

Annual Comprehensive Financial Report

City of Jacksonville Beach, Florida



Fiscal Year Ended September 30, 2022

INTRODUCTORY SECTION

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

Prepared by
Finance Department

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

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LETTER OF TRANSMITTAL



March 10, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Jacksonville Beach, Florida:

Florida Statutes require that all general purpose local governments publish within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report for the City of Jacksonville Beach, Florida, for the fiscal year ended September 30, 2022.

This report consists of management's representations concerning the finances of the City of Jacksonville Beach, Florida (the City). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the City's management has established a comprehensive internal control framework that is designed both to protect the government'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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Purvis, Gray and Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2022, are free of 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 auditors concluded, based upon their audit, that there is a reasonable basis for rendering unmodified opinions on the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City for the fiscal year ended September 30, 2022, and that the City's financial statements are presented fairly 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 is sometimes part of a broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. The City met the minimum expenditures required for a Federal Single Audit.

GAAP requires that management provide a narrative introduction, overview, including changes in financial policies, 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 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.

Profile of the City of Jacksonville Beach, Florida

The City was incorporated in 1907 and is located on the northeastern part of the state. The City currently occupies a land area of 8.06 square miles and serves a population of over 23,800. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City has operated under the council-manager form of government since 1937. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Council is elected on a nonpartisan basis. Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected to a four-year term. Three council members are elected from within their districts, and the mayor and the remaining three council members are elected at-large.

The City provides a full range of services that include police and fire protection, sanitation services, the maintenance of streets and infrastructure, recreational activities and cultural events. In addition to general government activities, the City provides a full range of utility services including electric, natural gas, stormwater drainage, water, and wastewater treatment.

The annual budget serves as the foundation for the City's financial planning and control. All City departments are required to submit requests for appropriation to the City Manager that align with the City's adopted strategic plan. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30 of each year. The City Council annually adopts a budget resolution for all funds of the City. A five-year capital improvement plan is prepared each year based on business requirements and internal five-year revenue and expenditure projections.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Management must seek City Council approval to make budgetary amendments at the departmental level in the general fund, and at the fund level for all other funds. Management may, however, make a budget adjustment as long as it does not increase the overall budget for a department within the general fund or for any other fund in total. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbered appropriations are carried forward into subsequent years' budget without being re-budgeted. All encumbered budget appropriations, except project budgets, lapse at the end of each fiscal year. Encumbrances existing at year-end are recorded as reservations of fund balance and do not require re-appropriation.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the basic financial statements for the governmental funds beginning on page 25. For other nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual nonmajor fund subsection of this report, starting on page 83.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City, which is adjacent to the Atlantic Ocean, has grown into a solid business, resort, and residential community that is in close proximity to historical, entertainment, and tourism attractions. The City has a considerable commercial district that includes shopping centers, restaurants, and hotels, which contributes significantly to its economy. Major employers in the area include: the United States Navy and the Beaches Baptist Medical Center.

Even though the City is the economic center of the beaches area, housing is still the dominant land use, occupying well in excess of 66% of the developed land areas of the City. Approximately 55.5% of the City's housing is comprised of single-family homes and 44.5% is multifamily dwellings based on U.S. Census Bureau estimates. Generally, the quality of the housing is high, with approximately 50% of the housing built since 1980. The City is a mature community, which is experiencing re-development.

Long-Term Financial Planning

The City prepares a rolling five-year Capital Improvement Plan (CIP) each year. As part of this process, revenues and expenditures for key operating funds such as the General Fund, Community Redevelopment, Electric, and Water & Sewer are analyzed to ensure the financial sustainability of each fund over the long term. The goal is to ensure that a minimum reserve of 25% will be maintained at the end of each five-year period. This exercise allows the City to plan for major capital expenditures in a fiscally responsible manner, while consciously evaluating whether scheduled rate changes meet the needs of adequately maintaining assets. Therefore, during the fiscal year 2022-2026 capital budget process, various projects for continued electric improvements, public works infrastructure projects, technology improvements, parks projects, and equipment purchases were planned. The total projected cost for capital improvements identified in the 2022-2026 capital improvement plan totaled \$141,394,142.

Awards and Acknowledgements

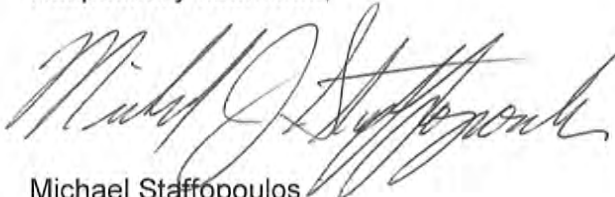
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2021. This was the twenty-ninth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2021. This was the twenty-eighth consecutive year that the government has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories: as a policy document, a financial plan, an operations guide, and a communications device.

Preparation of the financial report would not have been possible without the commitment and dedication of the Finance Department. We would like to express our appreciation to members of all departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and City Council for their unfailing support in the management of the finances for the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Staffopoulos".

Michael Staffopoulos
City Manager

A handwritten signature in blue ink, appearing to read "Ashlie Gossett".

Ashlie Gossett
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Jacksonville Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

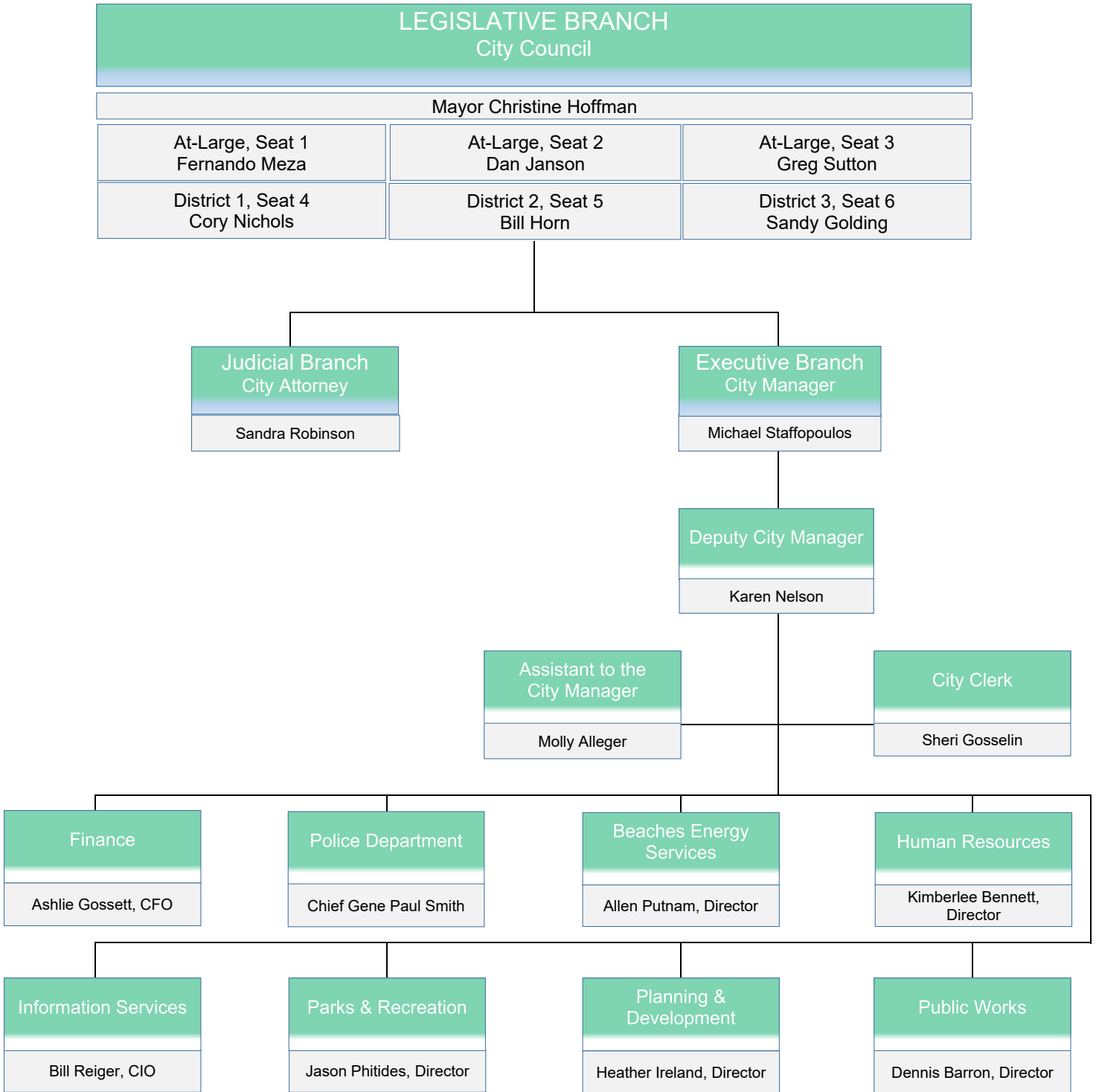
September 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF JACKSONVILLE BEACH

Government Organization



**CITY OF JACKSONVILLE BEACH, FLORIDA
CITY OFFICIALS**

LEGISLATIVE BRANCH

City Council:

Mayor	Christine Hoffman
Seat 1, At-Large	Fernando Meza
Seat 2, At-Large	Dan Janson
Seat 3, At-Large	Greg Sutton
Seat 4, District 1	Cory Nichols
Seat 5, District 2	Bill Horn
Seat 6, District 3	Sandy Golding

City Attorney

Sandra Robinson

City Auditors

Purvis, Gray and Company, LLP

EXECUTIVE BRANCH

City Manager	Michael Staffopoulos
Deputy City Manager	Karen W. Nelson
Chief Financial Officer	Ashlie Gossett
Police Chief	Gene Paul Smith
Director of Beaches Energy Services	Allen Putnam
Director of Human Resources	Kimberlee Bennett
Director of Parks & Recreation	Jason Phitides
Director of Planning and Development	Heather Ireland
Director of Public Works	Dennis Barron
City Clerk	Sheri Gosselin

AGENCY, BOARDS, AND COMMISSION

Board of Adjustment
Community Redevelopment Agency
Planning Commission
General Employees' Pension Board
Police Officers' Pension Board
Firefighters' Pension Board
Special Magistrate

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville 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 Jacksonville 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, and the respective budgetary comparison for the general fund, the community redevelopment fund, and the ARPA grant fund for the year then ended in conformity 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 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 these 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.

CERTIFIED PUBLIC ACCOUNTANTS

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An Independent Member of the BDO Alliance USA

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

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 and pension and other postemployment benefit plan schedules as listed in the table of contents (collectively, the required supplementary information) be presented to supplement the

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

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 non-major fund financial statements and other schedules, schedule of expenditures of federal awards, 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 schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), 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 non-major fund financial statements and other schedules, the schedule of expenditures of federal awards, and schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), 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.

Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 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 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 the City's internal control over financial reporting and compliance.



March 10, 2023
Tallahassee, Florida

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

As the management of the City of Jacksonville Beach (the City), we offer readers of the City's financial statements this narrative overview and analysis of the City's activities for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, on pages vi-ix of this report, and the financial statements which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$491,839,459 (net position). Of this amount, \$133,486,606 (unrestricted net position) is available to meet the City's obligations to provide ongoing services to our citizens and customers, to make payments to creditors, to pay for the projects in our capital improvement plan, or to establish reserves for emergencies or catastrophic events.
- The City's total net position increased by \$29,490,867 or 6.4% over the prior year. The governmental net position increased by \$16,378,422 (9.4%) and the business-type net position increased by \$13,112,445 (4.6%). The increase in the governmental activities is due primarily to American Rescue Plan Act (ARPA) grant receipts and increased property and other tax revenues as property values continue to grow. The increase in the business-type activities is due also to ARPA grant proceeds and the continued positive business performed of the City's various services.
- Revenues and net transfers-in for the governmental activities totaled \$42,353,721, an increase of \$4,039,495 or 10.5% for the year. Total expenses were \$25,975,299, a decrease of \$516,174 or 1.9% for the year.
- Revenues in the business-type activities totaled \$134,857,133, an increase of \$25,070,426 or 22.8% from the prior year. The increase is primarily due to the rising bulk power cost adjustment which is the pass-through cost of power from the City's provider. Total expenses and transfers out were \$121,744,688, an increase of \$23,276,952 or 23.6% for the year. Again, the increase in expenses were largely driven by the rising cost of power and natural gas in both the electric and natural gas utilities.
- The City's total financed debt as of September 30, 2022, is zero.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements* that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

This report also contains other supplementary information that provides details about the City's non-major funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

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

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements are presented on pages 19-20 of this report.

The *statement of net position* presents financial information on all of the City's assets, 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. 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 for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, law enforcement, fire control, building inspections, physical environment, roads and streets, and parks and recreation. The business-type activities of the City include electric, natural gas, water and sewer, stormwater, sanitation, golf course, and leased facilities.

Fund Financial Statements. A fund is a group of related accounts 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 financial-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. 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. The governmental fund financial statements consist of a *balance sheet* and a *statement of revenues, expenditures, and changes in fund balance*. The basic governmental fund statements are presented on pages 21-27 of this report.

Because the focus of governmental funds is narrower than that of 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.

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

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund financial statements for the general fund, the capital projects fund, the community redevelopment fund, and the ARPA grant fund, which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its various funds. To demonstrate compliance with the adopted budget, a budgetary comparison statement has been included with the basic financial statements for the general fund, the community redevelopment fund, and the ARPA grant fund.

Proprietary funds. The City maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the city-wide financial statements. The City uses enterprise funds to account for its utilities (electric, natural gas, water and sewer, stormwater, and sanitation) as well as its golf course and leased facilities operations. Internal service funds are an accounting classification used to allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, property maintenance, employment services, financial services, information technology services, and insurance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the city-wide financial statements.

The proprietary fund financial statements provide separate information for the water and sewer utility and the electric utility. Data from the other enterprise funds is combined into a single, aggregated presentation. All internal service funds are combined into an aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements are presented on pages 28-32 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because their resources are not available to support the City's own programs. The City uses fiduciary funds to account for the activities of the police, fire, and general employees' pension trust funds. The basic fiduciary fund financial statements are presented on pages 33-34 of 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 are presented on pages 35-71 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 progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information is presented on pages 72-77 of this report.

Individual fund data for the non-major funds is provided in the form of combining statements in the supplemental information section titled "Combining and Individual Non-Major Fund Statements and Other Schedules". Budgetary comparison statements for the non-major governmental funds are also included in this section, which begins on page 78.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. Over time, changes in net position serve as one useful measure of the City's financial condition. During fiscal year 2022, the City's net position for governmental activities increased by \$16,378,422 or 9.4%. The increase in net position for business-type activities was \$13,112,445 or 4.6%.

The following condensed comparison shows the City's net position for the two most recent fiscal years. The detailed statement of net position is presented on page 19 of this report.

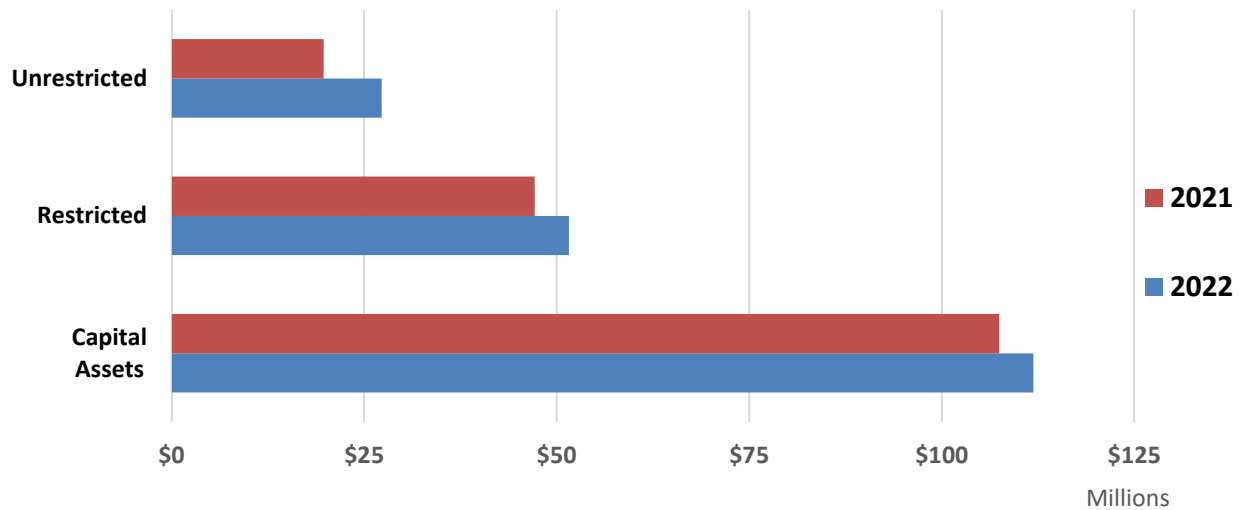
	Statement of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$112,138,693	\$87,712,202	\$147,282,387	\$152,291,394	\$259,421,080	\$240,003,596
Capital Assets, Net	111,901,718	107,483,303	194,884,830	193,783,121	306,786,548	301,266,424
Total Assets	224,040,411	195,195,505	342,167,217	346,074,515	566,207,628	541,270,020
Total Deferred Outflows of Resources	3,245,646	4,714,105	2,119,657	2,688,197	5,365,303	7,402,302
Current Liabilities	16,818,543	4,204,860	17,696,328	35,698,713	34,514,871	39,903,573
Non-Current Liabilities	11,351,764	18,671,232	5,912,263	10,455,382	17,264,027	29,126,614
Total Liabilities	28,170,307	22,876,092	23,608,591	46,154,095	51,778,898	69,030,187
Total Deferred Inflows of Resources	8,387,611	2,683,801	19,566,963	14,609,742	27,954,574	17,293,543
Net Position:						
Net Invested in						
Capital Assets	111,901,718	107,483,303	194,884,830	193,783,121	306,786,548	301,266,424
Restricted	51,566,305	47,141,320	-	-	51,566,305	47,141,320
Unrestricted	27,260,116	19,725,094	106,226,490	94,215,754	133,486,606	113,940,848
Total Net Position	\$190,728,139	\$174,349,717	\$301,111,320	\$287,998,875	\$491,839,459	\$462,348,592

- Current and Other Assets increased by \$19,417,484, which is mostly from increased equity in pooled cash and investments due in large part to ARPA grant proceeds and the City continued effort to build up reserves as part of its pay-as-you-go strategy for future capital improvement projects.
- Deferred Outflows of resources decreased by \$2,036,999, which includes the recording of Other Post Employment Benefit related outflows and actuarial changes to pension-related outflows.
- Current Liabilities decreased by \$5,388,702 or 13.5%, which mainly reflects a reduction in power costs recovered in advance.
- Non-current Liabilities decreased by \$11,862,587 or 40.7%, largely due to the reduction in the actuarially determined net pension liability.
- Deferred Inflows increased by 61.6% due to recording of other post-employment benefits and the actuarial changes to pension related inflows.

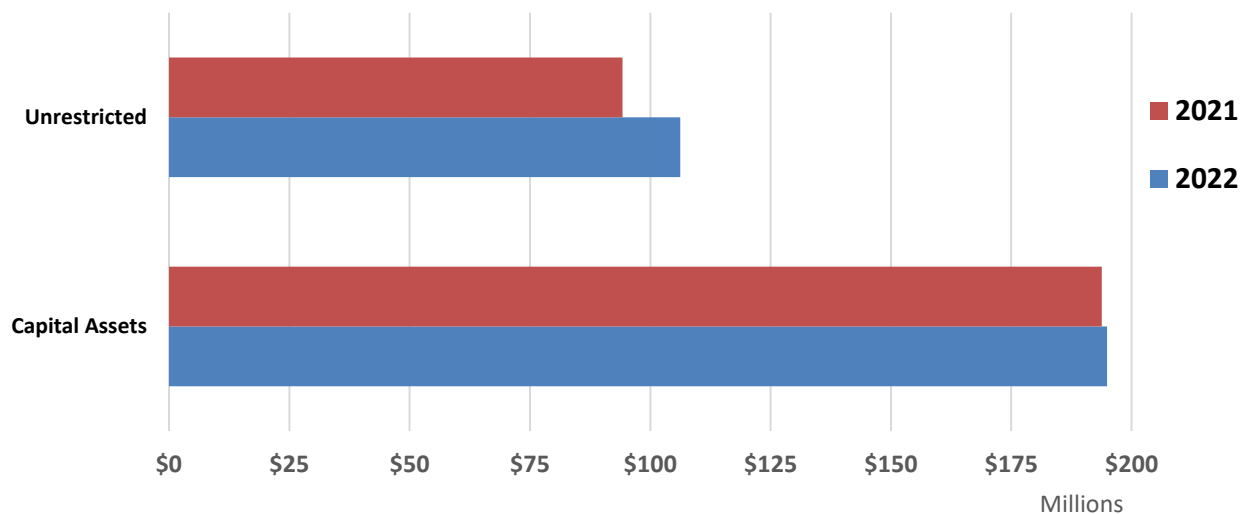
**MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

- The largest portion of the City's net position (62.4%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment). The City uses these capital assets to provide services to citizens and customers; therefore, these assets are not available for future spending.
- An additional portion of the City's net position (10.5%) represents resources that are subject to external restrictions on how they may be used.
- The remaining balance of the City's net position (27.1%) may be used to meet the government's ongoing obligations to citizens, customers, and creditors.

Net Position - Governmental Activities



Net Position - Business Type Activities



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

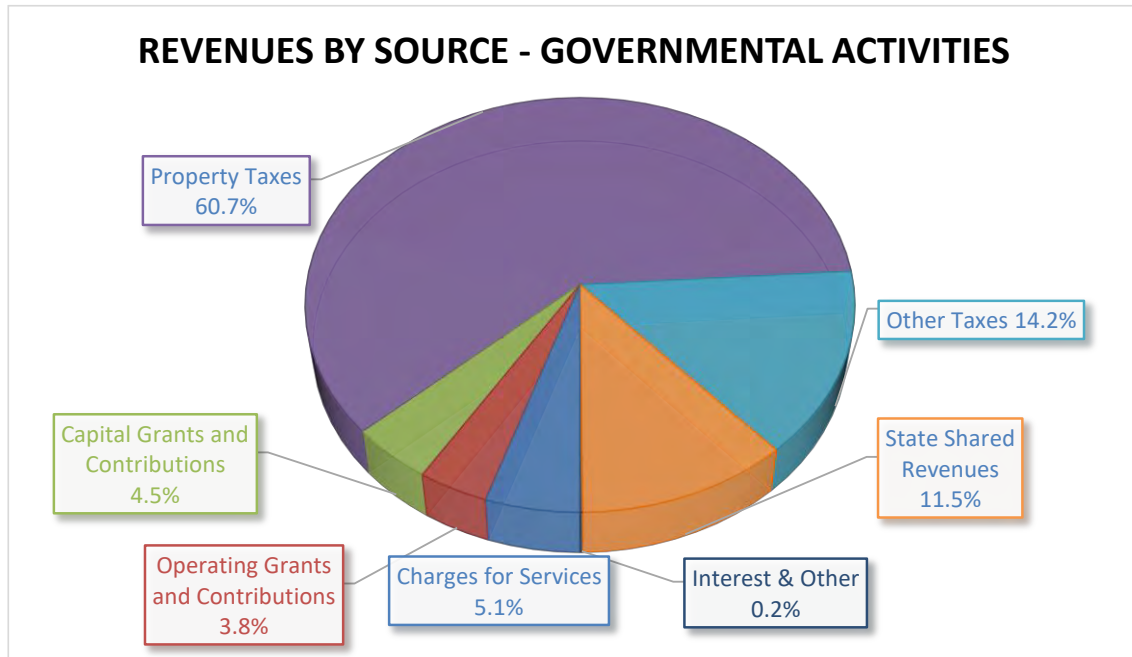
Statement of Activities. The following table illustrates the condensed statement of activities for the most recent fiscal year as compared to the prior year. The detailed statement of activities is presented on page 20 of this report.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program Revenues:						
Charges for Services	\$1,939,622	\$1,742,450	\$135,409,454	\$108,949,610	\$137,349,076	\$110,692,060
Operating Grants and Contributions	1,440,547	1,229,351	11,910	2,580	1,452,457	1,231,931
Capital Grants and Contributions	1,707,747	292,208	2,629,206	665,695	4,336,953	957,903
General Revenues:						
Property Taxes	23,114,042	22,048,764			23,114,042	22,048,764
Other Taxes	5,519,166	4,601,059			5,519,166	4,601,059
State Shared Revenues	4,359,210	3,809,465			4,359,210	3,809,465
Other Intergovernmental Revenues	65,919	12,074			65,919	12,074
Investment Income (Loss)	(2,240,169)	99,731	(3,193,437)	155,103	(5,433,606)	254,834
Miscellaneous	2,233,444	509,738	-	13,719	2,233,444	523,457
Total Revenues	38,139,528	34,344,840	134,857,133	109,786,707	172,996,661	144,131,547
Program Expenses:						
General Government	4,319,646	4,974,593			4,319,646	4,974,593
Law Enforcement	10,871,090	11,033,893			10,871,090	11,033,893
Fire Control	2,790,961	2,758,059			2,790,961	2,758,059
Building Inspections	704,921	668,549			704,921	668,549
Physical Environment	511,929	491,317			511,929	491,317
Road and Street	2,506,098	3,051,233			2,506,098	3,051,233
Parks and Recreation	4,270,654	3,513,829			4,270,654	3,513,829
Electric			97,129,039	75,085,347	97,129,039	75,085,347
Water and Sewer			10,009,081	9,911,907	10,009,081	9,911,907
Stormwater			1,481,291	1,547,067	1,481,291	1,547,067
Sanitation			3,821,009	3,701,798	3,821,009	3,701,798
Golf Course			2,322,140	2,321,607	2,322,140	2,321,607
Leased Facilities			487,915	468,625	487,915	468,625
Natural Gas			2,280,020	1,461,999	2,280,020	1,461,999
Total Expenses	25,975,299	26,491,473	117,530,495	94,498,350	143,505,794	120,989,823
Change in Net Position Before Transfers	12,164,229	7,853,367	17,326,638	15,288,357	29,490,867	23,141,724
Net Transfers	4,214,193	3,969,386	(4,214,193)	(3,969,386)	-	-
Change in Net Position	16,378,422	11,822,753	13,112,445	11,318,971	29,490,867	23,141,724
Net Position-Beginning of Year	174,349,717	162,526,964	287,998,875	276,679,904	462,348,592	439,206,868
Net Position-End of Year	\$190,728,139	\$174,349,717	\$301,111,320	\$287,998,875	\$491,839,459	\$462,348,592

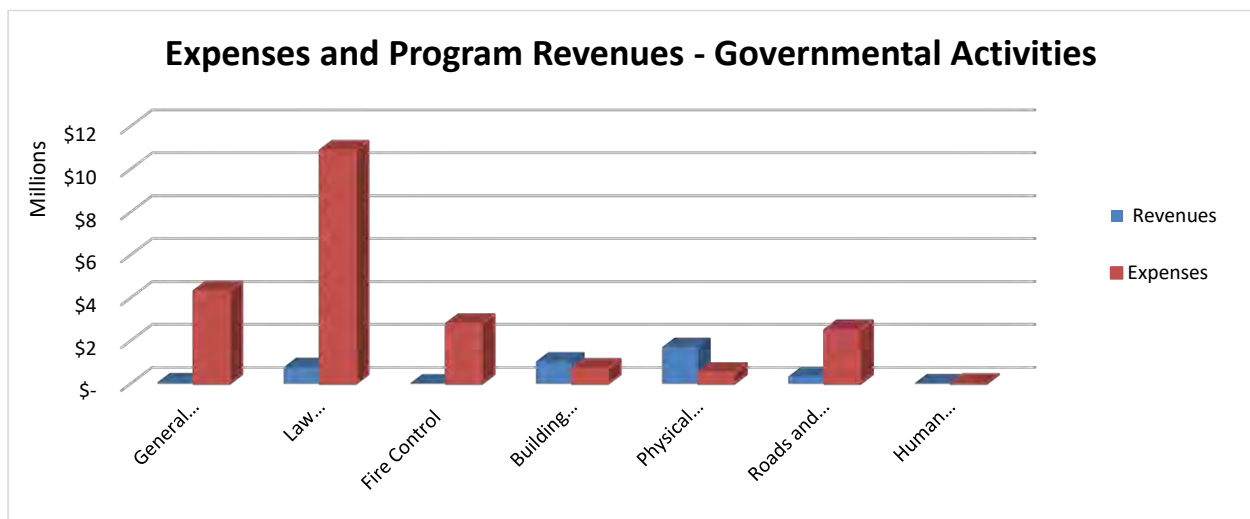
**MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Governmental activities. Governmental activities for fiscal year 2022 increased the City's net position by \$12,164,229 (before transfers). For purposes of this discussion, interfund transfers from business-type funds to governmental funds are not included in revenues from activities.

The chart below reflects the percentage of individual revenue sources to total revenue sources for governmental activities. Charges for services, grants, and contributions are considered program revenues. Taxes, intergovernmental revenues, and interest are considered general revenues.



The following chart compares the program revenues from governmental activities to the related expenses. Please note that expenses precede revenues as governments seek to identify the needs of citizens and then raise the resources needed to meet those needs. The excess of expenses over program revenues is then funded by the remaining general revenues of the government.

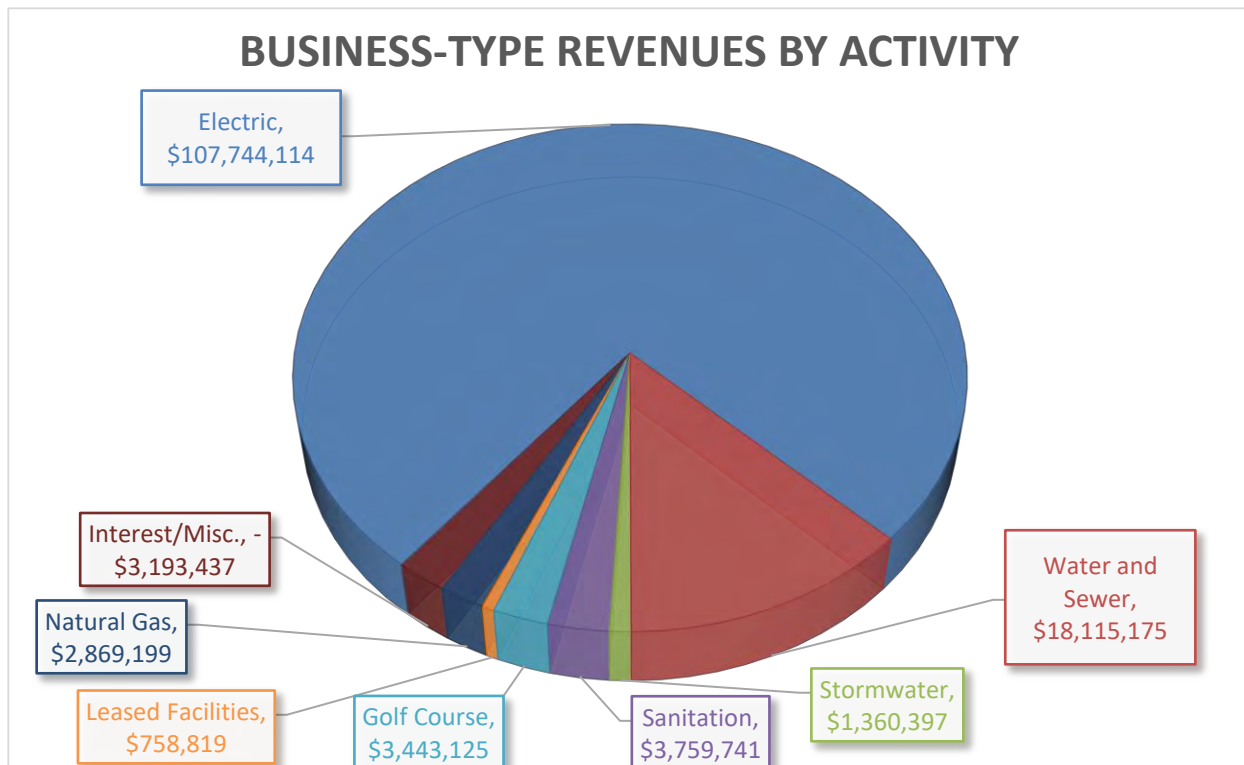


**MANAGEMENT’S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Key Elements of Governmental Activities Revenues and Expenditures:

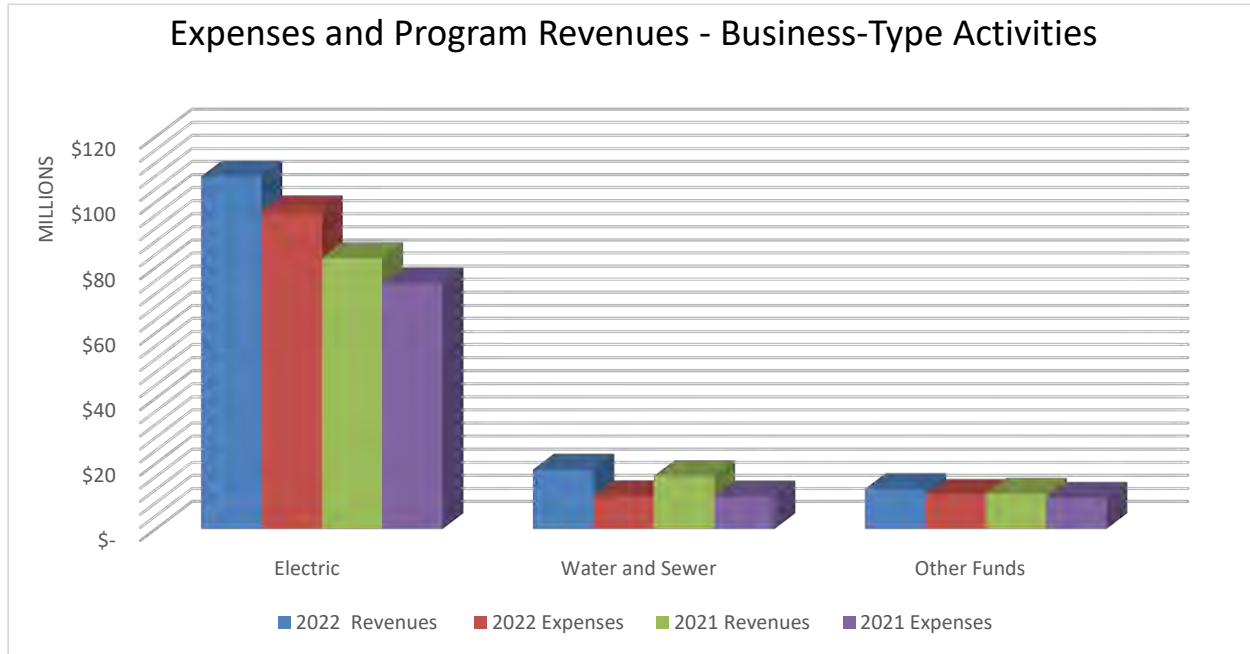
- Property taxes, which provided 60.6% of governmental revenues, increased by \$1,065,278 or 4.8% in Fiscal year 2022 due to rising property values.
- Revenues from other taxes, including infrastructure surtax, communication service tax, convention development tax, and fuel taxes increased by \$918,107 or 20% as the new Duval County gas tax took effect in January 2022.
- Interest revenues decreased by \$2,339,900 compared to the prior year due to unexpectedly high inflation and interest rate hikes. Investments are reported at fair value. The investment portfolio is managed by professional investment firms hired pursuant to the City’s investment policy and monitored by an independent professional investment advisor.
- Total expenditures decreased by 1.9% to \$25,975,299 due largely to the timing of capital projects in the previous year.

Business-type activities. Business-type activities for fiscal year 2022 increased the City’s net position by \$17,326,638 (before transfers). On the statement of activities, net revenues are reduced by transfers to the governmental funds of \$4,214,193 to determine the change in net position. The following chart shows the composition of revenues from the City’s business-type activities.



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

The following chart compares the program revenues from the City's business-type activities to the related expenses for fiscal years 2022 and 2021. Business-type activities differ from governmental activities in that charges for services are designed specifically to recover the cost of providing those services, including capital costs such as depreciation or debt service.



Key Elements of Business-Type Revenues and Expenditures:

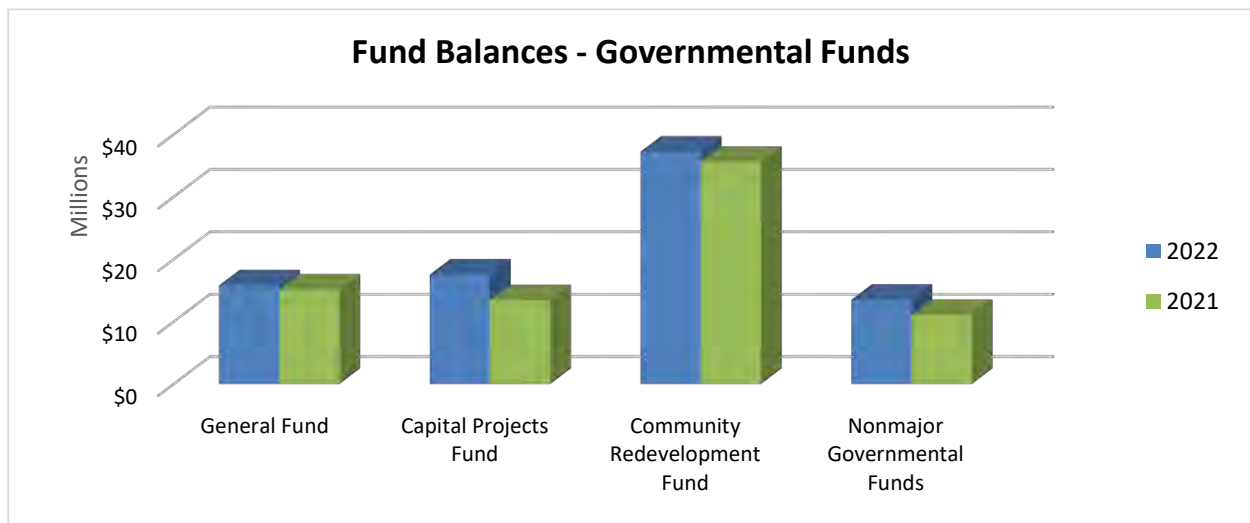
- Charges for services in the business-type activities increased by \$26,459,844 or 24.3% from the prior year. Of these program revenues, 78.9% comes from electric utility services and 12.2% from the water and sewer utility. Much of the increase is attributable to the bulk power cost adjustment, which is the pass-through cost of power to our customers. Additionally, rates for water and sewer services are adjusted annually in accordance with the Consumer Price Index (CPI). The increases in water and sewer rates are necessary to pay for needed maintenance and improvements to the system.
- Interest revenues decreased by \$3,348,540 compared to the prior year due to unexpectedly high inflation and rising interest rates. Investments are reported at fair value. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by an independent professional investment advisor.
- Total expenses for the business-type activities increased by \$23,032,145, due in large part to increases in the cost of purchased electricity and natural gas.
- Significant transfers out in business-type activities included a \$3,707,642 transfer from the electric enterprise fund and \$107,551 transfer from the natural gas fund to governmental funds in accordance with the City's policies on electric and natural gas transfers.

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

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental Funds. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, the portion of unrestricted fund balance the City has committed or assigned may serve as a useful measure of available resources at the end of the fiscal year.

At the end of fiscal year 2022 the City’s governmental funds reported a combined ending fund balance of \$83,952,939, an increase of \$8,899,893 or 11.9% for the year. The growth in all funds is attributable to the City’s pay-as-you-go funding strategy for capital improvements. In years where large capital projects take place, it is expected that fund balances will decrease. Of the total fund balance, \$51,017,471 is restricted for specific uses related to redevelopment, tourism, transportation improvements, capital projects, law enforcement, and building permits; \$7,905,479 is committed for revenue stabilization, cemetery improvements, parking and transportation, and tree replacement; \$24,174,459 is assigned for capital projects and unanticipated events/emergencies; \$4,219 is non-spendable; and \$851,311 is unassigned.



General Fund. The general fund is the chief operating fund of the City. The financial operations of the general fund are reported separately in the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances*.

At the end of the fiscal year, the fund balance of the general fund was \$15,771,562, of which \$352,382 was restricted for building permits, \$7,899,382 was committed for revenue stabilization, cemetery improvements, and parking and transportation improvements. An additional \$6,664,268 was assigned to an unanticipated events/emergencies reserve account and \$4,219 was reserved for prepaid expenditures. The remaining amount of \$851,311 was unassigned. The City uses current revenue sources to fund budgeted expenditures in the general fund. When evaluating the general fund’s liquidity, it should be noted that the revenue stabilization reserve serves as a working capital reserve and the unanticipated events/emergencies account may be used to supplement operating revenues if approved by the City Council. Combined, the general fund balances represent 74.1% of general fund expenditures for 2022.

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

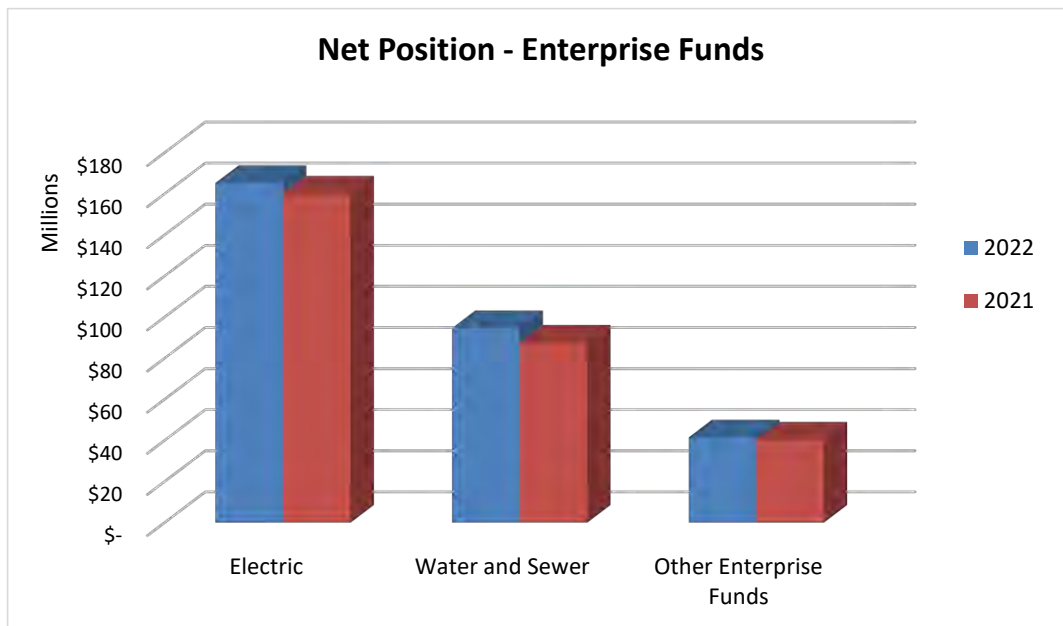
Other major governmental funds. Other major governmental funds include the capital projects fund, the community redevelopment fund, and the ARPA grant fund. The capital projects fund is used to account for various capital projects, major equipment purchases, and major repairs and renovations. These expenditures are funded by transfers from other funds or grants. The fund balance at year-end in the capital projects fund was \$17,510,191. The increase of \$4,127,730, or 30.8%, from the prior year reflects the accumulation of funds to be used for approved capital improvement projects or major equipment replacements in future years.

The community redevelopment fund is used to account for expenses in the City's two redevelopment districts, which are funded by tax increment revenues. The ending fund balance in the redevelopment fund was \$37,203,211, an increase of \$1,652,227 for the year. The FY2023-2028 5-year Capital Improvement Plan for both the Downtown and Southend Districts anticipate spending over \$70 million for infrastructure, parks, and beautification projects. A more detailed summary of the activities in this fund can be found in the notes to the financial statements.

The ARPA grant fund is used to account for revenues and expenditures associated with grant funding received under the *American Rescue Plan Act*. There was no ending fund balance as revenues received during the year for which no matching expenditure has occurred are deferred for recognition in subsequent years, as expenditures occur. Unearned revenues at year-end were \$11,586,213.

Proprietary Funds. The proprietary fund financial statements provide information related to activities in the City's enterprise funds and internal service funds. The proprietary fund financial statements are comprised of: 1) a *statement of net position*, 2) a *statement of revenues, expenses, and changes in fund net position*, and 3) a *statement of cash flows*.

At the end of fiscal year 2022, the City's enterprise funds reported a combined ending net position of \$301,111,320, an increase of \$13,112,445 or 4.6% for the year. The increase is attributable to savings realized with the retirement of the Electric and Water and Sewer revenue bond debt and the City's strategy to accumulate resources over a period of time to fund future capital improvements via pay-as-you-go financing.



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

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was an increase in net appropriations of \$441,037 for expenditures and an increase of \$3,342,296 for transfers out. Budget amendments were adopted anticipating using available fund balance or revenues in excess of the original budget projections. Major amendments are summarized in Note 3 of the notes to the financial statements.

In 2022, the total fund balance of the City's general fund increased by \$679,661. Actual revenues were lower than final budgeted revenues by \$80,545. This variance is largely due to unrealized investment losses recorded at September 30. Actual expenditures were under budget by \$1,663,639 or 7.2%. This variance is attributable to personnel vacancies and the active management by departments of their individual budgets to ensure compliance with budgetary limits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, totaled \$306,786,548 (net of accumulated depreciation). Capital assets include land, buildings, equipment, infrastructure, and construction in progress. The City's total investment in capital assets increased \$5,520,124 or 1.83% due in large part to the start of several ARPA funded water/sewer capital improvement projects.

Additional information on the City's capital assets is presented in Note 6 of the notes to the financial statements. As demonstrated in the schedule of capital activity in this note, the City has continued to invest significantly in its capital assets for both governmental and business-type activities.

The following table is a summary of the City's investment in capital assets for fiscal years 2022 and 2021:

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 29,373,496	\$ 29,656,509	\$ 4,388,198	\$ 4,388,198	\$ 33,761,694	\$ 34,044,707
Buildings & Improvements	54,608,319	53,832,454	363,587,305	354,192,222	418,195,624	408,024,676
Equipment	19,215,218	18,265,434	12,900,662	12,433,106	32,115,880	30,698,540
Infrastructure	61,413,398	61,330,548			61,413,398	61,330,548
Construction in Progress	21,195,507	14,807,492	19,172,376	17,831,766	40,367,883	32,639,258
	185,805,938	177,892,437	400,048,541	388,845,292	585,854,479	566,737,729
Less: Accumulated Depreciation	(73,904,220)	(70,409,134)	(205,163,711)	(195,062,171)	(279,067,931)	(265,471,305)
Capital Assets, Net	\$ 111,901,718	\$ 107,483,303	\$ 194,884,830	\$ 193,783,121	\$ 306,786,548	\$ 301,266,424

Long-Term Debt. At September 30, 2022, the City had no outstanding bonded debt. The last utility revenue bond payment was made on October 1, 2020. The City seeks to minimize the need for future debt through long-term planning and capital budgeting. Pay-as-you-go financing is the preferred financing method and is used where possible.

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

Additional information on the City's long-term debt is presented in Note 7 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Each year the City begins its annual budget process with an evaluation of its current financial position. This evaluation considers local and national economic trends, financial trend analysis, a five-year capital improvement plan, and a five-year cash flow analysis for major city operations. FY2023 is the third consecutive fiscal year that the City prepared the budget while continuing to deal with uncertainty stemming from the COVID-19 pandemic and the volatile recovery that follows. While the financial outlook has generally improved since the onset of the pandemic, the recovery remains challenging. Through careful and forward planning, we have been able to maintain and provide a level of services that our citizens expect.

The total adopted budget of \$223,454,407 is 24.8% higher than the prior year and continues to provide the same service level our community expects. The increase is largely attributable to planned capital projects in the redevelopment districts and ARPA funded water and sewer projects. The general fund budget is \$26,657,072, an increase of 6.9% from the prior year.

Factors considered in preparing the City's budget for the fiscal year 2023 included:

- The City Council adopted a new Vision statement for the community and Mission statement for the organization, while employees developed a set of core values. These three efforts were the foundational pillars for the Strategic Plan adopted during FY2022. Capital improvement projects and departmental service levels proposed during the budget process were evaluated based on their alignment with the new strategic plan.
- Jacksonville Beach's property values increased by 12.4%, and the millage rate remains the same at 3.9947 mills. However, this growth is expected to be offset by the escalating labor, operating, and capital outlay costs.
- A turbulent labor market coupled with the challenges of rapid inflation necessitated a citywide cost of living adjustment during FY2022. New union contracts were negotiated for FY2023 through FY2025 which include 3% annual escalators in addition to merit increases.
- As stewards of the taxpayer resources that make possible the services that are essential to our community, we will continue to manage these resources conservatively and responsibly.

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

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the City of Jacksonville Beach's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Chief Financial Officer
City of Jacksonville Beach
11 North Third Street
Jacksonville Beach, Florida 32250

Additional information can also be found on the City's website at www.jacksonvillebeach.org.

STATEMENT OF NET POSITION
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 105,505,814	\$ 102,491,553	\$ 207,997,367
Other Cash and Investments	5,425	1,300	6,725
Accounts Receivable, Net	701,453	18,661,958	19,363,411
Assessments Receivable, Net	25,637	1,111	26,748
Due from Other Governments	2,619,532	2,768	2,622,300
Inventories		3,268,075	3,268,075
Prepaid Items	1,148,116	80,991	1,229,107
Net Pension Asset	2,132,716		2,132,716
Restricted Assets:			
Equity in Pooled Cash and Investments		19,951,954	19,951,954
Underrecovery of Power Costs		1,399,230	1,399,230
Leases Receivable		1,423,447	1,423,447
Capital Assets:			
Non-Depreciable	50,569,003	23,560,574	74,129,577
Depreciable, Net	61,332,715	171,324,256	232,656,971
Total Assets	224,040,411	342,167,217	566,207,628
Deferred Outflows of Resources			
Pension Related	2,796,198	1,801,755	4,597,953
OPEB Related	449,448	317,902	767,350
Total Deferred Outflows of Resources	3,245,646	2,119,657	5,365,303
Liabilities			
Accounts Payable	1,435,635	10,130,518	11,566,153
Accrued Interest		3,735	3,735
Other Accrued Liabilities	1,106,716	1,269,057	2,375,773
Due to Other Governments	2,338,382	3,563	2,341,945
Deposits	50,378	6,239,859	6,290,237
Unearned Revenues	11,748,092	49,596	11,797,688
Self-Insurance Claims Payable	139,340		139,340
Non-Current Liabilities:			
Due Within One Year	1,139,064	388,706	1,527,770
Due in More than One Year	10,212,700	5,523,557	15,736,257
Total Liabilities	28,170,307	23,608,591	51,778,898
Deferred Inflows of Resources			
Pension Related	7,787,249	4,098,654	11,885,903
OPEB Related	600,362	424,646	1,025,008
Lease Related		1,388,143	1,388,143
Rate Stabilization		13,655,520	13,655,520
Total Deferred Inflows of Resources	8,387,611	19,566,963	27,954,574
Net Position			
Investment in Capital Assets	111,901,718	194,884,830	306,786,548
Restricted for:			
Redevelopment	37,204,745		37,204,745
Tourism	2,364,325		2,364,325
Transportation Improvements	2,437,183		2,437,183
Capital Projects	8,711,644		8,711,644
Law Enforcement	496,026		496,026
Building Permits	352,382		352,382
Unrestricted	27,260,116	106,226,490	133,486,606
Total Net Position	\$ 190,728,139	\$ 301,111,320	\$ 491,839,459

See accompanying notes.

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

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 4,319,646	\$ 61,255			\$ (4,258,391)		\$ (4,258,391)
Law Enforcement	10,871,090	270,235	\$ 442,359	\$ 52,823	(10,105,673)		(10,105,673)
Fire Control	2,790,961				(2,790,961)		(2,790,961)
Building Inspections	704,921	1,027,742			322,821		322,821
Physical Environment	511,929	13,720	45,000	1,643,172	1,189,963		1,189,963
Roads and Streets	2,506,098	328,515			(2,176,917)		(2,176,917)
Human Services				11,086	11,086		11,086
Parks and Recreation	4,270,654	238,155	953,188		(3,079,311)		(3,079,311)
Total Governmental Activities	25,975,299	1,939,622	1,440,547	1,707,747	(20,887,383)	\$ -	(20,887,383)
Business-Type Activities							
Electric	97,129,039	106,890,674	2,500	850,940		10,615,075	10,615,075
Water and Sewer	10,009,081	16,506,710		1,608,465		8,106,094	8,106,094
Stormwater	1,481,291	1,360,397				(120,894)	(120,894)
Sanitation	3,821,009	3,750,331	9,410			(61,268)	(61,268)
Golf Course	2,322,140	3,443,125				1,120,985	1,120,985
Leased Facilities	487,915	758,819				270,904	270,904
Natural Gas	2,280,020	2,699,398		169,801		589,179	589,179
Total Business-Type Activities	117,530,495	135,409,454	11,910	2,629,206	-	20,520,075	20,520,075
Total Primary Government	\$ 143,505,794	\$ 137,349,076	\$ 1,452,457	\$ 4,336,953	(20,887,383)	20,520,075	(367,308)
General Revenues							
Taxes:							
					23,114,045		23,114,045
					5,280		5,280
					1,842,917		1,842,917
					1,186,333		1,186,333
					753,398		753,398
					1,193,223		1,193,223
					538,015		538,015
					4,359,210		4,359,210
					65,919		65,919
					(2,240,169)	(3,193,437)	(5,433,606)
					2,233,441		2,233,441
					4,214,193	(4,214,193)	-
					37,265,805	(7,407,630)	29,858,175
					16,378,422	13,112,445	29,490,867
					174,349,717	287,998,875	462,348,592
					<u>\$ 190,728,139</u>	<u>\$ 301,111,320</u>	<u>\$ 491,839,459</u>

See accompanying notes.

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	ARPA Grant Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 15,368,028	\$ 18,332,240	\$ 40,253,812	\$ 11,616,920	\$ 13,416,125	\$ 98,987,125
Other Cash and Investments	5,425					5,425
Receivables:						
Accounts, Net	700,724				500	701,224
Assessments, Net	31		1,534		24,072	25,637
Interfund Receivables	55,029					55,029
Due from Other Governments	1,906,379				713,153	2,619,532
Prepaid Expenditures	4,219					4,219
Total Assets	18,039,835	18,332,240	40,255,346	11,616,920	14,153,850	102,398,191
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	170,793	617,439	475,506	30,707	34,906	1,329,351
Other Accrued Liabilities	408,485	204,610	244,068		24,068	881,231
Due to Other Governments	7,355		2,331,027			2,338,382
Interfund Payables					55,029	55,029
Deposits	50,378					50,378
Unearned Revenue	161,879			11,586,213		11,748,092
Total Liabilities	798,890	822,049	3,050,601	11,616,920	114,003	16,402,463
Deferred Inflows of Resources						
Unavailable Revenues	1,469,383		1,534		571,872	2,042,789
Fund Balances						
Non-Spendable:						
Prepaid Expenditures	4,219					4,219
Restricted for:						
Redevelopment			37,203,211			37,203,211
Tourism Expenditures					2,302,825	2,302,825
Transportation Improvements					2,205,383	2,205,383
Capital Projects					8,457,644	8,457,644
Law Enforcement					496,026	496,026
Building Permits	352,382					352,382
Committed for:						
Revenue Stabilization	6,664,268					6,664,268
Cemetery Improvements	402,774					402,774
Parking and Transportation	832,340					832,340
Tree Replacement					6,097	6,097
Assigned for:						
Unanticipated Events/ Emergencies	6,664,268					6,664,268
Capital Projects		17,510,191				17,510,191
Unassigned	851,311					851,311
Total Fund Balances	15,771,562	17,510,191	37,203,211	-	13,467,975	83,952,939
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,039,835	\$ 18,332,240	\$ 40,255,346	\$ 11,616,920	\$ 14,153,850	\$ 102,398,191

See accompanying notes.

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

Fund Balance - Total Governmental Funds \$ 83,952,939

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

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

Capital Assets	\$ 184,778,572	
(Accumulated Depreciation)	<u>(73,115,290)</u>	111,663,282

Net Pension Assets available for satisfaction of long-term pension obligations are not current financial resources and, therefore, are not reported in the governmental funds:

Net Pension Asset		2,132,716
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Certain pension-related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:

Deferred Outflows Related to Pensions and OPEB	2,580,179	
Deferred Inflows Related to Pensions and OPEB	<u>(6,732,144)</u>	(4,151,965)

Some revenues have been deferred on the balance sheet because they were not measurable and available at year-end.

2,042,789

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Accrued OPEB	(1,723,349)	
Net Pension Liability	(1,232,876)	
Contractual Pension Liability	(4,080,706)	
Compensated Absences	<u>(2,811,383)</u>	(9,848,314)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows and liabilities, and deferred inflows of the internal service funds are reported with governmental activities.

4,936,692

Net Position of Governmental Activities \$ 190,728,139

See accompanying notes.

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

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	ARPA Grant Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 14,754,352		\$ 10,078,422		\$ 3,648,038	\$ 28,480,812
Licenses and Permits	1,033,441					1,033,441
Intergovernmental	5,446,258	\$ 1,184,305		\$ 247,957	550,695	7,429,215
Charges for Services	614,126					614,126
Fines and Forfeitures	263,059				84,608	347,667
Interest and Other Revenue	(139,302)	(355,533)	(1,030,571)		(296,131)	(1,821,537)
Total Revenues	<u>21,971,934</u>	<u>828,772</u>	<u>9,047,851</u>	<u>247,957</u>	<u>3,987,210</u>	<u>36,083,724</u>
Expenditures						
Current:						
General Government	2,303,067	287,006	1,039,727		9,600	3,639,400
Public Safety	13,386,826		1,122,692		162,429	14,671,947
Physical Environment	108,118			24,000	4,837	136,955
Roads and Streets	1,622,488				88,542	1,711,030
Parks and Recreation	3,652,082				73,751	3,725,833
Capital Outlay	215,126	2,650,632	5,587,734	223,957	693,410	9,370,859
(Total Expenditures)	<u>(21,287,707)</u>	<u>(2,937,638)</u>	<u>(7,750,153)</u>	<u>(247,957)</u>	<u>(1,032,569)</u>	<u>(33,256,024)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>684,227</u>	<u>(2,108,866)</u>	<u>1,297,698</u>	<u>-</u>	<u>2,954,641</u>	<u>2,827,700</u>
Other Financing Sources (Uses)						
Transfers in	4,329,559	6,236,596				10,566,155
Transfers (out)	(5,767,596)				(514,366)	(6,281,962)
Sale of General Capital Assets	1,433,471		354,529			1,788,000
Total Other Financing Sources (Uses)	<u>(4,566)</u>	<u>6,236,596</u>	<u>354,529</u>	<u>-</u>	<u>(514,366)</u>	<u>6,072,193</u>
Net Change in Fund Balances	679,661	4,127,730	1,652,227		2,440,275	8,899,893
Fund Balances, Beginning of Year	<u>15,091,901</u>	<u>13,382,461</u>	<u>35,550,984</u>	<u>-</u>	<u>11,027,700</u>	<u>75,053,046</u>
Fund Balances, End of Year	<u>\$ 15,771,562</u>	<u>\$ 17,510,191</u>	<u>\$ 37,203,211</u>	<u>\$ -</u>	<u>\$ 13,467,975</u>	<u>\$ 83,952,939</u>

See accompanying notes.

**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
CITY OF JACKSONVILLE BEACH, FLORIDA**

Net Change in Fund Balance - Total Governmental Funds \$ 8,899,893

**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 those assets is allocated over their estimated useful lives as depreciation expense:

Expenditures for Capital Assets	\$	9,370,859	
Disposals of Capital Assets		(423,655)	
(Current Year Depreciation)		<u>(4,442,468)</u>	4,504,736

Repayments of Debt are recorded as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Payments related to the Contractual Pension Liability - Firefighters' Plan	440,691
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in Accrued Compensated Absences	(206,698)		
Change in Net Pension Liability and Deferred Inflows and Outflows Related to Pensions		1,495,112	
Change in Other Postemployment Benefits and Deferred Inflows and Outflows Related to OPEB		<u>32,813</u>	1,321,227

Some revenues have been deferred in the governmental funds because they were not available at year-end, but have been recognized in the statement of activities.	351,046
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Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>860,829</u>
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Change in Net Position of Governmental Activities	<u>\$ 16,378,422</u>
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See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 14,898,395	\$ 14,898,395	\$ 14,754,352	\$ (144,043)
Licenses and Permits	604,852	604,852	1,033,441	428,589
Intergovernmental	4,139,373	4,150,459	5,446,258	1,295,799
Charges for Services	469,568	469,568	614,126	144,558
Fines and Forfeitures	161,983	161,983	263,059	101,076
Interest and Other Revenue	332,245	1,767,222	(139,302)	(1,906,524)
Total Revenues	<u>20,606,416</u>	<u>22,052,479</u>	<u>21,971,934</u>	<u>(80,545)</u>
Expenditures				
Executive and Legislative	1,465,384	1,125,549	1,097,655	27,894
Finance	434,734	438,973	388,842	50,131
Planning and Development	1,205,520	1,525,919	1,096,162	429,757
Parks and Recreation	3,637,922	3,930,303	3,818,732	111,571
Public Works	1,901,602	1,930,487	1,699,201	231,286
Police	9,897,112	9,935,322	9,488,899	446,423
Fire	3,002,951	3,352,071	3,231,060	121,011
Non-Departmental	3,390,384	712,722	467,156	245,566
(Total Expenditures)	<u>(24,935,609)</u>	<u>(22,951,346)</u>	<u>(21,287,707)</u>	<u>1,663,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,329,193)</u>	<u>(898,867)</u>	<u>684,227</u>	<u>1,583,094</u>
Other Financing Sources (Uses)				
Transfers in	4,329,193	4,329,193	4,329,559	366
Transfers (out)		(5,767,596)	(5,767,596)	-
Sale of General Capital Assets			1,433,471	1,433,471
Total Other Financing Sources (Uses)	<u>4,329,193</u>	<u>(1,438,403)</u>	<u>(4,566)</u>	<u>1,433,837</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,337,270)</u>	<u>\$ 679,661</u>	<u>\$ 3,016,931</u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 10,054,013	\$ 10,054,013	\$ 10,078,422	\$ 24,409
Interest and Other Revenue	289,753	665,891	(1,030,571)	(1,696,462)
Total Revenues	<u>10,343,766</u>	<u>10,719,904</u>	<u>9,047,851</u>	<u>(1,672,053)</u>
Expenditures				
Current:				
General Government	1,446,848	1,498,213	1,039,727	458,486
Public Safety	1,220,413	1,168,083	1,122,692	45,391
Capital Outlay	10,138,900	18,826,835	5,587,734	13,239,101
(Total Expenditures)	<u>(12,806,161)</u>	<u>(21,493,131)</u>	<u>(7,750,153)</u>	<u>13,742,978</u>
Other Financing Sources (Uses)				
Sale of General Capital Assets			354,529	354,529
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>354,529</u>	<u>354,529</u>
Net Change in Fund Balance	<u>\$ (2,462,395)</u>	<u>\$ (10,773,227)</u>	<u>\$ 1,652,227</u>	<u>\$ 12,425,454</u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 ARPA GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental		\$ 11,834,170	\$ 247,957	\$ (11,586,213)
Total Revenues	\$ -	11,834,170	247,957	(11,586,213)
Expenditures				
Physical Environment		112,000	24,000	88,000
Capital Outlay		6,152,418	223,957	5,928,461
(Total Expenditures)	-	(6,264,418)	(247,957)	6,016,461
Net Change in Fund Balance	\$ -	\$ 5,569,752	\$ -	\$ (5,569,752)

See accompanying notes.

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Assets					
Current Assets:					
Equity in Pooled Cash and Investments	\$ 40,791,837	\$ 43,084,859	\$ 18,614,857	\$ 102,491,553	\$ 6,518,689
Other Operating Cash			1,300	1,300	
Receivables:					
Accounts, Net	15,756,889	2,014,344	890,725	18,661,958	229
Assessments, Net		1,111		1,111	
Leases, Current			151,961	151,961	
Due from Other Governments	2,768			2,768	
Inventories	3,183,830		84,245	3,268,075	
Prepaid Expenses	70,683		10,308	80,991	1,143,897
Restricted Assets:					
Equity in Pooled Cash and Investments	19,895,379		56,575	19,951,954	
Underrecovery of Power Costs	1,455,805			1,455,805	
Total Current Assets	81,157,191	45,100,314	19,809,971	146,067,476	7,662,815
Non-Current Assets:					
Leases Receivable, Non-Current			1,271,486	1,271,486	
Capital Assets:					
Land	2,551,256	361,970	1,474,972	4,388,198	
Buildings and Improvements	227,905,594	98,405,503	37,276,208	363,587,305	149,937
Equipment	7,795,102	2,876,259	2,229,301	12,900,662	884,444
Construction in Progress	11,178,361	6,029,373	1,964,642	19,172,376	
	249,430,313	107,673,105	42,945,123	400,048,541	1,034,381
(Accumulated Depreciation)	(130,557,912)	(54,914,044)	(19,691,755)	(205,163,711)	(795,945)
Total Capital Assets, Net of Accumulated Depreciation	118,872,401	52,759,061	23,253,368	194,884,830	238,436
Total Non-Current Assets	118,872,401	52,759,061	24,524,854	196,156,316	238,436
Total Assets	200,029,592	97,859,375	44,334,825	342,223,792	7,901,251
Deferred Outflows of Resources					
Pension Related	1,110,669	579,966	111,120	1,801,755	665,467
OPEB Related	180,875	106,881	30,146	317,902	
Total Deferred Outflows of Resources	1,291,544	686,847	141,266	2,119,657	665,467

See accompanying notes.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 9,167,525	\$ 379,749	\$ 583,244	\$ 10,130,518	\$ 106,284
Power Costs Recovered in Advance			56,575	56,575	
Other Accrued Liabilities	650,309	509,941	108,807	1,269,057	225,485
Due to Other Governments			3,563	3,563	
Unearned Revenue			49,596	49,596	
Estimated Liability for Self-Insured Losses					139,340
Current Portion of Long-Term Debt:					
Compensated Absences	264,820	101,503	22,383	388,706	182,306
Current Liabilities Payable from Restricted Assets:					
Accrued Interest	2,241	1,494		3,735	
Customer Deposits	6,239,859			6,239,859	
Total Current Liabilities	16,324,754	992,687	824,168	18,141,609	653,415
Non-Current Liabilities:					
Accrued Compensated Absences	1,059,282	406,013	89,532	1,554,827	664,443
Other Postemployment Benefits	693,542	409,820	115,591	1,218,953	
Net Pension Liability	1,665,130	996,067	88,580	2,749,777	656,701
Total Non-Current Liabilities	3,417,954	1,811,900	293,703	5,523,557	1,321,144
Total Liabilities	19,742,708	2,804,587	1,117,871	23,665,166	1,974,559
Deferred Inflows of Resources					
Pension Related	2,507,602	1,029,352	561,700	4,098,654	1,655,467
OPEB Related	241,609	142,769	40,268	424,646	
Lease Related			1,388,143	1,388,143	
Rate Stabilization	13,655,520			13,655,520	
Total Deferred Inflows of Resources	16,404,731	1,172,121	1,990,111	19,566,963	1,655,467
Net Position					
Investment in Capital Assets	118,872,401	52,759,061	23,253,368	194,884,830	238,436
Unrestricted	46,301,296	41,810,453	18,114,741	106,226,490	4,698,256
Total Net Position	\$ 165,173,697	\$ 94,569,514	\$ 41,368,109	\$ 301,111,320	\$ 4,936,692

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds		
Operating Revenues					
Charges for Services	\$ 106,701,782	\$ 16,489,208	\$ 11,194,389	\$ 134,385,379	\$ 13,002,831
Other	188,892	22,428	822,154	1,033,474	89,143
Total Operating Revenues	<u>106,890,674</u>	<u>16,511,636</u>	<u>12,016,543</u>	<u>135,418,853</u>	<u>13,091,974</u>
Operating Expenses					
Purchased Power	78,104,851		1,691,149	79,796,000	
Personal Services	5,047,214	2,974,263	1,466,885	9,488,362	4,491,754
Purchased Services	1,576,403	426,589	3,771,988	5,774,980	1,005,561
Repairs and Maintenance	621,730	780,467	598,774	2,000,971	360,545
Depreciation	6,398,976	3,082,852	1,428,168	10,909,996	84,450
Materials and Supplies	611,727	465,024	422,906	1,499,657	165,880
Other Expenses	5,119,442	2,279,886	1,012,505	8,411,833	5,969,713
(Total Operating Expenses)	<u>(97,480,343)</u>	<u>(10,009,081)</u>	<u>(10,392,375)</u>	<u>(117,881,799)</u>	<u>(12,077,903)</u>
Operating Income	<u>9,410,331</u>	<u>6,502,555</u>	<u>1,624,168</u>	<u>17,537,054</u>	<u>1,014,071</u>
Non-Operating Revenues (Expenses)					
Investment Earnings (Loss)	(1,777,030)	(990,204)	(454,143)	(3,221,377)	(81,371)
Interest from Leasing Activities			27,940	27,940	
Intergovernmental Revenue	2,500		9,410	11,910	
(Loss) Gain on Disposal of Capital Assets	351,304	(4,926)	(4,473)	341,905	(1,871)
Total Non-Operating Revenues (Expenses)	<u>(1,423,226)</u>	<u>(995,130)</u>	<u>(421,266)</u>	<u>(2,839,622)</u>	<u>(83,242)</u>
Income Before Contributions and Transfers	<u>7,987,105</u>	<u>5,507,425</u>	<u>1,202,902</u>	<u>14,697,432</u>	<u>930,829</u>
Capital Contributions					
Connection Fees	279,382	114,362	169,801	563,545	
Capital Grants		1,494,103		1,494,103	
Developer Contributions	571,558			571,558	
Total Capital Contributions	<u>850,940</u>	<u>1,608,465</u>	<u>169,801</u>	<u>2,629,206</u>	<u>-</u>
Transfers					
Transfers in	162,097			162,097	
Transfers (out)	(3,890,642)	(126,000)	(359,648)	(4,376,290)	(70,000)
Total Transfers	<u>(3,728,545)</u>	<u>(126,000)</u>	<u>(359,648)</u>	<u>(4,214,193)</u>	<u>(70,000)</u>
Change in Net Position	5,109,500	6,989,890	1,013,055	13,112,445	860,829
Total Net Position, Beginning of Year	<u>160,064,197</u>	<u>87,579,624</u>	<u>40,355,054</u>	<u>287,998,875</u>	<u>4,075,863</u>
Total Net Position, End of Year	<u>\$ 165,173,697</u>	<u>\$ 94,569,514</u>	<u>\$ 41,368,109</u>	<u>\$ 301,111,320</u>	<u>\$ 4,936,692</u>

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

	Business-Type Activities - Enterprise Funds				Governmental
	Electric	Water and Sewer	Other Funds	Totals	Activities - Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers and Users	\$ 82,636,608	\$ 16,456,624	\$ 11,336,045	\$ 110,429,277	\$ 13,093,445
Cash Payments to Vendors for Goods and Services	(82,993,004)	(3,783,881)	(7,263,992)	(94,040,877)	(7,675,824)
Cash Payments to Employees for Services	(5,804,797)	(3,235,077)	(1,630,249)	(10,670,123)	(5,009,751)
Insurance Reimbursements Received (Claims Paid)					191,331
Net Cash Provided by (Used in) Operating Activities	(6,161,193)	9,437,666	2,441,804	5,718,277	599,201
Cash Flows from Non-Capital Financing Activities					
Transfers in	162,097			162,097	
Intergovernmental Revenue	432,600		9,410	442,010	
Transfers (out)	(3,890,642)	(126,000)	(359,648)	(4,376,290)	(70,000)
Interest from Leasing Activities			27,940	27,940	
Net Cash Provided by (Used in) Non-Capital Financing Activities	(3,295,945)	(126,000)	(322,298)	(3,744,243)	(70,000)
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(6,582,979)	(3,572,380)	(1,026,381)	(11,181,740)	
Proceeds on Sale of Capital Assets	83,498			83,498	
Capital Grants		1,494,103		1,494,103	
Connection Fees	279,382	114,362	169,801	563,545	
Net Cash Provided by (Used in) Capital and Related Financing Activities	(6,220,099)	(1,963,915)	(856,580)	(9,040,594)	-
Cash Flows from Investing Activities					
Investment Earnings	(1,777,030)	(990,204)	(454,143)	(3,221,377)	(81,371)
Net Cash Provided by (Used in) Investing Activities	(1,777,030)	(990,204)	(454,143)	(3,221,377)	(81,371)
Net Increase (Decrease) in Cash and Cash Equivalents	(17,454,267)	6,357,547	808,783	(10,287,937)	447,830
Cash and Cash Equivalents, Beginning of Year	78,141,483	36,727,312	17,863,949	132,732,744	6,070,859
Cash and Cash Equivalents, End of Year	\$ 60,687,216	\$ 43,084,859	\$ 18,672,732	\$ 122,444,807	\$ 6,518,689

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Business-Type Activities - Enterprise Funds				Governmental
	Electric	Water and Sewer	Other Funds	Totals	Activities - Internal Service Funds
<u>Included on the Accompanying Balance</u>					
<u>Sheet Under the Following Captions</u>					
Current Assets					
Equity in Pooled Cash and Investments	\$ 40,791,837	\$ 43,084,859	\$ 18,614,857	\$ 102,491,553	\$ 6,518,689
Other Operating Cash			1,300	1,300	
Restricted Assets					
Equity in Pooled Cash and Investments	19,895,379		56,575	19,951,954	
Total	\$ 60,687,216	\$ 43,084,859	\$ 18,672,732	\$ 122,444,807	\$ 6,518,689
<u>Reconciliation of Operating Income (Loss)</u>					
<u>to Net Cash Provided by (Used in)</u>					
<u>Operating Activities</u>					
Operating Income (Loss)	\$ 9,410,331	\$ 6,502,555	\$ 1,624,168	\$ 17,537,054	\$ 1,014,071
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	6,398,976	3,082,852	1,428,168	10,909,996	84,450
Power Costs Recovered in Advance (Returned)	(22,097,103)		(597,184)	(22,694,287)	
Change in Estimated Liability for Self-Insured Losses					11,391
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):					
Accounts Receivable and Unbilled Revenue	(2,431,376)	(54,980)	(59,316)	(2,545,672)	1,471
Leases Receivable			(1,423,447)	(1,423,447)	
Amortization of Deferred Inflow of Resources - Leases			1,388,143	1,388,143	
Assessments Receivable		(32)		(32)	
Inventories	(313,436)		(23,357)	(336,793)	
Prepaid Expenses	(2,478)		(1,378)	(3,856)	(71,164)
Accounts Payable and Other Accrued Liabilities	3,357,063	168,085	258,065	3,783,213	76,979
Unearned Revenues			11,306	11,306	
Customer Deposits	274,413			274,413	
Accrued Compensated Absences	(20,988)	32,016	(4,410)	6,618	(23,129)
Other Postemployment Benefits and Related Deferred Inflows and Outflows	(13,204)	(7,803)	(2,200)	(23,207)	
Net Pension Liability and Pension Related Deferred Inflows and Outflows	(723,391)	(285,027)	(156,754)	(1,165,172)	(494,868)
Net Cash Provided by (Used in) Operating Activities	\$ (6,161,193)	\$ 9,437,666	\$ 2,441,804	\$ 5,718,277	\$ 599,201
<u>Supplemental Disclosure of Non-Cash Activities</u>					
Contributed Assets	\$ 571,558	\$ -	\$ -	\$ 571,558	\$ -

See accompanying notes.

**STATEMENT OF FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

Assets

Cash and Cash Equivalents	\$	5,900,883
Accrued Interest		112,473
Miscellaneous Receivables		4,623
Due from Other Governmental Units		373,584
Investments:		
Equities, Including Mutual Funds		62,385,537
Corporate Bonds		7,786,099
U.S. Government Obligations/Agencies		15,768,208
Real Estate		6,819,791
Total Investments		<u>92,759,635</u>
Total Assets		<u><u>99,151,198</u></u>

Liabilities

Accounts Payable		3,485
Other Accrued Liabilities		1,900
Due to Other Governmental Units		130,000
Total Liabilities		<u><u>135,385</u></u>

Net Position

Restricted for Pensions	\$	<u><u>99,015,813</u></u>
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See accompanying notes.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

Additions

Contributions:	
Employee	1,757,536
Employer:	
City of Jacksonville Beach	3,495,835
City of Jacksonville	410,437
State of Florida	243,584
Total Contributions	<u>5,907,392</u>
Investment Income:	
Investment Earnings (Loss)	(18,729,561)
(Investment Expenses)	(188,712)
Net Investment Income	<u>(18,918,273)</u>
Total Additions	<u>(13,010,881)</u>
Deductions	
Benefits	7,518,722
Refunds of Contributions	263,136
Administrative Expense	261,158
(Total Deductions)	<u>(8,043,016)</u>
Change in Net Position	(21,053,897)
Net Position, Beginning of Year	<u>120,069,710</u>
Net Position, End of Year	<u><u>\$ 99,015,813</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Jacksonville Beach, Florida, (the City) was founded in 1907 and operates under a City Council/City Manager form of government. 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 City of Jacksonville Beach Community Redevelopment Agency (CRA). The CRA was created in 1978 pursuant to Chapter 163, Florida Statutes and City Ordinance No. 6950. The CRA is being treated as a blended component unit and included as part of the primary government for financial reporting purposes because the City Council appoints the governing body for the CRA, and management of the City has operational responsibility for the CRA. The CRA is presented in the financial statements of the City as a special revenue fund. There are two redevelopment trust funds established by the CRA, the Downtown Redevelopment District and the Southend Redevelopment District. Both Districts issue a separate set of financial statements.

This report also includes the accounts and transactions of the following pension plans (collectively, the Plans), which are considered to be fiduciary component units of the City:

- City of Jacksonville Beach General Employees' Retirement System (the General Plan)
- City of Jacksonville Beach Police Officers' Retirement System (the Police Plan)
- City of Jacksonville Beach Firefighters' Retirement System (The Firefighters' Plan)

The Plans are being treated as fiduciary component units and included as part of the primary government for financial reporting purposes because the City may amend provisions of the Plans through a bargaining process with members and unions associated with the Plans, and a financial burden exists on the part of the City wherein the City is legally obligated or has otherwise assumed the obligation to make contributions to the Plans. Each individual pension plan issues its own separate set of financial statements. The General Plan and the Police Plan are considered to be fiscally dependent on the City. The Firefighters' Plan is substantially funded through contributions from the City of Jacksonville; obligated contributions to the Firefighters' plan by the City are contractual in nature.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements so as not to distort financial results. Fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government. *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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements (fund financial statements) are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

A reconciliation is provided that converts the results of governmental fund accounting to the governmental activities in the government-wide presentations. The City's fiduciary funds are presented in the fund financial statements by type (pension trust funds only) but as noted above, are not included in the government-wide statements.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are allocated among the appropriate governmental and business-type activities.

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

The government-wide financial statements, the proprietary fund financial statements, and the fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses 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.

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as electric, water and sewer, stormwater, sanitation, natural gas, leased space/assets, and the golf course, or from interfund charges (internal service funds). Operating expenses for these operations include all costs related to providing the service or product. These costs include purchased power, personal and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within thirty days of the end of the current fiscal period, except for grant revenues which are considered available if collected within 120 days

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, accrued compensated absences, and expenditures related to claims and judgments, are recorded only when payment is due. Other postemployment benefits are accrued in governmental funds only if funded.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. Only the portion of special assessments collectible within the current period is accrued as revenue of the current period. Grant revenues are considered earned and are accrued simultaneously with the grant expenditure. In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion. All other revenue items are considered to be measurable and available only when cash is received by the government.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added certain funds as major funds.

The City reports the following major governmental funds:

- **General Fund**—is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Most of the essential governmental services such as public safety, street construction and maintenance, culture and recreation, and general administration are provided by the general fund.
- **General Capital Projects Fund**—is the City’s primary capital projects fund. It accounts for the costs of various capital projects, major equipment purchases, and major repairs and renovations.
- **Community Redevelopment Fund**—accounts for the activities of the City’s Community Redevelopment Agency, including the Downtown and Southend redevelopment districts. The primary revenue source is ad valorem tax increment funds, which are restricted for expenditures benefiting the redevelopment districts.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

- **ARPA Grant Fund**—accounts for grant revenues received under the *American Rescue Plan Act* and related expenditures.

The City reports the following major enterprise funds:

- **Electric Fund**—accounts for the activities associated with providing electric service to its customers inside the City, as well as to its service territories in Neptune Beach and Ponte Vedra Beach. The electric fund is a distribution utility, with no significant power generation assets.
- **Water and Sewer Fund**—accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including the capital and operating costs associated with water supply, treatment and distribution, wastewater collection, treatment and disposal, and utility billing and collection.

Governmental and enterprise funds which do not meet the criteria for reporting as *major funds* are grouped together for financial reporting into one column.

In addition, the City reports the following fund types:

- **Internal Service Funds**—account for services provided to other departments within the City on a cost reimbursement basis. These services include: city manager, accounting, utility billing, information systems, human resources, fleet maintenance, purchasing administration, maintenance facility, and insurance. The internal service funds are included in governmental activities for government-wide reporting purposes, and the excess revenue or expenses for the funds are allocated to the appropriate functional activity.
- **Pension Trust Funds**—account for the activities of the general employees’ pension, police officers’ pension and firefighters’ pension plans, which accumulate resources for defined benefit payments to qualified employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges of the City’s enterprise activities, which are quasi-external transactions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The City does not charge user departments for indirect services provided by general fund departments.

D. Assets and Liabilities

■ **Cash and Investments**

- **Cash and Cash Equivalents**—for purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include demand deposits, certificates of deposit, repurchase agreements with financial institutions, petty cash, state pool investments, mutual funds, 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. Cash equivalents may exclude certain liquid assets held in restricted investment accounts.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

- **Equity in Pooled 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. Investment earnings are distributed monthly in accordance with the participating funds’ relative percentage of investments.
- **Restricted Cash and Investments**—represent equity in pooled cash and investments and separately identified investments which are restricted as to use.

Investments are valued at fair value unless the investment qualifies as an external investment pool under guidance in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. These investments are valued at amortized cost.

- **Receivables**—All receivables are reported at their gross value, and where appropriate are reduced by the estimated portion that is expected to be uncollectible. The allowance for doubtful accounts at September 30, 2022, is \$189,034. Estimated unbilled revenues from the electric, water and sewer, stormwater, sanitation, and natural gas funds are recognized at the end of each fiscal year on a pro rata basis. Included in accounts receivable at September 30, 2022, are unbilled amounts totaling \$8,238,011. The estimated amount is based on billings during the month following the close of the fiscal year.
- **Interfund Receivables and Payables**—During the course of its operations, the City has numerous transactions between funds to provide services and construct assets. To the extent that certain transactions between funds were not paid for or received as of September 30, 2022, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year, if any, are recorded as advances to and advances from other funds. Balances of advances to other funds are offset by non-spendable fund balances in the respective funds since these receivables are not available for appropriation. Short-term interfund loans to eliminate cash deficits are classified as “interfund receivables/payable”.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

- **Inventories and Prepaid Items**—Inventories are only significant to and reported in proprietary funds. Inventories in the Electric Fund are valued at the lower of average cost or net realizable value, using the first-in, first-out (FIFO) method. Inventories in the Golf Fund are held for resale and are reported at the lower of average cost or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmental-wide and fund financial statements.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

- **Capital Assets**—Capital assets, which include property, plant and 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. Capital assets are defined by the City as assets with an initial estimated useful life in excess of one year and individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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.

Interest costs incurred before the end of a construction period are a financing activity separate from the related capital asset and are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

In proprietary fund types, capital assets are capitalized at cost in the fund which acquired or constructed them. Donated assets are recorded at acquisition value. Depreciation of exhaustible capital assets used by these funds is charged as an expense against operations, and accumulated depreciation is reported on the balance sheets of the funds in which the assets are capitalized. Depreciation has been provided over the estimated useful life of each asset using the straight-line method. The range of estimated useful lives of capital assets are:

Buildings and Improvements	30-35 Years
Infrastructure	15-75 Years
Vehicles and Equipment	3-15 Years

Capital assets are not recorded on the balance sheet of governmental funds.

- **Long-Term Obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and refunding losses are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types record bond premiums and discounts, as well as bond issuance costs in the year incurred. The face amount of debt and 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, are reported as debt service expenditures.

- **Compensated Absences**—City employees are entitled to certain compensated absences based on their length of employment. Accumulated unpaid vacation and sick pay are accrued when earned in the enterprise and internal service funds but are only recorded when paid in the governmental fund types.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

City employees are permitted to accumulate two years of accrued vacation leave and an unlimited amount of accrued sick leave. If an employee retires from the City, he/she will be paid for unused sick leave up to ninety days not to exceed 720 hours. Additionally, employees retiring with twenty years' service may be eligible for a supplemental percentage payment of sick leave as outlined below.

The employee must:

1. Be retiring under the City's pension plan in "good standing"
2. Possess twenty years of service
3. Possess a sick leave balance of 720 hours

If the employee meets the above criteria, he/she is eligible for 25% of any hours accrued over 720 to a maximum of 2,880. Upon termination of employment, an employee is paid for his/her accrued vacation leave based on their current hourly rate of pay. If an employee has not used any sick leave for four consecutive calendar quarters, the employee may elect to convert two days of unused sick leave to either two days' vacation or two days' pay. In addition, employees using one day of sick leave or less in four consecutive calendar quarters may convert one day of unused sick leave to either one day's vacation leave or one day's pay.

- **Deferred Inflows/Outflows of Resources**—Deferred outflows of resources represent the consumption of net assets that applies to future periods. Deferred outflows have a positive effect on net position, similar to assets. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred inflows have a negative effect on net position, similar to liabilities.
- **Unearned Revenue**—Governmental funds and business-type funds also defer revenue recognition in connection with resources that have been received, but not yet earned.
- **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.

E. Fund Balances

- **Classifications**—The City has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

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- **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.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution, which are considered equally binding) of the organization’s governing authority (the City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.

Pursuant to a fund balance policy adopted under the City Council’s Resolution No. 1887-2011, the City established a stabilization fund in the general fund that qualifies as a stabilization arrangement and is classified as committed fund balance under GASB 54. At each fiscal year-end, the stabilization fund is adjusted to an amount equal to 25% of the subsequent years’ general fund budgeted expenditures. The purpose of the stabilization fund is to provide sufficient working capital at the beginning of the fiscal year until the time the City begins receiving ad valorem taxes, usually toward the end of the first quarter. The stabilization balance can only be reduced with City Council approval, or for budgeted expenditures when all other unrestricted or uncommitted fund balances have been exhausted, or there is a revenue shortfall resulting in a decrease in the stabilization fund.

- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.

Fund balance at year-end has been assigned within the general fund for unanticipated events or emergencies. The City’s fund balance policy adopted under the City Council’s Resolution No. 1887-2011 established the reserve. Expenditures for emergencies must be approved by the City Manager and reported to the City Council within 30 working days of the emergency. Expenditures for major unanticipated unbudgeted events require prior City Council approval and subsequent modification to the general fund budget.

- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned.

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■ **Flow Assumption**

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

F. Accounting Changes

GASB Statement No. 87

The GASB issued Statement No. 87, *Leases* (GASB 87), in June of 2017. This statement is effective for the current fiscal year ended September 30, 2022. The City reviewed the provisions of GASB 87 and compiled an inventory of agreements that would potentially be impacted by the implementation of this statement. An evaluation of each agreement was made, based on materiality to the City's financial statements. Based on this evaluation, the impact of the provisions of GASB 87 to the City was deemed not significant for agreements in which the City acts as lessee but was considered to be significant for agreements in which the city acts as lessor. All agreements were evaluated as of the implementation date of October 1, 2021. As such, no restatement of prior period balances related to affected agreements was required. See Note 15 for a description of the current year financial impact of the implementation of GASB Statement No. 87.

Change in Accounting Policy

In prior years, the City capitalized items with an original cost of \$1,000 or more. Effective October 1, 2021, the City changed this threshold to items costing \$5,000 or more. As the remaining book value of items below the new capitalization threshold are considered to be immaterial individually and in the aggregate and continue to be tracked for the purposes of physical inventory, the City elected not to remove fixed assets with original costs between \$1,000 and \$4,999.99 capitalized in prior years under the preceding policy from the fixed asset records. Therefore, no prior period adjustment was necessary as a result of this change in accounting policy.

Note 2 - Property Tax Calendar

The City levies property taxes each November 1, which become a lien on real and personal property located in the City. The assessment of all properties and the collection of all property taxes are made through the Property Appraiser and Tax Collector of Duval County, Florida.

Details of the tax calendar are presented below:

Lien Date	January 1, 2021
Levy Date	October 1, 2021

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Installment Payments

First Installment	No Later Than June 30, 2021
Second Installment	No Later Than September 30, 2021
Third Installment	No Later Than December 31, 2021
Fourth Installment	No Later Than March 31, 2022

Regular Payments

Discount Periods	November 2021 Through February 2022
No Discount Period	After March 1, 2022
Delinquent Date	April 1, 2022

Note 3 - Stewardship, Compliance, and Accountability

Budgets

The City Council annually adopts a budget resolution for all funds of the City. A five-year capital improvement plan is prepared each year based on business requirements and internal five-year revenue and expense projections. Governmental fund annual operating budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Encumbrance accounting is employed in the governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are included in fund balances as restricted, assigned, or committed and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbered appropriations are carried forward into the subsequent years' budgets without being rebudgeted. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

All departments of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, department, division, and object of expenditure, and includes information on the previous two years, current year budget, and proposed expenditures, and the means of financing them for the next fiscal year. Public hearings are conducted to obtain taxpayer comments.

Prior to October 1, the budget is legally enacted through passage of a resolution. Overall changes to the adopted budget must be approved by a majority vote of the City Council. The City Council may make supplemental appropriations during the year, up to the amount available for appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to further appropriation.

Budgets are monitored at varying levels of classification detail; however, budgetary control is legally maintained at the fund level, except for the general fund, where it is maintained at the departmental level. Management must seek City Council approval to make budgetary amendments at the departmental level in the general fund, and at the fund level for all other funds. Management may, however, make a budget adjustment as long as it does not increase the overall budget for a department within the general fund or for any other fund in total.

**NOTES TO FINANCIAL STATEMENTS
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Listed below is a reconciliation of the original budget to final amended budget for the governmental fund types with legally adopted annual budgets:

	Encumbrances			
	Original Budget	Rolled Forward	Supplemental Appropriations	Amended Budget
General Fund	\$ 24,935,609	\$ 122,143	\$ 3,661,190	\$ 28,718,942
Special Revenue Funds	15,626,311	9,740,650	6,225,029	31,591,990

Supplementary budgetary appropriations for the general fund include the following:

- \$592,596 for the purchase of additional Police vehicle replacements.
- \$500,000 in transfers from reserves to the general capital projects fund for partial funding of building renovations resulting from the space needs analysis.
- \$317,088 for professional services for Comprehensive Plan and Land Development Code update.
- \$1,506 for Carver Center donations to offset the cost of purchasing a storage shed for athletic equipment.
- \$2,250,000 in transfers to the General Capital Projects Fund for the following reserve programs: ERP project, building renovations resulting from space needs analysis, citywide camera system replacement reserve, police vehicle replacement reserve, dune walkover replacement reserve, replacement of Police RMS and CAD systems, and Streets Division major equipment replacement reserve.

Supplementary budgetary appropriations for the special revenue funds include the following:

- \$45,000 for grant funding from the St. Johns River Water Management District for the Penman Rd Septic to Sewer project.
- \$38,381 for the radio tower antenna purchase and installation.
- \$186,000 for roof restoration at the Seawalk Pavilion.
- (\$1,000,000) to de-appropriate funding. The FY22 Capital Improvement Plan (CIP) appropriated \$1M for the replacement of the Sunshine park playground structure. However, the project timeline was accelerated and funding was appropriated towards the end of FY21 in the amount of \$1,379,292. This item de-appropriates the \$1M appropriated as part of the FY22 original budget.
- \$547,708 for the replacement of the Sunshine park playground structure to fund two additional features, add a 15% contingency, and revise cost estimates.
- \$21,609 for insurance proceeds that will be used to offset the cost of vehicle repairs.
- \$76,048 for consulting services for the purchase and installation of bicycle racks in the Downtown CRA district.
- \$45,865 to appropriate JAG Grant# 2021-JAGC-DUVA-5-3B-020 and corresponding vehicle purchase.
- \$1,117,206 for Pollution Control Plant (PCP) digester tank, air piping, and stairway modifications.
- \$371,977 for sludge dewatering facility improvements.
- \$4,663,235 for construction of 10th Street South infrastructure improvements Phase I.
- \$112,000 for establishment of the septic tank phase-out rebate program.

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Note 4 - Deposits and Investments

Equity in Pooled Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled cash and investments is allocated to each fund based on the average equity balance. The balance in pooled cash and investments was \$227,949,321 in governmental and business-type funds and \$525,117 in the pension funds.

Deposits

The City's bank deposits are held in qualified public depositories (QPDs) pursuant to Florida Statutes, Chapter 280. The Act provides protection of public deposits by requiring each QPD to pledge collateral to the State Treasurer. The Treasurer shall establish minimum required collateral pledging levels ranging from 25% to 200% of public deposits held, depending on the depository's financial condition and establishment period. In the event of default by a QPD, all claims for public deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the QPD in default and, if necessary, assessments against other QPDs of the same type as the depositor in default. Therefore, all cash and time deposits held by QPDs are fully insured and collateralized.

Certain deposits held by trust companies and fully secured under trust business laws are exempt from Chapter 280 requirements. At year-end, the amount of City deposits held in trust was \$3,386,356 and the amount of deposits held in the pension trust funds was \$5,375,765.

The table below provides a reconciliation of City funds held in cash and investments to the amounts presented in the financial statements:

Cash Held in Banks	\$ 20,538,092
Petty Cash	6,725
Investments	204,549,990
Deposits Held in Trust	3,386,356
Less Pooled Cash Held in Pension Trust Funds	<u>(525,117)</u>
Total	<u>\$ 227,956,046</u>

As presented in the accompanying Statement of Net Position:

Equity in Pooled Cash and Investments	\$ 207,997,367
Other Cash and Investments	6,725
Restricted Equity in Pooled Cash and Investments	<u>19,951,954</u>
Total	<u>\$ 227,956,046</u>

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CITY OF JACKSONVILLE BEACH, FLORIDA

Investments

Following are the investments held in the pooled cash fund, credit ratings, and maturities of the City's governmental and business-type activities at September 30, 2022:

Investment Type	S&P Credit Rating	Fair Value	Investment Maturities			
			Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Govt Obligations	AA+	\$ 71,927,121	\$ 1,621,771	\$ 70,305,350		
Federal Agency Securities:						
Federal Agencies	N/A	6,939,293	1,003,805	5,935,488		
Federal Home Loan Mortgage Corporation	AA+	2,461,470	25,778	80,069		\$ 2,355,623
Federal National Mortgage Association	AA+	3,570,243	95,151	564,521	\$ 242,092	2,668,479
Government National Mortgage Association	AA+	17,596				17,596
Corporate ABSs	AAA	9,199,617	15,708	8,212,729	942,005	29,175
Corporate ABSs	Aaa (Moody's)	1,829,395		1,777,094		52,301
Corporate Bonds	AA+	414,295		414,295		
Corporate Bonds	AA	1,245,297	753,077	492,220		
Corporate Bonds	AA-	1,100,796	651,042	449,754		
Corporate Bonds	A+	4,167,799	179,838	3,766,556	221,405	
Corporate Bonds	A	7,464,126	1,478,749	5,976,570	8,807	
Corporate Bonds	A-	11,100,438	1,137,269	9,660,398	302,771	
Corporate Bonds	BBB+	5,892,847	648,207	5,003,340	241,300	
Corporate Bonds	BBB	20,079	20,079			
Municipal Bonds	AAA	1,442,796	464,277	978,519		
Municipal Bonds	AA+	567,983	100,131	467,852		
Municipal Bonds	AA	204,141		204,141		
Municipal Bonds	AA-	172,129	124,838	47,291		
Municipal Bonds	A+	96,874		96,874		
Municipal Bonds	A	112,313		112,313		
Municipal Bonds	Aaa (Moody's)	96,648	96,648			
Municipal Bonds	Aa1 (Moody's)	173,819			144,433	29,386
Florida State Board of Administration:						
Florida PRIME	AAAm	32,420,623	32,420,623			
Florida Trust - Day to Day Fund	AAAmf (Fitch)	29,312,861	29,312,861			
Florida Municipal Investment Trust:						
Short-Term Bond Portfolio (0-2 Years)	AAA (Fitch)	12,599,391	12,599,391			
Total		<u>\$ 204,549,990</u>	<u>\$ 82,749,243</u>	<u>\$ 114,545,374</u>	<u>\$ 2,102,813</u>	<u>\$ 5,152,560</u>

Listed below are the investments and maturities in the City's pension trust funds at September 30, 2022:

Investment Type	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Equities	\$ 62,385,537	\$ 62,385,537			
U.S. Government Securities	6,790,377		\$ 1,194,502	\$ 4,195,763	\$ 1,400,112
Federal Agency Securities:					
Federal Farm Credit Banks	1,409,683		98,046		1,311,637
Federal Home Loan Bank	223,149			223,149	
Federal Home Loan Mortgage Corporation	470,882		1,335		469,547
Federal National Mortgage Association	6,874,117	796	47,941	294,089	6,531,291
Corporate Bonds	7,786,099		2,575,760	5,210,339	
Real Estate	6,819,791	6,819,791			
Total	<u>\$ 92,759,635</u>	<u>\$ 69,206,124</u>	<u>\$ 3,917,584</u>	<u>\$ 9,923,340</u>	<u>\$ 9,712,587</u>

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Credit quality distribution for the City’s pension trust fund investments with credit exposure as a percentage of the total pension investment is as follows:

<u>Investment Type</u>	<u>Moody’s Credit Rating</u>	<u>Percent of Total</u>
U.S. Government Securities	Aaa	7.32%
Federal Agency Securities	Aaa	9.68%
Corporate Bonds	A1	2.37%
Corporate Bonds	A2	2.49%
Corporate Bonds	A3	1.23%
Corporate Bonds	Aa1	0.14%
Corporate Bonds	Aa3	0.60%
Corporate Bonds	Baa1	1.56%

Authorized Investments

Florida Statute 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. The City has adopted an investment policy for operating funds pursuant to state statutes that allows the City to contract for investment and related services, establish internal controls, and specifies the types of investments that may be purchased. Key objectives of the policy are as follows:

- Safety of principal is the foremost objective of the investment program.
- Provide sufficient liquidity to allow for quick conversion of investments to cash easily and rapidly without loss of principal to meet operating, payroll, and capital requirements.
- The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.
- Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

The policy also lists permitted types of investments, limitations as to amounts invested in each type, the amount invested with each issuer, the length of investment maturities, and other statutory or contractual restrictions for each type of investment. The investment in any derivative products or the use of reverse repurchase agreements is not permitted by this investment policy.

Chapters 175 and 185 of the Florida Statutes authorize the Police Officers’ and Firefighters’ pension trust funds to invest in time and savings accounts of banks insured by the Federal Deposit Insurance Corporation.

Under City Ordinance, the pension trust funds are also authorized to invest in obligations of the United States, in obligations guaranteed as to principal and interest by the United States, and in bonds issued by the State of Israel. Additional authorized investments include bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, provided the corporation is listed on one or more of the recognized national stock exchanges. Corporate fixed income securities must hold a rating of A or higher by Moody’s or Standard & Poor’s rating services.

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Risk Disclosure

The City's investment policy does not address its exposure to interest rate changes, custodial credit risk, or quality credit risk. The following items discuss the City's operating funds' and pension funds' exposure to various risks in primarily the fixed rate portions of their investment portfolios:

- **Interest Rate Risk**—the City's fixed rate investments are generally tied to bond reserve requirements and are intended to be held until the funds are needed, at maturity. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's pension funds limit their risk by averaging investment maturities at approximately five to seven years.
- **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 generally utilizes third-party custodians to help manage custodial credit risk.
- **Concentration of Credit Risk**—the investment policy for the operating funds of the City define what percentage of the total investment portfolio may be invested in each type of investment vehicle. The City's policy states that these percentages may be further restricted based on market conditions, risk, and diversification investment strategies. The pension funds' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. No more than 10% of an individual investment manager's total fixed income portfolio may be invested in securities of a single issuer (5% in the case of a corporate issuer). No more than 10% of plan assets may be in foreign securities.

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 an 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.

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The City's investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value in the hierarchy described above. The fair value measurements for the City's operating investments are as follows at September 30, 2022:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Obligations	\$ 71,927,121	\$ 31,747,007	\$ 40,180,114	
Federal Agency Securities:				
Federal Agencies	6,939,293		6,939,293	
Federal Home Loan Mortgage Corporation	2,461,470		2,461,470	
Federal National Mortgage Association	3,570,243		3,570,243	
Government National Mortgage Association	17,596		17,596	
Corporate ABSs	11,029,012		11,029,012	
Corporate Bonds	31,405,677		31,405,677	
Municipal Bonds	2,866,703		2,866,703	
Total Investments by Fair Value Level	\$ 130,217,115	\$ 31,747,007	\$ 98,470,108	\$ -
Investments Measured at Amortized Cost	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Florida State Board of Administration:				
Florida PRIME	\$ 32,420,623		None	Daily
Florida Trust - Day to Day Fund	29,312,861		None	Daily
Florida Municipal Investment Trust:				
Short-Term Bond Portfolio (0-2 Years)	12,599,391		None	Daily
Total Investments Measured at Amortized Cost	\$ 74,332,875			
Total Investments	\$ 204,549,990			

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

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 62,385,537	\$ 62,385,537		
U.S. Government Securities	6,790,377	1,015,092	\$ 5,775,285	
Federal Agency Securities:				
Federal Farm Credit Banks	1,409,683		1,409,683	
Federal Home Loan Bank	223,149		223,149	
Federal Home Loan Mortgage Corporation	470,882		470,882	
Federal National Mortgage Association	6,874,117		6,874,117	
Corporate Bonds	7,786,099		7,786,099	
Total Investments Measured at Fair Value	85,939,844	\$ 63,400,629	\$ 22,539,215	\$ -
Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 6,819,791		Quarterly	45 days
Total Investments	\$ 92,759,635			

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Federal Agency Securities and U.S. Government Obligations 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. The Real Estate Fund is valued at Net Asset Value (NAV) which is determined using certified annual appraisals of investment properties held by the fund.

Note 5 - Interfund Receivables, Payables and Transfers

Interfund receivables/payables represent short-term loans to cover other funds' deficits in pooled cash and investments. As of September 30, 2022, the balance in these accounts consists of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 55,029	
Community Development Block Grant		\$ 2,206
J.A.G. Grant		<u>52,823</u>
Total	<u>\$ 55,029</u>	<u>\$ 55,029</u>

Interfund transfers during the year ended September 30, 2022, consist of the following:

	<u>Transfers In</u>			
	<u>General Fund</u>	<u>General Capital Projects</u>	<u>Electric</u>	<u>Total</u>
Transfers Out				
General Fund		\$ 5,767,596 (1)		\$ 5,767,596
Other Governmental	\$ 514,366 (2)			514,366
Electric Fund	3,707,642 (3)	183,000 (1)		3,890,642
Water and Sewer		126,000 (1)		126,000
Other Enterprise	107,551 (3)	90,000 (1)	\$ 162,097 (4)	359,648
Internal Service		70,000 (1)		70,000
Total Transfers Out	<u>\$ 4,329,559</u>	<u>\$ 6,236,596</u>	<u>\$ 162,097</u>	<u>\$ 10,728,252</u>

Transfer Purpose

- (1) Capital Projects Funding
- (2) Supplemental funding
- (3) Return on Investment
- (4) Repayment of Construction Advance

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Note 6 - Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 29,656,509		\$ (283,013)	\$ 29,373,496
Construction in Progress	<u>14,807,492</u>	<u>\$ 6,388,015</u>		<u>21,195,507</u>
Total Capital Assets Not Being Depreciated	<u>44,464,001</u>	<u>6,388,015</u>	<u>(283,013)</u>	<u>50,569,003</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	53,832,454	775,865		54,608,319
Equipment	18,265,434	2,124,123	(1,174,339)	19,215,218
Road Network	33,065,968	82,850		33,148,818
Other Infrastructure Networks	<u>28,264,580</u>			<u>28,264,580</u>
Total Capital Assets Being Depreciated	<u>133,428,436</u>	<u>2,982,838</u>	<u>(1,174,339)</u>	<u>135,236,935</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(21,718,263)	(1,814,453)		(23,532,716)
Equipment	(13,223,065)	(1,611,218)	1,031,832	(13,802,451)
Road Network	(13,208,480)	(419,897)		(13,628,377)
Other Infrastructure Networks	<u>(22,259,326)</u>	<u>(681,350)</u>		<u>(22,940,676)</u>
Total Accumulated Depreciation	<u>(70,409,134)</u>	<u>(4,526,918)</u>	<u>1,031,832</u>	<u>(73,904,220)</u>
Total Being Depreciated, Net	<u>63,019,302</u>	<u>(1,544,080)</u>	<u>(142,507)</u>	<u>61,332,715</u>
Governmental Activities Capital Assets, Net	<u>\$ 107,483,303</u>	<u>\$ 4,843,935</u>	<u>\$ (425,520)</u>	<u>\$ 111,901,718</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 4,388,198			\$ 4,388,198
Construction in Progress	<u>17,831,766</u>	<u>\$ 7,977,628</u>	<u>\$ (6,637,018)</u>	<u>19,172,376</u>
Total Capital Assets Not Being Depreciated	<u>22,219,964</u>	<u>7,977,628</u>	<u>(6,637,018)</u>	<u>23,560,574</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	354,192,224	9,833,401	(438,320)	363,587,305
Equipment	<u>12,433,104</u>	<u>936,608</u>	<u>(469,050)</u>	<u>12,900,662</u>
Total Capital Assets Being Depreciated	<u>366,625,328</u>	<u>10,770,009</u>	<u>(907,370)</u>	<u>376,487,967</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(186,199,640)	(9,905,381)	345,331	(195,759,690)
Equipment	<u>(8,862,531)</u>	<u>(1,004,615)</u>	<u>463,125</u>	<u>(9,404,021)</u>
Total Accumulated Depreciation	<u>(195,062,171)</u>	<u>(10,909,996)</u>	<u>808,456</u>	<u>(205,163,711)</u>
Total Being Depreciated, Net	<u>171,563,157</u>	<u>(139,987)</u>	<u>(98,914)</u>	<u>171,324,256</u>
Business-Type Activities Capital Assets, Net	<u>\$ 193,783,121</u>	<u>\$ 7,837,641</u>	<u>\$ (6,735,932)</u>	<u>\$ 194,884,830</u>

NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities	
General Government	\$ 1,963,158
Law Enforcement	833,740
Building Inspections	8,211
Physical Environment	374,974
Roads and Streets	787,628
Parks and Recreation	474,757
Internal Service Funds	<u>84,450</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,526,918</u>
Business-Type Activities	
Electric	\$ 6,398,976
Water and Sewer	3,082,852
Stormwater	936,042
Sanitation	64,275
Golf Course	258,682
Leased Facilities	14,828
Natural Gas	<u>154,341</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 10,909,996</u>

Note 7 - Long-Term Debt

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

	<u>Balance</u> <u>September 30,</u> <u>2021</u>	<u>Additions</u>	<u>Other</u> <u>Reductions</u>	<u>Balance</u> <u>September 30,</u> <u>2022</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Accrued Compensated Absences	\$ 3,474,563	\$ 1,364,022	\$ (1,180,452)	\$ 3,658,133	\$ 667,525
Accrued Other Postemployment Benefits	1,658,012	65,336		1,723,348	
Net Pension Liability	6,280,626		(4,391,049)	1,889,577	
Other Contractual Pension Obligation - Fire	4,521,397		(440,691)	4,080,706	471,539
Total Governmental Activities	<u>15,934,598</u>	<u>1,429,358</u>	<u>(6,012,192)</u>	<u>11,351,764</u>	<u>1,139,064</u>
Business-Type Activities					
Accrued Compensated Absences	1,936,914	906,959	(900,340)	1,943,533	388,706
Accrued Other Postemployment Benefits	1,172,739	46,214		1,218,953	
Net Pension Liability	7,348,729		(4,598,952)	2,749,777	
Total Business-Type Activities	<u>10,458,382</u>	<u>953,173</u>	<u>(5,499,292)</u>	<u>5,912,263</u>	<u>388,706</u>
Total Long-Term Obligations	<u>\$ 26,392,980</u>	<u>\$ 2,382,531</u>	<u>\$ (11,511,484)</u>	<u>\$ 17,264,027</u>	<u>\$ 1,527,770</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 8 - Restricted Assets

The following table indicates the balances at September 30, 2022, for all restricted assets in the proprietary fund types:

	<u>Electric Fund</u>	<u>Natural Gas Fund</u>
Power Costs Recovered In Advance		\$56,575
Rate Stabilization	13,655,520	
Customer Deposits	6,239,859	
Total Restricted Assets	\$ 19,895,379	\$56,575

Note 9 - Florida Municipal Power Affiliation

The City is a member of the Florida Municipal Power Agency (FMPA) and a participant in three of its projects: the St. Lucie Project, the All Requirements Project, and the Florida Municipal Solar Project. FMPA currently has six major power supply projects in operation: (1) the St. Lucie Project; (2) the Stanton Project; (3) the Tri-City Project; (4) the Stanton 2 Project; (5) the All Requirements Project and (6) the Florida Municipal Solar Project.

The St. Lucie Project

On May 12, 1983, FMPA acquired an 8.8% undivided ownership interest in the St. Lucie Unit 2, a 934 megawatt (MW) nuclear power plant operated by Florida Power & Light Company (FPL). The St. Lucie Unit 2 began operation in 1983. In 2003, the Nuclear Regulatory Commission extended the plant's operating license by twenty years. It is now licensed to operate until 2043.

Fifteen of FMPA's members, including the City, are participants in the St. Lucie Project. As a participant in the St. Lucie Project, the City is entitled to 5.4 MW of FMPA's 73.5 MW capacity and energy associated with the St. Lucie Project.

Total expense for 2022 under this contract was \$3,142,805. The City's St. Lucie Power Supply and Sales contracts with FMPA extend through the later of: (1) the date on which related bond principal or other obligations are fully retired; (2) the date the St. Lucie Project is fully decommissioned or otherwise disposed of; or (3) the date all obligations of FMPA under its participation agreement with FPL have been fully satisfied.

The All Requirements Project

FMPA's All Requirements Project provides: (1) each Participant's power supply requirements above Excluded Power Supply Resources and Back-up and Support Services (capitalized terms are defined in the All Requirements Power Supply Contracts), if any, under All Requirements Services; and (2) reserves, losses, firming capacity, back-up energy, and certain associated transmission and dispatching services required for Excluded Power Supply Resources under Back-up and Support Services.

The All Requirements Project's current utility plant assets include varying ownership interests in Stanton Energy Center Units 1 and 2; Indian River Combustion Turbines A, B, C, and D; Stanton A, as well as a minority interest in the FPL St. Lucie nuclear plant. The All Requirements Project's current utility plant assets also consist of 100% ownership in Key West Stock Island Units 2, 3, and 4; the Treasure Coast Energy Center; and Cane Island Units 1, 2, 3, and 4.

NOTES TO FINANCIAL STATEMENTS
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In addition to its ownership facilities, FMPA has interchange and various power purchase contracts with Progress Energy, FPL, Southern Company and others.

The electric system's load in excess of that served from the St. Lucie Project is provided for by FMPA under the All Requirements Project. The City's highest system peak load for fiscal 2022 was in January 2022, at 167.058 MW. Total expense to the City under the All Requirements Project for 2022 was \$74,850,738.

The City and FMPA have entered into an All Requirements Project (ARP) Power Supply Contract (effective March 22, 1985, as amended on May 24, 1991, and January 22, 1999) which requires: 1) FMPA to sell and deliver to the City, and 2) the City to purchase from FMPA, all electric power that the City requires. The initial term of the ARP contract is October 1, 2030; however, on each October 1st, after the effective date, the contract automatically extends for an additional one-year period unless either party, at least one year prior to such automatic extension date, notifies the other party in writing of its decision not to extend the contract.

The City pays for electric power under the contract at the rates set forth in the rate schedules to the ARP contract, which FMPA may revise from time to time in accordance with the contract. The contract provides the option for the City to withdraw from the All-requirements Project after notice and making the debt payment, provided for in Section 29 of the contract (which, generally, is equal to the City's portion of the ARP Debt and other costs incurred, or expected to be incurred, by the ARP as a result of the City's withdrawal).

The Florida Municipal Solar Project

The Florida Municipal Solar Project will generate zero-emission energy, using only the sun as fuel. When the sun is shining, solar panels absorb the sun and convert it to electricity. This energy is then distributed through the electric grid to homes and businesses. FMPA's Florida Municipal Solar Project is a joint project of 16 municipal electric utilities. It is one of the largest municipal-backed solar projects in the United States with approximately 1.5 million solar panels that will be installed at five sites. The project will consist of five solar farms that will generate nearly 375 megawatts of zero-emissions energy, enough to power approximately 75,000 Florida homes. Each site will generate between 74.5 and 74.9 megawatts.

Interconnect Services

The City also has a contract for backup interconnection and electric service with Jacksonville Electric Authority (JEA) through an interconnection point at the Neptune Beach Substation. Total expense for 2022 under this contract was \$0.

Note 10 - Power Costs

The City uses a power true-up recomputed monthly in its electric rates. At September 30, 2022, the City was under-recovered from customers by \$1,455,805. This amount is expected to be recouped from customers in future years. In 2013, the City adopted Resolution 1911-2013 establishing a rate stabilization reserve in order to reduce the impact of changes in power costs to the City's residents. The rate stabilization reserve is equal to three months of average power costs for the previous fiscal year. As of September 30, 2022, the rate stabilization reserve totaled \$13,655,520. This amount is included as a Deferred Inflow of Resources in the accompanying financial statements.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

The City also uses a cost of gas true-up recomputed monthly in its natural gas rates. At September 30, 2022, the City was over-recovered from customers by \$56,575. This amount will be returned to customers in future years.

Note 11 - Retirement Systems

Plan Descriptions

Substantially all full-time employees of the City were covered by the City of Jacksonville Beach, Florida, Public Employees' Retirement System (the PERS) through March 31, 2000.

Effective April 1, 2000, substantially all full-time employees were covered under one of three separate defined benefit pension plans formed on April 1, 2000, as a result of amendments to Florida Statutes mandated by the state legislature. Chapter 175.061 governing Firefighters' pensions and Chapter 185.05 governing Police Officers' pensions were amended to require separate pension plans for each of these groups of employees. On March 31, 2000, the predecessor pension plan (the PERS) ceased operations and its assets, liabilities, and fund balance were divided among the following three distinct pension plans:

- General Employees' Retirement System (GERS)
- Police Officers' Retirement System (PORS)
- Firefighters' Retirement System (FFRS)

Each plan is considered a single-employer, defined benefit pension plan. Each of the plans present separate financial statements and are included as fiduciary component units of the City's financial reporting entity. The plans issue publicly available financial reports that include financial statements and required supplementary information. The GERS is administered by the Board of Trustees comprised of two members of City Council selected by the City Council, two members of the GERS elected by the membership, and a fifth member elected by the other four board members. The PORS and FFRS are both administered by a separate Board of Trustees comprised of two residents of the City appointed by City Council, two members of the PORS and FFRS elected by the membership respectively, and a fifth member elected by the other four board members. The reports may be obtained by writing to the Payroll/Benefits Administrator, City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, Florida, 32250, or by calling (904) 247-6264.

Membership

As of October 1, 2021, employee membership data related to the pension plans were:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Inactive Plan Members or Their Beneficiaries			
Currently Receiving Benefits (Including DROP Participants)	199	42	23
Inactive Plan Members Entitled to Benefits, But Not Yet Receiving Them	11	4	1
Active Plan Members	<u>240</u>	<u>66</u>	<u>25</u>
Total	<u>450</u>	<u>112</u>	<u>49</u>

**NOTES TO FINANCIAL STATEMENTS
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Effective November 19, 2019, the City entered into an agreement with the City of Jacksonville to provide advanced life support and fire services to residents and businesses of the City. The City's firefighters became employees of the City of Jacksonville. At that time, the Jacksonville Beach Firefighters' Retirement Plan was closed to new members. Each firefighter in active service on the effective date was given the opportunity to individually elect to continue participating in the Jacksonville Beach Firefighters' Retirement Plan or join the City of Jacksonville's defined contribution retirement plan. Those who elected to continue participating in the Jacksonville Beach Firefighters' Retirement Plan must continue to make legally required contributions and accrue service benefits under the Plan for as long as they are employed as certified firefighters by the City of Jacksonville.

The City will continue to be the plan administrator and is responsible for the unfunded actuarial accrued liability as determined by the plan actuary as of November 22, 2019. The City agreed to pay the unfunded liability (representing a fixed contractual obligation) at that time totaling \$5,318,174 into the Plan over a 10-year period. Annual contributions towards the unfunded liability are \$707,653 including interest. The City of Jacksonville is responsible for paying the total required contribution to the Jacksonville Beach Firefighters' Pension Plan and estimated annual employee contributions attributable to services rendered after November 23, 2019. As such, the City is no longer subject to the provisions of GASB 68, *Accounting and Financial Reporting for Pensions*, as it relates to the Firefighters' Pension Plan, as the City is no longer considered the Plan employer. The City's contractual pension obligation totaled \$4,080,706 as of September 30, 2022.

Benefits

The pension plans provide retirement benefits, deferred allowances, and death and disability benefits. The plan assets are available to pay the general, police, and firefighters categories of employees, respectively.

The following table shows a summary of benefits for each pension plan. Pension plan provisions were modified significantly during fiscal year 2014.

CITY OF JACKSONVILLE BEACH GENERAL EMPLOYEES' PENSION PLAN				
Provision	Employees with Less Than 5 Years of Service on November 25, 2013	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on November 25, 2013	Employees with 10 or More Years of Service on November 25, 2013	Employees with 30 Years of Service or Age 60 with 5 Years of Service on November 25, 2013
Benefit Formula	2.5% for all years of service (\$90,000 or 75% maximum)			2.5% for all years of service (75% maximum)
Normal Retirement Date	Age 55 with 30 years of service; or age 62 with 10 years of service	Age 62 with 10 years of service; or age 55 with 30 years of service; or age 65 with 5 years of service	Age 60 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay; excluding overtime, shift differential, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential and incentive pay

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

CITY OF JACKSONVILLE BEACH POLICE OFFICERS' PENSION PLAN				
Provision	Employees with Less Than 5 Years of Service on June 23, 2014	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on June 23, 2014	Employees with 10 or More Years of Service on June 23, 2014	Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on June 23, 2014
Benefit Formula	3% for all years of service (\$90,000 or 90% maximum)			3% - first 30 years; 2% thereafter (100% maximum)
Normal Retirement Date	Age 52 with 25 years of service; or Age 55 with 10 years of service; or 30 years of service regardless of age		Age 52 with 25 years of service; or Age 55 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + 300 hours of overtime per year + longevity pay + incentive pay; excluding overtime >300 hours, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential and incentive pay

CITY OF JACKSONVILLE BEACH FIREFIGHTERS' PENSION PLAN					
Provision	Employees Hired After July 21, 2014	Employees with Less Than 5 Years of Service on July 21, 2014	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on July 21, 2014	Employees with 10 or More Years of Service on July 21, 2014	Employees with 30 Years of Service; Age 52 with 25 Years of Service; Age 55 with 5 Years of Service on July 21, 2014
Benefit Formula	3% for all years of service (\$90,000 or 90% maximum)				3% - first 30 years; 2% thereafter (100% maximum)
Normal Retirement Date	Age 52 with 25 years of service; or Age 55 with 10 years of service; or 30 years of service regardless of age			Age 52 with 25 years of service; or Age 55 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay + incentive pay; excluding overtime, leave payouts, and all other compensation				Base pay, longevity, overtime, shift differential and incentive pay
COLA	No COLA	2% increase on benefits earned prior to the effective date; 1% annual increase on benefits earned after the effective date			2% increase on 2 nd anniversary and annually thereafter

Pension provisions include death benefits when the death is non-duty-related, whereby the surviving spouse is entitled to receive annually an amount equal to 100% of the employee's normal retirement benefit as long as the employee has attained 10 or more years of service. When the death is duty-related, the ten-year service requirement is waived. The surviving spouse is entitled to receive 100% of the employee's normal retirement benefit, with a minimum benefit of 35% of their final average compensation.

Contributions

For the year ended September 30, 2022, plan participants were required to pay 7.95% of their annual compensation to their respective pension plan. The payments are deducted from the employees' wages or salary and remitted by the City to the respective plan at the end of each pay period. If an employee leaves the employment of the City before he or she is vested, the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. If an employee leaves the employment of the City after becoming vested, but before attaining retirement age, the employee or the employee's designated beneficiary has the option of being refunded the accumulated contributions plus earned interest or keeping the funds in the plan and receiving benefits under the plan upon reaching retirement age.

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

For the GERS and the PORS, the City makes periodic contributions totaling a minimum of 100% of the annual actuarially determined amount to the pension plan. In addition to the employer contribution, the Police Officers’ pension plan receives a distribution of casualty premium tax monies from the State of Florida pursuant to Chapter 185, Florida Statutes. The on-behalf payments received from the State of Florida totaling \$243,584 for the period ending September 30, 2022 were recognized as revenues and expenses in the General Fund and were used to reduce the City’s contribution to the Police Officers’ pension plan.

For the period ended September 30, 2022, the actuarially determined contribution amount for the City was to be \$3,739,416, including estimated contributions from the State of Florida. The City’s actual contribution was \$3,739,419, including actual contributions from the State of Florida. These contributions were determined pursuant to an actuarial valuation dated October 1, 2020.

There were no contributions due to the plans by the City at September 30, 2022.

Investment Policy

The following are the three Boards’ adopted asset allocation policy as of September 30, 2022:

Asset Class	Target Allocation
Domestic Equity	50%
International Equity	10%
Fixed Income	35%
Real Estate	5%
Total	100%

Concentration

The plan did not hold investments in any one organization that represents 5% or more of the pension plans’ fiduciary net position.

Rate of Return

For the years ended September 30, 2022 and 2021, the annual money-weighted rate of return on plan investments, net of plan investment expense, was (16.04%) and 18.94%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Values

Investments in securities are reported at fair value. Corporate bond securities are assigned a value based on yields currently available on securities of issuers with credit ratings similar to the securities held by the pension plan. Unrestricted capital stock securities are assigned a value based on quoted market prices. There are no investments in, loans to, or leases with parties related to the pension plans.

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CITY OF JACKSONVILLE BEACH, FLORIDA

Schedule of Pension Plan Net Position as of September 30, 2022

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Totals</u>
Assets				
Cash and Cash Equivalents	\$ 3,416,130	\$ 1,433,996	\$ 1,050,757	\$ 5,900,883
Due from Other Governmental Units	130,000	243,584		373,584
Accrued Interest	65,808	29,743	16,922	112,473
Miscellaneous Receivable		2,775	1,848	4,623
Investments:				
Equities, Including Mutual Funds	35,813,555	16,617,634	9,954,348	62,385,537
Corporate Bonds	4,532,155	2,073,983	1,179,961	7,786,099
U.S. Government Obligations/Agencies	9,178,405	4,200,177	2,389,626	15,768,208
Real Estate Fund	3,969,684	1,816,587	1,033,520	6,819,791
Total Investments	<u>53,493,799</u>	<u>24,708,381</u>	<u>14,557,455</u>	<u>92,759,635</u>
Total Assets	<u>57,105,737</u>	<u>26,418,479</u>	<u>15,626,982</u>	<u>99,151,198</u>
Liabilities				
Accounts Payable	3,485			3,485
Other Accrued Liabilities	1,196	425	279	1,900
Due to Other Governmental Units		130,000		130,000
Total Liabilities	<u>4,681</u>	<u>130,425</u>	<u>279</u>	<u>135,385</u>
Net Position Restricted for Pensions	<u>\$ 57,101,056</u>	<u>\$ 26,288,054</u>	<u>\$ 15,626,703</u>	<u>\$ 99,015,813</u>

Schedule of the Change in Pension Plan Net Position as of September 30, 2022

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Totals</u>
Additions				
Contributions				
Employee	\$ 1,173,445	\$ 448,906	\$ 135,185	\$ 1,757,536
Employer:				
City of Jacksonville Beach	2,405,223	410,267	680,345	3,495,835
City of Jacksonville			410,437	410,437
State of Florida		243,584		243,584
Total Contributions	<u>3,578,668</u>	<u>1,102,757</u>	<u>1,225,967</u>	<u>5,907,392</u>
Investment Income				
Investment Earnings (Loss)	(10,886,032)	(4,992,171)	(2,851,358)	(18,729,561)
(Investment Expenses)	(108,036)	(50,609)	(30,067)	(188,712)
Net Investment Income	<u>(10,994,068)</u>	<u>(5,042,780)</u>	<u>(2,881,425)</u>	<u>(18,918,273)</u>
Total Additions	<u>(7,415,400)</u>	<u>(3,940,023)</u>	<u>(1,655,458)</u>	<u>(13,010,881)</u>
Deductions				
Benefits	5,042,246	1,646,393	830,083	7,518,722
Refunds of Contributions	230,213	26,525	6,398	263,136
Administrative Expense	101,612	81,970	77,576	261,158
(Total Deductions)	<u>(5,374,071)</u>	<u>(1,754,888)</u>	<u>(914,057)</u>	<u>(8,043,016)</u>
Change in Net Position	<u>(12,789,471)</u>	<u>(5,694,911)</u>	<u>(2,569,515)</u>	<u>(21,053,897)</u>
Net Position, Beginning of Year	<u>69,890,527</u>	<u>31,982,965</u>	<u>18,196,218</u>	<u>120,069,710</u>
Net Position, End of Year	<u>\$ 57,101,056</u>	<u>\$ 26,288,054</u>	<u>\$ 15,626,703</u>	<u>\$ 99,015,813</u>

Basis of Accounting – Pension Trust Funds

The Pension Trust Fund statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Interest and dividend income is recognized when earned by the pension plan. Realized gains and losses on the sale of investments held by the pension plan are recognized when incurred. Net appreciation in the fair value of investments held by the pension plan is recorded as an

NOTES TO FINANCIAL STATEMENTS
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CITY OF JACKSONVILLE BEACH, FLORIDA

increase to investment income based on the valuation of investments as of the date of the statement of plan net position available for benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Measurement Date

As permitted by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the City elected to use a measurement date to value the net pension liability (asset) and related deferred inflows and outflows as of September 30, 2021, one year prior to the reporting date.

Net Pension Liability (Asset)

The components of the net pension liability (asset) for the General Employees' Plan and Police Officers' Plan as of September 30, 2021, and for the year then ended, were as follows:

General Employees' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	\$ 74,204,367	\$ 60,578,014	\$ 13,626,353
Service Cost	1,669,578		1,669,578
Interest	5,420,774		5,420,774
Differences Between Expected and Actual Experience	218,907		218,907
Changes of Assumptions	(1,459,419)		(1,459,419)
Contributions - Employer		2,443,559	(2,443,559)
Contributions - Employee		1,147,477	(1,147,477)
Net Investment Income		11,245,803	(11,245,803)
Benefit Payments Including Refunds of Employee Contributions	(5,422,910)	(5,422,910)	-
Administrative Expenses	(101,416)	(101,416)	-
Net Changes	325,514	9,312,513	(8,986,999)
Balance, End of Year	<u>\$ 74,529,881</u>	<u>\$ 69,890,527</u>	<u>\$ 4,639,354</u>

Police Officers' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
Balance, Beginning of Year	\$ 29,585,153	\$ 26,848,519	\$ 2,736,634
Service Cost	787,675		787,675
Interest	2,200,335		2,200,335
Differences Between Expected and Actual Experience	(533,542)		(533,542)
Changes of Assumptions	(906,992)		(906,992)
Contributions - Employer and State		1,024,101	(1,024,101)
Contributions - Employee		493,053	(493,053)
Net Investment Income		4,983,666	(4,983,666)
Benefit Payments Including Refunds of Employee Contributions	(1,282,380)	(1,282,380)	-
Administrative Expenses		(83,994)	83,994
Net Changes	265,096	5,134,446	(4,869,350)
Balance, End of Year	<u>\$ 29,850,249</u>	<u>\$ 31,982,965</u>	<u>\$ (2,132,716)</u>

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Actuarial Assumptions

The total pension liability was based on an actuarial valuation as of October 1, 2020, and a measurement date of September 30, 2021, using the following actuarial assumptions applied to all measurement periods. The rationale for the actuarial assumptions were developed using an experience study last updated in 2002.

Inflation	2.5%
Salary Increases	2.5% - 6.3% (Including Inflation)
Investment Rate of Return	7.5% - General Employees' and Police Officers'

Mortality rates were based on the House Bill 1309, which mandated the use of the Florida Retirement System (FRS) mortality tables. The RP-2000 table and projection scale BB produce life expectancies that are longer for males and females.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 pension plans' target asset allocation are summarized below:

<u>Asset Class</u>	<u>Long-term Expected Rate of Return (Excluding Inflation)</u>
Domestic Equity	10%
International Equity	11%
Domestic Bonds	5%
International Bonds	6%
Real Estate	7%
Cash	0%

Discount Rate

The discount rate used to measure the total pension liability for the General Employees' and Police Officers' Plan was 7.5%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans' fiduciary net position 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. The single discount rate reflects the long-term expected rate of return on pension plan investments including inflation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

The table below provides the sensitivity of the net pension liability (asset) to changes in the discount rate. The table represents the plans' net pension liability (asset), if it were calculated using a single discount rate that is one-percentage point lower or one-percentage point higher than the single discount rate.

**Sensitivity of Net Pension Liability (Asset) to the
Single Discount Rate Assumption**

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
General Employees' Pension Plan:	\$ 12,798,784	\$ 4,639,354	\$ (2,272,890)
Police Officers' Pension Plan:	\$ 1,372,788	\$ (2,132,716)	\$ (5,083,541)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized pension expense as follows:

General Employees' Pension Plan	\$ 126,827
Police Officers' Pension Plan	<u>(222,904)</u>
Total	<u>\$ (96,077)</u>

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

	General Employees'	Police Officers'	Total
Contributions Made After the Measurement Date	\$ 2,405,223	\$ 653,851	\$ 3,059,074
Differences Between Expected and Actual Experience	372,073	227,886	599,959
Changes in Assumptions	517,483	421,437	938,920
Total	<u>\$ 3,294,779</u>	<u>\$ 1,303,174</u>	<u>\$ 4,597,953</u>

Deferred Inflows of Resources

	General Employees'	Police Officers'	Total
Differences Between Expected and Actual Experience	\$ 706,137	\$ 713,100	\$ 1,419,237
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,977,476	2,591,122	8,568,598
Changes in Assumptions	1,155,018	743,050	1,898,068
Total	<u>\$ 7,838,631</u>	<u>\$ 4,047,272</u>	<u>\$ 11,885,903</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

Contributions made after the measurement date (shown above) but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022, the fiscal period subsequent to the actuarial measurement date.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Total</u>
2023	\$ (1,424,259)	\$ (704,048)	\$ (2,128,307)
2024	(1,981,766)	(777,062)	(2,758,828)
2025	(1,982,518)	(949,221)	(2,931,739)
2026	(1,560,532)	(828,995)	(2,389,527)
2027	(138,623)	(138,623)	(138,623)
Total	<u>\$ (6,949,075)</u>	<u>\$ (3,397,949)</u>	<u>\$ (10,347,024)</u>

Note 12 - Interlocal Agreement

In 1984, pursuant to an interlocal agreement authorized by Florida Statutes, Section 163.01, the City joined with the City of Neptune Beach and the City of Atlantic Beach to construct and operate effluent outfall lines and disposal facilities, together with all the lands, right-of-ways, easements, and other entitlements necessary for the construction and use thereof.

Each party to the agreement was solely responsible for the design and construction of its individually used segments. For the shared segments, the initial capital costs allocation to the three parties was based upon each city’s reserved capacity as a percentage of total capacity.

Annual repair and maintenance of the shared outfall lines is prorated to each city based upon the applicable reserved capacity allocations. In 2003, upon mutual consent, the parties adjusted the percentages to reflect current permitted capacity as follows:

	<u>Atlantic Beach Tie-in to Discharge Point</u>	<u>Neptune Beach Tie-in to Atlantic Beach Tie-in</u>
Atlantic Beach, Florida	45%	0.0%
Jacksonville Beach, Florida	41.3%	75.0%
Neptune Beach, Florida	13.7%	25.0%
Total	<u>100.0%</u>	<u>100.0%</u>

The City contributed \$0 to the interlocal agreement during 2022. As of September 30, 2022, the City had no commitment related to outfall repairs and maintenance and the interlocal agreement had no outstanding debt. There are no separate financial statements prepared for the interlocal agreement. The City records its capital assets related to the interlocal agreement in the water/sewer enterprise fund.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

Note 13 - Commitments, Contingencies, and Encumbrances

Grants

The City participates in federal, state, and county programs that are fully or partially funded by grants received from other governmental units. In management's opinion, there are no material instances of non-compliance relating to these grants.

Litigation

The City is a party to claims and lawsuits arising in the normal course of business. Management does not expect that these matters will have a material effect on the financial position or results of operations of the City.

Construction Commitments

As of September 30, 2022, the City had the following commitments related to significant unfinished capital projects:

<u>Project</u>	<u>Expended as of September 30, 2022</u>	<u>Remaining Commitment</u>
Fort Diego Substation EPC Scoping Project	\$ 4,990	\$ 100,064
Stormwater Master Plan Update	51,281	61,391
Jax Beach Water Master Plan - Eng	83,444	41,510
Downtown Improv SBIS5	118,388	37,583
Design of Beach Stormwater Outfalls Replacement	145,390	22,915
4th St S Roadway Improvement	73,365	58,805
10 St S Infrastructure (10STS2)	75,925	111,312
Lift Station #23 Rehabilitation (VREH23)	151,136	18,530
Isabella Blvd Drainage Improvements	248,879	30,521
Phase 1 of Citywide Area Network Coverage	135,000	166,266
Sludge Dewatering Improvement Design Task	30,708	252,064
Specific Project Task Identified in the Downtown Action, Implementation & Management Plan Phase 2	373,458	33,463
Penman Rd Improvements - PENMAN	371,459	59,506
Rehab Lift Station # 17 & #23	530,433	24,846
Butler - Transformer & Bus Relay Upgrades	172,748	301,416
Construction for LS #17 & LS #23	25,480	40,981
Water Main Improvement Plan	422,527	234,434
South Basin Prelim Study for Downtown Improvements	97,342	955,473
WWTP Digester Tank, Air Piping & Stairway (WWTP19)	282,736	890,374
DTI3C 4 & 5 Design of Downtown Infrastructure Improvements Phase 3C Projects 4 & 5	905,590	599,155
Construction of LS #7 & LS #20	2,082,742	2,021,329
Ocean Terrace Drainage Improvements (SBOTP)	2,404,664	2,080,349
Total	<u>\$ 8,787,685</u>	<u>\$ 8,142,287</u>

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Fire Services Agreement

As previously discussed, the City entered into an Interlocal Agreement with the City of Jacksonville for Advanced Life Support and Fire Services effective November 23, 2019. As part of this agreement, the City is required to pay \$2,220,000 in the first year for services provided with amounts being increased each subsequent year by 2.5% or the annual percentage increase in the U.S. Consumer Price Index, whichever is greater. The term of the agreement is 20 years.

Encumbrances

Significant encumbrances included in governmental fund balances are as follows:

<u>Fund</u>	<u>Restricted Fund Balance</u>	<u>Assigned Fund Balance</u>
General Fund		\$ 457,947
General Capital Projects Fund		4,979,798
Community Redevelopment Fund	\$ 5,095,404	
Other Governmental Funds	<u>6,688,575</u>	
Total	<u>\$ 11,783,979</u>	<u>\$ 5,437,745</u>

Note 14 - 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. In response to that risk, the City has implemented a risk management program. The major features of the program include the following:

- Beginning in fiscal year 2020, the City is fully insured for workers compensation claims. Prior to fiscal year 2020, the City was self-insured workers' compensation risks up to \$150,000 per claim.
- Continuing a \$25,000 general liability coverage deductible.
- Funding adequate reserves to cover self-insuring workers' compensation retentions and liability and property insurance deductibles.
- Competitive solicitation of insurance and self-insurance proposals.

During 2022, the City purchased commercial insurance against losses for the following types of risk:

- Real and personal property damage, including flood damage.
- General and automobile liability.
- Commercial crime.
- Police professional liability.
- Health.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

Substantially all risk management activities are accounted for by the City within its internal service fund. Total expenses for risk management services (including claims and commercial insurance) were \$3,896,366 in 2022, and \$4,039,246 in 2021.

The City is self-insured for three remaining workers' compensation claims with the Florida League of Cities, Inc. providing aggregate excess coverage. Beginning in fiscal year 2020, the City became fully insured for all new claims.

The internal service fund is charging other funds of the City for risk management services based on costs incurred of the program. For 2022, interdepartmental charges and other earnings exceeded actual costs by \$21,550. For 2021, interdepartmental charges and other earnings (excluding investment earnings) exceeded actual costs by \$415,631. The self-insurance fund has unrestricted net position of \$3,681,916 at September 30, 2022.

There were no significant reductions in insurance coverage from 2021 to 2022.

The estimated liability for self-insured losses of \$139,340 accrued in the self-insurance fund at September 30, 2022, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates must be re-evaluated annually based on current year payment activity and progression of remaining open claims. Based on prior claims activity and the nature of outstanding claims remaining, it is considered to be reasonably possible that the full current estimated claims payable amount may be paid within one year of the reporting date. Should the remaining claims not be liquidated, a revised estimate will be performed, with the remaining liability reported as a current liability. Changes in the self-insurance fund's estimated liability were as follows for September 30:

	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 127,949	\$ 128,698
Current Year Claims and Changes in Estimates (Claim Payments)	148,916 <u>(137,525)</u>	294,134 <u>(294,883)</u>
Ending Balance	<u>\$ 139,340</u>	<u>\$ 127,949</u>

Note 15 - Lease Revenue

The City has four facilities that have rental space available. Revenues from the facilities' operating leases and the related maintenance expenses are accumulated in the City's Leased Facilities Fund; and fund net income is used to make technology purchases.

Lease agreements for the Community Services Center and the Industrial Park are for initial five-year terms, renewable in one to three-year increments and with the option for the City to cancel with ninety days' notice; the lessee may cancel the lease with thirty days' notice, but only in the event of elimination of their programs' primary funding source(s). The lease agreement for the Marina building was for an initial five-year term and is renewable in five-year increments, with the option for the lessee to cancel with 90 days' notice prior to the expiration of each renewal term. After the first twenty years of the lease, the City may terminate the lease with three hundred and sixty-five days' notice prior to the expiration of any

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

renewal term. Lease agreements for cell tower space are for initial five-year terms and are renewable in five-year increments, with the option for the lessee to cancel the lease given 90 days' notice prior to the expiration of each renewal term; the lessor has no rights of cancellation without cause during the term of any cell tower lease.

Charges for space at the Community Services Center, the Industrial Park, and the Marina building are based on the size of the area leased; cell tower charges are based on square footage of tower and ancillary ground-level space utilized. Payments are due monthly at the beginning of each month for all leases with an annual escalation of 4% applied across all leases, with the exception of the Marina building, which is subject to a 3% annual escalation on payments. No leases of the City contain variable payment components. There are no contingent rentals or subleases at any of the facilities. Imputed interest on all leases is considered to be the incremental borrowing rate of the City, which was 2.0% for FY2022.

The City received the following inflows of resources from leases in 2022:

Lease Revenue Recognized	\$	236,770
Interest Revenue Recognized		<u>27,940</u>
Total Inflows of Resources from Leases	\$	<u>264,710</u>

Note 16 - Other Postemployment Benefits (OPEB)

Plan Description

As part of a single-employer postemployment benefit plan, the City offers postemployment medical, dental, and life insurance benefits to any employee who satisfies the disability, early, or normal retirement provisions of the applicable retirement plan (GERS, PORS, or FFRS). Eligibility requirements for retirement under the City's three retirement systems may be obtained by writing to the Payroll/Benefits Administrator, City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, Florida 32250, or by calling (904) 247-6264. According to the Substantive Plan, retired police officers, firefighters, and general employees, as well as their dependents, are permitted 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. The amount of the contributions required for retiree and dependent coverage may change from time-to-time. This conforms to the minimum requirements of governmental employers under Chapter 112.08, Florida Statutes. The plan does not issue separate financial statements.

Membership Information

The following table provides a summary of the number of participants in the plan as of September 30, 2020 (the latest actuarial valuation):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits		21
Inactive Plan Members Entitled to but not yet Receiving Benefits		0
Active Plan Members		<u>280</u>
Total Plan Members		<u>301</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

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 OPEBs was completed to measure current year’s subsidies and project future subsidies, the City Council has not determined if a separate trust fund or equivalent arrangement will be established.

Total OPEB Liability

The City’s total OPEB liability of \$2,942,301 was measured as of September 30, 2021, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2020.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	\$ 2,830,751
Service Cost	119,336
Interest on Total OPEB Liability	69,333
Differences Between Expected and Actual Experience	
Changes of Assumptions and Other Inputs	69,271
Benefit Payments	(146,390)
Net change in Total OPEB Liability	111,550
Total OPEB Liability, End of Year	\$ 2,942,301

Changes of assumptions and other inputs include a decrease of the discount rate from 2.41% as of the beginning of the measurement period to 2.19% at the end of the measurement period.

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

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

	1% Decrease	Current Discount Rate	1% Increase
	1.19%	2.19%	3.19%
Total OPEB Liability	\$ 3,291,253	\$ 2,942,301	\$ 2,645,444

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	Current Healthcare cost Trend Rate	1% Increase
Total OPEB Liability	\$ 2,572,499	\$ 2,942,301	\$ 3,393,876

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

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 \$91,746. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Benefits Paid after Measurement Date	\$ 147,767	
Differences between Expected and Actual Experience	370,913	\$ 146,264
Changes in Assumptions and Other Inputs	<u>248,670</u>	<u>878,744</u>
Total	<u>\$ 767,350</u>	<u>\$ 1,025,008</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$147,767 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2023	\$ (96,923)
2024	(96,923)
2025	(96,923)
2026	(95,376)
2027	(81,457)
Thereafter	<u>62,177</u>
Total	<u>\$ (405,425)</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:	September 30, 2020
Measurement Date:	September 30, 2021
Reporting Date:	September 30, 2022
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.25%
Discount Rate:	2.19%
Projected Salary Increases:	Salary increase rates used for General Employees and Police Officers in the applicable pension actuarial valuation: 2.7% - 6.3% including inflation.
Retirement Age:	Retirement rates are based on the applicable pension actuarial valuation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA

Mortality:	Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System. Rates were taken from adjusted Pub-2010 mortality tables published by the SOA with generational mortality improvements using Scale MP-2018. They are based on the results of a statewide experience study covering period 2013 through 2018.
Healthcare Cost Trend Rate:	Based on the Getzen Model, with trend starting at 6.25% for 2021, followed by 6.0% for 2022 and gradually trending to an ultimate trend rate of 3.99%.
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses:	Administrative expenses are included in the per capita health costs.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTI-YEAR
GENERAL EMPLOYEES
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

Reporting Date - September 30:	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date - September 30:	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 1,669,578	\$ 1,598,849	\$ 1,503,973	\$ 1,376,901	\$ 1,391,483	\$ 1,207,176	\$ 1,111,657	\$ 1,129,366
Interest on the Total Pension Liability	5,420,774	5,349,162	5,292,226	5,106,511	4,852,273	4,606,558	4,557,077	4,443,924
Difference Between Expected and Actual Experience	218,907	(533,465)	(1,027,446)	1,126,397	325,573	(1,228,033)	(891,893)	
Assumption Changes (1), (2), (3), (4)	(1,459,419)			2,931,687	2,129,976	2,784,150		
Benefit Payments	(5,524,326)	(5,465,840)	(4,648,241)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds				(158,889)	(97,989)	(153,923)	(276,366)	(301,455)
Net Change in Total Pension Liability	<u>325,514</u>	<u>948,706</u>	<u>1,120,512</u>	<u>5,826,951</u>	<u>4,001,742</u>	<u>3,286,294</u>	<u>448,212</u>	<u>1,601,868</u>
Total Pension Liability-Beginning	<u>74,204,367</u>	<u>73,255,661</u>	<u>72,135,149</u>	<u>66,308,198</u>	<u>62,306,456</u>	<u>59,020,162</u>	<u>58,571,950</u>	<u>56,970,082</u>
Total Pension Liability-Ending (a)	<u>74,529,881</u>	<u>74,204,367</u>	<u>73,255,661</u>	<u>72,135,149</u>	<u>66,308,198</u>	<u>62,306,456</u>	<u>59,020,162</u>	<u>58,571,950</u>
Plan Fiduciary Net Position								
Employer Contributions	2,443,559	2,324,624	2,100,105	1,898,689	1,591,545	1,321,320	1,387,165	1,216,994
Employee Contributions	1,147,477	1,110,267	1,036,998	1,029,762	1,018,627	927,251	853,057	771,553
Pension Plan Net Investment Income	11,245,803	5,610,039	3,062,326	4,761,584	5,827,579	3,782,591	(153,496)	4,697,264
Benefit Payments	(5,149,912)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds	(272,998)	(557,035)	(301,365)	(158,889)	(97,989)	(153,923)	(276,366)	(301,456)
Pension Plan Administrative Expense	(101,416)	(102,704)	(96,476)	(100,429)	(105,804)	(111,995)	(92,050)	(102,358)
Net Change in Plan Fiduciary Net Position	<u>9,312,513</u>	<u>3,476,386</u>	<u>1,454,712</u>	<u>2,875,061</u>	<u>3,634,384</u>	<u>1,835,610</u>	<u>(2,333,953)</u>	<u>2,612,030</u>
Plan Fiduciary Net Position-Beginning	<u>60,578,014</u>	<u>57,101,628</u>	<u>55,646,916</u>	<u>52,771,855</u>	<u>49,137,471</u>	<u>47,301,861</u>	<u>49,635,814</u>	<u>47,023,784</u>
Plan Fiduciary Net Position-Ending (b)	<u>69,890,527</u>	<u>60,578,014</u>	<u>57,101,628</u>	<u>55,646,916</u>	<u>52,771,855</u>	<u>49,137,471</u>	<u>47,301,861</u>	<u>49,635,814</u>
Net Pension Liability-Ending (a) – (b)	<u>\$ 4,639,354</u>	<u>\$ 13,626,353</u>	<u>\$ 16,154,033</u>	<u>\$ 16,488,233</u>	<u>\$ 13,536,343</u>	<u>\$ 13,168,985</u>	<u>\$ 11,718,301</u>	<u>\$ 8,936,136</u>
Plan Fiduciary Net Position as Percentage of Total Pension Liability	93.78%	81.64%	77.95%	77.14%	79.59%	78.86%	80.15%	84.74%
Covered Payroll	\$ 14,294,336	\$ 13,915,132	\$ 13,044,000	\$ 12,952,981	\$ 12,812,918	\$ 11,663,535	\$ 10,730,277	\$ 10,622,900
Net Pension Liability as a Percentage of Covered Payroll	32.46%	97.92%	123.84%	127.29%	105.65%	112.91%	109.21%	84.12%

Notes to Schedule:

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

- (1) - Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.
- (2) - Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables.
- (3) - Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.
- (4) - Assumption changes for the 9/30/21 measurement date include an update to and use of the HB mandated FRS mortality tables.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTI-YEAR
POLICE OFFICERS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

Reporting Date - September 30:	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date - September 30:	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 787,675	\$ 750,964	\$ 724,675	\$ 625,887	\$ 633,232	\$ 608,970	\$ 583,329	\$ 517,788
Interest on the Total Pension Liability	2,200,335	2,066,473	2,008,899	1,916,453	1,826,742	1,709,163	1,632,596	1,568,728
Benefit Changes (1)								(2,590,277)
Difference Between Expected and Actual Experience	(533,542)	279,135	(521,988)	177,596	(458,370)	(393,421)		54,979
Assumption Changes (2), (3), (4), (5)	(906,992)			1,221,310	675,123	776,974		
Benefit Payments	(1,282,380)	(1,291,775)	(1,702,415)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds				(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Net Change in Total Pension Liability	265,096	1,804,797	509,171	2,715,205	1,405,922	1,484,329	889,971	(1,874,670)
Total Pension Liability-Beginning	29,588,155	27,783,358	27,274,187	24,558,982	23,153,060	21,668,731	20,778,760	22,653,430
Total Pension Liability-Ending (a)	29,853,251	29,588,155	27,783,358	27,274,187	24,558,982	23,153,060	21,668,731	20,778,760
Plan Fiduciary Net Position								
Employer and State Contributions	1,024,101	909,449	802,241	691,323	705,983	662,694	562,835	530,453
Employee Contributions	493,053	399,342	383,822	362,140	353,277	343,112	328,665	263,978
Pension Plan Net Investment Income	4,983,666	2,411,239	1,316,052	1,991,673	2,367,943	1,498,725	(59,565)	1,819,901
Benefit Payments	(1,265,218)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds	(17,162)	(15,301)	(31,896)	(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Pension Plan Administrative Expense	(83,994)	(80,908)	(77,460)	(88,504)	(80,293)	(66,704)	(71,518)	(81,366)
Net Change in Plan Fiduciary Net Position	5,134,446	2,347,347	722,240	1,730,591	2,076,105	1,220,470	(565,537)	1,107,078
Plan Fiduciary Net Position-Beginning	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303	18,210,225
Plan Fiduciary Net Position-Ending (b)	31,982,965	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303
Net Pension Liability-Ending (a) – (b)	\$ (2,129,714)	\$ 2,739,636	\$ 3,282,186	\$ 3,495,255	\$ 2,510,641	\$ 3,180,824	\$ 2,916,965	\$ 1,461,457
Plan Fiduciary Net Position as Percentage of Total Pension Liability	107.13%	90.74%	88.19%	87.18%	89.78%	86.26%	86.54%	92.97%
Covered Payroll	\$ 5,395,032	\$ 5,023,170	\$ 4,827,950	\$ 4,555,220	\$ 4,443,736	\$ 4,315,874	\$ 4,134,151	\$ 3,945,943
Net Pension Liability as a Percentage of Covered Payroll	-39.48%	54.54%	67.98%	76.73%	56.50%	73.70%	70.56%	37.04%

Notes to Schedule:

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

- (1) - Benefit terms were modified for the Police Officers' Plan during 2014 to include longer vesting periods, changes in the benefit formula, and changes in what is considered pensionable compensation.
- (2) - Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.
- (3) - Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables.
- (4) - Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.
- (5) - Assumption changes for the 9/30/21 measurement date include an update to and use of the HB mandated FRS mortality tables.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
GENERAL EMPLOYEES
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

September 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,405,220	\$ 2,442,960	\$ 2,322,790	\$ 2,097,788	\$ 1,892,707	\$ 1,591,545	\$ 1,321,320	\$ 1,387,165	\$ 1,205,756
Contributions in Relation to the Actuarially Determined Contribution	2,405,223	2,443,559	2,324,624	2,100,105	1,898,689	1,591,545	1,321,320	1,387,165	1,216,994
Contribution Deficiency (Excess)	\$ (3)	\$ (599)	\$ (1,834)	\$ (2,317)	\$ (5,982)	\$ -	\$ -	\$ -	\$ (11,238)
Covered Payroll	\$ 14,746,238	\$ 14,294,336	\$ 13,915,132	\$ 13,044,000	\$ 12,952,981	\$ 12,812,918	\$ 11,663,535	\$ 10,730,277	\$ 10,622,900
Contributions as a Percentage of Covered Payroll	16.31%	17.09%	16.71%	16.10%	14.66%	12.42%	11.33%	12.93%	11.46%

Notes to Schedule of Contributions

Valuation Date	October 1, 2020 for period ended September 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	3 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.50%
Projected Salary Increases	2.5% to 6.3%
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System mortality tables which use variations of the fully generational PUB-2010 Mortality Tables with projection scale MP-2018.

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE OFFICERS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

September 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 653,851	\$ 917,954	\$ 844,401	\$ 770,582	\$ 691,323	\$ 678,304	\$ 633,555	\$ 511,049	\$ 490,666
Contributions in Relation to the Actuarially Determined Contribution	653,851	1,024,101	909,449	802,241	691,323	705,983	662,694	562,835	530,453
Contribution Deficiency (Excess)	\$ -	\$ (106,147)	\$ (65,048)	\$ (31,659)	\$ -	\$ (27,679)	\$ (29,139)	\$ (51,786)	\$ (39,787)
Covered Payroll	\$ 5,641,806	\$ 5,395,032	\$ 5,023,170	\$ 4,827,950	\$ 4,555,220	\$ 4,443,736	\$ 4,315,874	\$ 4,134,151	\$ 3,945,943
Contributions as a Percentage of Covered Payroll	11.59%	18.98%	18.11%	16.62%	15.18%	15.89%	15.35%	13.61%	13.44%

Notes to Schedule of Contributions

Valuation Date	October 1, 2020 for period ended September 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	3 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.50%
Projected Salary Increases	2.5% to 6.3%
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System mortality tables which use variations of the fully generational PUB-2010 Mortality Tables with projection scale MP-2018.

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

**SCHEDULE OF INVESTMENT RETURNS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense	
	General Employees	Police Officers
2022	-16.04%	-16.04%
2021	18.94%	18.94%
2020	10.02%	10.02%
2019	5.61%	5.61%
2018	9.22%	9.22%
2017	12.11%	12.11%
2016	8.15%	8.15%
2015	-0.35%	-0.35%
2014	10.22%	10.22%
2013	11.97%	11.97%

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

Reporting Date:	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability					
Service Cost	\$ 119,336	\$ 136,800	\$ 119,289	\$ 178,369	\$ 173,214
Interest on the Total OPEB Liability	69,333	74,815	89,149	119,333	106,001
Difference Between Expected and Actual Experience of the Total OPEB Liability		476,887		(260,980)	
Changes in Assumptions and Other Inputs	69,271	(392,386)	279,237	(915,785)	(137,638)
Benefit Payments	(146,390)	(98,241)	(126,309)	(161,121)	(152,098)
Net Change in Total OPEB Liability	<u>111,550</u>	<u>197,875</u>	<u>361,366</u>	<u>(1,040,184)</u>	<u>(10,521)</u>
Total OPEB Liability - Beginning of Year	<u>2,830,751</u>	<u>2,632,876</u>	<u>2,271,510</u>	<u>3,311,694</u>	<u>3,322,215</u>
Total OPEB Liability - End of Year	<u>\$ 2,942,301</u>	<u>\$ 2,830,751</u>	<u>\$ 2,632,876</u>	<u>\$ 2,271,510</u>	<u>\$ 3,311,694</u>
 Estimated Covered-Employee Payroll	 \$ 21,560,345	 \$ 17,562,406	 \$ 20,116,441	 \$ 17,880,928	 \$ 14,491,777
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 13.65%	 16.12%	 13.09%	 12.70%	 22.85%

Notes:

Covered-employee payroll presented above is an estimate based on data submitted. GASB Statement No. 75 defined covered-employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

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.

Assumption changes and other inputs include the following:

- Change in discount rate from 3.10% to 3.50% for the 9/30/17 measurement date.
- Change in discount rate from 3.50% to 3.83% for the 9/30/18 measurement date.
- Change in discount rate from 3.83% to 2.75% for the 9/30/19 measurement date.
- Change in discount rate from 2.75% to 2.41% for the 9/30/20 measurement date.
- Change in discount rate from 2.41% to 2.19% for the 9/30/21 measurement date.

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

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Special Revenue Funds			
	Convention Development Tax Fund	Court Costs Training Fund	Local Option Gas Tax Fund	Infrastructure Surtax Fund
Assets				
Equity in Pooled Cash and Investments	\$ 2,197,436	\$ 7,182	\$ 2,217,260	\$ 6,097,640
Accounts Receivable	500			
Special Assessments Receivable			24,072	
Due from Other Governments	172,324		231,800	254,000
Total Assets	2,370,260	7,182	2,473,132	6,351,640
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	5,435		9,901	2,325
Other Accrued Liabilities			1,976	22,092
Interfund Payables				
Unearned Revenues				
Total Liabilities	5,435	-	11,877	24,417
Deferred Inflows of Resources				
Unavailable Revenues	62,000		255,872	254,000
Fund Balances				
Restricted for:				
Tourism Expenditures	2,302,825			
Transportation Improvements			2,205,383	
Capital Projects				6,073,223
Law Enforcement		7,182		
Committed for:				
Tree Replacement				
Total Fund Balances	2,302,825	7,182	2,205,383	6,073,223
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,370,260	\$ 7,182	\$ 2,473,132	\$ 6,351,640

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)

	Special Revenue Funds			
	Community Development Block Grant Fund	Radio Communications Fund	J.A.G. Grant Fund	Tree Protection Fund
Assets				
Equity in Pooled Cash and Investments		\$ 168,851		\$ 6,097
Accounts Receivable				
Special Assessments Receivable				
Due from Other Governments	\$ 2,206		\$ 52,823	
Total Assets	<u>2,206</u>	<u>168,851</u>	<u>52,823</u>	<u>6,097</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable		4,270		
Other Accrued Liabilities				
Interfund Payables	2,206		52,823	
Unearned Revenues				
Total Liabilities	<u>2,206</u>	<u>4,270</u>	<u>52,823</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenues				
Fund Balances				
Restricted for:				
Tourism Expenditures				
Transportation Improvements				
Capital Projects				
Law Enforcement		164,581		
Committed for:				
Tree Replacement				6,097
Total Fund Balances	<u>-</u>	<u>164,581</u>	<u>-</u>	<u>6,097</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,206</u>	<u>\$ 168,851</u>	<u>\$ 52,823</u>	<u>\$ 6,097</u>

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Special Revenue Funds		Capital Projects Fund	Total Non-Major Governmental Funds
	Law Enforcement Trust Fund	Equitable Sharing Trust Fund	Infrastructure Tax Capital Projects Fund	
Assets				
Equity in Pooled Cash and Investments	\$ 9,052	\$ 315,435	\$ 2,397,172	\$ 13,416,125
Accounts Receivable				500
Special Assessments Receivable				24,072
Due from Other Governments				713,153
Total Assets	9,052	315,435	2,397,172	14,153,850
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	224		12,751	34,906
Other Accrued Liabilities				24,068
Interfund Payables				55,029
Unearned Revenues				-
Total Liabilities	224	-	12,751	114,003
Deferred Inflows of Resources				
Unavailable Revenues				571,872
Fund Balances				
Restricted for:				
Tourism Expenditures				2,302,825
Transportation Improvements				2,205,383
Capital Projects			2,384,421	8,457,644
Law Enforcement	8,828	315,435		496,026
Committed for:				
Tree Replacement				6,097
Total Fund Balances	8,828	315,435	2,384,421	13,467,975
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,052	\$ 315,435	\$ 2,397,172	\$ 14,153,850

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Special Revenue Funds			
	Convention Development Tax Fund	Court Costs Training Fund	Local Option Gas Tax Fund	Infrastructure Surtax Fund
Revenues				
Taxes	\$ 737,498		\$ 1,091,623	\$ 1,818,917
Intergovernmental				255,910
Fines and Forfeitures		\$ 6,164		
Other Revenue	(46,164)	(171)	(47,021)	(131,677)
Total Revenues	<u>691,334</u>	<u>5,993</u>	<u>1,044,602</u>	<u>1,943,150</u>
Expenditures				
Current:				
General Government				9,600
Public Safety		5,760		
Physical Environment				
Roads and Streets			88,542	
Parks and Recreation	73,751			
Capital Outlay	115,961		24,210	235,326
(Total Expenditures)	<u>(189,712)</u>	<u>(5,760)</u>	<u>(112,752)</u>	<u>(244,926)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>501,622</u>	<u>233</u>	<u>931,850</u>	<u>1,698,224</u>
Other Financing Sources (Uses)				
Transfers (out)			(372,000)	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(372,000)</u>	<u>-</u>
Net Change in Fund Balance	501,622	233	559,850	1,698,224
Fund Balances, Beginning of Year	<u>1,801,203</u>	<u>6,949</u>	<u>1,645,533</u>	<u>4,374,999</u>
Fund Balances, End of Year	<u>\$ 2,302,825</u>	<u>\$ 7,182</u>	<u>\$ 2,205,383</u>	<u>\$ 6,073,223</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)**

	Special Revenue Funds			
	Community Development Block Grant Fund	Radio Communications Fund	J.A.G. Grant Fund	Tree Protection Fund
Revenues				
Taxes				
Intergovernmental	\$ 142,366	\$ 99,596	\$ 52,823	
Fines and Forfeitures		22,830		
Other Revenue		(2,623)		\$ (150)
Total Revenues	<u>142,366</u>	<u>119,803</u>	<u>52,823</u>	<u>(150)</u>
Expenditures				
Current:				
General Government				
Public Safety		142,945		
Physical Environment				12
Roads and Streets				
Parks and Recreation				
Capital Outlay		19,385	52,823	
(Total Expenditures)	<u>-</u>	<u>(162,330)</u>	<u>(52,823)</u>	<u>(12)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>142,366</u>	<u>(42,527)</u>	<u>-</u>	<u>(162)</u>
Other Financing Sources (Uses)				
Transfers (out)	(142,366)			
Total Other Financing Sources (Uses)	<u>(142,366)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance		(42,527)		(162)
Fund Balances, Beginning of Year		207,108		6,259
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 164,581</u>	<u>\$ -</u>	<u>\$ 6,097</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)**

	Special Revenue Funds		Capital Projects Fund	Total Non-Major Governmental Funds
	Law Enforcement Trust Fund	Equitable Sharing Trust Fund	Infrastructure Tax Capital Projects Fund	
Revenues				
Taxes				\$ 3,648,038
Intergovernmental				550,695
Fines and Forfeitures	\$ 2,935	\$ 52,679		84,608
Other Revenue	374	(7,044)	\$ (61,655)	(296,131)
Total Revenues	<u>3,309</u>	<u>45,635</u>	<u>(61,655)</u>	<u>3,987,210</u>
Expenditures				
Current:				
General Government				9,600
Public Safety	8,125	5,599		162,429
Physical Environment			4,825	4,837
Roads and Streets				88,542
Parks and Recreation				73,751
Capital Outlay			245,705	693,410
(Total Expenditures)	<u>(8,125)</u>	<u>(5,599)</u>	<u>(250,530)</u>	<u>(1,032,569)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,816)</u>	<u>40,036</u>	<u>(312,185)</u>	<u>2,954,641</u>
Other Financing Sources (Uses)				
Transfers (out)				(514,366)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(514,366)</u>
Net Change in Fund Balance	(4,816)	40,036	(312,185)	2,440,275
Fund Balances, Beginning of Year	<u>13,644</u>	<u>275,399</u>	<u>2,696,606</u>	<u>11,027,700</u>
Fund Balances, End of Year	<u>\$ 8,828</u>	<u>\$ 315,435</u>	<u>\$ 2,384,421</u>	<u>\$ 13,467,975</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONVENTION DEVELOPMENT TAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 367,699	\$ 367,699	\$ 737,498	\$ 369,799
Other Revenue	7,480	7,480	(46,164)	(53,644)
Total Revenues	<u>375,179</u>	<u>375,179</u>	<u>691,334</u>	<u>316,155</u>
Expenditures				
Current:				
Parks and Recreation	118,667	130,018	73,751	56,267
Capital Outlay	300,000	443,701	115,961	327,740
(Total Expenditures)	<u>(418,667)</u>	<u>(573,719)</u>	<u>(189,712)</u>	<u>384,007</u>
Net Change in Fund Balance	<u>\$ (43,488)</u>	<u>\$ (198,540)</u>	<u>\$ 501,622</u>	<u>\$ 700,162</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 COURT COSTS TRAINING FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 7,813	\$ 7,813	\$ 6,164	\$ (1,649)
Other Revenue			(171)	(171)
Total Revenues	<u>7,813</u>	<u>7,813</u>	<u>5,993</u>	<u>(1,820)</u>
Expenditures				
Current:				
Public Safety	7,813	7,813	5,760	2,053
(Total Expenditures)	<u>(7,813)</u>	<u>(7,813)</u>	<u>(5,760)</u>	<u>2,053</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233</u>	<u>\$ 233</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 781,060	\$ 781,060	\$ 1,091,623	\$ 310,563
Other Revenue	14,550	14,550	(47,021)	(61,571)
Total Revenues	795,610	795,610	1,044,602	248,992
Expenditures				
Current:				
Roads and Streets	359,995	401,667	88,542	313,125
Capital Outlay	27,841	27,841	24,210	3,631
(Total Expenditures)	(359,995)	(429,508)	(112,752)	316,756
Excess (Deficiency) of Revenues Over (Under) Expenditures	435,615	366,102	931,850	565,748
Other Financing Sources (Uses)				
Transfers (out)	(372,000)	(372,000)	(372,000)	-
Net Change in Fund Balance	\$ 63,615	\$ (5,898)	\$ 559,850	\$ 565,748

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,401,094	\$ 1,401,094	\$ 1,818,917	\$ 417,823
Intergovernmental		255,910	255,910	-
Other Revenue	16,739	16,739	(131,677)	(148,416)
Total Revenues	<u>1,417,833</u>	<u>1,673,743</u>	<u>1,943,150</u>	<u>269,407</u>
Expenditures				
Current:				
General Government	4,200	4,200	9,600	(5,400)
Roads and Streets	1,220,000	750,000		750,000
Capital Outlay		604,906	235,326	369,580
(Total Expenditures)	<u>(1,224,200)</u>	<u>(1,359,106)</u>	<u>(244,926)</u>	<u>1,114,180</u>
Net Change in Fund Balance	<u>\$ 193,633</u>	<u>\$ 314,637</u>	<u>\$ 1,698,224</u>	<u>\$ 1,383,587</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 142,000	\$ 142,000	\$ 142,366	\$ 366
Total Revenues	<u>142,000</u>	<u>142,000</u>	<u>142,366</u>	<u>366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	142,000	142,000	142,366	366
Other Financing Sources (Uses)				
Transfers (out)	<u>(142,000)</u>	<u>(142,000)</u>	<u>(142,366)</u>	<u>(366)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 RADIO COMMUNICATION FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenue		\$ 99,596	\$ 99,596	\$ -
Fines and Forfeitures	\$ 25,675	25,675	22,830	(2,845)
Other Revenue	2,115	2,115	(2,623)	(4,738)
Total Revenues	<u>27,790</u>	<u>127,386</u>	<u>119,803</u>	<u>(7,583)</u>
Expenditures				
Current:				
Public Safety	109,595	148,456	142,945	5,511
Capital Outlay		22,902	19,385	3,517
(Total Expenditures)	<u>(109,595)</u>	<u>(171,358)</u>	<u>(162,330)</u>	<u>9,028</u>
 Net Change in Fund Balance	 <u>\$ (81,805)</u>	 <u>\$ (43,972)</u>	 <u>\$ (42,527)</u>	 <u>\$ 1,445</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 J.A.G. GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental		\$ 45,865	\$ 52,823	\$ 6,958
Total Revenues	\$ -	45,865	52,823	6,958
Expenditures				
Capital Outlay		45,865	52,823	(6,958)
(Total Expenditures)	-	(45,865)	(52,823)	(6,958)
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 TREE PROTECTION FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Revenue	\$ 100	\$ 100	\$ (150)	\$ (250)
Total Revenues	<u>100</u>	<u>100</u>	<u>(150)</u>	<u>(250)</u>
Expenditures				
Current:				
Physical Environment	3,000	3,000	12	2,988
(Total Expenditures)	<u>(3,000)</u>	<u>(3,000)</u>	<u>(12)</u>	<u>2,988</u>
Net Change in Fund Balance	<u>\$ (2,900)</u>	<u>\$ (2,900)</u>	<u>\$ (162)</u>	<u>\$ 2,738</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT TRUST FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Fines and Forfeitures	\$ 4,500	\$ 4,500	\$ 2,935	\$ (1,565)
Other Revenue	3,094	3,094	374	(2,720)
Total Revenues	<u>7,594</u>	<u>7,594</u>	<u>3,309</u>	<u>(4,285)</u>
Expenditures				
Current:				
Public Safety	9,100	9,100	8,125	975
(Total Expenditures)	<u>(9,100)</u>	<u>(9,100)</u>	<u>(8,125)</u>	<u>975</u>
Net Change in Fund Balance	<u>\$ (1,506)</u>	<u>\$ (1,506)</u>	<u>\$ (4,816)</u>	<u>\$ (3,310)</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
EQUITABLE SHARING TRUST FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ 25,000			\$ -
Fines and Forfeitures		\$ 25,000	\$ 52,679	27,679
Other Revenue	2,435	2,435	(7,044)	(9,479)
Total Revenues	<u>27,435</u>	<u>27,435</u>	<u>45,635</u>	<u>18,200</u>
Expenditures				
Current:				
Public Safety	173,780	173,780	5,599	168,181
Capital Outlay		5,080		5,080
(Total Expenditures)	<u>(173,780)</u>	<u>(178,860)</u>	<u>(5,599)</u>	<u>173,261</u>
Net Change in Fund Balance	<u>\$ (146,345)</u>	<u>\$ (151,425)</u>	<u>\$ 40,036</u>	<u>\$ 191,461</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental		\$ 1,184,305	\$ 1,184,305	\$ -
Other Revenues	\$ 100,000	100,000	(355,533)	(455,533)
Total Revenues	<u>100,000</u>	<u>1,284,305</u>	<u>828,772</u>	<u>(455,533)</u>
Expenditures				
Current:				
General Government	157,000	170,657	287,006	(116,349)
Public Safety		100,000		100,000
Capital Outlay	4,044,000	10,064,518	2,650,632	7,413,886
(Total Expenditures)	<u>(4,201,000)</u>	<u>(10,335,175)</u>	<u>(2,937,638)</u>	<u>7,397,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,101,000)	(9,050,870)	(2,108,866)	6,942,004
Other Financing Sources (Uses)				
Transfers in	2,894,000	6,236,596	6,236,596	-
Net Change in Fund Balance	<u>\$ (1,207,000)</u>	<u>\$ (2,814,274)</u>	<u>\$ 4,127,730</u>	<u>\$ 6,942,004</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 INFRASTRUCTURE TAX CAPITAL PROJECTS FUND
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Revenues			\$ (61,655)	\$ (61,655)
Total Revenues	\$ -	\$ -	<u>(61,655)</u>	<u>(61,655)</u>
Expenditures				
Current:				
Physical Environment			4,825	(4,825)
Capital Outlay		542,111	245,705	296,406
(Total Expenditures)	<u>-</u>	<u>(542,111)</u>	<u>(250,530)</u>	<u>291,581</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (542,111)</u>	<u>\$ (312,185)</u>	<u>\$ 229,926</u>

**COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Assets						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 6,802,536	\$ 4,469,637	\$ 2,930,916	\$ 1,303,584	\$ 3,108,184	\$ 18,614,857
Other Operating Cash			1,300			1,300
Receivables:						
Accounts, Net	171,484	445,711	1,160	28,719	243,651	890,725
Leases, Current				151,961		151,961
Inventory			84,245			84,245
Prepaid Expenses			9,422	886		10,308
Restricted Assets:						
Equity in Pooled Cash and Investments					56,575	56,575
Total Current Assets	<u>6,974,020</u>	<u>4,915,348</u>	<u>3,027,043</u>	<u>1,485,150</u>	<u>3,408,410</u>	<u>19,809,971</u>
Non-Current Assets:						
Leases Receivable, Non-Current				1,271,486		1,271,486
Capital Assets:						
Land	1,057,992		388,980	28,000		1,474,972
Buildings and Improvements	26,451,375		4,562,918	813,838	5,448,077	37,276,208
Equipment	441,297	643,015	460,499	684,490		2,229,301
Construction in Progress	888,653				1,075,989	1,964,642
	<u>28,839,317</u>	<u>643,015</u>	<u>5,412,397</u>	<u>1,526,328</u>	<u>6,524,066</u>	<u>42,945,123</u>
(Accumulated Depreciation)	<u>(14,123,889)</u>	<u>(446,068)</u>	<u>(2,345,460)</u>	<u>(1,288,643)</u>	<u>(1,487,695)</u>	<u>(19,691,755)</u>
Total Non-Current Assets	<u>14,715,428</u>	<u>196,947</u>	<u>3,066,937</u>	<u>1,509,171</u>	<u>5,036,371</u>	<u>24,524,854</u>
Total Assets	<u>21,689,448</u>	<u>5,112,295</u>	<u>6,093,980</u>	<u>2,994,321</u>	<u>8,444,781</u>	<u>44,334,825</u>
Deferred Outflows of Resources						
Pension Related	(33,722)	32,285	112,557			111,120
OPEB Related	8,222		21,924			30,146
Total Deferred Outflows of Resources	<u>(25,500)</u>	<u>32,285</u>	<u>134,481</u>	<u>-</u>	<u>-</u>	<u>141,266</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Liabilities						
Current Liabilities:						
Accounts Payable	\$ 127,381	\$ 263,674	\$ 43,627	\$ 6,819	\$ 141,743	\$ 583,244
Power Costs Recovered in Advance					56,575	56,575
Other Accrued Liabilities	30,841	16,517	47,156	1,858	12,435	108,807
Due to Other Governments		3,563				3,563
Unearned Revenues			49,596			49,596
Current Portion of Long-Term Debt:						
Compensated Absences		7,269	15,114			22,383
Total Current Liabilities	<u>158,222</u>	<u>291,023</u>	<u>155,493</u>	<u>8,677</u>	<u>210,753</u>	<u>824,168</u>
Non-Current Liabilities:						
Accrued Compensated Absences		29,075	60,457			89,532
Other Postemployment Benefits	31,525		84,066			115,591
Net Pension Liability	(208,144)	83,802	212,922			88,580
Total Non-Current Liabilities	<u>(176,619)</u>	<u>112,877</u>	<u>357,445</u>	<u>-</u>	<u>-</u>	<u>293,703</u>
Total Liabilities	<u>(18,397)</u>	<u>403,900</u>	<u>512,938</u>	<u>8,677</u>	<u>210,753</u>	<u>1,117,871</u>
Deferred Inflows of Resources						
Pension Related	250,352	79,353	231,995			561,700
OPEB Related	10,982		29,286			40,268
Lease Related				1,388,143		1,388,143
Total Deferred Inflows of Resources	<u>261,334</u>	<u>79,353</u>	<u>261,281</u>	<u>1,388,143</u>	<u>-</u>	<u>1,990,111</u>
Net Position						
Investment in Capital Assets	14,715,428	196,947	3,066,937	237,685	5,036,371	23,253,368
Unrestricted	6,705,583	4,464,380	2,387,305	1,359,816	3,197,657	18,114,741
Total Net Position	<u>\$ 21,421,011</u>	<u>\$ 4,661,327</u>	<u>\$ 5,454,242</u>	<u>\$ 1,597,501</u>	<u>\$ 8,234,028</u>	<u>\$ 41,368,109</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Operating Revenues						
Charges for Services	\$ 1,389,870	\$ 3,683,234	\$ 3,421,887		\$ 2,699,398	\$ 11,194,389
Other		67,097	(3,762)	\$ 758,819		822,154
Total Operating Revenues	<u>1,389,870</u>	<u>3,750,331</u>	<u>3,418,125</u>	<u>758,819</u>	<u>2,699,398</u>	<u>12,016,543</u>
Operating Expenses						
Purchased Power					1,691,149	1,691,149
Personal Services	169,840	384,363	912,602	80		1,466,885
Purchased Services	145,408	3,168,493	129,499	10,416	318,172	3,771,988
Repairs and Maintenance	39,701	10,504	91,864	456,705		598,774
Depreciation	936,042	64,275	258,682	14,828	154,341	1,428,168
Materials and Supplies	10,265	22,051	389,645		945	422,906
Other Expenses	180,035	171,323	539,848	5,886	115,413	1,012,505
(Total Operating Expenses)	<u>(1,481,291)</u>	<u>(3,821,009)</u>	<u>(2,322,140)</u>	<u>(487,915)</u>	<u>(2,280,020)</u>	<u>(10,392,375)</u>
Operating Income (Loss)	<u>(91,421)</u>	<u>(70,678)</u>	<u>1,095,985</u>	<u>270,904</u>	<u>419,378</u>	<u>1,624,168</u>
Non-Operating Revenues (Expenses)						
Investment Earnings (Loss)	(163,253)	(113,170)	(63,331)	(29,454)	(84,935)	(454,143)
Interest from Leasing Activities				27,940		27,940
Intergovernmental Revenue		9,410				9,410
Gain (Loss) on Disposal of Capital Assets	(29,473)		25,000			(4,473)
Total Non-Operating Revenues (Expense)	<u>(192,726)</u>	<u>(103,760)</u>	<u>(38,331)</u>	<u>(1,514)</u>	<u>(84,935)</u>	<u>(421,266)</u>
Income (Loss) Before Contributions and Transfers	<u>(284,147)</u>	<u>(174,438)</u>	<u>1,057,654</u>	<u>269,390</u>	<u>334,443</u>	<u>1,202,902</u>
Capital Contributions						
Connection Fees					169,801	169,801
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,801</u>	<u>169,801</u>
Transfers						
Transfers (out)				(90,000)	(269,648)	(359,648)
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(269,648)</u>	<u>(359,648)</u>
Change in Net Position	<u>(284,147)</u>	<u>(174,438)</u>	<u>1,057,654</u>	<u>179,390</u>	<u>234,596</u>	<u>1,013,055</u>
Total Net Position, Beginning of Year	<u>21,705,158</u>	<u>4,835,765</u>	<u>4,396,588</u>	<u>1,418,111</u>	<u>7,999,432</u>	<u>40,355,054</u>
Total Net Position, End of Year	<u>\$ 21,421,011</u>	<u>\$ 4,661,327</u>	<u>\$ 5,454,242</u>	<u>\$ 1,597,501</u>	<u>\$ 8,234,028</u>	<u>\$ 41,368,109</u>

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Cash Flows from Operating Activities						
Cash Received from Customers and Users	\$ 1,386,157	\$ 3,736,210	\$ 3,443,243	\$ 718,687	\$ 2,051,748	\$ 11,336,045
Cash Payments to Vendors for Goods and Services	(242,683)	(3,304,143)	(1,160,631)	(465,899)	(2,090,636)	(7,263,992)
Cash Payments to Employees for Services	(240,615)	(401,313)	(988,241)	(80)	-	(1,630,249)
Net Cash Provided by (Used in) Operating Activities	<u>902,859</u>	<u>30,754</u>	<u>1,294,371</u>	<u>252,708</u>	<u>(38,888)</u>	<u>2,441,804</u>
Cash Flows from Non-Capital Financing Activities						
Intergovernmental Revenue		9,410				9,410
Interest from Leasing Activities				27,940		27,940
Transfers (out)				(90,000)	(269,648)	(359,648)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>-</u>	<u>9,410</u>	<u>-</u>	<u>(62,060)</u>	<u>(269,648)</u>	<u>(322,298)</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of Capital Assets	(515,070)	(35,211)	(236,861)		(239,239)	(1,026,381)
Connection Fees					169,801	169,801
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(515,070)</u>	<u>(35,211)</u>	<u>(236,861)</u>	<u>-</u>	<u>(69,438)</u>	<u>(856,580)</u>
Cash Flows from Investing Activities						
Investment Earnings	(163,253)	(113,170)	(63,331)	(29,454)	(84,935)	(454,143)
Net Increase (Decrease) in Cash and Cash Equivalents	224,536	(108,217)	994,179	161,194	(462,909)	808,783
Cash and Cash Equivalents, Beginning of Year	<u>6,578,000</u>	<u>4,577,854</u>	<u>1,938,037</u>	<u>1,142,390</u>	<u>3,627,668</u>	<u>17,863,949</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,802,536</u>	<u>\$ 4,469,637</u>	<u>\$ 2,932,216</u>	<u>\$ 1,303,584</u>	<u>\$ 3,164,759</u>	<u>\$ 18,672,732</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
<u>Included on the Accompanying Balance Sheet</u>						
<u>Under the Following Captions</u>						
Current Assets						
Equity in Pooled Cash and Investments	\$ 6,802,536	\$ 4,469,637	\$ 2,930,916	\$ 1,303,584	\$ 3,108,184	\$ 18,614,857
Other Operating Cash			1,300		\$ 56,575	57,875
Total	<u>\$ 6,802,536</u>	<u>\$ 4,469,637</u>	<u>\$ 2,932,216</u>	<u>\$ 1,303,584</u>	<u>\$ 3,164,759</u>	<u>\$ 18,672,732</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>						
Operating Income (Loss)	\$ (91,421)	\$ (70,678)	\$ 1,095,985	\$ 270,904	\$ 419,378	\$ 1,624,168
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	936,042	64,275	258,682	14,828	154,341	1,428,168
Power Costs Recovered in Advance (Returned)					(597,184)	(597,184)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):						
Accounts Receivable and Unbilled Revenue	(3,713)	(14,121)	13,812	(4,828)	(50,466)	(59,316)
Leases Receivable				(1,423,447)		(1,423,447)
Amortization of Deferred Inflow of Resources - Leases				1,388,143		1,388,143
Inventories			(23,357)			(23,357)
Prepaid Expenses			(1,484)	106		(1,378)
Accounts Payable and Other Accrued Liabilities	132,726	68,228	15,066	7,002	35,043	258,065
Unearned Revenues			11,306			11,306
Accrued Compensated Absences		4,239	(8,649)			(4,410)
Other Postemployment Benefits	(600)		(1,600)			(2,200)
Net Pension Liability and Pension Related Deferred Inflows and Outflows	(70,175)	(21,189)	(65,390)			(156,754)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 902,859</u>	<u>\$ 30,754</u>	<u>\$ 1,294,371</u>	<u>\$ 252,708</u>	<u>\$ (38,888)</u>	<u>\$ 2,441,804</u>

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

	<u>Self-Insurance Funds</u>	<u>Other Internal Service Funds</u>	<u>Totals</u>
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 2,694,221	\$ 3,824,468	\$ 6,518,689
Accounts Receivable, Net	229		229
Prepaid Expenses	1,131,574	12,323	1,143,897
Total Current Assets	<u>3,826,024</u>	<u>3,836,791</u>	<u>7,662,815</u>
Non-Current Assets:			
Capital Assets:			
Buildings and Improvements	113,743	36,194	149,937
Equipment		884,444	884,444
	<u>113,743</u>	<u>920,638</u>	<u>1,034,381</u>
(Accumulated Depreciation)	<u>(11,363)</u>	<u>(784,582)</u>	<u>(795,945)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>102,380</u>	<u>136,056</u>	<u>238,436</u>
Total Assets	<u>3,928,404</u>	<u>3,972,847</u>	<u>7,901,251</u>
Deferred Outflows of Resources			
Pension-Related		<u>665,467</u>	<u>665,467</u>
Liabilities			
Current Liabilities:			
Accounts Payable	4,768	101,516	106,284
Other Accrued Liabilities		225,485	225,485
Estimated Liability for Self-Insured Losses	139,340		139,340
Current Portion of Long-Term Debt:			
Compensated Absences		<u>182,306</u>	<u>182,306</u>
Total Current Liabilities	<u>144,108</u>	<u>509,307</u>	<u>653,415</u>
Non-Current Liabilities:			
Accrued Compensated Absences		664,443	664,443
Net Pension Liability		<u>656,701</u>	<u>656,701</u>
Total Non-Current Liabilities	<u>-</u>	<u>1,321,144</u>	<u>1,321,144</u>
Total Liabilities	<u>144,108</u>	<u>1,830,451</u>	<u>1,974,559</u>
Deferred Inflows of Resources			
Pension Related		<u>1,655,467</u>	<u>1,655,467</u>
Net Position			
Investment in Capital Assets	102,380	136,056	238,436
Unrestricted	3,681,916	1,016,340	4,698,256
Total Net Position	<u>\$ 3,784,296</u>	<u>\$ 1,152,396</u>	<u>\$ 4,936,692</u>

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

	Self-Insurance Funds	Other Internal Service Funds	Totals
Operating Revenues			
Charges for Services	\$ 3,829,103	\$ 9,173,728	\$ 13,002,831
Other Revenue	88,813	330	89,143
Total Operating Revenues	<u>3,917,916</u>	<u>9,174,058</u>	<u>13,091,974</u>
Operating Expenses			
Personal Services	17,459	4,474,295	4,491,754
Purchased Services	117,992	887,569	1,005,561
Repairs and Maintenance		360,545	360,545
Depreciation	7,575	76,875	84,450
Materials and Supplies		165,880	165,880
Other Expenses	3,753,341	2,216,372	5,969,713
(Total Operating Expenses)	<u>(3,896,367)</u>	<u>(8,181,536)</u>	<u>(12,077,903)</u>
Operating Income (Loss)	<u>21,549</u>	<u>992,522</u>	<u>1,014,071</u>
Non-Operating Income (Expense)			
Investment Earnings (Loss)	(81,371)		(81,371)
Gain (Loss) on Disposal of Capital Assets		(1,871)	(1,871)
Total Non-Operating Income (Expense)	<u>(81,371)</u>	<u>(1,871)</u>	<u>(83,242)</u>
Income Before Transfers	<u>(59,822)</u>	<u>990,651</u>	<u>930,829</u>
Transfers			
Transfers (out)		(70,000)	(70,000)
Total Transfers	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Change in Net Position	(59,822)	920,651	860,829
Total Net Position, Beginning of Year	<u>3,844,118</u>	<u>231,745</u>	<u>4,075,863</u>
Total Net Position, End of Year	<u>\$ 3,784,296</u>	<u>\$ 1,152,396</u>	<u>\$ 4,936,692</u>

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

	<u>Self-Insurance Funds</u>	<u>Other Internal Service Funds</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers and Users	\$ 3,917,916	\$ 9,175,529	\$ 13,093,445
Cash Payments to Vendors for Goods and Services	(4,124,867)	(3,550,957)	(7,675,824)
Cash Payments to Employees for Services	(17,459)	(4,992,292)	(5,009,751)
Insurance Reimbursements Received (Claims Paid)	191,331		191,331
Net Cash Provided by (Used in) Operating Activities	<u>(33,079)</u>	<u>632,280</u>	<u>599,201</u>
Cash Flows from Non-Capital Financing Activities			
Transfers (out)		(70,000)	(70,000)
Total Cash Flows from Non-Capital Financing Activities	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Cash Flows from Investing Activities			
Interest Received on Investments	(81,371)		(81,371)
Net Increase (Decrease) in Cash and Cash Equivalents	(114,450)	562,280	447,830
Cash and Cash Equivalents, Beginning of Year	2,808,671	3,262,188	6,070,859
Cash and Cash Equivalents, End of Year	<u>\$ 2,694,221</u>	<u>\$ 3,824,468</u>	<u>\$ 6,518,689</u>
<u>Included on the Accompanying Balance Sheet Under the Following Captions</u>			
Current Assets			
Equity in Pooled Cash and Investments	<u>\$ 2,694,221</u>	<u>\$ 3,824,468</u>	<u>\$ 6,518,689</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 21,549	\$ 992,522	\$ 1,014,071
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	7,575	76,875	84,450
Change in Estimated Liability for Self-Insured Losses	11,391		11,391
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):			
Accounts Receivable and Unbilled Revenue		1,471	1,471
Prepaid Expenses	(71,788)	624	(71,164)
Accounts Payable and Other Accrued Liabilities	(1,806)	78,785	76,979
Accrued Compensated Absences		(23,129)	(23,129)
Net Pension Liability and Pension Related Deferred Inflows and Outflows		(494,868)	(494,868)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (33,079)</u>	<u>\$ 632,280</u>	<u>\$ 599,201</u>

**SCHEDULE OF COMBINING BALANCE SHEET
COMMUNITY REDEVELOPMENT FUNDS
SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Downtown Redevelopment District Fund	Southend Redevelopment District Fund	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 26,540,403	\$ 13,713,409	\$ 40,253,812
Assessments Receivable	-	1,534	1,534
Total Assets	26,540,403	13,714,943	40,255,346
 Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts Payable	126,853	348,653	475,506
Other Accrued Liabilities	37,714	206,354	244,068
Due to Other Governments		2,331,027	2,331,027
Total Liabilities	164,567	2,886,034	3,050,601
Deferred Inflows of Resources:			
Unavailable Revenues		1,534	1,534
Fund Balances:			
Restricted for:			
Redevelopment	26,375,836	10,827,375	37,203,211
Total Fund Balances	26,375,836	10,827,375	37,203,211
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,540,403	\$ 13,714,943	\$ 40,255,346

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Downtown Redevelopment District Fund</u>	<u>Southend Redevelopment District Fund</u>	<u>Totals</u>
Revenues			
Taxes	\$ 7,488,392	\$ 2,590,030	\$ 10,078,422
Interest and Other Revenue	(649,407)	(381,164)	(1,030,571)
Total Revenues	<u>6,838,985</u>	<u>2,208,866</u>	<u>9,047,851</u>
Expenditures			
Current:			
General Government	650,418	389,309	1,039,727
Public Safety	1,122,692		1,122,692
Capital Outlay	1,445,987	4,141,747	5,587,734
(Total Expenditures)	<u>(3,219,097)</u>	<u>(4,531,056)</u>	<u>(7,750,153)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,619,888</u>	<u>(2,322,190)</u>	<u>1,297,698</u>
Other Financing Sources (Uses)			
Sale of General Capital Assets		354,529	354,529
Total Other Financing Sources (Uses)	<u>-</u>	<u>354,529</u>	<u>354,529</u>
Net Change in Fund Balances	3,619,888	(1,967,661)	1,652,227
Fund Balances, Beginning of Year	<u>22,755,948</u>	<u>12,795,036</u>	<u>35,550,984</u>
Fund Balances, End of Year	<u>\$ 26,375,836</u>	<u>\$ 10,827,375</u>	<u>\$ 37,203,211</u>

STATISTICAL SECTION (UNAUDITED)

Statistical Section (Unaudited)

This part of the City of Jacksonville Beach, Florida's (the City) 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	Pages
Financial Trends Information These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	106
Revenue Capacity Information These schedules contain information to help the reader assess the City's local revenue source.	111
Debt Capacity Information These schedules present information to help the reader assess the City's debt burden and its ability to issue additional debt in the future.	115
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.	120
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	122

Sources: Unless otherwise noted, the information in these schedules were obtained from the Annual Comprehensive Financial Reports for the relevant year.

FINANCIAL TRENDS INFORMATION

Schedule 1
City of Jacksonville Beach, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 80,880,510	\$ 85,081,323	\$ 86,383,735	\$ 91,291,193	\$ 97,360,044	\$ 103,211,819	\$ 106,877,097	\$ 109,163,923	\$ 107,483,303	\$ 111,901,718
Restricted	15,266,981	18,203,910	23,230,058	27,183,762	29,102,410	31,711,520	34,119,094	38,810,100	47,141,320	51,566,305
Unrestricted	14,624,127	15,803,521	9,601,684	12,564,372	11,440,106	13,386,797	14,252,607	17,354,249	19,725,094	27,260,116
Total Governmental Activities Net Position	110,771,618	119,088,754	119,215,477	131,039,327	137,902,560	148,310,136	155,248,798	165,328,272	174,349,717	190,728,139
Business-type Activities										
Net Investment in Capital Assets	145,354,194	151,886,547	155,027,489	157,675,660	168,296,227	175,128,349	183,588,778	194,305,179	193,783,121	194,884,830
Restricted	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	4,193,000	-	-
Unrestricted	58,458,710	61,548,916	62,652,866	68,166,503	65,451,820	68,995,532	75,349,878	78,181,725	94,215,754	106,226,490
Total Business-type Activities Net Position	205,812,904	215,435,463	219,680,355	227,842,163	235,748,047	246,123,881	260,938,656	276,679,904	287,998,875	301,111,320
Primary Government										
Net Investment in Capital Assets	226,234,704	236,967,870	241,411,224	248,966,853	265,656,271	278,340,168	290,465,875	303,469,102	301,266,424	306,786,548
Restricted	17,266,981	20,203,910	25,230,058	29,183,762	31,102,410	33,711,520	36,119,094	43,003,100	47,141,320	51,566,305
Unrestricted	73,082,837	77,352,437	72,254,550	80,730,875	76,891,926	82,382,329	89,602,485	95,535,974	113,940,848	133,486,606
Total Primary Government Net Position	\$ 316,584,522	\$ 334,524,217	\$ 338,895,832	\$ 358,881,490	\$ 373,650,607	\$ 394,434,017	\$ 416,187,454	\$ 442,008,176	\$ 462,348,592	\$ 491,839,459

Schedule 2
City of Jacksonville Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General Government	\$ 2,695,018	\$ 2,481,148	\$ 3,327,768	\$ 2,493,191	\$ 3,284,283	\$ 3,202,655	\$ 3,737,267	3,911,667	4,974,593	4,319,646
Law Enforcement	8,597,705	8,644,124	6,158,188	9,020,136	10,008,845	9,757,732	10,562,207	11,300,694	11,033,893	10,871,090
Fire Control	3,788,360	3,697,834	1,972,069	3,827,130	4,183,046	4,123,060	4,766,320	4,342,859	2,758,059	2,790,961
Building Inspections	440,927	436,897	498,870	510,092	531,696	574,436	631,896	682,069	668,549	704,921
Physical Environment	355,032	356,947	356,095	356,268	446,496	506,348	482,877	465,506	491,317	511,929
Roads and Streets	3,073,673	2,937,071	3,936,380	2,713,668	2,794,320	2,643,431	3,635,996	2,514,183	3,051,233	2,506,098
Human Services	10,296	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,645,363	2,840,920	3,141,474	3,134,179	3,502,497	3,607,934	3,848,072	3,863,411	3,513,829	4,270,654
Interest on Long-Term Debt	224,307	167,258	116,801	74,599	38,722	21,773	4,310	-	-	-
Total Governmental Activities Expenses	21,830,681	21,562,199	19,507,645	22,129,263	24,789,905	24,437,369	27,668,945	27,080,389	26,491,473	25,975,299
Business-Type Activities:										
Electric	79,640,256	78,915,218	74,983,356	74,126,043	76,095,735	75,833,677	73,644,169	70,910,714	75,085,347	97,129,039
Water and Sewer	10,267,198	8,919,844	8,835,376	9,008,417	9,358,111	9,782,478	9,738,833	10,252,806	9,911,907	10,009,081
Stormwater	1,376,128	1,307,367	1,190,742	1,290,008	1,507,348	1,573,499	1,294,110	1,484,027	1,547,067	1,481,291
Sanitation	3,197,294	3,201,492	3,320,470	3,362,128	5,203,263	3,970,986	3,554,289	3,652,176	3,701,798	3,821,009
Golf Course	1,381,008	1,346,173	1,471,132	1,268,556	1,309,024	962,855	1,877,802	2,171,412	2,321,607	2,322,140
Leased Facilities	280,629	267,406	265,349	278,923	424,898	541,874	383,286	833,029	468,625	487,915
Natural Gas	1,359,485	1,529,129	1,350,599	1,201,664	1,506,490	1,611,079	1,592,891	1,293,532	1,461,999	2,280,020
Total Business-Type Activities Expenses	97,501,998	95,486,629	91,417,024	90,535,739	95,404,869	94,276,448	92,085,380	90,597,696	94,498,350	117,530,495
Total Primary Government Expenses	119,332,679	117,048,828	110,924,669	112,665,002	120,194,774	118,713,817	119,754,325	117,678,085	120,989,823	143,505,794
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	66,802	74,677	77,737	73,132	65,947	64,540	67,387	66,255	68,662	61,255
Law Enforcement	163,486	169,424	187,102	187,762	131,667	127,957	203,998	139,910	279,504	270,235
Building Inspections	372,025	563,934	656,045	683,556	604,421	666,973	938,103	917,441	841,131	1,027,742
Physical Environment	8,619	3,758	15,238	12,371	15,185	11,260	29,169	24,120	17,007	13,720
Roads and Streets	217,998	177,144	200,975	170,746	163,799	175,360	275,640	898,622	311,036	328,515
Parks and Recreation	107,199	126,804	125,443	121,342	160,132	213,789	211,172	160,824	225,110	238,155
Operating Grants and Contributions	1,553,819	1,165,743	1,149,520	1,105,992	1,424,306	1,472,822	1,226,389	1,290,905	1,229,351	1,440,547
Capital Grants and Contributions	142,918	863,473	328,049	53,564	52,233	28,223	58,070	55,547	292,208	1,707,747
Total Governmental Activities	2,632,866	3,144,957	2,740,109	2,408,465	2,617,690	2,760,924	3,009,928	3,553,624	3,264,009	5,087,916
Program Revenues	2,632,866	3,144,957	2,740,109	2,408,465	2,617,690	2,760,924	3,009,928	3,553,624	3,264,009	5,087,916

Schedule 2 (Concluded)
City of Jacksonville Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues (Concluded)										
Business-type Activities:										
Charges for Services:										
Electric	\$ 87,349,935	\$ 86,218,701	\$ 81,912,342	\$ 82,096,562	\$ 81,444,806	\$ 83,457,490	\$ 79,637,252	80,101,098	82,519,625	106,890,674
Water and Sewer	10,167,014	10,793,248	11,675,568	12,459,297	13,002,446	14,357,160	14,825,478	14,901,668	15,786,840	16,506,710
Stormwater	1,262,661	1,273,921	1,294,802	1,314,783	1,337,248	1,382,348	1,408,750	1,406,797	1,311,274	1,360,397
Sanitation	3,177,369	3,218,670	3,235,626	3,333,899	3,447,674	3,515,142	3,579,173	3,490,240	3,600,138	3,750,331
Golf Course	1,314,521	1,271,338	1,140,725	984,317	954,162	278,686	2,013,103	2,516,520	3,125,375	3,443,125
Leased Facilities	611,679	621,022	476,548	528,391	588,606	653,191	664,195	767,195	761,049	758,819
Natural Gas	1,729,246	2,100,135	2,017,973	1,869,071	2,068,186	2,221,745	2,162,732	1,788,412	1,845,309	2,699,398
Operating Grants and Contributions	6,713	-	-	-	1,518,177	1,459,055	23,204	55,062	2,580	11,910
Capital Grants and Contributions	620,087	3,154,807	861,845	489,894	661,152	349,628	458,010	499,544	665,695	2,626,206
Total Business-type Activities										
Program Revenues	106,239,225	108,651,842	102,615,429	103,076,214	105,022,457	107,674,445	104,771,897	105,526,536	109,617,885	138,047,570
Total Primary Government Program Revenues	108,872,091	111,796,799	105,355,538	105,484,679	107,640,147	110,435,369	107,781,825	109,080,160	112,881,894	143,135,486
Net (Expense) Revenue										
Governmental Activities	(19,197,815)	(18,417,242)	(16,767,536)	(19,720,798)	(22,172,215)	(21,676,445)	(24,659,017)	(23,526,765)	(23,227,464)	(20,887,383)
Business-type Activities	8,737,227	13,165,213	11,198,405	12,540,475	9,617,588	13,397,997	12,686,517	14,928,840	15,119,535	20,520,075
Total Primary Government Net Expense	(10,460,588)	(5,252,029)	(5,569,131)	(7,180,323)	(12,554,627)	(8,278,448)	(11,972,500)	(8,597,925)	(8,107,929)	(367,308)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	14,029,971	15,137,151	15,906,918	16,942,109	18,050,950	19,884,929	18,357,738	20,971,159	22,048,764	23,114,045
Franchise Taxes	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280
Infrastructure Surtax	1,055,321	1,112,859	1,195,504	1,242,584	1,300,026	1,384,739	1,436,666	1,395,678	1,593,766	1,842,917
Communication Service Tax	1,472,566	1,158,559	1,109,765	1,168,470	1,080,151	1,161,638	1,151,317	1,160,616	1,101,550	1,186,333
Convention Development Tax	283,358	298,019	344,940	363,370	372,921	414,030	423,275	320,451	565,513	753,398
Fuel Taxes	709,816	719,143	765,325	797,149	806,576	837,087	853,266	772,754	780,852	1,193,223
Other Taxes	628,673	718,854	702,174	728,276	653,051	618,215	632,425	682,804	554,098	538,015
State-shared Revenues	2,697,673	2,830,039	3,022,878	3,120,537	3,290,116	3,475,563	3,568,750	3,298,598	3,809,465	4,359,210
Other Intergovernmental Revenues	-	64,142	32,343	31,883	41,756	38,603	33,258	31,429	12,074	65,919
Interest	152,872	511,269	947,694	1,344,885	805,131	363,329	2,405,402	2,090,225	99,731	(2,240,169)
Miscellaneous	217,694	148,707	245,617	146,118	326,364	363,393	423,946	118,521	509,738	2,233,441
Net Transfers	4,355,039	4,030,356	3,236,898	5,653,987	2,303,126	3,766,229	2,306,356	2,758,724	3,969,386	4,214,193
Total Governmental Activities	25,608,263	26,734,378	27,515,336	31,544,648	29,035,448	32,313,035	31,597,679	33,606,239	35,050,217	37,265,805
Business-type Activities:										
Interest	55,453	487,702	1,019,905	1,275,320	591,422	828,004	4,413,572	3,570,132	155,103	(3,193,437)
Miscellaneous	-	-	-	-	-	68,325	21,042	1,000	13,719	-
Net Transfers	(4,355,039)	(4,030,356)	(3,236,898)	(5,653,987)	(2,303,126)	(3,766,229)	(2,306,356)	(2,758,724)	(3,969,386)	(4,214,193)
Total Business-type Activities	(4,299,586)	(3,542,654)	(2,216,993)	(4,378,667)	(1,711,704)	(2,869,900)	2,128,258	812,408	(3,800,564)	(7,407,630)
Total Primary Government	21,308,677	23,191,724	25,298,343	27,165,981	27,323,744	29,443,135	33,725,937	34,418,647	31,249,653	29,858,175
Change in Net Position										
Governmental Activities	6,410,448	8,317,136	10,747,800	11,823,850	6,863,233	10,636,590	6,938,662	10,079,474	11,822,753	16,378,422
Business-type Activities	4,437,641	9,622,559	8,981,412	8,161,808	7,905,884	10,528,097	14,814,775	15,741,248	11,318,971	13,112,445
Total Primary Government	\$ 10,848,089	\$ 17,939,695	\$ 19,729,212	\$ 19,985,658	\$ 14,769,117	\$ 21,164,687	\$ 21,753,437	\$ 25,820,722	\$ 23,141,724	\$ 29,490,867

Schedule 3
City of Jacksonville Beach, Florida
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Non-Spendable	\$ 41,640	\$ -	\$ -	\$ 1,807	\$ 77	\$ 1,193	\$ 2,291	\$ 4,714	\$ 3,279	\$ 4,219
Restricted								79,020	161,612	352,382
Committed	4,755,631	4,922,833	5,069,431	5,168,956	5,540,793	5,758,237	6,271,451	6,265,763	6,603,601	7,899,382
Assigned	4,243,808	4,560,255	4,312,870	5,050,075	5,029,759	5,712,790	7,537,043	8,001,876	6,233,902	6,664,268
Total General Fund	<u>\$ 9,041,079</u>	<u>\$ 9,483,088</u>	<u>\$ 9,382,301</u>	<u>\$ 10,220,838</u>	<u>\$ 10,570,629</u>	<u>\$ 11,472,220</u>	<u>\$ 13,810,785</u>	<u>\$ 14,351,373</u>	<u>\$ 13,002,394</u>	<u>\$ 14,920,251</u>
All Other Governmental Funds										
Restricted	\$ 14,965,981	\$ 17,824,995	\$ 22,860,797	\$ 26,836,531	\$ 28,742,329	\$ 31,944,567	\$ 33,726,706	\$ 38,442,868	\$ 46,572,425	\$ 50,665,089
Committed	6,549	5,955	6,066	6,194	7,994	6,007	3,121	5,164	6,259	6,097
Assigned	6,087,493	6,612,462	6,637,001	7,934,432	7,362,439	7,865,834	7,198,956	10,047,394	13,382,461	17,510,191
Total All Other Governmental Funds	<u>\$ 21,060,023</u>	<u>\$ 24,443,412</u>	<u>\$ 29,503,864</u>	<u>\$ 34,777,157</u>	<u>\$ 36,112,762</u>	<u>\$ 39,816,408</u>	<u>\$ 40,928,783</u>	<u>\$ 48,495,426</u>	<u>\$ 59,961,145</u>	<u>\$ 68,181,377</u>

Schedule 4
City of Jacksonville Beach, Florida
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Taxes	\$ 18,144,485	\$ 19,178,564	\$ 20,021,606	\$ 21,228,237	\$ 22,273,155	\$ 24,271,318	\$ 22,847,169	\$ 25,332,542	\$ 26,618,023	\$ 28,480,812
Licenses and Permits	559,485	568,985	682,161	679,820	592,151	650,985	942,091	1,556,531	845,334	1,033,441
Intergovernmental	3,808,754	3,930,997	4,079,434	4,207,812	4,665,075	4,844,846	4,800,083	4,590,750	5,017,950	7,429,215
Charges for Services	465,176	388,582	356,036	351,926	382,336	444,799	559,815	414,576	594,556	614,126
Fines and Forfeitures	277,193	305,076	332,099	259,869	239,465	201,815	250,244	301,027	332,246	347,667
Interest and Other Revenue	411,091	717,985	1,173,919	1,450,768	1,126,585	760,051	2,644,066	2,312,513	386,188	(1,821,537)
Total Revenues	23,666,184	25,090,189	26,645,255	28,178,432	29,278,767	31,173,814	32,043,468	34,507,939	33,794,297	36,083,724
Expenditures										
Current:										
General Government	2,078,157	2,413,022	2,862,341	2,556,750	2,800,432	2,712,795	2,866,277	2,905,661	3,292,935	3,639,400
Public Safety	12,431,333	11,993,522	12,649,752	12,874,674	13,350,078	13,892,257	15,014,400	15,383,041	14,703,460	14,671,947
Physical Environment	11,355	13,270	11,417	9,651	81,029	114,600	98,436	70,743	80,264	136,955
Roads and Streets	1,855,298	1,799,476	2,886,824	1,584,109	1,769,416	1,757,092	2,921,604	1,725,376	2,333,010	1,711,030
Human Services	10,296	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,461,887	2,419,924	2,739,420	2,783,261	2,900,618	3,109,305	3,297,899	3,203,695	3,318,536	3,725,833
Debt Service:										
Principal	2,243,579	1,865,466	1,545,800	1,581,880	955,000	980,000	490,000	-	-	-
Interest	224,307	167,258	116,801	74,599	38,722	21,773	4,310	-	-	-
Capital Outlay	5,953,542	4,508,926	2,689,003	4,757,047	9,551,371	7,796,984	7,947,720	7,394,715	2,234,402	9,370,859
(Total Expenditures)	(27,269,754)	(25,180,864)	(25,501,358)	(26,221,971)	(31,446,666)	(30,384,806)	(32,640,646)	(30,683,231)	(25,962,607)	(33,256,024)
(Deficiency) of Revenues										
(Under) Expenditures	(3,603,570)	(90,675)	1,143,897	1,956,461	(2,167,899)	789,008	(597,178)	3,824,708	7,831,690	2,827,700
Other Financing Sources (Uses)										
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-
Principal - Current Refundings	-	-	-	-	-	-	-	-	-	-
Sale of General Capital Assets	-	-	-	-	-	-	-	-	-	1,788,000
Transfers in	6,948,406	6,930,317	7,550,022	7,466,111	7,188,855	7,540,195	6,987,402	8,182,686	8,903,923	10,566,155
Transfers (out)	(2,502,073)	(3,014,244)	(3,734,254)	(3,310,742)	(3,335,560)	(3,723,966)	(2,939,281)	(3,900,166)	(4,529,366)	(6,281,962)
Total Other Financing Sources (Uses)	4,446,333	3,916,073	3,815,768	4,155,369	3,853,295	3,816,229	4,048,121	4,282,520	4,374,557	6,072,193
Net Change in Fund Balance	\$ 842,763	\$ 3,825,398	\$ 4,959,665	\$ 6,111,830	\$ 1,685,396	\$ 4,605,237	\$ 3,450,943	\$ 8,107,228	\$ 12,206,247	\$ 8,899,893
Debt Service as a % of Non-Capital Expenditures*	11.9%	9.9%	7.5%	7.8%	4.6%	4.6%	2.1%	0.0%	0.0%	0.0%

* Non-capital expenditures are total expenditures less capital outlay.

REVENUE CAPACITY INFORMATION

Schedule 5
City of Jacksonville Beach, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Assessed Taxable Values			Tax-Exempt Property	Estimated Actual Value (1)	Total Direct Tax Rate (2)	Taxable Assessed Value as a % of Actual Value
	Real Property	Personal Property	Total Taxable Assessed Value				
2013	\$ 2,403,105,199	\$ 64,283,151	\$ 2,467,388,350	\$ 862,135,188	\$ 3,329,523,538	4.0947	74.11%
2014	2,428,035,702	63,450,619	2,491,486,321	865,057,320	3,356,543,641	4.0947	74.23%
2015	2,600,643,517	66,537,759	2,667,181,276	1,109,561,873	3,776,743,149	3.9947	70.62%
2016	2,814,151,792	80,641,926	2,894,793,718	1,259,519,810	4,154,313,528	3.8947	69.68%
2017	3,027,805,594	96,405,964	3,124,211,558	1,340,803,509	4,465,015,067	3.7947	69.97%
2018	3,249,073,173	99,904,354	3,348,977,527	1,419,311,962	4,768,289,489	3.9947	70.23%
2019	3,498,864,284	108,836,408	3,607,700,692	1,599,153,996	5,206,854,688	3.9947	69.29%
2020	3,713,763,339	109,049,032	3,822,812,371	1,566,454,924	5,389,267,295	3.9947	70.93%
2021	3,925,727,019	112,031,838	4,037,758,857	1,940,839,379	5,978,598,236	3.9947	67.54%
2022	4,121,219,786	127,396,062	4,248,615,848	2,002,908,823	6,251,524,671	3.9947	67.96%

Source: Duval County Ad Valorem Assessment Rolls for Jacksonville Beach.

(1) Estimated actual values are the total "just" values of property subject to taxation, as defined by Section 193.001, Florida Statutes.

Note: Property is assessed each year as of January 1 at market value. However, assessed value is limited by the Amendment 10 or the "Save Our Homes" tax cap. This 1992 amendment to the Florida Constitution limits increases in value of homesteads (an individual's primary residence) to 3% or less per year. The taxable value is the assessed value less any exemptions.

(2) Tax rate is per \$1,000 of assessed value.

Schedule 6
City of Jacksonville Beach, Florida
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$1,000 of Assessed Value)

Fiscal Year September 30,	Direct Rates (1)	Overlapping Rates			Total Millage Rate	
	City of Jacksonville Beach	Florida Inland Navigation	Water Management District	School District		Duval County
2013	4.0947	0.0345	0.3313	7.6000	6.7446	18.8051
2014	4.0947	0.0345	0.3283	7.3880	8.1512	19.9967
2015	3.9947	0.0345	0.3164	7.3050	8.1512	19.8018
2016	3.8947	0.0320	0.3023	7.1170	8.1512	19.4972
2017	3.7947	0.0320	0.2885	6.8020	8.1512	19.0684
2018	3.9947	0.0320	0.2724	6.4850	8.1512	18.9353
2019	3.9947	0.0320	0.2562	6.2930	8.1512	18.7271
2020	3.9947	0.0320	0.2414	6.1500	8.1512	18.5693
2021	3.9947	0.0320	0.2287	5.9050	8.1512	18.3116
2022	3.9947	0.0320	0.2287	5.9050	8.1512	18.3116

Source: Duval County Property Appraiser

(1) Direct rate consists of operating millage only.

Schedule 7
City of Jacksonville Beach, Florida
Principal Property Tax Payers
Fiscal Year 2022 and Nine Years Ago

	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Broadstone Beach House at Jax. Beach	\$ 57,083,900	1	1.39%	\$ 24,133,208	1	1.00%
Margaritaville Beach Hotel	43,014,700	2	1.04%			
Ocean Park (Apartments) Partnership, Ltd.	37,509,259	3	0.91%	18,100,000	2	0.75%
South Beach Regional Shopping Center	31,502,300	4	0.76%	16,061,980	3	0.67%
Courtyard Marriott - Beachfront	31,188,740	5	0.76%	15,522,745	4	0.65%
Hampton Inn Oceanfront	29,411,250	6	0.71%	9,936,214		0.41%
Bluewater Apartments	21,159,500	7	0.51%			
Pablo Plaza	20,734,300	8	0.50%	14,306,400	5	0.60%
Beach Marine	19,408,840	9	0.47%	11,425,300	6	0.48%
Four Points by Sheraton - Jax Beachfront	13,939,447	10	0.34%			
South Beach Parkway Shopping Center				9,618,600	8	
Gordon Bank				9,754,400	7	0.41%
Adventure Landing				9,410,719	9	0.39%
Target				9,111,801	10	0.38%
Total	<u>\$ 304,952,236</u>		<u>7.39%</u>	<u>\$ 147,381,367</u>		<u>5.74%</u>
Total Assessed Real Property Valuation from Schedule 5	<u>\$ 4,121,219,786</u>			<u>\$ 2,403,105,199</u>		

Source: Duval County Property Appraiser

Schedule 8
City of Jacksonville Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year September 30,</u>	<u>Taxes Levied for Fiscal Year (1)</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections To-Date</u>	
		<u>Amount Net of Discount (2)</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2013	\$ 7,365,825	\$ 6,886,688	93.50%	\$ 88,106	\$ 6,974,794	94.69%
2014	7,412,686	7,017,198	94.66%	54,624	7,071,822	95.40%
2015	7,756,009	7,351,558	94.79%	48,357	7,399,915	95.41%
2016	8,292,080	7,845,052	94.61%	66,708	7,911,760	95.41%
2017	8,699,388	8,008,400	92.06%	423,672	8,432,072	96.93%
2018	9,831,502	9,062,838	92.18%	341,173	9,404,011	95.65%
2019	10,654,284	10,101,419	94.81%	237,715	10,339,134	97.04%
2020	11,327,634	10,516,809	92.84%	454,850	10,971,659	96.86%
2021	12,068,826	11,306,880	93.69%	341,287	11,648,167	96.51%
2022	12,675,758	11,917,633	94.02%	351,332	12,268,965	96.79%

Source: Duval County Property Appraiser and City of Jacksonville Beach Finance Department.

(1) Taxes levied do not include the taxes levied for the Community Redevelopment Agencies.

(2) Section 197.012 of the Florida Statutes allows a discount for early payment of taxes: 4% in November, 3% in December, 2% in January, and 1% in February.

DEBT CAPACITY INFORMATION

Schedule 9
City of Jacksonville Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities					
	Redevelopment Bonds	Sales Tax Bonds	Infrastructure Sales Tax Bonds	Total Governmental	Electric Bonds	Outstanding Debt Per Electric Customer (1)	Water and Sewer Bonds	Outstanding Debt Per Water Customer (1)	Stormwater Bonds	Outstanding Debt Per Stormwater Customer (1)
2013	\$ 2,233,146	\$ -	\$ 5,185,000	\$ 7,418,146	\$ 17,573,746	524	\$ 12,262,835	\$ 1,243	-	-
2014	1,267,680	-	4,285,000	5,552,680	15,379,185	453	10,731,486	1,070	-	-
2015	646,880	-	3,360,000	4,006,880	13,151,582	382	9,177,080	885	-	-
2016	-	-	2,425,000	2,425,000	10,874,050	313	7,587,834	732	-	-
2017	-	-	1,470,000	1,470,000	8,550,349	246	5,966,373	574	-	-
2018	-	-	490,000	490,000	6,178,302	177	4,311,174	414	-	-
2019	-	-	-	-	3,752,911	108	2,618,754	252	-	-
2020	-	-	-	-	1,266,350	36	883,650	84	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-

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

(1) Number of electric, water, and stormwater customers can be found on Schedule 17.

(2) See the Schedule of Demographic and Economic Statistics on Schedule 14 for personal income and population data.

N/A - Not yet available

Schedule 9 (Concluded)
City of Jacksonville Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Total Business-Type	Total Debt	Percentage of Personal Income (2)	Total Debt Per Capita (2)
2013	\$ 29,836,581	\$ 37,254,727	4.42%	\$ 1,716
2014	26,110,671	31,663,351	3.59%	1,430
2015	22,328,662	26,335,542	2.79%	1,155
2016	18,461,884	20,886,884	2.10%	897
2017	14,516,722	15,986,722	1.53%	680
2018	10,489,476	10,979,476	1.01%	467
2019	6,371,665	6,371,665	0.57%	273
2020	2,150,000	2,150,000	0.18%	92
2021	-	-	0.00%	-
2022	-	-	0.00%	-

Schedule 10
City of Jacksonville Beach, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							
	Redevelopment Bonds	% of Actual Taxable Value of Property (1)	Sales Tax Bonds	Sales Tax Debt Per Capita	Infrastructure Sales Tax Bonds	Infrastructure Debt Per Capita	Total Government Debt	Total Debt Per Capita
2013	\$ 2,233,146	0.33%	\$ -	\$ -	\$ 5,185,000	\$ 239	\$ 7,418,146	\$ 342
2014	1,267,680	0.19%	-	-	4,285,000	194	5,552,680	251
2015	646,880	0.09%	-	-	3,360,000	147	4,006,880	176
2016	-	0.00%	-	-	2,425,000	104	2,425,000	104
2017	-	0.00%	-	-	1,470,000	63	1,470,000	63
2018	-	0.00%	-	-	490,000	21	490,000	21
2019	-	0.00%	-	-	-	-	-	-
2020	-	0.00%	-	-	-	-	-	-
2021	-	0.00%	-	-	-	-	-	-
2022	-	0.00%	-	-	-	-	-	-

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

(1) Total redevelopment debt outstanding divided by total assessed taxable valuation in tax increment districts.

Schedule 11
City of Jacksonville Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2022
(Dollars in Thousands)

There is no direct and overlapping governmental activities debt for the City of Jacksonville Beach.

Schedule 12
City of Jacksonville Beach, Florida
Legal Debt Margin Information

Neither the City of Jacksonville Beach Charter or Code, nor the Florida Statutes limits the amount of debt the City can issue.

Schedule 13
City of Jacksonville Beach, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Electric, Water, and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Debt Service Coverage
				Principal	Interest	
2013	\$ 97,516,949	\$ (79,894,096)	\$ 17,622,853	\$ 3,370,000	\$ 1,051,313	3.99
2014	97,011,949	(78,759,103)	18,252,846	3,460,000	966,588	4.12
2015	93,587,910	(74,744,539)	18,843,371	3,555,000	870,938	4.26
2016	94,555,859	(74,581,123)	19,974,736	3,680,000	745,588	4.51
2017	94,447,252	(76,524,604)	17,922,648	3,800,000	634,688	4.04
2018	97,814,650	(77,018,181)	20,796,469	3,925,000	498,219	4.70
2019	97,814,650	(77,018,181)	20,796,469	4,060,000	366,925	4.70
2020	95,002,766	(72,450,850)	22,551,916	4,210,000	213,100	5.10
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-

(1) Excludes depreciation expense.

Bonds were paid off in FY 2021.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 14
City of Jacksonville Beach, Florida
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population (1)	Duval County Unemployment Rate (2)	Duval County Per Capita Income (3)	Personal Income
2013	21,713	7.5%	\$ 38,805	\$ 842,572,965
2014	22,136	6.5%	39,893	883,071,448
2015	22,805	6.0%	41,339	942,735,895
2016	23,288	4.9%	42,617	992,464,696
2017	23,503	4.6%	44,347	1,042,287,541
2018	23,494	3.6%	46,174	1,084,811,956
2019	23,352	3.4%	47,475	1,108,636,200
2020	23,394	6.0%	51,131	1,196,158,614
2021	23,830	4.6%	54,354	1,295,255,820
2022	23,830	3.0%	N/A	N/A

(1) **Source:** U.S. Census Bureau and City Planning and Development Department

(2) **Source:** U.S. Department of Labor

(3) **Source:** Florida Research and Economic Database

N/A - Not yet available

Schedule 15
City of Jacksonville Beach, Florida
Principal Employers
Fiscal Year 2022 and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Naval Station Mayport	10,030	1	N/A	15,170	1	N/A
The Players Championship	900	2				
Baptist Medical Center - Beaches	800	3	N/A	800	2	N/A
PGA Tour, Inc.	700	4	N/A	620	4	N/A
Ponte Vedra Inn and Club	530	5	N/A	650	3	N/A
Sawgrass Marriott Golf Resort	450	6	N/A	450	6	N/A
City of Jacksonville Beach (1)	400	7	N/A	400	7	N/A
Optimum Healthcare IT	385	8	N/A			
TPC Sawgrass	320	9	N/A	320	8	N/A
Vicar's Landing	320	10	N/A	320	10	N/A
U.S. Coast Guard			N/A	320	9	N/A
Honeywell			N/A	570	5	N/A

Source: Jacksonville Chamber of Commerce

(1) - Obtained from City of Jacksonville Beach Annual Budget.

Notes: Principal Employer ranking includes the four beach communities of Jacksonville, Neptune, and Atlantic Beach (Duval County), Ponte Vedra Beach (St. Johns County), and Mayport Naval Base.

N/A - Total beaches workforce number is not available.

OPERATING INFORMATION

Schedule 16
City of Jacksonville Beach, Florida
City Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	13	13	14	14	14	14	14	16	25	30
Finance*	33	33	38	39	42	41	44	45	40	41
Planning and Development	8	8	9	10	10	10	10	10	10	10
Electric	77	75	75	75	75	75	72	72	72	72
Central Services	4	4	0	0	0	0	0	0	0	0
Redevelopment**	0	0	1	1	1	0	0	0	1	1
Public Works	65	65	66	66	67	67	68	70	70	71
Human Resources	7	7	7	6	6	6	6	6	6	6
Parks and Recreation	98	98	98	100	100	100	100	99	101	100
Grounds and Maintenance	8	7	7	7	7	7	9	9	9	9
Golf Course	26	25	25	25	25	24	27	27	30	30
Police	95	96	100	100	102	102	103	103	103	103
Fire Fighters	31	31	31	31	31	31	31	31	0	0
Total	465	462	471	474	480	477	484	488	467	473

Source: City of Jacksonville Beach Annual Budget

Note: Figures include both full-time and part-time positions and have not been converted to full-time equivalent positions.

* Beginning in 2015, Central Services was combined with Finance Department.

** Beginning in 2015, 1 part-time Community Redevelopment Specialist was added.

Schedule 17
City of Jacksonville Beach, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical Arrests	1,398	1,568	1,582	1,470	1,992	1,932	1,980	1,452	1,409	1,250
Parking Violations	2,331	2,200	2,640	2,016	1,833	1,501	1,231	1,231	987	1,345
Law Violations	3,152	5,004	2,322	1,845	3,143	3,536	3,092	2,325	2,316	1,984
Fire										
Emergency Incidents*	3,104	3,040	3,195	3,401	3,643	3,298	3,399	0	0	0
Inspections (Total)	1,839	1,580	1,852	1,797	1,857	2,442	2,154	1,668	1,794	2,039
Other Public Works										
Street Resurfacing (Miles)	0.00	0.00	7.36	0.00	1.57	1.17	2.82	1.07	4.33	0
Electric										
Number of Active										
Electric Customers	33,535	33,966	34,433	34,711	34,738	34,815	34,900	35,171	35,437	35,481
Average Residential										
Monthly Consumption										
(Kilowatt Hours)	1,209	1,239	1,253	1,246	1,178	1,219	1,231	1,233	1,230	1,225
Water										
Number of Active										
Water Customers	9,865	10,029	10,204	10,369	10,398	10,405	10,399	10,520	10,678	10,689
Average Residential Monthly										
Consumption (Gallons)	4,014	4,038	3,083	3,926	4,146	4,255	4,389	4,191	4,195	4,093
Wastewater										
Number of Active Wastewater										
Customers	9,691	9,872	10,036	10,217	10,246	10,261	10,254	10,375	10,522	10,536
Storm Mains Cleaned (Feet)	23,821	23,530	33,153	34,733	33,791	22,543	17,584	8,078	26,030	17,864

Source: City of Jacksonville Beach Annual Budget & Department Directors

* - Emergency Incidents were contracted out to the City of Jacksonville during the fiscal year ended September 30, 2020.

Schedule 18
City of Jacksonville Beach, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations (Including Satellite Stations)	2	2	1	1	1	1	1	1	1	1
Patrol Units	51	51	76	76	79	80	80	83	83	78
Fire Stations	2	2	2	2	2	2	2	0	0	0
Other Public Works										
Paved Roads (Miles)	77	77	89	89	90	90	90	90	93	93
Streetlights	5,659	5,659	5,493	5,538	5,909	5,582	5,613	5,643	5,649	5,649
Water										
Water Mains (Miles)	105	105	109	109	109	109	109	109	126	126
Production Wells	6	6	6	6	6	6	6	6	6	6
Fire Hydrants	870	873	895	895	900	909	909	909	951	951
Wastewater										
Sanitary Sewer Mains (Gravity, in Miles)	83	83	85	85	85	85	85	85	85	85
Sanitary Sewer Mains (Force, in Miles)	16	16	18	18	18	18	18	18	18	18
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Lift Stations	34	34	38	38	38	38	38	38	38	38
Treatment Capacity (Millions of Gallons)	5	5	5	5	5	5	5	5	5	5
Parks and Recreation										
Acreage*	84	86	86	86	86	210	210	210	210	210
Parks	11	11	11	11	11	16	15	15	15	15
Golf Course	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8

Source: City of Jacksonville Beach Annual Budget & Department Directors

* - Golf course acreage was included beginning with fiscal year 2018.

SINGLE AUDIT SECTION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Award Amount</u>	<u>Federal Expenditures</u>
Federal Awards				
U.S. Department of Housing and Urban Development				
Passed Through City of Jacksonville				
Community Development Block Grant	14.218	632138-22	\$ 142,366	\$ 142,366
U.S. Department of Justice				
Bullet Proof Vest Partnership Program	16.607	N/A	10,803	10,803
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2022-JAGD-DUVA-1-4B-001	6,958	6,958
U.S. Department of Justice				
Passed Through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-DUVA-5-3B-020	45,865	45,865
Subtotal CFDA #16.738			<u>52,823</u>	<u>52,823</u>
Total U.S. Department of Justice			<u>63,626</u>	<u>63,626</u>
U.S. Department of Treasury				
Passed Through Florida Department of Emergency Management:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID-19, 21.027	Y5134	11,834,170	247,957
Passed Through City of Jacksonville:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID-19, 21.027	SLFRP3403/SLFRP0197	3,000,000	3,000,000
Total U.S. Department of Treasury			<u>14,834,170</u>	<u>3,247,957</u>
Total Federal Awards			<u>\$ 15,040,162</u>	<u>\$ 3,453,949</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
CITY OF JACKSONVILLE BEACH, FLORIDA**

Note 1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the City of Jacksonville Beach, Florida (the City) and is presented in accordance with the requirements of 2 CFR Part 200 *Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards*.

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 received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - De Minimis Indirect Cost Rate Election

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

**SCHEDULE OF EXPENDITURES OF GRANT FUNDS PER THE
CITY OF JACKSONVILLE'S ORDINANCE CODE CHAPTER 118.202(e)
FOR THE YEAR ENDED SEPTEMBER 30, 2022
CITY OF JACKSONVILLE BEACH, FLORIDA**

**City of Jacksonville Public Service Grants Received as a
Subgrant Recipient Per Interlocal Agreement**

City of Jacksonville Beach Fiscal Year 2021-2022 Grant No. 632138-22 - \$142,366

<u>Expenditures</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Spent in Current Year with Prior Year Awards</u>	<u>Carry Forward</u>
CAPE				
Services	\$ 27,948	\$ 27,948		
Total CAPE	<u>27,948</u>	<u>27,948</u>	\$ -	\$ -
CARVER				
Services	114,418	114,418		
Total CARVER	<u>114,418</u>	<u>114,418</u>	-	-
Total Expenditures	<u>\$ 142,366</u>	<u>\$ 142,366</u>	\$ -	\$ -

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

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville 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 Jacksonville 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 10, 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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City of Jacksonville Beach
Jacksonville Beach, Florida

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

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, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



March 10, 2023
Tallahassee, Florida

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

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Jacksonville Beach, Florida's (the City), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended September 30, 2022. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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City of Jacksonville Beach
Jacksonville Beach, Florida

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance 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*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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, 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, non-compliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

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

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. Accordingly, this report is not suitable for any other purpose.

Purvis Gray

March 10, 2023
Tallahassee, Florida

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

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	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)?	No
Identification of major Federal Programs:	
Coronavirus State and Local Fiscal Recovery Funds	<u>Assistance Listing Number</u> 21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

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

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

We have examined the City of Jacksonville Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

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

Purvis Gray

March 10, 2023
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Jacksonville Beach, Florida, (the City), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 10, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 10, 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 report. There were no such findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4, *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was established in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida 18623. In addition, the annual financial audit report for the City also includes the accounts and transactions of the entities noted

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The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

MANAGEMENT LETTER

below. The Jacksonville Beach Community Redevelopment Agency is considered a blended component unit and was established pursuant to Chapter 163 of the Florida Statutes. The General Employees', Police Officers', and Firefighters' Pension Plans are considered to be fiduciary component units and were established, and later amended, pursuant to Chapter 27 of the Laws of Florida and Chapters 175 and 185 of the Florida Statutes, respectively.

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 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 for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and 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 note 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. Information for the Southend and Downtown Community Redevelopment Districts (collectively, the CRA) are included in the separately issued financial statements of the CRA.

Additional Matters

Section 10.554(1)(i)3, *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but 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 and pass-through entities, the Mayor and City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

MANAGEMENT LETTER

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



March 10, 2023
Tallahassee, Florida

