Pension Plan
ADDITIONS		
Contributions		
City	\$ 1,676,098	\$ 1,247,172
Employees	527,754	372,709
State of Florida	-	284,463
Total contributions	<u>2,203,852</u>	<u>1,904,344</u>
Investment income (loss)		
Interest and dividends	576,951	598,418
Net depreciation in the fair value of investments	(4,417,362)	(6,298,473)
Investment expense	(110,213)	(142,589)
Net investment loss	<u>(3,950,624)</u>	<u>(5,842,644)</u>
Total additions	<u>(1,746,772)</u>	<u>(3,938,300)</u>
DEDUCTIONS		
Pension benefits	1,815,962	1,795,560
Administrative expenses	63,696	64,075
Total deductions	<u>1,879,658</u>	<u>1,859,635</u>
Net change in plan net position	(3,626,430)	(5,797,935)
Plan net position, restricted for pension benefits:		
Beginning of year	28,749,199	34,272,504
End of year	<u>\$ 25,122,769</u>	<u>\$ 28,474,569</u>

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

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

As of October 1, 2021, the latest actuarial valuation date, there were 204 active participants and nine retirees (or their spouses) receiving medical benefits. The amount of the contributions required for retiree and dependent coverage may change from time-to-time. Life insurance coverage was not considered other postemployment benefits for purposes of this actuarial valuation.

Funding Policy

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

Total OPEB Liability

The total OPEB liability was based on an actuarial valuation dated October 1, 2021. The total OPEB liability of \$2,177,370 was measured as of October 1, 2021.

Changes in the Total OPEB Liability

Balances at September 30, 2021	\$ 2,647,042
Changes for the year:	
Service cost	189,222
Interest	67,465
Differences between expected and actual experience	(628,880)
Changes of assumptions	(23,275)
Benefit payments	(74,204)
Net changes	(469,672)
Balances at September 30, 2022	<u>\$ 2,177,370</u>

Changes of assumptions and other inputs include an increase of the discount rate from 2.41% as of the beginning of the measurement period to 2.43% at the end of the measurement period.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

	1% Decrease <u>(1.43%)</u>	Current Discount Rate <u>(2.43%)</u>	1% Increase <u>(3.43%)</u>
Total OPEB liability	\$ 2,385,886	\$ 2,177,370	\$ 1,991,517

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

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

	1% Decrease <u>(6.50 - 3.50%)</u>	Healthcare Cost Trend Rates <u>(7.50 - 4.50%)</u>	1% Increase <u>(8.50 - 5.50%)</u>
Total OPEB liability	\$ 1,968,522	\$ 2,177,370	\$ 2,420,910

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

For the fiscal year ended September 30, 2022, the City recognized OPEB expense of \$189,729. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 319,783	\$ 1,014,632
Change of assumptions and other inputs	298,156	122,372
City contributions subsequent to the measurement date	64,159	-
	<u>\$ 682,098</u>	<u>\$ 1,137,004</u>

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Fiscal Year Ending	Amount
September 30:	
2023	\$ (66,958)
2024	(66,958)
2025	(66,953)
2026	(128,975)
2027	(96,056)
Thereafter	(93,165)
Total	<u>\$ (519,065)</u>

Actuarial Methods and Assumptions

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

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2021
Measurement Date:	October 1, 2021
Reporting Date:	September 30, 2022
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	0.0% per year for General, 2.3% per year for Police/Fire
Discount Rate:	2.43% as of October 1, 2021
Projected Salary Increases:	Salary increase rates used for General, Firefighters, and Police Officers in the applicable pension actuarial valuation: 4.0% - 12.3% including inflation
Healthcare Cost Trend Rate:	The trend rate selected was based on historical medical CPI information.

NOTE 11 – TAX ABATEMENTS

In 2006, the City established a tax abatement program by adopting Ordinance 2006-99. This ordinance allows the City to grant ad valorem tax exemptions for historic properties within the City limits. Upon meeting certain eligibility requirements specified in Florida Statutes, Section 196.1961, the available tax exemption is 50% of the assessed value. In order to qualify for the exemption, the establishment must be regularly open to the public and be maintained in good repair and condition to the extent necessary to preserve the historic value and significance of the property. The amount of tax abated under the program for eligible establishments totaled \$72,522 for the year ended September 30, 2022.

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 12 – OTHER DISCLOSURES

Commitments and Contingencies

Grant Programs:

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

Litigation:

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

Risk Management:

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

Deferred Compensation Plan:

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

Construction Contract Commitments:

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

<u>Project</u>	<u>Contract Amount</u>	<u>Expended To-Date</u>	<u>Contract Balance</u>
Various projects	\$ 11,734,455	\$ 3,963,565	\$ 7,770,890

NOTE 13 – SUBSEQUENT EVENT

The City has evaluated subsequent events through March 16, 2023 the date the financial statements were available to be issued.

**Required
Supplementary
Information**

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General Fund

The General Fund is the principal fund of the City and is used to account for all activities of the City, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the City (i.e., general government, public safety, transportation, and culture and recreation). These activities are funded principally by property taxes, user fees, and grants from other governmental units.

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CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes, licenses and permits	\$ 19,043,191	\$ 19,043,191	\$ 19,697,949	\$ 654,758
Intergovernmental	2,400,958	8,996,700	9,012,783	16,083
Fines and forfeitures	26,390	26,390	31,829	5,439
Charges for services	1,566,586	1,566,586	1,636,578	69,992
Investment earnings	75,000	75,000	130,304	55,304
Miscellaneous revenues	248,901	248,901	412,101	163,200
Total revenues	<u>23,361,026</u>	<u>29,956,768</u>	<u>30,921,544</u>	<u>964,776</u>
Expenditures:				
Current				
General government				
City Commission	331,787	394,093	348,801	45,292
City Clerk	539,222	539,222	517,503	21,719
City Manager	476,830	489,383	488,515	868
Finance	732,791	732,791	722,127	10,664
Information technology	834,326	834,326	797,770	36,556
Personnel/human resources	361,086	361,086	353,250	7,836
Legal	377,595	402,595	387,314	15,281
Planning	815,440	815,440	637,425	178,015
Non-departmental	249,079	249,079	239,505	9,574
Facilities management	789,533	789,533	747,765	41,768
Total general government	<u>5,507,689</u>	<u>5,607,548</u>	<u>5,239,975</u>	<u>367,573</u>
Public safety:				
Police	6,457,556	6,457,556	5,880,514	577,042
Fire	5,207,099	5,207,099	5,105,158	101,941
Building and code enforcement	281,016	296,016	267,217	28,799
Total public safety	<u>11,945,671</u>	<u>11,960,671</u>	<u>11,252,889</u>	<u>707,782</u>
Transportation:				
Streets	1,607,187	1,607,187	1,431,699	175,488
Economic environment:				
Downtown district	116,030	116,030	75,432	40,598
Human services:				
Public assistance	130,000	130,000	121,025	8,975
Culture and recreation:				
Library	39,591	39,591	37,149	2,442
Recreation	1,352,979	1,348,579	1,107,458	241,121
Parks	1,452,871	1,453,771	1,251,442	202,329
Peck Center/gym	344,866	344,866	269,209	75,657
MLK Center	216,240	216,240	139,283	76,957
Youth programs	328,692	328,692	294,262	34,430
Aquatics	413,867	417,367	383,614	33,753
Total culture and recreation	<u>4,149,106</u>	<u>4,149,106</u>	<u>3,482,417</u>	<u>666,689</u>
Total expenditures	<u>23,455,683</u>	<u>23,570,542</u>	<u>21,603,437</u>	<u>1,967,105</u>

(Continued)

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (94,657)</u>	<u>\$ 6,386,226</u>	<u>\$ 9,318,107</u>	<u>\$ (2,931,881)</u>
Other financing sources (uses)				
Transfers in	2,540,000	2,540,000	2,540,000	-
Transfers out	(4,327,724)	(10,993,466)	(10,993,466)	-
Total other financing uses, net	<u>(1,787,724)</u>	<u>(8,453,466)</u>	<u>(8,453,466)</u>	<u>-</u>
Net change in fund balance	<u>(1,882,381)</u>	<u>(2,067,240)</u>	<u>864,641</u>	<u>(2,931,881)</u>
Fund balances, beginning of year	<u>10,340,049</u>	<u>10,340,049</u>	<u>10,340,049</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,457,668</u>	<u>\$ 8,272,809</u>	<u>\$ 11,204,690</u>	<u>\$ (2,931,881)</u>

Note 1 - Basis of Presentation

Explanation of differences between the General Fund budgetary basis revenues, expenditures, and changes in fund balance and GAAP Basis as reported in the statement of revenues, expenditures, and changes in fund balance:

	<u>Non-GAAP (Budgetary) Basis</u>	<u>Utility Tax Fund ⁽¹⁾</u>	<u>Law Enforcement Trust Fund ⁽¹⁾</u>	<u>GAAP Basis</u>
Total revenues	\$ 30,921,544	\$ 2,082,468	\$ 22	\$ 33,004,034
Total expenditures	(21,603,437)	-	-	(21,603,437)
Other financing sources - transfers	<u>(8,453,466)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>(10,453,466)</u>
Net change in fund balance	864,641	82,468	22	947,131
Fund balance, beginning of year	10,340,049	1,257,671	2,782	11,600,502
Fund balance, end of year	<u>\$ 11,204,690</u>	<u>\$ 1,340,139</u>	<u>\$ 2,804</u>	<u>\$ 12,547,633</u>

⁽¹⁾ Pursuant to GASB Statement No. 54, these funds no longer meet the definition of a Special Revenue Fund and have been consolidated with the General Fund for financial statement reporting purposes. Individual budgetary schedules for these funds are reflected in the supplementary information section.

Expenditures are controlled at the object level for the General Fund. All appropriations, except for amounts corresponding to outstanding encumbrances, lapse at year-end.

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

CITY OF FERNANDINA BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS – GENERAL EMPLOYEES' PENSION PLAN**

Reporting period ending measurement date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013
Total pension liability										
Service cost	\$ 984,075	\$ 867,900	\$ 795,773	\$ 731,482	\$ 689,139	\$ 623,020	\$ 640,943	\$ 658,841	\$ 638,941	\$ 591,612
Interest on total pension liability	2,503,087	2,441,597	2,314,735	2,253,079	2,154,276	2,080,456	2,040,323	1,992,049	1,905,236	1,829,639
Differences between expected and actual experience	(607,936)	86,108	171,770	(586,865)	23,304	80,987	(289,022)	(458,339)	-	-
Change of assumptions	-	1,388,790	51,601	-	-	-	996,058	-	-	-
Contributions - buy back	9,874	-	-	-	-	-	-	-	-	-
Benefit payments	(1,815,962)	(1,943,444)	(1,594,721)	(1,738,128)	(1,530,235)	(2,265,908)	(1,793,747)	(1,348,707)	(1,609,123)	(1,438,098)
Net change in total pension liability	1,073,138	2,840,951	1,739,158	659,568	1,336,484	518,555	1,594,555	843,844	935,054	983,153
Total pension liability - beginning	34,449,245	31,608,294	29,869,136	29,209,568	27,873,084	27,354,529	25,759,974	24,916,130	23,981,076	22,997,923
Total pension liability - ending (a)	\$ 35,522,383	\$ 34,449,245	\$ 31,608,294	\$ 29,869,136	\$ 29,209,568	\$ 27,873,084	\$ 27,354,529	\$ 25,759,974	\$ 24,916,130	\$ 23,981,076
Plan fiduciary net position										
Contributions - employer	\$ 1,676,098	\$ 1,446,017	\$ 1,507,515	\$ 1,798,603	\$ 1,739,561	\$ 1,745,906	\$ 1,590,471	\$ 1,291,060	\$ 1,222,791	\$ 1,018,294
Contributions - employee	527,754	436,377	404,342	377,735	344,206	324,519	302,123	265,734	268,700	274,302
Net investment income	(3,950,624)	5,082,467	935,083	262,957	1,627,575	1,938,085	1,445,907	209,869	1,372,873	1,716,113
Benefit payments	(1,815,962)	(1,943,444)	(1,594,721)	(1,738,128)	(1,530,235)	(2,265,908)	(1,793,747)	(1,348,707)	(1,609,123)	(1,438,098)
Administrative expenses	(63,696)	(39,786)	(40,144)	(39,095)	(32,246)	(40,481)	(33,274)	(31,336)	(23,443)	(31,129)
Net change in plan fiduciary net position	(3,626,430)	4,981,631	1,212,075	662,072	2,148,861	1,702,121	1,511,480	386,620	1,231,798	1,539,482
Plan fiduciary net position - beginning	28,749,199	23,767,568	22,555,493	21,893,421	19,744,560	18,042,439	16,530,959	16,144,339	14,912,541	13,373,059
Plan fiduciary net position - ending (b)	\$ 25,122,769	\$ 28,749,199	\$ 23,767,568	\$ 22,555,493	\$ 21,893,421	\$ 19,744,560	\$ 18,042,439	\$ 16,530,959	\$ 16,144,339	\$ 14,912,541
City's net pension liability - ending (a) - (b)	\$ 10,399,614	\$ 5,700,046	\$ 7,840,726	\$ 7,313,643	\$ 7,316,147	\$ 8,128,524	\$ 9,312,090	\$ 9,229,015	\$ 8,771,791	\$ 9,068,535
Plan fiduciary net position as a percentage of the total pension liability	70.72%	83.45%	75.19%	75.51%	74.95%	70.84%	65.96%	64.17%	64.79%	62.18%
Covered payroll	\$ 7,954,504	\$ 6,713,172	\$ 6,291,822	\$ 5,811,317	\$ 5,295,468	\$ 4,992,596	\$ 4,648,051	\$ 4,533,367	\$ 4,133,843	\$ 4,220,035
City's net pension liability as a percentage of covered payroll	130.74%	84.91%	124.62%	125.85%	138.16%	162.81%	200.34%	203.58%	212.19%	214.89%

CITY OF FERNANDINA BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY
 AND RELATED RATIOS – FIREFIGHTERS' AND POLICE OFFICERS' PENSION PLAN

Reporting period ending Measurement date	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013
Total pension liability										
Service cost	\$ 916,025	\$ 856,982	\$ 818,624	\$ 762,325	\$ 690,258	\$ 634,067	\$ 691,242	\$ 673,931	\$ 629,885	\$ 583,227
Interest	2,894,197	2,750,218	2,675,798	2,557,460	2,465,950	2,351,027	2,244,457	2,135,586	2,065,964	2,012,184
Change in excess state money	-	-	-	-	(6,262)	(6,566)	-	-	-	-
Share plan allocation	32,090	29,991	21,114	11,072	10,654	14,521	-	-	-	-
Change of benefit terms	-	-	-	(5,346)	-	-	-	-	-	-
Differences between expected and actual experience	204,631	357,327	(340,638)	(50,157)	(243,733)	47,179	(583,314)	-	-	-
Changes in assumptions	-	875,348	(251,710)	349,722	333,666	404,100	658,065	94,951	-	-
Contributions - buy back	-	-	-	-	-	-	-	-	9,362	-
Benefit payments	(1,795,560)	(2,317,877)	(1,672,244)	(1,775,840)	(1,724,415)	(1,636,299)	(1,606,010)	(1,515,765)	(2,242,194)	(1,697,467)
Net change in total pension liability	2,251,383	2,551,989	1,250,944	1,849,236	1,526,118	1,808,029	1,404,440	1,388,703	463,017	897,944
Total pension liability - beginning	38,571,060	36,019,071	34,768,127	32,918,891	31,392,773	29,584,744	28,180,304	26,791,601	26,328,584	25,430,640
Total pension liability - ending (a)	\$ 40,822,443	\$ 38,571,060	\$ 36,019,071	\$ 34,768,127	\$ 32,918,891	\$ 31,392,773	\$ 29,584,744	\$ 28,180,304	\$ 26,791,601	\$ 26,328,584
Plan fiduciary net position										
Contributions - employer	\$ 1,247,172	\$ 1,219,779	\$ 1,304,143	\$ 1,577,387	\$ 1,413,664	\$ 1,222,727	\$ 1,285,152	\$ 1,321,071	\$ 1,442,276	\$ 1,415,926
Contributions - state	284,463	281,090	263,555	248,819	227,005	234,807	228,116	224,969	223,515	228,126
Contributions - employee	372,709	354,834	336,298	324,322	299,515	288,097	293,641	287,839	271,215	260,746
Contributions - buy back	-	-	-	-	-	-	-	-	9,362	-
Net investment income	(5,842,644)	6,116,937	2,086,610	441,765	2,516,831	2,189,459	1,569,990	216,827	1,579,432	1,888,434
Benefit payments	(1,795,560)	(2,317,877)	(1,672,244)	(1,775,840)	(1,724,415)	(1,636,299)	(1,606,010)	(1,515,765)	(2,242,194)	(1,697,467)
Administrative expenses	(64,075)	(45,259)	(91,393)	(49,691)	(42,005)	(42,590)	(36,728)	(32,903)	(23,615)	(30,576)
Net change in plan fiduciary net position	(5,797,935)	5,609,504	2,226,969	766,762	2,690,595	2,256,201	1,734,161	502,038	1,259,991	2,065,189
Plan fiduciary net position - beginning	34,272,504	28,663,000	26,436,031	25,669,269	22,978,674	20,722,473	18,988,312	18,486,274	17,226,283	15,161,094
Plan fiduciary net position - ending (b)	\$ 28,474,569	\$ 34,272,504	\$ 28,663,000	\$ 26,436,031	\$ 25,669,269	\$ 22,978,674	\$ 20,722,473	\$ 18,988,312	\$ 18,486,274	\$ 17,226,283
City's net pension liability - ending (a) - (b)	\$ 12,347,874	\$ 4,298,556	\$ 7,356,071	\$ 8,332,096	\$ 7,249,622	\$ 8,414,099	\$ 8,862,271	\$ 9,191,992	\$ 8,305,327	\$ 9,102,301
Plan fiduciary net position as a percentage of the total pension liability	69.75%	88.86%	79.58%	76.04%	77.98%	73.20%	70.04%	67.38%	69.00%	65.43%
Covered payroll	\$ 4,839,247	\$ 4,608,232	\$ 4,539,309	\$ 4,211,980	\$ 3,889,808	\$ 3,741,515	\$ 3,813,519	\$ 3,746,766	\$ 3,522,270	\$ 3,386,307
City's net pension liability as a percentage of covered payroll	255.16%	93.28%	162.05%	197.82%	186.37%	224.88%	232.39%	245.33%	235.79%	268.80%

CITY OF FERNANDINA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION

Reporting period ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 1,673,628	\$ 1,446,017	\$ 1,507,521	\$ 1,798,603	\$ 1,739,561	\$ 1,745,911	\$ 1,574,760	\$ 1,291,060	\$ 1,222,791	\$ 1,018,294
Contributions in relation to the actuarially determined contribution	1,676,098	1,446,017	1,507,515	1,798,603	1,739,561	1,745,906	1,590,471	1,291,060	1,222,791	1,018,294
Contribution deficiency (excess)	\$ (2,470)	\$ -	\$ 6	\$ -	\$ -	\$ 5	\$ (15,711)	\$ -	\$ -	\$ -
Covered payroll	\$ 7,954,504	\$ 6,713,172	\$ 6,291,822	\$ 5,811,317	\$ 5,295,468	\$ 4,992,596	\$ 4,648,051	\$ 4,533,367	\$ 4,133,843	\$ 4,220,035
Contributions as a percentage of covered payroll	21.07%	21.54%	23.96%	30.95%	32.85%	34.97%	34.22%	28.48%	29.58%	24.13%

Notes to the Schedule:

Valuation date: October 1, 2020
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:
Funding method: Entry age normal actuarial cost method.

Amortization method: New UAAL amortization bases are amortized over the following amortization periods:
Experience: 10 years.
Assumption/Method Changes: 20 years.
Benefit Changes: 30 years.

Mortality:
Healthy Active Lives: Female: RP2000 Generational, 100% White Collar, Scale BB.
Male: RP 2000 Generational, 50% White Collar/50% Blue Collar, Scale BB.
Healthy Retiree Lives: Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP 2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB.
Beneficiary Lives: Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP 2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB.
Disables Lives: Female: 100% RP2000 Disabled Female set forward two years.
Male: RP 2000 100% RP2000 Disabled Male set back four years.

Termination rates:	Credited Service	Probability
	Less than 2 Years	25.00%
	2-3 Years	10.00%
	4-9 Years	8.50%
	10 Years and Greater	5.00%

Retirement age: For members with less than 25 years of credited service, a 100% assumption at age 65. For members with 25 or more years of credited service, an 80% assumption at ages 55 and 56, and a 100% assumption for ages 57 and older. For 35 or more years of credited service, no change to prior assumption of 100% assumed retirement upon the completion of 35 years of credited service.

Early retirement: For Members with less than 25 years of Credited Service, an 8% assumption for each year of eligibility from ages 55-59, and a 25% assumption for each year of eligibility for ages 60-64. For Members with 25 or more years of Credited Service, a 25% assumption for 25 to 28 years of Credited Service, and a 100% assumption for 29 or more years of Credited Service.

Salary increases: Less than 1 Year, 10.0%; 1 Year, 6.0%; 2-5 Years, 4.5%; 6 Years and Greater, 4.0%

Interest rate: 7.75% per year, compounded annually, net of investment-related expenses.

Payroll growth: None.

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

CITY OF FERNANDINA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' AND POLICE OFFICERS' PENSION

Reporting period ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 1,501,618	\$ 1,475,095	\$ 1,548,358	\$ 1,803,149	\$ 1,654,724	\$ 1,435,619	\$ 1,494,900	\$ 1,544,613	\$ 1,665,681	\$ 1,644,052
Contributions in relation to the actuarially determined contribution	1,499,544	1,470,878	1,545,540	1,815,134	1,633,145	1,446,296	1,513,268	1,546,040	1,665,791	1,644,052
Contribution deficiency (excess)	\$ 2,074	\$ 4,217	\$ 2,818	\$ (11,985)	\$ 21,579	\$ (10,677)	\$ (18,368)	\$ (1,427)	\$ (110)	\$ -
Covered payroll	\$ 4,839,247	\$ 4,608,232	\$ 4,539,309	\$ 4,211,980	\$ 3,889,808	\$ 3,741,515	\$ 3,813,519	\$ 3,748,766	\$ 3,522,270	\$ 3,386,307
Contributions as a percentage of covered payroll	30.99%	31.92%	34.05%	43.09%	41.99%	38.66%	39.68%	41.24%	47.29%	48.55%

Notes to the Schedule:

Valuation date: October 1, 2020
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:
Funding method: Entry age normal actuarial cost method.

Amortization method: New UAAL amortization bases are amortized over the following amortization periods:
Experience: 10 years.
Assumption/Method Changes: 20 years.
Benefit Changes: 30 years.

Mortality:
Healthy Active Lives: Female: RP2000 Generational, 100% White Collar, Scale BB.
Male: RP 2000 Generational, 50% White Collar/50% Blue Collar, Scale BB.
Healthy Retiree Lives: Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP 2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB.
Beneficiary Lives: Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP 2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB.
Disables Lives: Female: 100% RP2000 Disabled Female set forward two years.
Male: RP 2000 100% RP2000 Disabled Male set back four years.

Termination rates:	Credited Service	Probability
	Less than 2 Years	25.00%
	2-3 Years	10.00%
	4-9 Years	8.50%
	10 Years and Greater	5.00%

Retirement age: Earlier of age 55 and 6 years of service or 25 years of service, regardless of age.
Early retirement: Commencing with the earliest Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.
Salary increases: Range from 10% with 0 Years of Service to 4.5% with 10+ years of service
Interest rate: 7.70% per year, compounded annually, net of investment-related expenses.
Payroll growth: 2.30% for purposes of amortizing the Unfunded Actuarial Accrued Liability.
Asset valuation method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average fair value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below fair value.

CITY OF FERNANDINA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS

Measurement date	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
General Employees: Annual money-weighted rate of return, net of investment expenses	-13.83%	21.66%	4.18%	1.21%	8.31%	11.09%	8.95%	1.31%	9.41%	12.91%
Firefighters' and Police Officers' Pension Plan: Annual money-weighted rate of return, net of investment expenses	-17.22%	21.91%	7.79%	1.74%	11.09%	10.77%	8.42%	1.19%	9.27%	12.38%

CITY OF FERNANDINA BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

Reporting period ending Measurement date	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017
Service cost	\$ 189,222	\$ 168,967	\$ 154,393	\$ 167,465	\$ 100,064
Interest	67,465	93,499	110,279	97,594	53,355
Changes in assumptions and other inputs	(23,275)	262,864	193,193	(131,624)	(122,700)
Differences between expected and actual experience	(628,880)	(283,095)	(423,645)	(73,035)	852,753
Benefit payments	(74,204)	(75,205)	(113,124)	(89,114)	(78,336)
Net change in total OPEB liability	(469,672)	167,030	(78,904)	(28,714)	805,136
Total OPEB liability - beginning	2,647,042	2,480,012	2,558,916	2,587,630	1,782,494
Total OPEB liability - ending	<u>\$ 2,177,370</u>	<u>\$ 2,647,042</u>	<u>\$ 2,480,012</u>	<u>\$ 2,558,916</u>	<u>\$ 2,587,630</u>
Covered employee payroll	\$ 11,778,257	\$ 10,977,429	\$ 10,730,625	\$ 9,289,093	\$ 9,080,247
City's total OPEB liability as a percentage of covered employee payroll	18.49%	24.11%	23.11%	27.55%	28.50%

Notes to the Schedule:

For the City's defined benefit OPEB plan, there are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2022:	2.43%
Fiscal Year Ending September 30, 2021:	2.41%
Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	4.15%
Fiscal Year Ending September 30, 2018:	3.60%
Fiscal Year Ending September 30, 2017:	3.06%

The schedule will present 10 years of information once it is accumulated.

The accompanying notes to financial statements are an integral part of this statement.

Combining and Individual Fund Statements and Schedules

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Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue Funds				
	Federal Forfeiture Fund	Tree Trust Fund	HDC Fund	Community Development Block Grant Fund	Land Conservation Trust Fund
Assets					
Cash and cash equivalents	\$ 69,457	\$ 478,289	\$ 90,456	\$ 106,164	\$ 151,177
Accounts receivable, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 69,457</u>	<u>\$ 478,289</u>	<u>\$ 90,456</u>	<u>\$ 106,164</u>	<u>\$ 151,177</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 903	\$ 3,974	\$ 60	\$ -	\$ -
Total liabilities	<u>903</u>	<u>3,974</u>	<u>60</u>	<u>-</u>	<u>-</u>
Fund balances					
Restricted for:					
Public safety	68,554	-	-	-	-
Community development	-	-	-	106,164	-
Land conservation	-	-	-	-	151,177
Building inspection	-	-	-	-	-
Capital improvements	-	-	-	-	-
Committed for:					
Conservation and resource management	-	474,315	-	-	-
Historical District Trust Cemetery	-	-	90,396	-	-
Assigned for:					
Cemetery	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balances	<u>68,554</u>	<u>474,315</u>	<u>90,396</u>	<u>106,164</u>	<u>151,177</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,457</u>	<u>\$ 478,289</u>	<u>\$ 90,456</u>	<u>\$ 106,164</u>	<u>\$ 151,177</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
Building Fees Fund	Cemetery Fund	Community Redevelopment Area Fund	Law Enforcement Recovery Fund	Bond Debt Service Fund	Capital Expansion Fund	
\$ 3,496,842	\$ 1,362,663	\$ 257,707	\$ 166,795	\$ 6,566	\$ 5,924,871	\$ 12,110,987
-	187	-	-	-	-	187
-	-	-	18,221	-	49,650	67,871
-	-	1,016,472	-	-	-	1,016,472
<u>\$ 3,496,842</u>	<u>\$ 1,362,850</u>	<u>\$ 1,274,179</u>	<u>\$ 185,016</u>	<u>\$ 6,566</u>	<u>\$ 5,974,521</u>	<u>\$ 13,195,517</u>
\$ 156,717	\$ 9,707	\$ 72,934	\$ 36,626	\$ -	\$ 5,701	\$ 286,622
<u>156,717</u>	<u>9,707</u>	<u>72,934</u>	<u>36,626</u>	<u>-</u>	<u>5,701</u>	<u>286,622</u>
-	-	-	-	-	-	68,554
-	-	1,201,245	148,390	-	-	1,455,799
-	-	-	-	-	-	151,177
3,340,125	-	-	-	-	-	3,340,125
-	-	-	-	-	5,968,820	5,968,820
-	-	-	-	-	-	474,315
-	-	-	-	-	-	90,396
-	1,194,503	-	-	-	-	1,194,503
-	158,640	-	-	-	-	158,640
-	-	-	-	6,566	-	6,566
<u>3,340,125</u>	<u>1,353,143</u>	<u>1,201,245</u>	<u>148,390</u>	<u>6,566</u>	<u>5,968,820</u>	<u>12,908,895</u>
<u>\$ 3,496,842</u>	<u>\$ 1,362,850</u>	<u>\$ 1,274,179</u>	<u>\$ 185,016</u>	<u>\$ 6,566</u>	<u>\$ 5,974,521</u>	<u>\$ 13,195,517</u>

CITY OF FERNANDINA BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds				
	Federal Forfeiture Fund	Tree Trust Fund	HDC Fund	Community Development Block Grant Fund	Land Conservation Trust Fund
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Impact fees	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-
Charges for services	-	-	21,109	-	-
Fines and forfeitures	42,675	-	-	-	-
Investment earnings	351	3,492	663	801	1,640
Miscellaneous revenues	-	161,150	-	-	8
Total revenues	<u>43,026</u>	<u>164,642</u>	<u>21,772</u>	<u>801</u>	<u>1,648</u>
Expenditures					
Current					
General government	-	76,698	6,386	-	-
Public safety	9,418	-	-	-	-
Physical environment	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	3,465	-	-	57,487
Total expenditures	<u>9,418</u>	<u>80,163</u>	<u>6,386</u>	<u>-</u>	<u>57,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,608</u>	<u>84,479</u>	<u>15,386</u>	<u>801</u>	<u>(55,839)</u>
Other Financing Sources (Uses)					
Sale of capital assets	6,501	-	-	-	-
Issuance of revenue note	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Total other financing sources (uses)	<u>6,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	40,109	84,479	15,386	801	(55,839)
Fund balances, beginning	<u>28,445</u>	<u>389,836</u>	<u>75,010</u>	<u>105,363</u>	<u>207,016</u>
Fund balances, ending	<u>\$ 68,554</u>	<u>\$ 474,315</u>	<u>\$ 90,396</u>	<u>\$ 106,164</u>	<u>\$ 151,177</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
Building Fees Fund	Cemetery Fund	Community Redevelopment Area Fund	Law Enforcement Recovery Fund	Bond Debt Service Fund	Capital Expansion Fund	
\$ -	\$ -	\$ 115,725	\$ -	\$ -	\$ -	\$ 115,725
1,083,425	4,480	-	-	-	-	1,087,905
-	-	-	-	-	1,238,472	1,238,472
-	-	-	247,509	-	49,650	297,159
-	145,905	1,000	-	-	-	168,014
-	-	-	-	-	-	42,675
28,365	(45,254)	7,656	887	-	44,656	43,257
-	-	-	-	-	-	161,158
<u>1,111,790</u>	<u>105,131</u>	<u>124,381</u>	<u>248,396</u>	<u>-</u>	<u>1,332,778</u>	<u>3,154,365</u>
-	-	41,411	-	-	-	124,495
1,147,856	-	-	13,953	-	-	1,171,227
-	167,966	-	-	-	-	167,966
-	-	37,249	-	-	-	37,249
-	-	32,306	-	-	-	32,306
-	-	92,312	141,837	-	490,109	785,210
<u>1,147,856</u>	<u>167,966</u>	<u>203,278</u>	<u>155,790</u>	<u>-</u>	<u>490,109</u>	<u>2,318,453</u>
(36,066)	(62,835)	(78,897)	92,606	-	842,669	835,912
18,619	-	-	12,177	-	-	37,297
-	-	1,150,000	-	-	-	1,150,000
-	96,300	-	-	-	52,736	149,036
<u>18,619</u>	<u>96,300</u>	<u>1,150,000</u>	<u>12,177</u>	<u>-</u>	<u>52,736</u>	<u>1,336,333</u>
(17,447)	33,465	1,071,103	104,783	-	895,405	2,172,245
<u>3,357,572</u>	<u>1,319,678</u>	<u>130,142</u>	<u>43,607</u>	<u>6,566</u>	<u>5,073,415</u>	<u>10,736,650</u>
<u>\$ 3,340,125</u>	<u>\$ 1,353,143</u>	<u>\$ 1,201,245</u>	<u>\$ 148,390</u>	<u>\$ 6,566</u>	<u>\$ 5,968,820</u>	<u>\$ 12,908,895</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL – FEDERAL FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 2,500	\$ 2,500	\$ 42,675	\$ 40,175
Other revenue	500	500	351	(149)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>43,026</u>	<u>40,026</u>
Expenditures				
Current				
Public safety	10,000	10,000	9,418	582
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,418</u>	<u>582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,000)</u>	<u>(7,000)</u>	<u>33,608</u>	<u>40,608</u>
Other financing sources				
Sale of capital assets	-	-	6,501	6,501
Total other financing uses	<u>-</u>	<u>-</u>	<u>6,501</u>	<u>6,501</u>
Change in fund balance	<u>(7,000)</u>	<u>(7,000)</u>	<u>40,109</u>	<u>47,109</u>
Fund balance, beginning of year	<u>28,445</u>	<u>28,445</u>	<u>28,445</u>	<u>-</u>
Fund balance, end of year	<u>\$ 21,445</u>	<u>\$ 21,445</u>	<u>\$ 68,554</u>	<u>\$ 47,109</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – TREE TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 1,400	\$ 1,400	\$ 3,492	\$ 2,092
Miscellaneous revenues	130,000	130,000	161,150	31,150
Total revenues	<u>131,400</u>	<u>131,400</u>	<u>164,642</u>	<u>33,242</u>
Expenditures				
Current				
General government	276,661	280,661	76,698	203,963
Capital outlay	15,000	15,000	3,465	11,535
Total expenditures	<u>291,661</u>	<u>295,661</u>	<u>80,163</u>	<u>215,498</u>
Change in fund balance	(160,261)	(164,261)	84,479	248,740
Fund balance, beginning of year	<u>389,836</u>	<u>389,836</u>	<u>389,836</u>	<u>-</u>
Fund balance, end of year	<u>\$ 229,575</u>	<u>\$ 225,575</u>	<u>\$ 474,315</u>	<u>\$ 248,740</u>

CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**BUDGET AND ACTUAL – HDC FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 13,700	\$ 13,700	\$ 21,109	\$ 7,409
Investment earnings	-	-	663	663
Total revenues	<u>13,700</u>	<u>13,700</u>	<u>21,772</u>	<u>8,072</u>
Expenditures				
Current				
General government	<u>43,600</u>	<u>43,600</u>	<u>6,386</u>	<u>37,214</u>
Total expenditures	<u>43,600</u>	<u>43,600</u>	<u>6,386</u>	<u>37,214</u>
Change in fund balance	(29,900)	(29,900)	15,386	45,286
Fund balance, beginning of year	<u>75,010</u>	<u>75,010</u>	<u>75,010</u>	<u>-</u>
Fund balance, end of year	<u>\$ 45,110</u>	<u>\$ 45,110</u>	<u>\$ 90,396</u>	<u>\$ 45,286</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 500	\$ 500	\$ 801	\$ 301
Total revenues	<u>500</u>	<u>500</u>	<u>801</u>	<u>301</u>
Expenditures				
Capital outlay	7,233	7,233	-	7,233
Total expenditures	<u>7,233</u>	<u>7,233</u>	<u>-</u>	<u>7,233</u>
Change in fund balance	(6,733)	(6,733)	801	7,534
Fund balance, beginning of year	<u>105,363</u>	<u>105,363</u>	<u>105,363</u>	<u>-</u>
Fund balance, end of year	<u>\$ 98,630</u>	<u>\$ 98,630</u>	<u>\$ 106,164</u>	<u>\$ 7,534</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LAND CONSERVATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 1,640	\$ 1,640
Miscellaneous revenues	-	-	8	8
Total revenues	<u>-</u>	<u>-</u>	<u>1,648</u>	<u>1,648</u>
Expenditures				
Capital outlay	208,128	208,128	57,487	150,641
Total expenditures	<u>208,128</u>	<u>208,128</u>	<u>57,487</u>	<u>150,641</u>
Change in fund balance	(208,128)	(208,128)	(55,839)	152,289
Fund balance, beginning of year	<u>207,016</u>	<u>207,016</u>	<u>207,016</u>	<u>-</u>
Fund balance, end of year	<u>\$ (1,112)</u>	<u>\$ (1,112)</u>	<u>\$ 151,177</u>	<u>\$ 152,289</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUILDING FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 1,013,572	\$ 1,013,572	\$ 1,083,425	\$ 69,853
Investment earnings	-	-	28,365	28,365
Total revenues	<u>1,013,572</u>	<u>1,013,572</u>	<u>1,111,790</u>	<u>98,218</u>
Expenditures				
Current				
Public safety	1,933,875	1,933,875	1,147,856	786,019
Capital outlay	70,000	70,000	-	70,000
Total expenditures	<u>2,003,875</u>	<u>2,003,875</u>	<u>1,147,856</u>	<u>856,019</u>
Deficiency of revenues under expenditures	<u>(990,303)</u>	<u>(990,303)</u>	<u>(36,066)</u>	<u>954,237</u>
Other financing sources				
Sale of capital assets	-	-	18,619	18,619
Total other financing sources	<u>-</u>	<u>-</u>	<u>18,619</u>	<u>18,619</u>
Change in fund balance	<u>(990,303)</u>	<u>(990,303)</u>	<u>(17,447)</u>	<u>972,856</u>
Fund balance, beginning of year	<u>3,357,572</u>	<u>3,357,572</u>	<u>3,357,572</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,367,269</u>	<u>\$ 2,367,269</u>	<u>\$ 3,340,125</u>	<u>\$ 972,856</u>

CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**BUDGET AND ACTUAL – CEMETERY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 3,000	\$ 3,000	\$ 4,480	\$ 1,480
Charges for services	117,200	117,200	145,905	28,705
Investment earnings	13,000	13,000	(45,254)	(58,254)
Total revenues	<u>133,200</u>	<u>133,200</u>	<u>105,131</u>	<u>(28,069)</u>
Expenditures				
Current				
Physical environment	214,303	214,303	167,966	46,337
Total expenditures	<u>214,303</u>	<u>214,303</u>	<u>167,966</u>	<u>46,337</u>
(Deficiency) of revenues (under) expenditures	<u>(81,103)</u>	<u>(81,103)</u>	<u>(62,835)</u>	<u>(74,406)</u>
Other financing sources				
Transfers in	96,300	96,300	96,300	-
Total other financing sources	<u>96,300</u>	<u>96,300</u>	<u>96,300</u>	<u>-</u>
Change in fund balance	15,197	15,197	33,465	18,268
Fund balance, beginning of year	<u>1,319,678</u>	<u>1,319,678</u>	<u>1,319,678</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,334,875</u>	<u>\$ 1,334,875</u>	<u>\$ 1,353,143</u>	<u>\$ 18,268</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – COMMUNITY REDEVELOPMENT AREA FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 116,677	\$ 116,677	\$ 115,725	\$ (952)
Charges for services	-	-	1,000	1,000
Investment earnings	500	500	7,656	7,156
Total revenues	<u>117,177</u>	<u>117,177</u>	<u>124,381</u>	<u>7,204</u>
Expenditures				
Current				
General government	-	110,183	41,411	68,772
Debt service				
Principal retirement	52,000	52,000	37,249	14,751
Interest	85,000	77,500	32,306	45,194
Capital outlay	1,000,000	1,150,000	92,312	1,057,688
Total expenditures	<u>1,137,000</u>	<u>1,389,683</u>	<u>203,278</u>	<u>1,186,405</u>
Deficiency of revenues under expenditures	<u>(1,019,823)</u>	<u>(1,272,506)</u>	<u>(78,897)</u>	<u>1,193,609</u>
Other financing sources				
Issuance of revenue note	1,000,000	1,150,000	1,150,000	-
Total other financing sources	<u>1,000,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>
Change in fund balance	<u>(19,823)</u>	<u>(122,506)</u>	<u>1,071,103</u>	<u>1,193,609</u>
Fund balance, beginning of year	<u>130,142</u>	<u>130,142</u>	<u>130,142</u>	<u>-</u>
Fund balance, end of year	<u>\$ 110,319</u>	<u>\$ 7,636</u>	<u>\$ 1,201,245</u>	<u>\$ 1,193,609</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LAW ENFORCEMENT RECOVERY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 150,000	\$ 150,000	\$ 247,509	\$ 97,509
Investment earnings	-	-	887	887
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>248,396</u>	<u>98,396</u>
Expenditures				
Current				
Public safety	16,200	16,200	13,953	2,247
Capital outlay	158,500	158,500	141,837	16,663
Total expenditures	<u>174,700</u>	<u>174,700</u>	<u>155,790</u>	<u>18,910</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,700)</u>	<u>(24,700)</u>	<u>92,606</u>	<u>117,306</u>
Other financing sources				
Sale of capital assets	-	-	12,177	12,177
Total other financing sources	<u>-</u>	<u>-</u>	<u>12,177</u>	<u>12,177</u>
Change in fund balance	<u>(24,700)</u>	<u>(24,700)</u>	<u>104,783</u>	<u>129,483</u>
Fund balance, beginning of year	<u>43,607</u>	<u>43,607</u>	<u>43,607</u>	<u>-</u>
Fund balance, end of year	<u>\$ 18,907</u>	<u>\$ 18,907</u>	<u>\$ 148,390</u>	<u>\$ 129,483</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – UTILITY TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 1,540,748	\$ 1,540,748	\$ 2,073,019	\$ 532,271
Investment earnings	1,000	1,000	9,449	
Total revenues	<u>1,541,748</u>	<u>1,541,748</u>	<u>2,082,468</u>	<u>532,271</u>
Excess of revenues over expenditures	<u>1,541,748</u>	<u>1,541,748</u>	<u>2,082,468</u>	<u>532,271</u>
Other financing uses				
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>
Total other financing sources	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>
Change in fund balance	(458,252)	(458,252)	82,468	540,720
Fund balance, beginning of year	<u>1,257,671</u>	<u>1,257,671</u>	<u>1,257,671</u>	<u>-</u>
Fund balance, end of year	<u>\$ 799,419</u>	<u>\$ 799,419</u>	<u>\$ 1,340,139</u>	<u>\$ 540,720</u>

CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL – LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 26	\$ 26	\$ 22	\$ (4)
Total revenues	<u>26</u>	<u>26</u>	<u>22</u>	<u>(4)</u>
Change in fund balance	26	26	22	(4)
Fund balance, beginning of year	<u>2,782</u>	<u>2,782</u>	<u>2,782</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,808</u>	<u>\$ 2,808</u>	<u>\$ 2,804</u>	<u>\$ (4)</u>

CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL – BOND DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Change in fund balance	-	-	-	-
Fund balance, beginning of year	6,566	6,566	6,566	-
Fund balance, end of year	\$ 6,566	\$ 6,566	\$ 6,566	\$ -

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 1,012,690	\$ 1,033,690	\$ 121,167	\$ (912,523)
Investment earnings	8,000	8,000	12,232	4,232
Miscellaneous revenues	134,625	634,625	500,000	(134,625)
Total revenues	<u>1,155,315</u>	<u>1,676,315</u>	<u>633,399</u>	<u>(1,042,916)</u>
Expenditures				
Debt service				
Principal retirement	128,743	128,743	126,036	2,707
Interest	20,373	20,373	20,372	1
Capital outlay	3,893,907	4,414,907	2,294,955	2,119,952
Total expenditures	<u>4,043,023</u>	<u>4,564,023</u>	<u>2,441,363</u>	<u>2,122,660</u>
Deficiency of revenues under expenditures	<u>(2,887,708)</u>	<u>(2,887,708)</u>	<u>(1,807,964)</u>	<u>1,079,744</u>
Other financing sources				
Transfers in	<u>2,887,708</u>	<u>2,887,708</u>	<u>2,887,708</u>	<u>-</u>
Total other financing sources	<u>2,887,708</u>	<u>2,887,708</u>	<u>2,887,708</u>	<u>-</u>
Change in fund balance	-	-	1,079,744	1,079,744
Fund balance, beginning of year	<u>593,991</u>	<u>593,991</u>	<u>593,991</u>	<u>-</u>
Fund balance, end of year	<u>\$ 593,991</u>	<u>\$ 593,991</u>	<u>\$ 1,673,735</u>	<u>\$ 1,079,744</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL EXPANSION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 890,000	\$ 890,000	\$ 1,238,472	\$ 348,472
Intergovernmental revenue	575,000	575,000	49,650	(525,350)
Investment earnings	10,000	10,000	44,656	34,656
Total revenues	<u>1,475,000</u>	<u>1,475,000</u>	<u>1,332,778</u>	<u>(142,222)</u>
Expenditures				
Capital outlay	1,639,000	1,641,040	490,109	1,150,931
Total expenditures	<u>1,639,000</u>	<u>1,641,040</u>	<u>490,109</u>	<u>1,150,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(164,000)</u>	<u>(166,040)</u>	<u>842,669</u>	<u>1,008,709</u>
Other financing sources				
Transfers in	52,736	52,736	52,736	-
Total other financing sources	<u>52,736</u>	<u>52,736</u>	<u>52,736</u>	<u>-</u>
Change in fund balance	<u>(111,264)</u>	<u>(113,304)</u>	<u>895,405</u>	<u>1,008,709</u>
Fund balance, beginning of year	<u>5,073,415</u>	<u>5,073,415</u>	<u>5,073,415</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,962,151</u>	<u>\$ 4,960,111</u>	<u>\$ 5,968,820</u>	<u>\$ 1,008,709</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – OTHER CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 3,692,284	\$ 925,331	\$ 323,513	\$ (601,818)
Investment earnings	-	-	19,122	19,122
Total revenues	<u>3,692,284</u>	<u>925,331</u>	<u>342,635</u>	<u>(582,696)</u>
Expenditures				
Current				
General government	-	20,000	19,695	305
Capital outlay	3,692,284	3,672,284	1,988,892	1,683,392
Total expenditures	<u>3,692,284</u>	<u>3,692,284</u>	<u>2,008,587</u>	<u>1,683,697</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(2,766,953)</u>	<u>(1,665,952)</u>	<u>1,101,001</u>
Other financing sources				
Transfers in	-	6,595,742	6,595,742	-
Total other financing sources	<u>-</u>	<u>6,595,742</u>	<u>6,595,742</u>	<u>-</u>
Change in fund balance	-	3,828,789	4,929,790	1,101,001
Fund balance, beginning of year	<u>1,016</u>	<u>1,016</u>	<u>1,016</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,016</u>	<u>\$ 3,829,805</u>	<u>\$ 4,930,806</u>	<u>\$ 1,101,001</u>

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INTERNAL SERVICE FUNDS

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

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

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

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CITY OF FERNANDINA BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

	<u>Central Garage Fund</u>	<u>Utility Billing Fund</u>	<u>Utility Administration Fund</u>	<u>Total</u>
Assets				
Current assets:				
Cash and investments	\$ 230,602	\$ 334,392	\$ 33,823	\$ 598,817
Accounts receivable, net of allowance	-	7,095	-	7,095
Prepaid expenses	-	2,004	-	2,004
Inventory	42,224	-	-	42,224
Total current assets	<u>272,826</u>	<u>343,491</u>	<u>33,823</u>	<u>650,140</u>
Non-current assets:				
Capital assets, non-depreciable	4,040	-	-	4,040
Capital assets, net	<u>278,248</u>	<u>-</u>	<u>2,048</u>	<u>280,296</u>
Total non-current assets	<u>282,288</u>	<u>-</u>	<u>2,048</u>	<u>284,336</u>
 Total assets	 <u>555,114</u>	 <u>343,491</u>	 <u>35,871</u>	 <u>934,476</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	31,858	16,790	18,727	67,375
Compensated absences	<u>28,462</u>	<u>13,213</u>	<u>41,506</u>	<u>83,181</u>
Total current liabilities	<u>60,320</u>	<u>30,003</u>	<u>60,233</u>	<u>150,556</u>
 Total liabilities	 <u>60,320</u>	 <u>30,003</u>	 <u>60,233</u>	 <u>150,556</u>
Net position				
Investment in capital assets	282,288	-	2,048	284,336
Unrestricted	<u>212,506</u>	<u>313,488</u>	<u>(26,410)</u>	<u>499,584</u>
Total net position	<u>\$ 494,794</u>	<u>\$ 313,488</u>	<u>\$ (24,362)</u>	<u>\$ 783,920</u>

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Total
Operating revenues				
Charges for services	\$ 1,039,167	\$ 557,653	\$ 450,000	\$ 2,046,820
Fees, rentals and miscellaneous	4,295	-	-	4,295
Total operating revenues	<u>1,043,462</u>	<u>557,653</u>	<u>450,000</u>	<u>2,051,115</u>
Operating expenses				
Personnel services and benefits	277,603	402,586	551,718	1,231,907
Materials, supplies and other	764,705	103,054	45,155	912,914
Depreciation and amortization	50,042	3,466	390	53,898
Total operating expenses	<u>1,092,350</u>	<u>509,106</u>	<u>597,263</u>	<u>2,198,719</u>
Operating income (loss)	<u>(48,888)</u>	<u>48,547</u>	<u>(147,263)</u>	<u>(147,604)</u>
Non-operating revenues				
Interest income	1,582	2,496	947	5,025
Gain on sale of capital assets	109,340	-	-	109,340
Total non-operating revenues	<u>110,922</u>	<u>2,496</u>	<u>947</u>	<u>114,365</u>
Income (loss) before transfers	<u>62,034</u>	<u>51,043</u>	<u>(146,316)</u>	<u>(33,239)</u>
Transfers				
Transfers in	20,000	-	-	20,000
Total transfers	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Change in net position	<u>82,034</u>	<u>51,043</u>	<u>(146,316)</u>	<u>(13,239)</u>
Total net position, beginning of year	412,760	262,445	121,954	797,159
Total net position, end of year	<u>\$ 494,794</u>	<u>\$ 313,488</u>	<u>\$ (24,362)</u>	<u>\$ 783,920</u>

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Total
Cash flows from operating activities				
Cash received for interfund services	\$ 1,044,123	\$ 557,493	\$ 450,000	\$ 2,051,616
Cash paid to suppliers for goods and services	(744,728)	(98,039)	(40,854)	(883,621)
Cash paid to employees for services and benefits	(275,243)	(402,264)	(540,294)	(1,217,801)
Net cash provided by (used in) operating activities	<u>24,152</u>	<u>57,190</u>	<u>(131,148)</u>	<u>(49,806)</u>
Cash flows from noncapital financing activities				
Transfer from other funds	20,000	-	-	20,000
Net cash provided by noncapital financing activities	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(4,039)	-	-	(4,039)
Cash received from sale of capital assets	109,340	-	-	109,340
Net cash provided by capital and related financing activities	<u>105,301</u>	<u>-</u>	<u>-</u>	<u>105,301</u>
Cash flows from investing activities				
Interest received	1,582	2,496	947	5,025
Net cash provided by investing activities	<u>1,582</u>	<u>2,496</u>	<u>947</u>	<u>5,025</u>
Net change in cash and investments	151,035	59,686	(130,201)	80,520
Cash and investments, beginning of year	<u>79,567</u>	<u>274,706</u>	<u>164,024</u>	<u>518,297</u>
Cash and investments, end of year	<u>\$ 230,602</u>	<u>\$ 334,392</u>	<u>\$ 33,823</u>	<u>\$ 598,817</u>
Cash and investments classified as				
Cash and investments	<u>\$ 230,602</u>	<u>\$ 334,392</u>	<u>\$ 33,823</u>	<u>\$ 598,817</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (48,888)	\$ 48,547	\$ (147,263)	\$ (147,604)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	50,042	3,466	390	53,898
Change in operating assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	661	(160)	-	501
Prepays	-	(96)	300	204
Inventory	(184)	-	-	(184)
Increase (decrease) in liabilities:				
Accounts payable	20,161	5,111	4,001	29,273
Compensated absences payable	2,360	322	11,424	14,106
Net cash provided by (used in) operating activities	<u>\$ 24,152</u>	<u>\$ 57,190</u>	<u>\$ (131,148)</u>	<u>\$ (49,806)</u>

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Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations or other governments.

General Employees' Pension Plan – To account for the City's single employer defined benefit pension plan which provides pension benefits for full-time general employees.

Firefighters' and Police Officers' Pension Plan – To account for the City's single employer defined benefit pension plan which provides pension benefits for full-time firefighters and police officers.

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CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2022**

	<u>General Employees' Pension Plan</u>	<u>Firefighters' and Police Officers' Pension Plan</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 539,642	\$ 923,339	\$ 1,462,981
Contributions receivable	464,132	312,492	776,624
Interest receivable	28,626	35,990	64,616
Prepaid benefits	139,311	140,297	279,608
Investments, at fair value			
U.S. government and agency securities	512,638	598,002	1,110,640
Mortgages and federal agency securities	2,011,989	2,646,106	4,658,095
Corporate bonds	1,659,702	2,187,264	3,846,966
Real estate fund	3,232,497	3,701,787	6,934,284
Equity securities	16,557,396	17,951,140	34,508,536
Total investments	<u>23,974,222</u>	<u>27,084,299</u>	<u>51,058,521</u>
 Total assets	 <u>\$ 25,145,933</u>	 <u>\$ 28,496,417</u>	 <u>\$ 53,642,350</u>
LIABILITIES			
Accounts payable	\$ 23,164	\$ 21,848	\$ 45,012
Total liabilities	<u>23,164</u>	<u>21,848</u>	<u>45,012</u>
NET POSITION			
Restricted for pension benefits	<u>25,122,769</u>	<u>28,474,569</u>	<u>53,597,338</u>
Total liabilities and net position	<u>\$ 25,145,933</u>	<u>\$ 28,496,417</u>	<u>\$ 53,642,350</u>

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>General Employees' Pension Plan</u>	<u>Firefighters' and Police Officers' Pension Plan</u>	<u>Total</u>
ADDITIONS			
Contributions			
City	\$ 1,676,098	\$ 1,247,172	\$ 2,923,270
Employees	527,754	372,709	900,463
State of Florida	-	284,463	284,463
Total contributions	<u>2,203,852</u>	<u>1,904,344</u>	<u>4,108,196</u>
Investment income (loss)			
Interest and dividends	576,951	598,418	1,175,369
Net depreciation in the fair value of investments	(4,417,362)	(6,298,473)	(10,715,835)
Investment expense	<u>(110,213)</u>	<u>(142,589)</u>	<u>(252,802)</u>
Net investment loss	<u>(3,950,624)</u>	<u>(5,842,644)</u>	<u>(9,793,268)</u>
Total additions	<u>(1,746,772)</u>	<u>(3,938,300)</u>	<u>(5,685,072)</u>
DEDUCTIONS			
Pension benefits	1,815,962	1,795,560	3,611,522
Administrative expenses	63,696	64,075	127,771
Total deductions	<u>1,879,658</u>	<u>1,859,635</u>	<u>3,739,293</u>
Net change in plan net position	(3,626,430)	(5,797,935)	(9,424,365)
Plan net position, restricted for pension benefits:			
Beginning of year	28,749,199	34,272,504	63,021,703
End of year	<u>\$ 25,122,769</u>	<u>\$ 28,474,569</u>	<u>\$ 53,597,338</u>

Statistical Section

This part of the City of Fernandina Beach's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends (Pages 92 – 96) (Tables 1 – 4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.

Revenue Capacity (Pages 97 – 101) (Tables 5 – 9)

These schedules contain information to help the reader assess the City's most significant sources of revenue.

Debt Capacity (Pages 102 – 105) (Tables 10 – 13)

These schedules contain information to help the reader assess the affordability of the City's current level of debt and the City's ability to issue debt in the future.

Demographics and Economic Information (Pages 106 and 107) (Tables 14 and 15)

These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Pages 108 – 110) (Tables 16 – 18)

These schedules contain information regarding the number of employees, the operating indicators, and the capital assets used in the various functions and programs

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

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CITY OF FERNANDINA BEACH, FLORIDA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Schedule 1)

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 31,979,561	\$ 29,263,400	\$ 27,439,500	\$ 24,367,016	\$ 23,584,000	\$ 22,959,982	\$ 22,255,738	\$ 21,363,150	\$ 20,086,968	\$ 22,804,829
Restricted	10,987,278	8,949,357	8,493,508	8,287,039	7,320,960	4,133,646	3,126,644	2,919,530	2,820,795	2,476,228
Unrestricted ⁽²⁾	10,084,403	2,040,093	(1,886,395)	(1,795,780)	(4,860,371)	(4,182,808)	(4,916,921)	(6,495,182)	5,573,556	5,994,476
Total Governmental Activities Net Position	<u>\$ 53,051,242</u>	<u>\$ 40,252,850</u>	<u>\$ 34,046,613</u>	<u>\$ 30,858,275</u>	<u>\$ 26,044,589</u>	<u>\$ 22,910,820</u>	<u>\$ 20,465,461</u>	<u>\$ 17,787,498</u>	<u>\$ 28,481,319</u>	<u>\$ 31,275,533</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 41,820,253	\$ 31,656,480	\$ 29,141,671	\$ 26,496,040	\$ 24,293,174	\$ 19,971,800	\$ 21,758,186	\$ 21,519,553	\$ 19,562,429	\$ 15,190,218
Restricted	1,554,176	1,929,642	2,056,475	2,187,063	1,510,257	1,346,122	631,824	444,527	575,878	575,878
Unrestricted ⁽²⁾	18,104,426	17,556,704	14,561,303	11,074,620	10,467,704	9,570,979	8,012,813	6,208,903	6,299,731	6,078,336
Total Business-Type Activities Net Position	<u>\$ 61,478,855</u>	<u>\$ 51,142,826</u>	<u>\$ 45,759,449</u>	<u>\$ 39,757,723</u>	<u>\$ 36,271,135</u>	<u>\$ 30,888,901</u>	<u>\$ 30,402,823</u>	<u>\$ 28,172,983</u>	<u>\$ 26,438,038</u>	<u>\$ 21,844,432</u>
Total:										
Net Investment in Capital Assets ⁽¹⁾	\$ 73,799,814	\$ 60,919,880	\$ 56,581,171	\$ 50,863,056	\$ 47,877,174	\$ 42,931,782	\$ 44,013,924	\$ 42,882,703	\$ 39,649,397	\$ 37,995,047
Restricted	12,541,454	10,878,999	10,549,983	10,474,102	8,831,217	5,479,768	3,758,468	3,364,057	3,396,673	3,052,106
Unrestricted ⁽²⁾	28,188,829	19,596,797	12,674,908	9,278,840	5,607,333	5,388,171	3,095,892	(286,279)	11,873,287	12,072,812
Total Net Position	<u>\$ 114,530,097</u>	<u>\$ 91,395,676</u>	<u>\$ 79,806,062</u>	<u>\$ 70,615,998</u>	<u>\$ 62,315,724</u>	<u>\$ 53,799,721</u>	<u>\$ 50,868,284</u>	<u>\$ 45,960,481</u>	<u>\$ 54,919,357</u>	<u>\$ 53,119,965</u>

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

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

CITY OF FERNANDINA BEACH, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Schedule 2)

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental Activities:										
General Government	\$ 6,624,029	\$ 6,331,488	\$ 5,071,080	\$ 4,794,176	\$ 4,645,880	\$ 4,163,808	\$ 3,789,868	\$ 3,720,751	\$ 3,515,960	\$ 4,131,552
Public Safety	11,869,832	12,171,877	12,632,726	11,595,342	11,077,039	10,358,556	9,830,929	9,614,391	9,879,821	9,665,601
Physical Environment	162,880	164,652	232,336	1,506,579	1,639,299	-	-	-	-	-
Transportation	2,128,742	2,180,181	2,296,521	2,694,817	3,403,051	3,429,751	2,094,050	1,972,165	1,955,405	2,296,174
Economic Environment	75,432	73,461	69,185	77,153	783,494	52,414	47,184	47,379	35,494	38,311
Human Services	121,025	399,486	383,930	55,418	52,811	45,666	42,871	172,992	497,085	39,013
Culture and Recreation	4,191,941	3,972,297	3,769,815	2,813,869	2,631,741	2,639,833	2,685,529	2,964,980	2,344,731	2,289,114
Interest on Long-Term Debt	49,856	33,009	34,211	54,271	73,810	90,328	93,298	98,484	113,432	139,921
Total Governmental Activities Expenses	25,223,737	25,326,451	24,489,804	23,591,625	24,307,125	20,780,356	18,583,729	18,591,142	18,341,928	18,599,686
Business-Type Activities:										
Golf Course	2,186,032	1,603,647	1,591,193	1,701,757	1,644,592	1,666,591	1,649,065	1,704,365	1,665,949	1,742,779
Airport	1,621,213	1,414,228	1,293,876	1,423,977	1,474,615	1,047,074	1,147,472	1,131,745	1,110,268	1,404,547
Sanitation	3,265,807	2,869,263	2,652,962	2,377,519	2,362,448	2,263,923	2,307,671	2,209,587	2,130,278	2,089,886
Sewer and Water	9,152,170	7,890,975	7,459,307	7,324,589	7,562,630	7,714,073	7,274,661	6,998,895	9,004,523	9,066,428
Stormwater	938,917	1,146,349	1,100,082	1,175,464	649,258	553,591	435,834	276,939	199,478	30,987
Marina	4,059,198	2,051,096	1,133,208	1,157,961	679,833	4,587,827	2,177,505	2,182,068	2,326,168	2,225,642
Total Business-Type Activities Expenses	21,223,337	16,975,558	15,230,628	15,161,267	14,373,376	17,833,079	14,992,208	14,503,599	16,436,664	16,560,269
Total Expenses	\$ 46,447,074	\$ 42,302,009	\$ 39,720,432	\$ 38,752,892	\$ 38,680,501	\$ 38,613,435	\$ 33,575,937	\$ 33,094,741	\$ 34,778,592	\$ 35,159,955
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,472,583	\$ 1,820,424	\$ 129,411	\$ 223,716	\$ 343,119	\$ 159,242	\$ 105,652	\$ 80,073	\$ 64,535	\$ 73,499
Public Safety	1,814,404	1,488,415	2,205,266	3,107,967	3,528,505	2,271,875	1,925,961	1,727,680	1,594,369	1,711,177
Physical Environment	1,388,857	1,736,117	129,126	185,444	198,011	-	-	-	-	-
Transportation	1,000	-	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	1,012,725	906,245	1,107,278	1,595,600	1,941,137	1,588,940	1,432,328	1,219,871	1,122,999	1,078,207
Operating Grants and Contributions	7,155,612	1,532,917	574,767	2,966,057	2,313,984	1,262,691	217,650	246,238	334,065	559,775
Capital Grants and Contributions	1,387,897	434,394	866,495	-	63,450	10,226	632,805	1,559,532	1,345,976	393,435
Total Governmental Activities Program Revenues	14,233,078	7,918,512	5,012,343	8,078,784	8,388,206	5,292,974	4,314,396	4,833,394	4,461,944	3,816,093
Business-Type Activities:										
Charges for Services:										
Golf Course	1,690,005	1,313,641	1,148,859	1,327,190	1,297,173	1,257,703	1,270,514	1,343,072	1,315,098	1,401,263
Airport	888,178	847,756	860,670	875,909	674,692	651,350	663,190	600,851	576,008	583,265
Sanitation	3,408,896	2,949,533	2,707,115	2,385,670	2,395,312	2,330,575	2,254,588	2,245,416	2,190,580	2,099,526
Sewer and Water	12,124,398	11,671,844	11,417,150	11,664,072	11,120,309	11,114,482	9,897,960	9,406,734	9,082,896	8,698,240
Stormwater	1,072,418	901,400	907,234	879,548	847,771	303,450	277,181	271,299	270,857	258,267
Marina	3,518,932	1,718,845	509,354	125,939	296,773	333,876	2,264,613	2,210,050	2,341,395	2,153,071
Operating Grants and Contributions	-	-	708	216,618	13,562	2,184	-	-	-	34,928
Capital Grants and Contributions	7,667,339	3,180,345	2,951,271	1,017,264	2,842,464	2,025,660	289,864	2,316,435	788,868	1,721,983
Total Business-Type Activities Program Revenues	30,370,166	22,583,364	20,502,361	18,492,210	19,488,056	18,019,280	16,917,910	18,393,857	16,565,702	16,950,543
Total Program Revenue	\$ 44,603,244	\$ 30,501,876	\$ 25,514,704	\$ 26,570,994	\$ 27,876,262	\$ 23,312,254	\$ 21,232,306	\$ 23,227,251	\$ 21,027,646	\$ 20,766,636
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (10,990,659)	\$ (17,407,939)	\$ (19,477,461)	\$ (15,512,841)	\$ (15,918,919)	\$ (15,487,382)	\$ (14,269,333)	\$ (13,757,748)	\$ (13,879,984)	\$ (14,783,593)
Business-Type Activities	9,146,829	5,607,806	5,271,733	3,330,943	5,114,680	186,201	1,925,702	3,890,258	129,038	390,274
Total (Expense)/Revenue	\$ (1,843,830)	\$ (11,800,133)	\$ (14,205,728)	\$ (12,181,898)	\$ (10,804,239)	\$ (15,301,181)	\$ (12,343,631)	\$ (9,867,490)	\$ (13,750,946)	\$ (14,393,319)

CITY OF FERNANDINA BEACH, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Schedule 2)

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 15,473,422	\$ 14,952,463	\$ 15,798,230	\$ 12,859,437	\$ 12,104,097	\$ 11,040,874	\$ 10,356,519	\$ 9,894,587	\$ 9,680,522	\$ 9,337,768
Franchise and Utility Taxes	3,620,897	3,582,576	3,324,199	3,296,296	3,234,806	3,216,047	3,188,719	3,167,234	2,970,994	3,021,388
Half-Cent Sales Tax	1,174,985	999,957	836,880	910,955	877,989	810,556	772,617	729,203	673,908	617,427
State Revenue Sharing	372,319	249,366	338,250	357,847	341,595	325,671	309,451	302,846	295,693	291,794
Discretionary Sales Surtax	2,581,374	2,099,009	2,126,109	2,179,554	1,941,118	1,873,713	1,778,306	1,683,460	1,556,723	1,426,792
Other Taxes	1,007,434	1,028,918	262,511	247,774	225,101	228,954	224,176	-	-	569,516
Other Miscellaneous	-	-	175,226	218,561	216,543	331,378	412,372	558,488	324,125	41,656
Investment Earnings	215,968	194,064	212,694	174,403	90,392	63,263	41,351	26,333	12,190	-
Gain on Disposal of Capital Assets	143,632	51,995	-	-	2,272	-	-	-	-	-
Transfers	(800,980)	485,828	(408,300)	81,700	58,685	42,285	(136,215)	(183,836)	(301,620)	(34,000)
Total Governmental Activities	<u>23,789,051</u>	<u>23,644,176</u>	<u>22,665,799</u>	<u>20,326,527</u>	<u>19,092,598</u>	<u>17,932,741</u>	<u>16,947,296</u>	<u>16,178,315</u>	<u>15,212,535</u>	<u>15,272,341</u>
Business-Type Activities:										
Other Miscellaneous	-	-	74,266	88,374	174,222	310,193	153,837	34,860	32,790	614,973
Investment Earnings	312,136	201,634	247,427	148,971	38,213	31,969	14,086	17,373	3,393	19,108
Gain on Disposal of Capital Assets	76,084	59,765	-	-	157,969	-	-	-	-	-
Transfers	800,980	(485,828)	408,300	(81,700)	(58,685)	(42,285)	136,215	183,836	301,620	34,000
Total Business-Type Activities	<u>1,189,200</u>	<u>(224,429)</u>	<u>729,993</u>	<u>155,645</u>	<u>311,719</u>	<u>299,877</u>	<u>304,138</u>	<u>236,069</u>	<u>337,803</u>	<u>668,081</u>
Total	<u>\$ 24,978,251</u>	<u>\$ 23,419,747</u>	<u>\$ 23,395,792</u>	<u>\$ 20,482,172</u>	<u>\$ 19,404,317</u>	<u>\$ 18,232,618</u>	<u>\$ 17,251,434</u>	<u>\$ 16,414,384</u>	<u>\$ 15,550,338</u>	<u>\$ 15,940,422</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 12,798,392	\$ 6,236,237	\$ 3,188,338	\$ 4,813,686	\$ 3,173,679	\$ 2,445,359	\$ 2,677,963	\$ 2,420,567	\$ 1,332,551	\$ 488,748
Business-Type Activities	10,336,029	5,383,377	6,001,726	3,486,588	5,426,399	486,078	2,229,840	4,126,327	466,841	1,058,355
Total	<u>\$ 23,134,421</u>	<u>\$ 11,619,614</u>	<u>\$ 9,190,064</u>	<u>\$ 8,300,274</u>	<u>\$ 8,600,078</u>	<u>\$ 2,931,437</u>	<u>\$ 4,907,803</u>	<u>\$ 6,546,894</u>	<u>\$ 1,799,392</u>	<u>\$ 1,547,103</u>

CITY OF FERNANDINA BEACH, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Schedule 3)

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 246,089	\$ 822,822	\$ 694,290	\$ 618,052	\$ 1,043,011	\$ 1,023,966	\$ 905,428	\$ 634,185	\$ 782,063	\$ 851,549
Restricted	2,803	2,781	2,759	3,253,168	2,429,327	1,398,046	1,004,250	793,374	512,378	261,776
Committed	5,213,387	4,691,137	4,556,811	4,548,761	4,510,708	4,402,869	3,987,271	3,664,922	3,509,190	3,447,973
Assigned	2,549,510	1,882,521	1,544,522	728,532	769,951	1,167,461	1,191,699	718,233	638,759	159,623
Unassigned	4,535,844	4,201,241	2,311,489	2,519,317	1,132,201	623,782	975,530	1,482,841	1,148,343	1,235,633
Total General Fund	<u>\$ 12,547,633</u>	<u>\$ 11,600,502</u>	<u>\$ 9,109,871</u>	<u>\$ 11,667,830</u>	<u>\$ 9,885,198</u>	<u>\$ 8,616,124</u>	<u>\$ 8,064,178</u>	<u>\$ 7,293,555</u>	<u>\$ 6,590,733</u>	<u>\$ 5,956,554</u>
All Other Governmental Funds										
Nonspendable	\$ 6,622	\$ -	\$ -	\$ -	\$ 122,371	\$ 1,600,000	\$ -	\$ 4,000	\$ 138,233	\$ 4,000
Restricted	10,984,475	8,946,576	8,490,749	5,033,871	4,925,247	3,896,645	3,633,965	2,126,156	2,308,417	2,214,452
Committed	1,759,214	1,556,224	1,434,242	1,268,487	1,026,918	974,146	933,449	878,709	823,278	786,275
Assigned	6,763,125	828,857	(15,171)	56,720	416,836	92,048	1,133,821	825,811	529,383	1,284,727
Unassigned	-	-	-	(444,589)	-	(293,149)	-	-	-	-
Total All Other Governmental Funds	<u>\$ 19,513,436</u>	<u>\$ 11,331,657</u>	<u>\$ 9,909,820</u>	<u>\$ 5,914,489</u>	<u>\$ 6,491,372</u>	<u>\$ 6,269,690</u>	<u>\$ 5,701,235</u>	<u>\$ 3,834,676</u>	<u>\$ 3,799,311</u>	<u>\$ 4,289,454</u>

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

CITY OF FERNANDINA BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Schedule 4)

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes, Licenses and Permits	\$ 22,974,598	\$ 22,333,758	\$ 23,757,338	\$ 22,058,467	\$ 22,009,415	\$ 17,958,345	\$ 16,798,549	\$ 15,825,898	\$ 15,177,234	\$ 14,776,009
Intergovernmental	9,754,622	3,664,986	3,093,190	2,766,962	3,565,064	2,350,148	1,661,536	1,922,392	2,323,299	1,846,101
Charges for Services	1,804,592	1,756,738	1,259,089	1,598,099	1,477,078	1,446,796	1,494,628	1,380,703	1,331,053	1,382,899
Fines and Forfeitures	74,504	43,917	59,413	214,329	58,643	87,785	89,123	117,506	93,791	51,857
Other	2,526,117	2,347,263	1,144,757	322,598	263,060	1,244,664	1,036,059	1,226,549	958,129	975,321
Total Revenues	37,134,433	30,146,662	29,313,787	26,960,455	27,373,260	23,087,738	21,079,895	20,473,048	19,883,506	19,032,187
Expenditures										
General Government	5,340,770	5,224,171	4,767,791	4,692,625	4,461,902	4,069,837	3,514,919	3,214,122	3,373,043	3,970,807
Public Safety	12,232,549	11,470,658	11,556,807	11,258,634	10,625,934	9,758,426	9,769,412	9,391,242	9,209,143	9,092,873
Physical Environment	167,966	165,478	195,850	1,506,579	1,639,299	-	-	-	-	-
Transportation	1,403,805	1,539,639	1,684,830	2,146,026	2,930,090	2,948,493	1,719,952	1,547,868	1,478,862	1,457,184
Economic Environment	75,432	73,461	69,185	74,459	782,268	52,414	47,184	47,379	35,494	38,311
Human Services	121,025	399,486	383,930	55,418	52,811	45,666	37,913	172,992	497,085	39,013
Culture and Recreation	3,427,939	3,221,774	2,998,611	2,285,030	2,138,614	2,093,649	2,291,180	2,560,053	1,887,808	1,853,064
Debt Service:										
Principal	163,285	1,105,126	1,206,426	1,186,339	1,168,951	977,860	694,999	636,934	620,495	1,617,878
Interest	52,678	21,153	38,977	58,932	78,365	94,812	97,652	102,744	117,597	143,992
Capital Outlay	5,386,391	3,974,760	4,545,708	2,572,364	2,491,609	1,954,965	2,268,612	1,883,691	2,233,323	1,383,300
Total Expenditures	28,371,840	27,195,706	27,448,115	25,836,406	26,369,843	21,996,122	20,441,823	19,557,025	19,452,850	19,596,422
Excess (Deficiency) of Revenues										
Over (Under) Expenditure	8,762,593	2,950,956	1,865,672	1,124,049	1,003,417	1,091,616	638,072	916,023	430,656	(564,235)
Other Financing Sources (Uses)										
Capital Lease	-	-	-	-	427,154	-	-	-	-	-
Proceeds from Sale of Capital Assets	37,297	23,975	-	-	-	-	-	-	-	-
Proceeds from Notes Payable	1,150,000	770,837	-	-	-	-	3,216,109	-	-	-
Payment on Note Refunding	-	-	-	-	-	-	(1,030,784)	-	-	-
Transfers In	10,172,486	2,978,919	6,960,624	2,749,688	2,164,466	2,209,800	1,962,550	2,259,355	1,463,904	2,360,536
Transfers Out	(10,993,466)	(2,812,219)	(7,388,924)	(2,667,988)	(2,104,281)	(2,181,015)	(2,148,765)	(2,437,191)	(1,750,524)	(2,388,536)
Total Other Financing Sources (Uses)	366,317	961,512	(428,300)	81,700	487,339	28,785	1,999,110	(177,836)	(286,620)	(28,000)
Net Change in Fund Balance	\$ 9,128,910	\$ 3,912,468	\$ 1,437,372	\$ 1,205,749	\$ 1,490,756	\$ 1,120,401	\$ 2,637,182	\$ 738,187	\$ 144,036	\$ (592,235)
Debt Service as a Percentage of										
Non Capital Expenditures	0.93%	4.88%	5.44%	5.35%	5.22%	5.35%	4.36%	4.19%	4.29%	9.67%

CITY OF FERNANDINA BEACH, FLORIDA

**TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Schedule 5)**

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Franchise and Utility Tax</u>	<u>Half-cent Sales Tax</u>	<u>State Revenue Sharing</u>	<u>Discretionary Sales Surtax</u>	<u>Total</u>
2022	\$ 15,473,422	\$ 3,620,897	\$ 1,174,985	\$ 372,319	\$ 2,581,374	\$ 23,222,997
2021	14,952,463	3,582,576	999,957	249,366	2,099,009	21,883,371
2020	15,798,230	3,324,199	836,880	338,250	1,781,241	22,078,800
2019	12,859,437	3,296,296	910,955	357,847	1,847,705	19,272,240
2018	12,104,097	3,234,806	877,989	341,595	1,941,118	18,499,605
2017	11,040,874	3,216,047	810,556	325,671	1,873,713	17,266,861
2016	10,356,519	3,188,719	772,617	309,451	1,778,306	16,405,612
2015	9,894,587	3,167,234	729,203	302,846	1,683,460	15,777,330
2014	9,680,522	2,970,994	673,908	295,693	1,556,723	15,177,840
2013	9,337,768	3,021,388	617,427	291,794	1,426,792	14,695,169

CITY OF FERNANDINA BEACH, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (IN THOUSANDS OF DOLLARS) (UNAUDITED)
 (Schedule 6)

Fiscal Year	REAL PROPERTY				LESS EXEMPTIONS:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property	Industrial Property	Other*	Real Property	Personal Property				
2022	\$ 2,426,154	\$ 272,904	\$ 82,194	\$ 289,177	\$ 531,959	\$ 34,756	\$ 2,503,714	5.3330	\$ 3,070,429	81.54%
2021	2,201,861	261,001	82,194	247,241	475,586	16,448	2,300,263	5.6236	2,792,298	82.38%
2020	1,996,672	252,491	81,288	234,045	448,484	16,037	2,099,976	6.5236	2,564,497	81.89%
2019	1,768,916	239,602	66,426	224,570	424,324	18,043	1,857,147	6.0482	2,299,513	80.76%
2018	1,612,673	222,294	67,728	215,163	379,199	16,010	1,722,649	6.2097	2,117,858	81.34%
2017	1,488,441	211,702	66,971	196,684	378,463	16,717	1,568,618	6.3044	1,963,799	79.88%
2016	1,624,009	205,366	66,116	190,362	367,512	16,797	1,701,543	6.3044	2,085,853	81.58%
2015	1,544,826	195,353	62,893	181,081	359,449	16,348	1,608,356	6.3663	1,984,153	81.06%
2014	1,506,787	190,542	61,344	176,622	354,340	37,579	1,543,377	6.5080	1,935,295	79.75%
2013	1,517,943	191,953	61,798	177,930	352,847	36,395	1,560,382	6.3001	1,949,624	80.04%

Source: Nassau County Property Appraiser.

CITY OF FERNANDINA BEACH, FLORIDA

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)
(Schedule 7)**

Fiscal Year	Tax Roll Year	City of Fernandina Beach			OVERLAPPING RATES					
		Operating Millage	Debt Service Millage	Total City Millage	Nassau County	St. Johns River Water Management	Nassau County Schools	Fl. Inland Navigational District	Amelia Island Mosquito Control	Amelia Island Beach MSTU
2022	2021	5.3330	-	5.3330	7.3238	0.2189	5.8800	0.0320	0.1277	0.0960
2021	2020	5.4683	0.1553	5.6236	7.4278	0.2189	5.9640	0.0320	0.1412	0.0960
2020	2019	6.3553	0.1683	6.5236	7.4278	0.2414	6.1360	0.0320	0.1412	0.1021
2019	2018	5.8553	0.1929	6.0482	7.4278	0.2562	6.3170	0.0320	0.1412	0.1021
2018	2017	6.0000	0.2097	6.2097	6.5670	0.2724	6.5980	0.0320	0.1495	0.1021
2017	2016	6.0682	0.2362	6.3044	6.5670	0.2885	6.7940	0.0320	0.1587	-
2016	2015	6.1021	0.2023	6.3044	6.5670	0.3023	7.1530	0.0320	0.1472	-
2015	2014	6.1021	0.2642	6.3663	6.5670	0.3164	7.2160	0.0345	0.1522	-
2014	2013	6.2844	0.2236	6.5080	5.5670	0.3283	7.3590	0.0345	0.1474	-
2013	2012	6.0277	0.2724	6.3001	5.5670	0.3313	7.5430	0.0345	0.1453	-

Source: Nassau County Property Appraiser.

CITY OF FERNANDINA BEACH, FLORIDA

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Schedule 8)

TAXPAYER	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Westrock CP, LLC	\$ 272,675,993	1	8.88%	\$ 156,686,078	1	8.04%
Rayonier Performance Fibers	71,898,503	2	2.34%	65,602,319	2	3.36%
PR Amelia Island Propco LLC	43,974,912	3	1.43%			
Rocktekn CP, LLC	39,444,297	4	1.28%			
Eight Flags Energy	39,110,227	5	1.27%			
Main Beach Sojourn LLLP	39,093,815	6	1.27%			
Lignotech	38,668,728	7	1.26%	41,868,508	3	2.15%
Chesapeake Utilities Corp	37,101,406	8	1.21%	24,046,821	4	1.23%
Vintage Amelia Owner LLC	33,051,484	9	1.08%			
Ocean Highway & Port Authority	28,471,673	10	0.93%			0.00%
Amelia Island Hotel Group				8,271,603	5	0.42%
Amelia Harbor View, LLC				5,177,308	6	0.27%
Fernandina Beach Hotel Group				3,154,677	7	0.16%
Wal-Mart Stores #977				2,964,850	8	0.15%
First Coast Community Bank				2,868,286	9	0.15%
RRG of Amelia Inc.				3,884,876	10	0.20%
Totals	<u>\$ 643,491,038</u>		<u>20.96%</u>	<u>\$ 314,525,326</u>		<u>16.13%</u>

Source: Nassau County Property Appraiser and Nassau County.

CITY OF FERNANDINA BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(Schedule 9)

Fiscal Year	Tax Roll Year	Taxes Levied For the Fiscal Year	Collected Within The Fiscal Year Of the Levy		Collections In Subsequent Years	Total Collections To Date	
			Amount	Percentage of Levy		Amount*	Percentage of Levy
2022	2021	\$ 16,051,729	\$ 15,357,697	95.68%	\$ -	\$ 15,357,697	95.68%
2021	2020	15,031,155	14,866,403	98.90%	7,677	14,874,080	98.96%
2020	2019	15,992,013	15,776,672	98.65%	(963)	15,775,709	98.65%
2019	2018	12,860,995	12,834,672	99.80%	(8,887)	12,825,785	99.73%
2018	2017	12,123,361	12,089,983	99.72%	16,112	12,106,095	99.86%
2017	2016	10,971,228	10,824,778	98.67%	8,725	10,833,503	98.74%
2016	2015	10,447,275	10,350,806	99.08%	45,791	10,396,597	99.51%
2015	2014	9,814,954	9,716,219	98.99%	5,712	9,721,931	99.05%
2014	2013	9,824,000	9,686,556	98.60%	16,883	9,703,439	98.77%
2013	2012	9,416,621	9,326,945	99.05%	(6,035)	9,320,910	98.98%

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

Source: Nassau County Tax Collector.

CITY OF FERNANDINA BEACH, FLORIDA

**OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Schedule 10)**

Fiscal Year	Governmental Activities			Business-Type Activities			Total	Percentage of Estimated Actual Taxable Value of Real Property ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	Revenue Bonds and Notes	Financed Purchases ⁽³⁾	Revenue Bonds and Notes	Line of Credit	Financed Purchases ⁽³⁾			
2022	\$ -	\$ 1,112,751	\$ 581,214	\$ 31,526,742	\$ -	\$ 397,120	\$ 33,617,827	1.09%	\$ 2,549
2021	-	-	707,250	36,144,444	-	498,605	37,350,299	1.34%	2,862
2020	417,000	577,933	46,607	30,195,791	7,968,352	188,729	39,394,412	1.54%	2,911
2019	821,000	1,146,796	280,217	32,435,534	4,820,002	-	39,503,549	1.72%	3,059
2018	1,216,000	1,707,115	511,237	34,596,821	695,001	-	38,726,174	1.83%	3,035
2017	1,602,000	2,261,562	312,588	35,643,980	-	41,637	39,861,767	2.03%	3,176
2016	1,982,000	2,775,746	396,264	37,631,402	-	81,927	42,867,339	2.06%	3,505
2015	2,351,000	1,312,683	-	38,605,721	-	151,494	42,420,898	2.14%	3,586
2014	2,712,000	1,588,617	-	40,491,393	-	233,499	45,025,509	2.33%	3,786
2013	3,065,000	1,856,113	-	42,172,504	-	117,306	47,210,923	2.42%	4,091

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

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

⁽²⁾ See Schedule 14 for population data.

⁽³⁾ Capital leases were determined to be Financed Purchases in accordance with implementation of GASB 87 Leases in 2022.

CITY OF FERNANDINA BEACH, FLORIDA

**RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Schedule 11)**

<u>Fiscal Year</u>	<u>Total Taxable Assessed Value</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Net Bonds Outstanding</u>	<u>Percentage of Estimated Actual Taxable Value of Real Property ⁽¹⁾</u>	<u>Per Capita ⁽²⁾</u>
2022	\$ 3,070,429,543	\$ -	\$ -	\$ -	0.00%	\$ -
2021	2,792,279,703	-	-	-	0.00%	-
2020	2,564,497,031	417,000	4,863	412,137	0.02%	30.45
2019	2,299,513,071	821,000	4,464	816,536	0.04%	63.22
2018	2,117,858,482	1,216,000	4,442	1,211,558	0.06%	94.94
2017	1,963,798,534	1,602,000	4,442	1,597,558	0.08%	127.30
2016	2,085,853,231	1,982,000	4,316	1,977,684	0.09%	161.72
2015	1,984,151,696	2,351,000	121,867	2,229,133	0.11%	188.43
2014	1,935,294,915	2,712,000	118,371	2,593,629	0.13%	218.06
2013	1,949,623,795	3,065,000	165,938	2,899,062	0.15%	251.20

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

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

⁽²⁾ See Schedule 14 for population data.

CITY OF FERNANDINA BEACH, FLORIDA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2022
(Schedule 12)**

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property Taxes			
Nassau County*	\$ 22,797,331	24.6%	<u>\$ 5,615,290</u>
Subtotal Overlapping Debt			5,615,290
City direct debt			581,216
Totals			<u><u>\$ 6,196,506</u></u>

* Fiscal year 2022 outstanding debt from Nassau County unavailable. Fiscal Year 2021 debt is presented.

Source: Nassau County Clerk of the Court/Comptroller.

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Schedule 13)**

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	\$ 10,832,150	\$ 5,145,781	\$ 5,686,369	\$ 1,495,000	\$ 968,500	2.31
2021	10,250,978	4,222,661	6,028,317	1,425,000	1,039,750	2.45
2020	10,794,271	4,288,932	6,505,339	1,360,000	1,107,750	2.64
2019	10,364,923	4,521,496	5,843,427	1,290,000	1,172,250	2.37
2018	10,221,053	4,283,204	5,937,849	1,230,000	1,233,750	2.41
2017	10,079,472	4,267,823	5,811,649	1,085,000	1,277,150	2.46
2016	9,411,710	3,877,659	5,534,051	1,045,000	1,311,850	2.35
2015	9,131,153	3,702,025	5,429,128	1,000,000	1,355,617	2.30
2014	9,095,086	3,808,621	5,286,465	720,000	1,378,750	2.52
2013	8,852,666	4,924,928	3,927,738	420,000	1,901,580	1.69

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

CITY OF FERNANDINA BEACH, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Schedule 14)

Fiscal Year	Population	Total Population Income (Amounts in Thousands)	Per Capita Income	Unemployment Rate
2022	13,188	N/A	N/A	2.4
2021	13,051	\$ 1,160,014	\$ 50,051	3.2
2020	13,534	1,083,475	49,853	4.4
2019	12,915	995,924	43,693	2.6
2018	12,761	949,609	41,816	3.0
2017	12,550	881,703	38,925	3.5
2016	12,229	818,978	36,577	4.2
2015	11,830	803,471	33,032	4.7
2014	11,894	792,211	31,896	5.4
2013	11,541	728,395	31,323	5.9

N/A - Data is unavailable.

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

CITY OF FERNANDINA BEACH, FLORIDA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Schedule 15)**

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Nassau County School District	1,576	1	11.95%	1,500	1	13.00%
Nassau County Government	448	2	3.40%	670	2	5.81%
WestRock CP, LLC	564	3	4.28%	440	3	3.81%
Baptist Medical Center Nassau	421	4	3.19%	410	4	3.55%
Rayonier Advanced Materials	323	5	2.45%	280	6	2.43%
City of Fernandina Beach	227	6	1.72%	171	7	1.48%
Publix	180	7	1.36%	- ⁽¹⁾	8	0.00%
Walmart - Fernandina Beach	125	8	0.95%	- ⁽¹⁾	5	0.00%
Florida Public Utilities	60	9	0.45%	- ⁽¹⁾	9	0.00%
Winn Dixie	50	10	0.38%	- ⁽¹⁾	10	0.00%
Total	3,974		30.13%	3,471		30.08%

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

(1) 2013 data not available

CITY OF FERNANDINA BEACH, FLORIDA

**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Schedule 16)**

FUNCTION	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
City Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50	4.50	4.50
City Manager	4.00	4.00	4.00	4.00	4.25	3.50	4.00	3.90	3.90	4.00
Finance	7.00	7.00	7.00	8.00	7.84	6.90	6.40	6.40	6.50	6.00
Information Technology	4.50	4.50	4.50	3.00	3.00	2.60	2.60	2.60	3.00	2.00
Human Resources	3.00	3.00	3.00	3.00	3.17	2.50	2.50	3.00	3.00	3.00
Legal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development-Planning	7.00	7.00	6.00	6.00	4.38	4.00	3.30	3.40	3.10	4.30
Public Safety										
Police										
Officers	38.00	38.00	38.00	38.00	37.50	35.50	33.50	32.50	32.50	32.50
Civilians	11.00	11.00	11.00	8.00	5.50	5.50	5.50	10.50	10.50	10.00
Fire										
Firefighters and Officers	34.00	34.00	34.00	34.00	33.00	33.00	31.00	31.00	30.50	32.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	1.00	1.00
Building	12.50	12.50	12.00	10.00	9.90	7.70	6.15	6.15	5.80	5.10
Code Enforcement	3.00	3.00	2.50	2.50	1.73	1.90	2.10	1.50	1.10	1.10
Public Works										
Streets	10.00	10.00	10.50	20.50	18.50	18.50	17.50	15.50	15.50	15.00
Facility Maintenance	8.50	8.50	7.50	6.50	6.50	7.00	6.00	6.00	6.00	5.50
Culture and Recreation	46.00	46.00	46.00	31.00	31.00	29.00	34.00	34.00	34.00	34.00
Enterprise Funds										
Water	12.50	12.50	12.50	12.50	12.50	12.50	11.50	10.50	10.50	11.00
Airport	2.50	2.50	2.50	2.00	2.00	2.00	1.50	1.50	1.60	1.50
Golf Course	21.00	21.00								
Marina										
Wastewater	13.50	13.50	13.50	13.50	13.50	13.50	13.00	13.00	13.00	16.00
Stormwater	6.00	6.00	6.00	6.00	4.75	2.50	0.50	0.00	0.50	0.00
Internal Service Funds										
Central Garage	3.0	3.0	3.0	3.0	3.0	3.0	3.00	3.00	3.00	3.00
Utility Billing	6.0	6.0	5.0	5.0	5.0	5.0	4.50	4.50	4.50	4.50
Utilities Administration	4.0	4.0	3.0	3.0	3.0	3.0	3.00	4.00	4.00	3.50

Data obtained from City of Fernandina Beach Finance Department.

CITY OF FERNANDINA BEACH, FLORIDA
OPERATIONS INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Schedule 17)

FUNCTION	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police										
Physical Arrests	255	266	243	350	386	255	362	675	675	686
Parking Violations	822	811	585	500	430	556	673	1,000	500	496
Traffic Violations	3,158	2,456	2,462	3,000	3,081	925	1,131	1,250	1,500	1,122
Number of calls answered	22,065	21,904	19,758	19,309	19,309	21,914	21,525	22,500	22,000	21,548
Fire										
Number of calls answered	3,498	3,269	3,279	3,057	3,057	2,678	2,200	2,200	2,200	2,200
Rescue Transports	1,887	1,723	1,573	1,516	1,516	1,448	1,300	1,200	1,200	1,200
Inspections	232	279	306	271	271	198	200	220	200	200
Transportation										
Street Resurfacing (square yards)	29,710	22,650	21,375	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Potholes repaired (in tons of cold mix used)	65	72	22	25	25	30	30	30	30	43
Culture and Recreation *										
Participants - After school tutoring	100	113	70	50	50	50	50	50	50	57
Participants - Summer Camp	126	213	36	220	220	220	166	220	216	214
Participants - Adult Softball Leagues	298	403	251	700	700	700	700	700	640	629
Participants - Senior Programs	0	0	0	935	360	360	360	850	521	554
Water										
Number of Active Accounts	9,310	9,281	9,028	8,675	7,951	8,541	8,064	7,888	8,482	8,487
Annual Daily Pumpage (millions of gallons)	3.673	3.438	3.396	3.340	3.301	3.285	5.071	4.964	5.099	3.326
Wastewater										
Annual daily sewage treatment (millions of gallons)	1.790	1.835	1.704	1.741	1.669	1.593	1.741	1.755	1.802	1.550
Stormwater										
Streets Cleaned (miles)	5,735	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,004
Drainage Cleaning (man hours)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,206
Golf*										
Rounds Played	39,917	40,814	34,552	39,254	39,057	46,317	41,904	42,231	39,674	49,003
Memberships	187	231	369	358	765	827	190	244	202	289
Marina										
Diesel Pumped (gallons)	334,778 **	128,643 **	0 **	0 **	0 **	0 **	503,500	398,354	195,000	272,651
Gas Pumped (gallons)	94,818 **	50,309 **	0 **	0 **	0 **	0 **	79,897	68,268	72,000	56,676
Boat Night Count	11,123	7,175	15,000	15,000	15,145	15,145	19,900	22,650	15,500	13,754

N/A - data not reported.

*FY21 and FY20 data was impacted by the COVID-19 Pandemic and the temporary closure or suspension of City facilities and programs.

** - Marina closed due to Hurricane Matthew damage in 2016. Fuel operations resumed in June of 2021.

Data obtained from City of Fernandina Beach Finance Department.

CITY OF FERNANDINA BEACH, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Schedule 18)

FUNCTION	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets (Miles)	79.00	79.00	79.00	79.00	77.16	77.16	76.05	76.03	75.09	75.09
Street Lights	1,190	1,178	1,178	1,178	1,178	1,178	1,173	1,168	1,168	1,190
Culture and Recreation										
Community Centers	3	3	3	3	3	3	3	3	3	3
Parks	18	18	18	18	18	18	18	18	18	18
Parks Acreage	446	446	446	446	446	446	446	446	446	446
Pickleball Courts	6	6	4	4	4	0	0	0	0	0
Golf Course	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Water										
Water Mains (Miles)	120	119	130	130	124	121	120	120	117	117
Maximum Daily Capacity (Thousands of Gallons)	18.2	18.2	18.2	18.2	18.0	18.2	18.2	18.2	18.2	18.2
Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sewer Lines (Miles)	112	111	102	102	102	98	97	97	95	95
Maximum Daily Treatment Capacity (Millions of Gallons)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Treatment Plants	2	2	2	2	2	2	2	2	2	2
Stormwater										
Stormwater Pipe (Miles)	68	67	66	66	66	66	N/A	N/A	N/A	N/A
Drainage Structures	1,489	1,464	1,453	1,453	1,453	1,453	N/A	N/A	N/A	N/A
City Maintained Ponds	4	4	4	4	4	4	N/A	N/A	N/A	N/A

N/A - Statistical data not accounted for.

Statistical information obtained from the City's Finance Department.

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OTHER REPORTS

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CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal/State Agency, Pass-through Grantor/Program Title/State Project	AL/CSFA Number	Contract Grant Number	Expenditures	Passed Through to Subrecipients
Federal Expenditures				
U.S. Department of Homeland Security				
Federal Emergency Management Agency				
Passed through the State of Florida Division of Emergency Management				
Disaster Grants - Public Assistance	97.036	N/A	\$ 5,788,943	\$ -
Hazard Mitigation Grant Program	97.039	H0104/4283-89-R	85,755	-
Total U.S. Department of Homeland Security			<u>5,874,698</u>	<u>-</u>
U.S. Department of Justice				
Passed through the Florida Department of Law Enforcement				
Coronavirus Emergency Supplemental Funding - COVID-19	16.034	2022-JAGD-NASS-1-RB-031	1,322	-
Total U.S. Department of Justice			<u>1,322</u>	<u>-</u>
U.S. Department of Transportation				
Federal Aviation Administration Airport Improvement Program				
Rehabilitate Apron-Design	20.106	3-12-0022-031-2021	110,500	-
Transient April Rehabilitation	20.106	3-12-0022-034-2022	20,785	-
Airports Coronavirus Response Grant Program, CRSSA Act Funds - COVID-19	20.106	3-12-0022-033-2022	32,000	-
Total U.S. Department of Transportation			<u>163,285</u>	<u>-</u>
U.S. Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds				
Total U.S. Department of Treasury	21.027	N/A	<u>6,426,113</u>	<u>-</u>
U.S. Department of Commerce				
Coastal Zone Management Administration Awards				
Total U.S. Department of Commerce	11.419	NA21NOS4190077/CZ424	<u>49,650</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 12,515,068</u>	<u>\$ -</u>
State Financial Assistance				
Florida Department of Environmental Protection				
Fernandina Beach Stormwater Shoreline Stabilization	37.033	LP45013	\$ 12,700	\$ -
North Fletcher Drainage Improvements - Area 5	37.039	LP45011	475,000	-
Fernandina Beach RIG Comprehensive Historic Downtown Resiliency Plan Segment 2 Project	37.098	R2232	490,667	-
Total Florida Department of Environmental Protection			<u>978,367</u>	<u>-</u>
Florida Department of Transportation				
Transient April Rehabilitation	55.004	G1M03/3-12-0022-034-2022	1,848	-
T-Hangar Development	55.004	G1G99/434909-1-94-21	523,914	-
Fire Station 2A	55.004	G1Z48/434909-2-94-22 & 23	82,877	-
Total Florida Department of Transportation			<u>608,639</u>	<u>-</u>
Florida Department of State				
Saving Peck High School	45.032	22.h.sc.100.094	500,000	-
Peck High School Historical Display	45.061	22.h.sm.300.126	50,000	-
Total Florida Department of State			<u>550,000</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 2,137,006</u>	<u>\$ -</u>

NOTES:

Note 1 - General

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

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2022. All federal awards and state financial assistance received directly from federal agencies or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - De Minimis Indirect Cost Rate Election

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

Note 4 - Prior Year Expenditures

The accompanying schedule of expenditures of federal awards and state financial assistance projects includes expenditures incurred prior to fiscal year 2022, which are allowable under the grant terms and conditions.

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**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**

Honorable Mayor and Members of
the City Commission,
City of Fernandina Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the "City"), as of and for the year ended September 30, 2022, 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 16, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 16, 2023



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

Honorable Mayor and Members of
the City Commission,
City of Fernandina Beach, Florida

Report on Compliance For Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Fernandina Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2022. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 and state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida

March 16, 2023

CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Programs and State Financial Assistance Projects

Internal control over major federal programs:
Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.550, Rules of the Auditor General? yes no

Identification of major federal programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of the Treasury – Coronavirus State and Local Fiscal Recovery Funds

Identification of major state financial assistance:

<u>CSFA Number</u>	<u>Name of State Program</u>
45.032	Department of State – Restoration of Historic Properties
55.004	Department of Transportation – Aviation Grant Programs

Dollar threshold used to distinguish between
Type A and Type B federal programs: \$750,000
Type A and Type B state programs: \$641,102

Auditee qualified as low-risk auditee? yes no

CITY OF FERNANDINA BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III
FEDERAL/STATE AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

CITY OF FERNANDINA BEACH, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

None noted.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of
the City Commission,
City of Fernandina Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Fernandina Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 16, 2023.

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 Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated March 16, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 same.

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 16, 2023



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and Members of
the City Commission,
City of Fernandina Beach, Florida

We have examined the City of Fernandina Beach, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management of the City 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.


Bradenton, Florida
March 16, 2023

AFFIDAVIT

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

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

FURTHER AFFIANT SAYETH NAUGHT.



 Pauline Testagrose

STATE OF FLORIDA
COUNTY OF NASSAU

SWORN TO AND SUBSCRIBED before me this 22nd day of March, 2023.



 NOTARY PUBLIC
 Print Name Katie A. Newton

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

7/13/2025

