



CITY OF
ST AUGUSTINE
EST. 1565

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2022



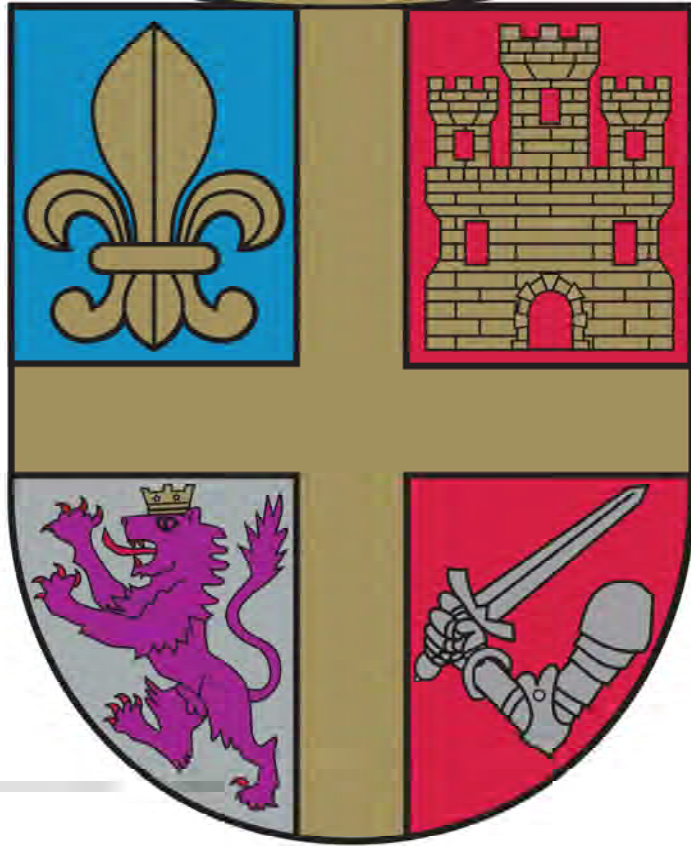
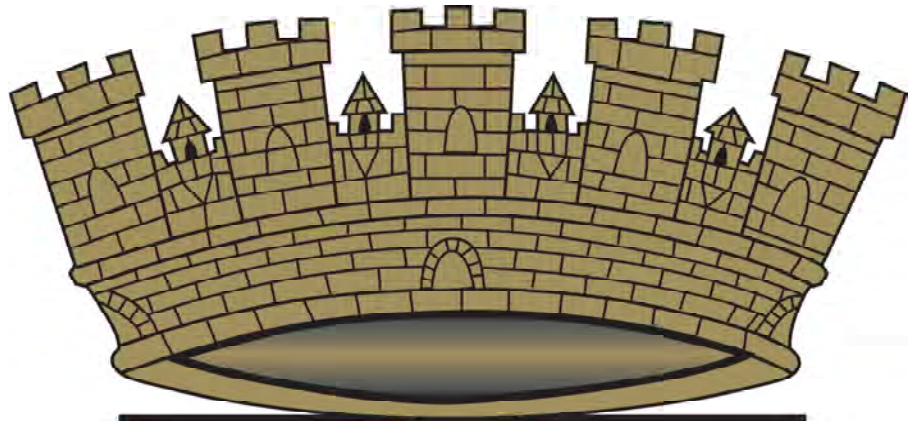
City of St. Augustine, Florida

Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2022

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CITY OF ST. AUGUSTINE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2022

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Letter of Transmittal



March 31, 2023

Honorable Mayor and Commissioners
City of St. Augustine, Florida

Mayor and Commissioners:

The Annual Comprehensive Financial Report of the City of St. Augustine, Florida, for the fiscal year ended September 30, 2022, is submitted herewith, pursuant to Florida Statutes Chapter 166.241 (4) and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This Annual Comprehensive Financial Report was prepared by the staff of the City's Financial Services Department; therefore, responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City believes the data, as presented, is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of activity of its various funds, and all disclosures necessary to enable the readers to gain maximum understanding of the City's financial activity have been included.

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

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

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

GOVERNMENT PROFILE

Often called the City of the Centuries because of its antiquity, St. Augustine was founded by Spain in 1565 and is the oldest continuously occupied settlement of European origin in what is now the

United States. The City was founded 42 years before the arrival of British colonists in Jamestown, five years before the Pilgrims landed at Plymouth Rock, and was already two centuries old at the time of the American Revolution.

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

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

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

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

Today, the City of St. Augustine is a full-service municipality located within the boundaries of St. Johns County and was recently voted the South's Best Small Town by Southern Living magazine. The City derives its government authority from a charter granted by the legislature of the State of Florida. The City operates under a Commission Manager form of government. Five commission members, including the mayor, are elected at-large on a non-partisan basis. Four seats are staggered four-year terms, with the mayor's seat elected every two years. The City Commission appoints the City Manager, who directs the business of the City and its various departments. The City Commission determines policy, adopts legislation, approves the budget, sets taxes, and appoints the City Attorney, the City Clerk, and members of various boards and committees.

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

ECONOMIC CONDITIONS AND OUTLOOK

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

Founded by the Spanish 458 years ago, the rich history, authentic attractions, unique restaurants and diverse overnight accommodations of historic St. Augustine make the City one of the primary tourism hubs in St. Johns County. The City welcomes approximately 600,000 individuals at the downtown visitor center each year and provides visitors with roughly one million room nights. Tourism is responsible for approximately one third of the annual economic activity in St. Johns County, generating nearly \$3.8 billion in annual economic impact and more than 32,000 local jobs county-wide. In recent years, one of the primary focuses of tourism promotional efforts funded with Tourist Development Tax has been to promote the destination to high-spend, multi-night visitors to maximize the economic impact from tourism while minimizing the effects of tourism on infrastructure. Some activities and events which receive Tourist Development Tax funding include programs such as the lighting and shuttles for Nights of Lights, the Fourth of July fireworks event, the downtown Visitor Center, and the forthcoming DOT Circulator Shuttle.

As predicted, the City's ad valorem tax revenues increased in fiscal year 2022. The growth has been due to the increase in value of real estate as well as new construction and renovation activity. For 2022 the City's total taxable value increased to \$2,449,231,261. This represents the total taxable value for the 2023 budget year, resulting in ad valorem revenue of approximately \$17,800,000.

The City resumed normal operations in fiscal year 2022 after an uncertain post-pandemic 2021. The City saw nearly all its revenue streams exceed budget across funds. Expenditures were less than budgeted for the most part due to challenges associated with the job market and supply chains. The only significant budget deficit was tipping fees in the Solid Waste Fund. Inflation has been a concern and difficult to budget for, but management believes inflation and supply chain challenges are stabilizing.

CHALLENGES AND MAJOR INITIATIVES

American Rescue Plan Act (ARPA)

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

This funding, project management, and financial reporting involved will consume the majority of

the City's staff time for the next several years. Management looks forward to reporting the results in future financial statements. Thus far, a street sweeper and solid waste vehicles have been purchased as well as robust enhancements to cyber security.

The following is an update on the City's strategic plan initiatives:

OBJECTIVE 1: Infrastructure Planning and Construction

1. Continued West Augustine Sewer Expansion with Phase 2 of West 5th Street and West 3rd Street
2. 13 FEMA-funded lift stations are complete and operational with only punch list items remaining
3. Arricola Ave. force main improvements
4. Continue City paving management program citywide
5. Automatic Meter Replacement – Phase 4 completed
6. Inflow and Infiltration inspections and rehabilitation of the City sewer system
7. Wastewater Treatment Plant Motor Control & Communications Center completed

OBJECTIVE 2: Mobility Planning and Construction

1. Implemented a mobility fee based on the mobility plan
2. Promoted bicycle mobility
3. Completed design for Phase 2 of downtown curb less streets and bid the project
4. Developed a public circulator program with FDOT grant
5. Approved crosswalk at Anastasia Blvd. and Zorayda Ave. (completed design)
6. Entered an agreement with FDOT to transfer ownership of King St. and Cathedral Pl. and solicited for design professionals to begin design of the streets

OBJECTIVE 3: Zoning Update & Building Code Update

1. Ongoing Short-Term Rental (STR) legislation, registrations and enforcement, defense of home rule
2. Responsible Hospitality Institute (RHI) meetings and organizational activities related to potential nightlife regulations, final report received and ready to distribute findings and recommendations based upon public input
3. Continue to update the land development code based on the updated Comprehensive Plan
4. Adopted Mobility Plan and Mobility Fee based on the draft developed by the City's consultant and coordinated several Planning & Zoning Board Special Meetings, resulting in recommendations to the City Commission
5. Conversation regarding Historic Preservation in National Register District neighborhoods and potential code changes related to partial demolition continued and moving forward to update the Architectural Guidelines for Historic Preservation (AGHP)
6. Continue to improve electronic customer service. Setup City Works software with data, online permit portal, and online inspection request system

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

1. Maintained Class 5 rating in the National Flood Insurance Program Community Rating System
2. Maintained and promoted the Tree Canopy Enhancement Program to provide free trees to residents

to expand and sustain the City's urban forest

3. Pilot program providing free compost bins to residents
4. Completed grant funded study "Vulnerability of Septic Tanks to Seal Level Rise and Storm Surge"
5. Continue to work with the Flood Mitigation Assistance Program offered through FEMA so that property owners can apply through the City to elevate their flood prone structure(s) to reduce their flood risk, one (1) property has been approved, working to establish program protocols, submitted applications related to 62 additional properties
6. Created a resilience webpage to house all current projects, programs, policies, studies, and other resources related to resilience

OBJECTIVE 5: Arts, Education and Community

1. Co-sponsored the inaugural Fort Mose Jazz Festival with St. Johns County
2. Fish Island logo design and approval
3. Continued sustainability efforts to include Arbor Day tree sapling distribution, tree canopy program, compost bin distribution, and recycling events.
4. Leased the fully restored historic waterworks building to the St. Johns County Cultural Council for local arts, cultural education outreach, exhibits, and events
5. Co-sponsored the first annual St. Augustine History Festival
6. Continued public awareness campaigns including, but not limited to, Archaeology month, Historic Preservation month, Environmental Awareness week, "Face of the City", Public Works Week, Garden for Wildlife Month, and Hurricane Preparedness

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

1. Homeless outreach services as reported by the Police Chief
2. Continued contractual relationship with St. Francis House for standby bed capacity to enforce the no camping ordinance
3. Continued support for Home Again St. Johns
4. Dedicated Community Outreach Officer to focus on homeless community issues
5. Lincolnville Community Redevelopment Area administers grants up to \$50,000 for housing repairs to income qualified homeowners within the area
6. Received HUD Technical Assistance Grant to produce Homelessness Strategic Plan
7. Initiative to develop city-owned 450 N. Holmes Blvd as workforce/affordable housing has begun with an open house, a charette, and a public workshop scheduled this spring

OBJECTIVE 7: Proactive Planning to Preserve our Downtown Character

Historic Preservation Activity

The Historic Preservation Division of the Planning and Building Department remains very active with development activity in the private and public sectors. The number of projects and fees collected continued to hit the highest levels. The Archaeology Program completed a record high of 84 projects in the Program's 36-year history, increasing the knowledge of the city's rich history. To meet these demands, the archaeology volunteers program continues to grow, and the number of donated hours

increased 52% over FY21. Major benchmarks include the completion of field excavations in Cuna Street documenting some of the earlier evidence of human occupation downtown and the first ever investigation at the Yallaha Plantation. The final phase of lab reorganization was completed at the Dr. Sue A. Middleton Archaeology Center, which will ensure the long-term preservation of the community's cultural heritage.

In addition to development review, comprehensive planning projects continue, including the Architectural Guidelines for Historic Preservation (AGHP) update and a partial demolition ordinance proposal. These were further explored and refined at multiple Historic Architectural Review Board and Planning and Zoning Board public meetings.

The Division has continued working at wrapping up projects and making the deliverables from previously awarded grants accessible to the public. Updated surveys were completed, and draft nominations for three National Register Historic Districts and a National Historic Landmark area have been reviewed at the state level, as required before being finalized. Flood mitigation guidance booklets and associated brochures created from grant projects are being highlighted and pointed to by the Planning and Building Department in relation to the proposed building and potential city projects. Both documents and a story map are available on the city's website to help interpret the information in a dynamic platform. Staff presented at the first annual St. Augustine History Festival, focusing on our city's resilient heritage. All efforts further the priorities identified in the 2018 Historic Preservation Master Plan.

With the Waterworks Rehabilitation Grant Project successfully completed, the St. Johns Cultural Council has become the new tenant, breathing vitality into the building.

OBJECTIVE 8: Event, Planning and Management

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

OBJECTIVE 9: Capital Plan Financing

1. Borrowed \$12,935,000 at 1.945% just before historic rises in interest rate. Proceeds are being utilized for utility projects.
2. Created a balanced FY22/23 budget with a robust capital improvement plan
3. As of publication of this report, the majority of the capital improvement plan is funded with a combination of a 2022 bank note and the American Rescue Plan
4. Completed the Annual Comprehensive Financial Report (ACFR) and received an "Excellence in Financial Reporting"

Strategic Planning

The City continues integrating its strategic planning initiative at every organizational level to guide and implement planning and resource allocation that is engrained in community engagement, broad transparency, and measured results. After completing a community-wide visioning exercise to update the

City's Vision Plan, the Commission developed a strategic action plan that reflected the community's priorities to be incorporated into the City's budget process and business plan. The strategic plan is updated annually.

Fiscal Management

The City continues to conduct financial and internal control reviews and update policies to modernize business and accounting practices. The City's current bond ratings are favorable, and the City's current S&P ratings range from AA to A+. The City's Moody's ratings were upgraded to Aa2 from Aa3 for Capital Improvement and Revenue Bonds in January 2023. Fitch ratings currently ranks the City's bonds as AA. These excellent credit ratings have been achieved by a hard fought, long-term commitment to fiscal prudence, refinancing in low interest rate environments, and sound planning. This was made possible by a commitment from elected officials, management, and all departments.

Police Department

The Communications Center merged with the St. Johns County Sheriff's Office E911 Emergency Communications Center in December of 2021. The E911 center is the central nervous system for law enforcement, fire, and medical emergency communications. In 2016 and 2017, St. Johns County experienced Hurricanes Matthew and Irma. The storms revealed that the communications center at the Police Department was inaccessible. The Police Department communications center was relocated to the St. Johns County Fire Rescue Administration Building on Gaines Road. In 2021, a new E911 Communications Center was completed on Agricultural Center Drive. This building is constructed at a Category-5 Structural Rating, with clean and redundant power systems, among other critical infrastructure and will ensure the ultimate safety of all personnel inside during critical incidents.

<u>Year</u>	<u>Total Calls</u>	<u>Arrest Reports</u>
FY 20/21	40,960	1,047
FY 21/22	42,796	1,190

Fire Department

The City of St Augustine Fire Department responded to over 5,200 calls for service. The department is awaiting delivery of a new 100ft aerial truck purchased in the fall of 2021. The truck will replace a 2011 77ft aerial and provide the department with a higher aerial score from ISO as well as enhanced fireground capabilities. The department continues to search for a long-term solution to replace the Island Fire Station. The existing station was built in 1959 and has reached its end of life. In the future, consideration should be given to exploring the feasibility of an expansion to a third station in the north part of the city in the next five years. The fire department once again demonstrated its resiliency and experience as it navigated two similar significant flooding events only 45 days apart. During these events, crews performed over 30 rescues and reported no injuries or damaged equipment.

<u>Year</u>	<u>Calls</u>	<u>Building Fires</u>	<u>Total Fires</u>
FY 19/20	4,009	63	125
FY 20/21	5,295	76	163
FY 21/22	5,391	92	112

Communications

The Communications Department strives to be the single most reliable source of information when it comes to notifying the public about events, programs and initiatives, and all things relating to the City of St. Augustine. The mission is to provide reliable, relevant, and timely information while simultaneously encouraging public engagement and participation.

The City communicates via multiple forms of outreach, including traditional distribution of press releases, social media posts, television, radio, electronic newsletter, and print media. The department also supports communications efforts of the Municipal Marina, Fire Department, Police Department, Archaeology program and the St. Augustine WeatherSTEM. Social media distribution includes Facebook, Twitter, Instagram, and Nextdoor, using standard posts, boosted posts, videos, surveys, podcasts, and graphics. Calendar events are created on Facebook and as appropriate on Nextdoor.

The electronic newsletter, *News & Notes*, is distributed to 3,000 subscribers every Friday morning with news briefs, meeting notices, a link to the City's weekly podcast, outreach campaign blurbs, and more. The radio broadcast of *The Break Room* is a 15-minute interview on Flagler College Radio addressing current issues with key staff which airs four times weekly. This broadcast is also distributed as a podcast on nine different podcasting apps.

Below is a summary of social media platforms and the increase in followers for each entity in FY2022.

	<u>City</u>	<u>Fire</u>	<u>Marina</u>	<u>Police</u>	<u>Archaeology</u>	<u>WeatherSTEM</u>
Facebook	21%	15%	28%	12%	85%	31%
Twitter	22%	N/A	N/A	13%	N/A	62%
Instagram	14%	22%	18%	9%	42%	N/A

General Services

Project St. Augustine's Wish for Its Next Generation (SWING) Rehabilitation

Initially built in 1997, Project SWING has been a popular free attraction for local children and those visiting St. Augustine from around the world. However, as time passed, the playground and features were due for refurbishment. The City, in partnership with the St. Johns County Tourist Development Council, secured \$511,288 in funding to restore the amenities and features of the park. The City also received assistance and collaboration from some original Project SWING construction team members. Items replaced were swings, slides, pressure-treated support posts, new decking for all the structures, and staining the entire facility. These repairs gave the park a much-needed remodel, ensuring the park will continue to benefit local families and visitors for generations to come.

Salt Run Navigation Channel Maintenance Dredging

The City, in conjunction with the St. Augustine Port, Waterway & Beach District (SAPWBD) and the Florida Inland Navigation District (FIND), have been working on a multiple-phase maintenance dredging project in the Salt Run Navigation Channel. The project area begins in the Atlantic Intracoastal Waterway at the St. Augustine Inlet, continues 1.8 miles south, and ends at the Lighthouse Park Boat Ramp. The City has secured three grant awards from FIND totaling \$450,000 and has entered into interlocal agreements with the SAPWBD for matching funds of \$150,000 for continued operation and maintenance dredging. This project allows for the removal of an additional 10,000 cubic yards of spoil within the permitted area and is scheduled to commence in May 2023.

Dolphin Drive Boat Basin Entrance Dredging

The City, with the SAPWBD has been working on reviving a dredging project for the Dolphin Drive Boat Basin Entrance. The entrance, last dredged by the City in 2013, has experienced severe shoaling and is now nearly unnavigable in low tide conditions. As a result, the City secured a \$90,000 grant from the SAPBD. This grant includes funding for a dredging template and design drawings; Army Corps of Engineers and Florida Department of Environmental Protection permit review and application; and dredging and disposal of 1,000 cubic yards of spoil. This project is slated to begin dredging activities immediately following the Salt Run project in March 2023.

The City has also completed several brick-and-mortar projects for critical public utility infrastructure and significant historical importance. One of the projects was the re-roofing of the Visitors Information Center. This building is one of St Augustine's U.S. National Register of Historic Places that required a complete roof replacement for \$534,800. In addition, two of the City's public utility buildings at the Water Treatment Plant also required significant roof repairs totaling \$98,800.

OTHER CITY PROJECTS

Utility Capital Improvements

Lift station maintenance continue to be a high priority. Performing point repairs as well as slip-lining aging sewers to significantly extend the system's lifespan.

Improvements to the City's water and wastewater infrastructure and completing stormwater and flood projects remain top priorities in the City's Strategic Plan and Capital Improvement Plan. These improvements are funded by the American Rescue Plan Act (ARPA) and a recent bank loan was secured to increase capital spending at historically low interest rates to prioritized items. These system improvements increase reliability, resiliency, and customer service. Projects include the rehabilitation of the wastewater treatment plant's headworks and a complete rebuild of the water treatment plant high service pump motor control center. Additionally, increasing security access at both plants will utilize ARPA funding to ensure only authorized personnel can enter the facilities. Improvements to the utilities supervisory control and data acquisition (SCADA) systems are also being implemented using ARPA funding.

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

Significant efforts to continue reducing the amount of inflow and infiltration into the sanitary sewer system. Sewer cleaning, inspection, sewer and manhole lining, and general sewer maintenance continue to be a high priority as well as upgrading the sewer pumping stations (lift stations). The City experienced two hurricanes within fiscal year 2017 which resulted in more than 13 pumping stations damaged and sanitary sewer overflows. The City has developed a master plan to upgrade pump stations within the flood zone to improve resiliency in the event of future flooding. This work qualified for Public Assistance (PA) funding from Federal Emergency Management Agency (FEMA) for replacement of the damaged pump stations. Design for these 13 stations began in fiscal year 2017 and continued in 2018 and 2019. Construction of the 13 stations is substantially complete with final acceptance anticipated in April 2023. The City experienced two major storms, Ian and Nicole, in 2022. All 13 lift stations performed as designed with no impacts from these storms.

Stormwater

The stormwater system remains at the forefront of major infrastructure issues for the City. The Stormwater division faced staffing challenges but still managed to perform all the necessary maintenance and cleaning of the stormwater system. Since 2017, the City has successfully leveraged state and federal dollars to complete several flood mitigation and stormwater related projects reported on previously. In fiscal year 2020, the City was awarded a grant from the Florida Department of Environmental Protection through its Florida Resilient Coastlines Program to install 10 additional tide check valves, bringing the total number of installed tide check valves Citywide to 43. The remaining 60+ stormwater outfalls will be prioritized for retrofitting as part of the Stormwater Outfall Resiliency Retrofit Master Plan (to be completed April 2023). The City received a grant for \$200,000 in late 2022 to install additional tide check valves. This work will commence in Summer 2023.

The City still has federal funding available from FEMA through its Hazard Mitigation Grant Program (HMGP) for Phase 1, which covers a portion of the design for the Lake Maria Sanchez Flood Mitigation and Drainage Improvements, and for Phase 2 for the construction of the South Whitney West King Street Flood Mitigation and Drainage Improvements. The Phase 1 design for the Lake Maria Sanchez project is still underway; however, the project is behind schedule due to private property easements required to finish the permitting and design. The City is working through the issues and expects to resolve them in FY2023. For Phase 2 (construction) of the Lake Maria Sanchez project, the City has received federal funding (American Rescue Plan) through FDEP's Resilient Florida program to help with the anticipated construction costs for the project. The Phase 1 design for South Whitney and West King Street is complete. FEMA has approved this project for Phase 2 (construction); however, they only initially funded 25% of the estimated construction costs. The City has requested an increase in FEMA funding to bring the funding ratio up to 75% federal-and the City would be responsible for the remaining construction costs.

Phase 1 design funding for the Avenida Menendez Flood Barrier has been secured to rehabilitate and reinforce the existing seawall to support the final section of seawall that needs to be elevated to match the existing north and south portions of the recently completed Bayfront Park project and the newer completed section of the Avenida Menendez Seawall. Phase 1 for this project was submitted to FEMA for approval in FY2022 with construction anticipated to start in late 2023.

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

Sustainability

The City’s sustainability initiatives are implemented through the Environmental Compliance Division (ECD). Programs that have been developed and initiated include the following:

- Internal City Sustainability Program – The ECD, with the assistance of a consultant, completed the goals and initiatives for the City to reduce it’s environmental impact. This document was produced with input from representatives of every department and division. The ECD has been conducting scheduled meetings with core city personnel to implement the goals and initiatives.
- Collection Events – The ECD schedules 2 to 3 collection events throughout the year for residents and businesses. The events allow city residents to drop off documents for shredding, used electronics, and cooking oil.
- Residential Tree Planting – The ECD implemented a residential tree planting program that allows city staff and its contractor to install a tree on private property. This program was introduced after the city experienced major storms in 2017 that severely impacted the tree canopy. Since the program’s inception, the City has installed over 120 trees on private property.
- Residential Compost Bins – The ECD, along with the Solid Waste Division started giving residents a compost bin in an effort to reduce the amount of organic waste going to a landfill. In 2021-2022, the City provided 50 compost bins to residents at no charge. It is anticipated that another 50 bins will be available during 2022-2023.

Planning and Building

<u>Building Permits Issued</u>		<u>Total Valuation</u>
FY 19/20	1668	\$ 63,799,935.83
FY 20/21	1910	\$ 82,238,548.09
FY 21/22	1993	\$ 113,768,056.47

<u>Private Development Projects</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Projects Submitted for Review	39	36	37
Projects Approved	36	31	26
Projects Starting Construction	22	14	12
Projects Completed/Closed Out	19	9	14

ECONOMIC DEVELOPMENT

Marriott Tribute Hotel - 5 Prawn Street

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

Hilton Homewood Suites Hotel - 10 Prawn Street

The new Hilton Homewood Suites is completed and open for business. This is a 117-room full-service hotel and marina on the San Sebastian River on Prawn Street, with direct access to downtown St. Augustine and the Historic Districts.

Hilton Garden Inn – 1600 North Ponce de Leon Boulevard

The new Hilton Garden Inn is completed and open for business. This is an 89-room hotel with easy access to Highway US 1 and downtown.

Comfort Suites Hotel - US 1 North

A new Comfort Suites Hotel is under construction. This is an 86-room hotel with easy access to Highway US 1 and downtown.

Marriott Renaissance – 6 West Castillo Drive

The new Marriott Renaissance on West Castillo Drive is complete and open for business. This is an 89-room hotel adjacent to the historic districts, on a redeveloped site that was approved through a rigorous design process.

Lincolnvile Development Activity

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

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

Riberia Street

Riberia Street infill development is ongoing with residential cottages and a new restaurant, the St. Augustine Fish Camp.

San Marco Avenue

Along San Marco Avenue, the rehabilitation of the city-owned Waterworks Building is complete. Also, on San Marco Avenue at the May Street intersection, the Florida Department of Transportation completed a lengthy redevelopment of this busy intersection in 2021, improving access to St. Augustine and the Beaches.

King Street

The city created and passed a new Mobility Oriented land use category for the comprehensive plan and a compatible zoning district. These relate to the potential mobility oriented development of the “Broudy” property at the corner of West King Street and Ponce de Leon Boulevard, designed to include a peripheral parking facility as outlined in the City’s Mobility Plan.

Antigua at St. Augustine

The Antigua at St. Augustine development includes a high-end apartment development with 200 units, and a townhouse and single-family home development with 165 units. Docks and viewing platforms have been constructed along the north side of the development for residential access to the water and a public access walkway is planned for the apartment site. These developments will continue into 2022, several building permits have been issued and completed for single family homes east of the apartments and townhouses. The project is nearly built out.

Plantation Island Drive North

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

Plantation Island Drive South

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

The Landing

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

Flagler Crossing

Flagler Crossing is a multifamily development with 330 units, located west of The Landing. It includes an agreement to provide defined affordable housing.

Madeira

Madeira is a fully entitled 750-unit residential development with companion commercial development and a future 11-acre public park along the east side of U.S. 1 North. This project is currently under construction and developers continue to move forward to plat phases and construct the approved infrastructure. Close to 295 homes have been permitted and completed with additional units currently under construction.

Real Estate Development, Business Development and Regulatory Updates

Real estate development in the city continues to be robust. New business activity is also very active, with the food and beverage industry and vacation rental industry showing interest in St. Augustine. The Planning and Building Department manages all aspects of building permit review, building permit inspections and business licensing.

The Planning and Building Department is undertaking several major projects along with managing this period of growth and gentrification in St. Augustine. A complete update to the city's Comprehensive Plan was adopted in July 2020. This statutorily required update includes a new Water Supply Work Plan, a new Mobility Plan, the new "Perils of Flooding" plan to address sea level rise and resiliency, and the framework to recognize the need for workforce housing and more affordable housing options within the city.

The department finished the update to the Design Standards for each corridor, zoning overlay districts which regulate the appearance of new development along these important entry corridors to downtown. The Planning and Building Department continues to process updates to the Land Development Code and annexations, rezoning, and amendments to the Future Land Use Map of the Comprehensive Plan.

Transportation and Mobility Planning

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

Mobility Planning

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

Smart Parking and Freight Loading Zone Management Study

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

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

All Loading zones throughout the City have been inventoried and are being improved as budget and time allows. Truck routes have been developed and are being improved. The City has selected parking vendors and launched a smart parking system for the City's on-street and off-street parking lots. New services have been deployed such as a mobile pay application to pay for parking and a new parking management platform that creates a real-time parking enforcement environment and allows for parking citations to be paid online. Due to Covid-19 the city had to postpone overhauling the parking garage's access management system and integrating it into the on-street and off-street parking system to create a fully integrated parking system. The city anticipates making these improvements in 2022/2023. The City completed a digital permit system that can be managed via the newly deployed parking management system.

The smart parking initiative has been well received by the FDOT and as a result the state submitted for a federal RAISE grant and won it changing the project from \$7.5 million to a total of \$15,391,882. There is zero cost by the city as the grant is composed of state and federal dollars only.

Bikeshare

The City entered a contract with Gotcha, LLC to operate a bikeshare system within city limits. The program is funded by sponsorship, and Flagler Health Plus is the main sponsor and has agreed to sponsor the program for five (5) years. All permits and board approvals were acquired in 2019. The system launched in Summer 2021 and had promising ridership numbers for the new service through the end of the fiscal year.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Reporting Achievement

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

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



John P. Regan, P.E.
City Manager



Mark E. Simpson, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of St. Augustine
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

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Principal City Officials

City of St. Augustine

Comprehensive Annual Financial Report For the Year Ended September 30th, 2022

Principal City Officials

City Commission

Mayor-Commissioner.....	Nancy Sikes- Kline
Vice Mayor-Commissioner.....	Roxanne Horvath
Commissioner.....	Barbara Blonder
Commissioner.....	Cynthia Garris
Commissioner.....	James Springfield

City Staff

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

City Boards & Committees

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

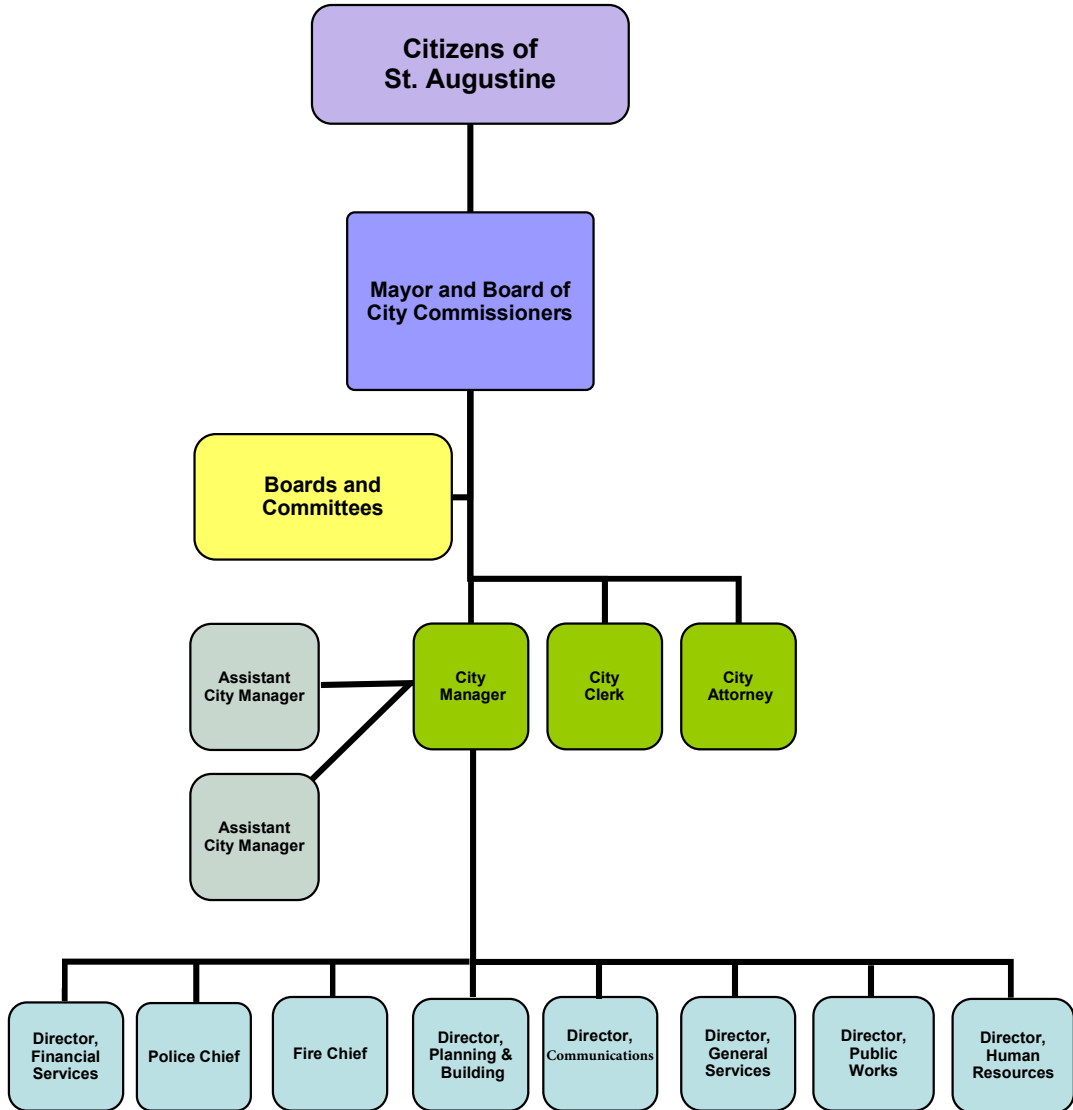
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Organizational Chart

City of St. Augustine

Comprehensive Annual Financial Report For the Year Ended September 30th, 2022

City Government Organizational Chart



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FINANCIAL SECTION

This Section Contains the Following:

Independent Auditors' Report

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

Basic Financial Statements

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

Combining Statements

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

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Augustine, Florida (the City) as of and for the year ended September 30, 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Fire Pension Trust Fund, which represent 16%, 16% and 33% respectively, of the assets, net position and additions to the pension trust fiduciary fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the Fire Pension Trust Fund, is based solely on the report of the other auditors.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information as listed in the table of contents and 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

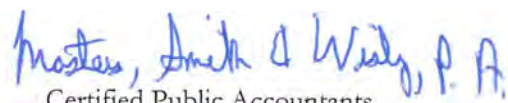
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


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

March 31, 2023

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Management Discussion & Analysis

Management Discussion and Analysis

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

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

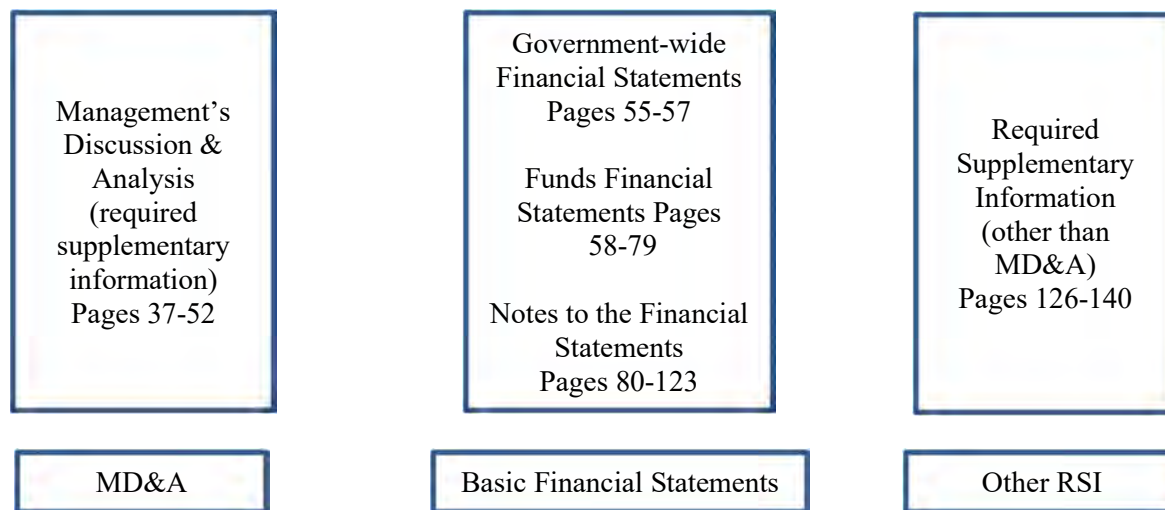
Financial Highlights

- The City's total assets and deferred outflow of resources exceeded its total liabilities and deferred inflow of resources at September 30, 2022 by \$179,417,577 (net position). Of this, \$34,548,900 (unrestricted) can be used to meet the government's ongoing obligations to citizens and creditors. The City's net position increased during the fiscal year by \$27,576,012 (18%)
- Governmental net position increased by \$11,319,412 for the current fiscal year and increased governmental unrestricted net assets to \$14,681,088 (39%) of total net position.
- Business-type net position increased by \$16,256,600 for the current fiscal year and business-type unrestricted net assets were equal to \$19,867,812 (14%) of total net position.
- The governmental activities program revenues increased by \$6,805,300. The current year's activities produced an increase in net assets of \$11,319,412 compared to the previous year's increase of \$6,889,641. Approximately \$5 million of this increase is due to unspent American Rescue Plan Act funds which are restricted on the Statement of Net Position.
- The business-type activities program revenue increased by \$11,565,029. Business-type activities reported \$2,747,636 in Capital Grants and Contributions in the prior fiscal year. This year, those revenues made up \$7,324,195 of business-type activities which represents a \$4,576,559 increase. FEMA reimbursement for lift stations damaged by Hurricane Matthew is a large component of the increase.
- The City's total debt associated with bonds and lease obligations increased by a net \$8,796,044 during the fiscal year. This increase is primarily due to a \$12.9 million bank loan for water & sewer projects. \$4.1 million of principal was paid in fiscal year 2022.
- The fiscal year 2022 budget was developed in the summer of 2021 with a high degree of uncertainty regarding inflation and supply chain shortages. Continued labor shortages provided the City with budgetary surpluses in all funds. As of this publication, the fiscal year 2023 budget is on track with no challenges to report.
- The City feels like the strong results of fiscal year 2022 may appear distorted due to unprecedented stimulus paid up front by the Federal Government, and management does not anticipate achieving similar results in the future. The spending of the American Rescue Plan Act funds in future fiscal years may lead to deficits.

Overview of the Financial Statements

Using the Annual Report

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



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

Government-wide Financial Statements

The government-wide financial statements found on pages 55-57, report on the City as a whole. The statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. There are two government-wide statements. Both distinguish functions of the City that are principally supported by taxes, licenses and permits, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

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

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

Fund Financial Statements

The fund financial statements found on pages 58-79, are more familiar to the traditional users of governmental financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The City chose to

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

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

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

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

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

Notes to the Financial Statements & Other Information

The notes to the financial statements begin on page 80 and provide additional information essential for a full understanding of the data provided in the government-wide and fund financial statements. The required supplementary information includes the schedules of funding progress and contributions for the fiduciary funds. The combining statements include the fiduciary funds combined. Additional statistical information is presented to give users of the report a historical perspective and to assist in determining the City's current financial trends.

Financial Analysis

City as a whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$179,417,577 as of September 30, 2022. A portion of the City's net position of \$119,754,824 (67%) reflects the net investments in capital assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending.

Restricted net position of the City in the amount of \$25,113,853 is reported in both governmental and business-type activities. This restricted net position has limits on its use that are externally imposed.

Unrestricted net position of the City in the amount of \$34,548,900 can be used to meet the City's ongoing obligations to citizens and creditors. The terms restricted and unrestricted are governed by generally accepted accounting principles and do not fully consider City management decisions regarding spending limitations. Accounting principles may not restrict some amounts that have been earmarked for future uses governed by policy decisions and plans. Despite large increases in net position, unrestricted net position only increased by \$1,888,440 due to the restricted nature of ARPA funds received as well as a large increase in net investment in capital assets.

Fiscal year 2022 continued to see a larger than normal appetite for travel, and revenues remained high with a busy Fourth of July fireworks show and large crowds on summer vacations. The City set records for parking garage revenues and expenditures were down again due to labor shortages. As of the date of publication, tourism and the overall economy are showing signs of a slow-down that management is prepared for.

Property tax revenue from new construction and rehabilitation continues to grow annually. The State of Florida remains a popular place to relocate and large increases in population are occurring in St. Johns County. With no state income tax and a warm climate, many former visitors have now made St. Augustine their permanent home.

The tourism economy and revenue associated with this industry, including parking fees, sales tax, and tourist development taxes continued to directly reflect the market today. The city's streets, hotels, and tour trains are full of visitors year-round.

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

The American Rescue Plan Act awarded the City almost \$8 million dollars, which was received up front in fiscal year 2022. The Commission approved the use of these funds which are governed by the United States Treasury. Additionally, the City has been awarded \$26 million dollars of grants from the Florida Department of Environmental Protection to complete several much needed resiliency projects to protect the City from flooding.

CITY OF ST. AUGUSTINE, FLORIDA
Summary of Net Position as of September 30, 2022, with comparative data for 2021
(In thousands)

	Governmental		Business-type		Total Primary Government	
	Activities		Activities		Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	39,763	25,271	54,703	33,704	94,466	58,975
Capital Assets	33,900	32,909	134,539	128,905	168,439	161,814
Total Assets	\$ 73,663	\$ 58,180	\$ 189,242	\$ 162,609	\$ 262,905	\$ 220,789
Contributions to Pension Plans	11,805	4,777	2,932	1,050	14,737	5,827
OPEB Plan	139	190	61	82	200	272
Unamortized Loss on Refunding	1,800	1,894	588	639	2,388	2,533
Total Deferred Outflow of Resources	\$ 13,744	\$ 6,861	\$ 3,581	\$ 1,771	\$ 17,325	\$ 8,632
Current and Other Liabilities	3,181	7,105	8,531	5,963	11,712	13,068
Long-Term Debt Outstanding	40,099	23,828	42,002	29,998	82,101	53,826
Total Liabilities	\$ 43,280	\$ 30,933	\$ 50,533	\$ 35,961	\$ 93,813	\$ 66,894
Pension Deferrals	504	7,899	-	2,332	504	10,231
Lease Deferrals	6,224	-	-	-	6,224	-
OPEB Deferrals	189	317	83	137	272	454
Total Deferred Inflow of Resources	\$ 6,917	\$ 8,216	\$ 83	\$ 2,469	\$ 7,000	\$ 10,685
Net Position:						
Invested in Capital Assets, Net of Related Debt	12,841	10,975	106,914	99,546	119,755	110,521
Restricted	9,689	2,402	15,424	6,259	25,113	8,661
Unrestricted	14,681	12,515	19,868	20,145	34,549	32,660
Total Net Position	\$ 37,211	\$ 25,892	\$ 142,206	\$ 125,950	\$ 179,417	\$ 151,842

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Activities for Year Ended September 30, 2022, with comparative data for 2021
(In thousands)

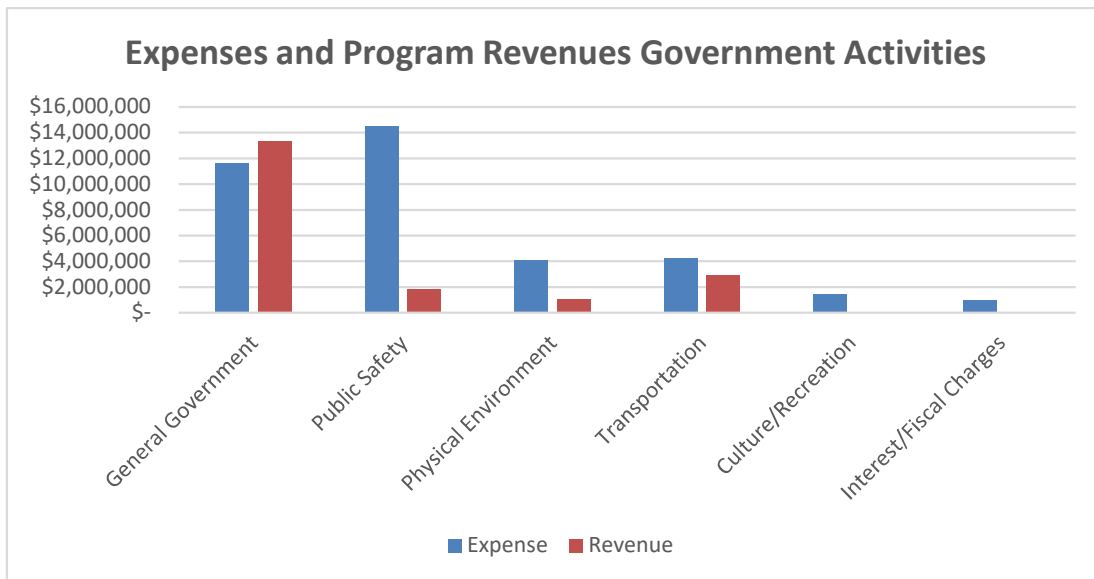
	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	2022	2021	2022	2021	Government	2021
Revenues						
Program Revenues						
Charges for Services	\$ 11,037	\$ 9,566	\$ 42,651	\$ 35,663	\$ 53,688	\$ 45,229
Operating Grants and Contributions	51	1,638	-	-	51	1,638
Capital Grants and Contributions	8,040	1,119	7,324	2,748	15,364	3,867
General Revenues						
Taxes	22,163	20,623	-	-	22,163	20,623
Fees	2,368	1,731	-	-	2,368	1,731
Revenue Sharing	801	742	-	-	801	742
Investment Income	250	46	324	54	574	100
Miscellaneous	2,115	2,485	693	454	2,808	2,939
Total Revenues	46,825	37,950	50,992	38,919	97,817	76,869
Program Expenses Including						
Indirect Expenses						
General Administration	11,642	10,169	-	-	11,642	10,169
Public Safety	14,508	12,561	-	-	14,508	12,561
Physical Environment	4,062	3,231	-	-	4,062	3,231
Transportation	4,258	3,854	-	-	4,258	3,854
Culture Recreation	1,470	1,328	-	-	1,470	1,328
Interest Fiscal Charges on Long-term Debt	961	1,115	-	-	961	1,115
Utilities	-	-	17,516	16,674	17,516	16,674
Stormwater	-	-	1,730	1,650	1,730	1,650
Solid Waste	-	-	5,217	4,350	5,217	4,350
Municipal Marina	-	-	4,775	3,342	4,775	3,342
Visitors Information Center	-	-	4,103	4,146	4,103	4,146
Total Expenses	36,901	32,258	33,341	30,162	70,242	62,420
Increase in Net Position						
Before Transfers	9,924	5,692	17,651	8,757	27,575	14,449
Transfers	1,395	1,198	(1,395)	(1,198)	-	-
Increase (Decrease) in Net Position	11,319	6,890	16,256	7,559	27,575	14,449
Net Position - Beginning	25,892	19,002	125,950	118,391	151,842	137,393
Net Position - Ending	\$ 37,211	\$ 25,892	\$ 142,206	\$ 125,950	\$ 179,417	\$ 151,842

Governmental Activities

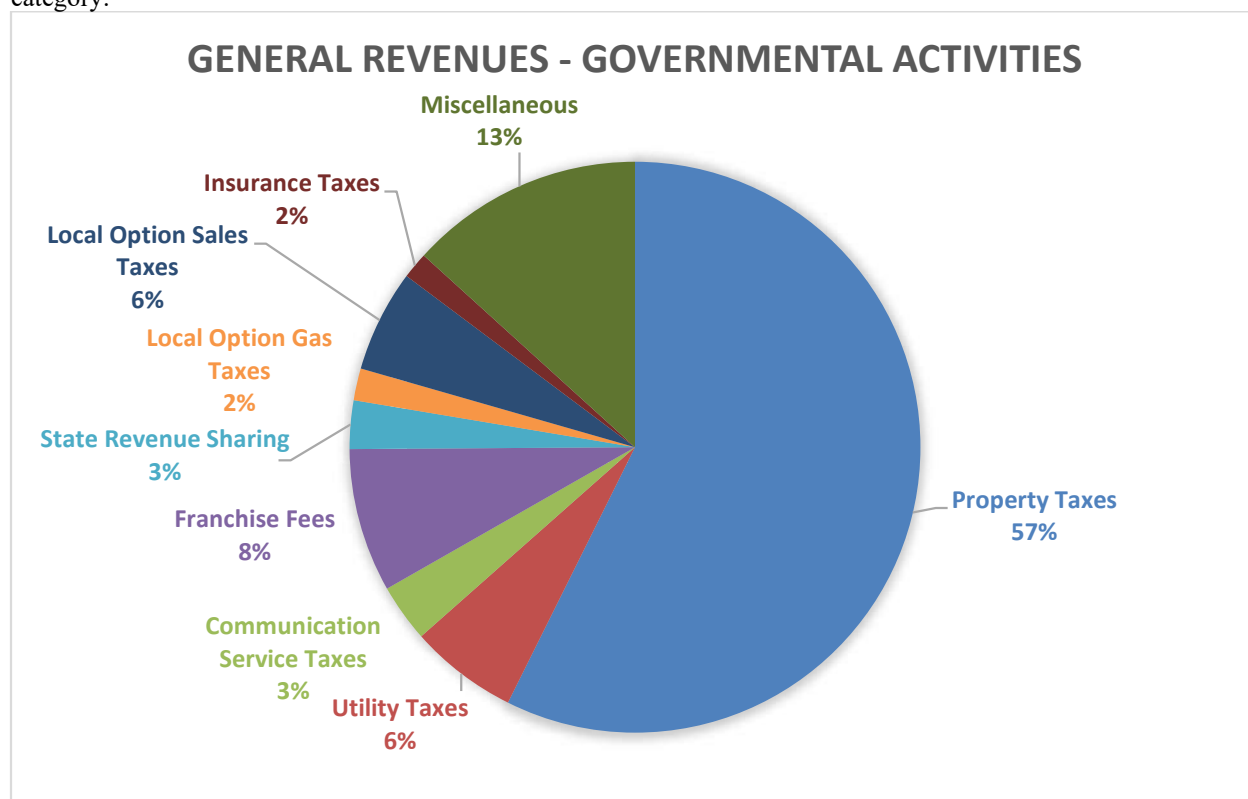
Governmental activities resulted in an increase in the City's net position of \$11,319,412.

The fiscal year 2022 budget was created and adopted in the summer of 2021 with anticipated pre-pandemic revenues. A conservative approach was used, and management relied on the State of Florida for several of its revenue estimates which were also conservative. Actual results reflected a continued uptick in the economy of the State of Florida especially in tourism destinations. An examination of the budget to actual on page 55 reflects that the large surplus was primarily due to ARPA revenues. Additionally, the City continued to struggle with the labor market and a large number of vacancies led to expenditure surpluses.

Program revenues are revenues that can be assigned or are attributable to a specific program. These revenues account for \$19,128,524 (40%) of total governmental activities revenue. The chart below shows governmental activities by program with their respective expenses and revenues.



General revenues are revenues that fail to meet the criteria of program specific revenues. General revenues account for \$29,091,071 (60%) of total governmental activities revenue. The chart below shows total general revenues by category.



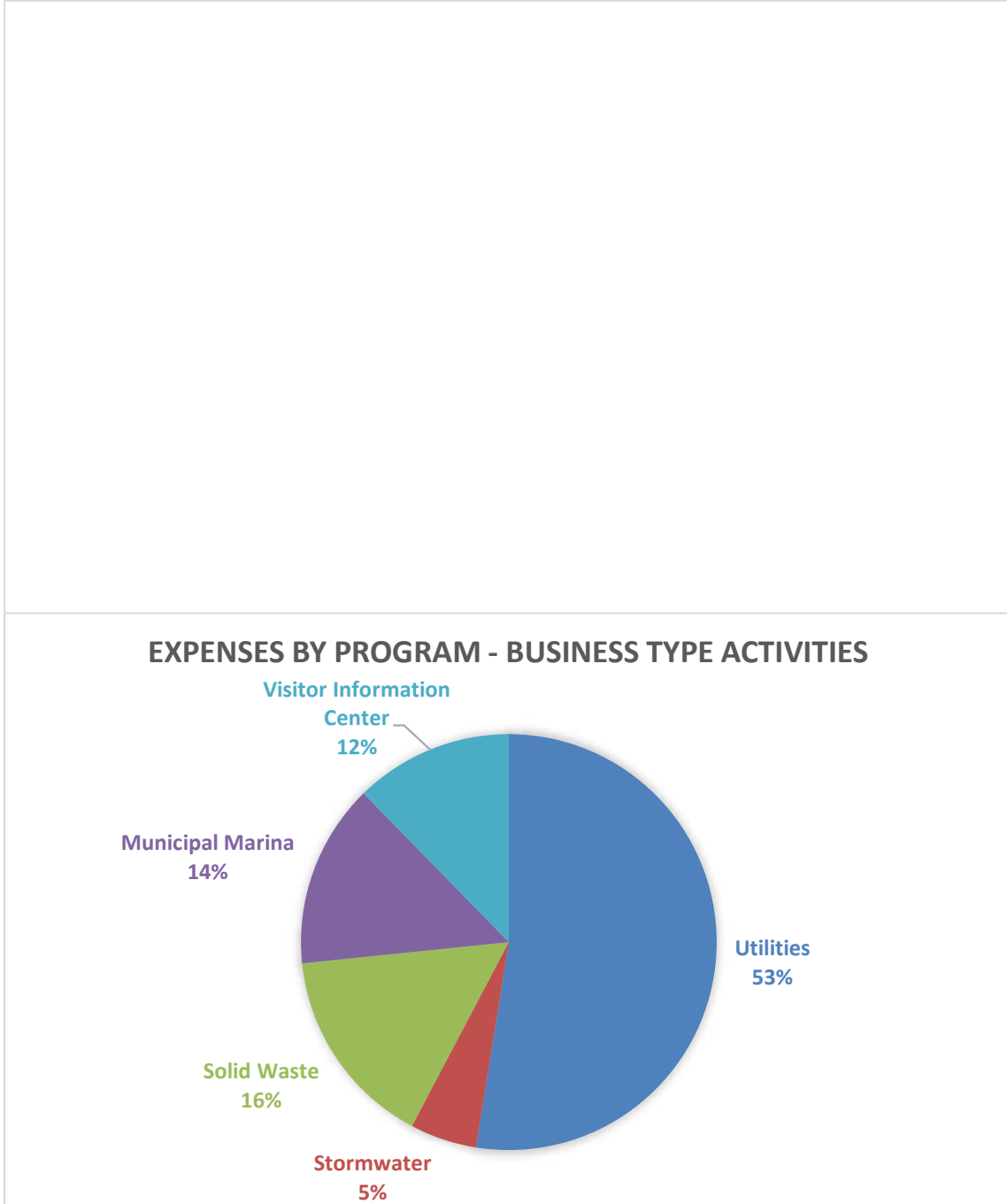
Business-type Activities

Business-type activities increased the City’s net position by \$16,256,600. Key elements of this increase are as follows:

- The Utility fund received capital grants and contributions of \$7,043,937 and had operating income of \$7,556,553. Fiscal year 2022 saw CPI rate increases of approximately 5%. For fiscal year 2023 rates were increased by 4% which was much less than the 9.1% CPI.
- The Stormwater fund continues to struggle with its net position due to depreciation. It sustained an operating loss of \$459,450 but depreciation was \$752,548. Further small rate increases were implemented in fiscal year 2022 and 2023. Net position remains favorable.
- The Solid Waste Fund performed better in fiscal year 2022 due to a \$5 per month rate increase. It sustained an operating loss of \$381,649 with depreciation expense of \$342,124. Another \$60 per year rate increase per account was adopted for the fiscal year 2023 budget to assist the operation. Tipping fees continue to be a challenge to budget for as inflation remains high. The expectation is a new fleet of vehicles will bring repair costs down and decrease the demand for labor.
- The Municipal Marina fund had positive results with revenues exceeding budgets by 8% and operating income of \$809,348. Its unrestricted fund balance is 90% of annual budgeted revenue.
- The Visitor Information Center (VIC) parking garage revenues were 25% more than budgeted and after the large transfers for debt service, mobility and historic preservation the VIC was still able to increase net assets by \$2,072,047 and achieve a positive net position of \$117,917.

Program revenues are revenues that can be assigned or are attributable to a specific program. These revenues account for \$49,975,641 of total business-type activities revenue.

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



Governmental Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$31,149,716 an increase of \$11,232,407 (27%) from the previous fiscal year. A \$1.17 million increase in ad valorem tax collections combined with larger than budgeted other revenues such as grants, sales tax, and utility taxes were the reasons for this increase in General Fund reserves. The main driver of the large increase in fund balance is the advanced receipt of the American Rescue Plan Act & other grants totaling \$8,063,763 most of which is restricted for capital projects on the Balance Sheet.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,743,107, while the total fund balance was \$29,035,020. The total fund balance shows an increase of \$10,753,237 (59%) from the previous fiscal year and the unassigned fund balance of the General Fund shows a decrease of \$1,725,303 compared to the previous year.

As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to the general fund expenditures. It should be noted that four months of operating revenues totaling \$15,338,822 are committed due to the City's reserve policy. This combined with unassigned fund balance of \$3,743,107 leaves the City with reserves to cover five months of operating expenses.

The Debt Service Fund is the fund used to set aside resources to meet current debt service requirements on general long-term debt. It is important to note that this fund does not have an adopted budget, however the debt service requirements are contained in a transfer from the General Fund.

The Special Revenue Funds maintain certain revenue to be used for a specific purpose. The City's Special Revenue Funds report the Historic Area Community Redevelopment Area and the Lincolnville Community Redevelopment Area. The Historic Area Community Redevelopment fund transfers nearly its entire fund balance to the Visitor Information Center fund to help pay the debt service on its parking structure. The Community Redevelopment Plan is being amended to address the extension of the operational timeframe and expound upon language related to parking and mobility efforts within the CRA boundaries.

The Lincolnville Community Redevelopment Area adopted an amendment in June of 2017, and it is the guiding principle for determining budget allocations and financial expenditures. The Plan Amendment defines three main components of the Lincolnville Community Redevelopment Area. The plan thoroughly captures the importance of prioritizing the integrity of Lincolnville's history and heritage, as well as maintaining the community's character through the redevelopment process.

The preservation of African American Heritage and the retention of long-term residents is accomplished with funding allocations for the Fix-It-Up Grant Program. This program awards qualified residents with a maximum grant of \$20,000. Grant funds are used to provide health and safety repairs to residential property. The initial program guidelines awarded \$7,000 grants to qualifying residents. Residents who initially matriculated through the program and received the \$7,000 grant could qualify to receive additional funding of \$13,000, which would equate to the full \$20,000 grant. During Fiscal Year 2022, the program budget was \$215,000. This program budget is inclusive of newly allocated funds and carryforward from the prior fiscal year. Program spending was at 15 percent. Because of the decline in program spending from prior years, the City Commission tasked the CRA Manager with determining the future direction of the program and developing a program model that would increase interest.

To preserve the historic character of Lincolnville the Institutional Rehabilitation Grant Program was established. The rehabilitation program focuses on revitalizing blighted, historic structures. Phase II of the First Baptist Church restoration project was initiated during FY 2022. Funds allocated for this second and final phase of the project were

\$462,177. An additional \$250,000 was earmarked for future Institutional Rehabilitation Grant Program projects. About 8 percent of the funds allocated were used during FY 2022.

Neighborhood improvements and beautification is the third component outlined in the Lincolnville Community Redevelopment Plan Amendment. This component focuses on the overall presentation of the community. Funds are allocated to developing concepts, redesigning streets, reimagining main corridors, resurfacing, and installing sidewalks, developing, and enhancing pocket parks, as well as the development of an urban forestry program. Not inclusive of the prior year's surplus, the Agency budgeted \$421,832 for overall neighborhood infrastructure and beautification. Including the carryforward from prior fiscal years, the line item totaled \$622,000. Inclusive of carryforward and newly allocated funds, \$300,00 was earmarked to absorb the cost related to the development of a landscape masterplan. The plan includes developing a specific masterplan for the improvement of over 25 acres of recreational space in the LCRA. The additional monies were allocated to fund pocket park projects throughout the CRA and continued design of the Dr. Martin Luther King, Jr. Ave. Streetscape Project, tree planting, neighborhood sidewalks, and general beautification efforts.

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

Proprietary Funds

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

CITY OF ST. AUGUSTINE, FLORIDA
Summary of Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2022

	Utility	Stormwater Drainage	Solid Waste	Municipal Marina	Visitors Information Center	Total Proprietary
Net Position - Beginning	\$ 103,265,384	\$ 15,277,498	\$ 1,355,737	\$ 8,005,276	\$ (1,954,130)	\$ 125,949,765
Changes in Net Position	14,366,310	(607,911)	(463,034)	889,188	2,072,047	16,256,600
Total Net Position	\$ 117,631,694	\$ 14,669,587	\$ 892,703	\$ 8,894,464	\$ 117,917	\$ 142,206,365

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

Net Position as of September 30, 2022

	Utility	Stormwater Drainage	Solid Waste	Municipal Marina	Visitors Information Center	Total Proprietary
Net Investment in Capital Assets	\$ 90,529,473	\$ 13,693,733	\$ 965,073	\$ 5,794,692	\$ (4,069,098)	\$ 106,913,873
Restricted	15,424,680	-	-	-	-	15,424,680
Unrestricted	11,677,541	975,854	(72,370)	3,099,772	4,187,015	19,867,812
Total Net Position	<u>\$ 117,631,694</u>	<u>\$ 14,669,587</u>	<u>\$ 892,703</u>	<u>\$ 8,894,464</u>	<u>\$ 117,917</u>	<u>\$ 142,206,365</u>

Cumulatively, the proprietary funds had a \$16,256,600 increase in net position. Key factors pertaining to this increase are as follows:

- The Utility Fund had operating income of \$7,556,553 and capital grants and other capital contributions of \$7,043,937.
- The Stormwater Fund incurred an operating loss of (\$459,450). Net transfers out of (\$171,615) and capital grants revenue of \$17,239 resulted in a decrease in net position of (\$607,911). The City increases rates annually in attempt to keep the fund solvent. The non-cash depreciation of \$752,548 is the primary reason for the annual deficit.
- The Solid Waste Fund had an operating loss of (\$381,649). Net transfers out of (\$149,713) and operating grants of \$62,835 lead to an overall decrease in net position of (\$463,034).
- The Municipal Marina Fund earned operating income of \$809,348. Net transfers out of (\$132,466) which lead to an increase in net position of \$889,188.
- The Visitor Information Center Fund had operating income of \$2,725,672. Interest expense of \$739,848 and net transfers in of \$51,261 resulted in an increase in net position of \$2,072,047 for this fund.
- The operating income of each fund is structured so that it meets or exceeds operating expenses. Operating income that exceeds operating expense is used to meet non-operating needs such as interest expense and transfers out to other funds, however depreciation is not taken into consideration during the budget process. The budgets are developed with a cash basis in mind taking into account the purchase of capital assets rather than their annual depreciation.

General Fund Budgetary Highlights

The final amended budget for revenues and expenditures in the General Fund changed substantially during the course of fiscal year 2022. A total of \$6 million was added to the general fund budget for the American Rescue Plan and other higher than anticipated revenues. The expenditure budget was increased by \$9.4M to account for prior year purchase orders and appropriations relating to the American Rescue Plan. All budgetary policies and controls were adhered to throughout the year. A cursory review of the actual revenue compared to budgets will inform the reader that the City experienced positive results in fiscal year 2022. Insurance premium tax revenue and rental income were only slightly below budget. On the expenditure side, only public safety exceeded their budget slightly (1.1%). (See budget to actual comparison on page 65)

Capital Asset and Long-term Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$168,438,432 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 6,824,622	\$ 6,824,622	\$ 1,401,829	\$ 1,401,829	\$ 8,226,451	\$ 8,226,451
Buildings	8,228,105	8,564,083	24,534,544	24,812,006	32,762,649	33,376,089
Infrastructure	13,646,951	14,346,523	101,423,923	96,599,193	115,070,874	110,945,716
Machinery	3,338,449	3,068,588	2,969,252	3,453,411	6,307,701	6,521,999
Total	<u>32,038,127</u>	<u>32,803,816</u>	<u>130,329,548</u>	<u>126,266,439</u>	<u>162,367,675</u>	<u>159,070,255</u>
Work in Progress	1,861,822	105,402	4,208,935	2,638,796	6,070,757	2,744,198
Total	<u>\$ 33,899,949</u>	<u>\$ 32,909,218</u>	<u>\$ 134,538,483</u>	<u>\$ 128,905,235</u>	<u>\$ 168,438,432</u>	<u>\$ 161,814,453</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail on pages 94-95 of the Notes to the Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 32,909,218	\$ 128,905,235	\$ 161,814,453
Additions	3,050,628	13,744,326	16,794,954
Retirement	(11,312)	(408,074)	(419,386)
Depreciation	(2,048,585)	(7,703,004)	(9,751,589)
Ending Balance	\$ 33,899,949	\$ 134,538,483	\$ 168,438,432

Governmental Activities:

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

Martin Luther King Streetscape	\$ 55,600
Brick Street Refurbishment	269,496
Fire Apparatus	1,108,132
San Marco Landscaping	81
Project Swing	323,611
Mobility and Parking Improvements	104,902
Total	\$ 1,861,822

Business Type Activities:

Construction in progress is composed of the following at September 30, 2022:

Lift Station Rehabilitation	\$	323,908
Visitors Information Center Roof		665,235
May Street Intersection (Phase II)		396,342
High Service Pumps Overhaul		53,785
Wastewater Treatment Plant		534,021
St. Francis Sewer Replacement		16,800
Lift Station 51 and 52 Forcemain		977,667
West Augustine Septic to Sewer		50,159
Lake Maria Sanchez Drainage		127,350
Sevilla Street Rebuild and Rebrick		91,726
Coquina Ave Stormwater Project		33,931
King Street Drainage Improvements		109,445
King Street Water Main		29,970
Pearl Street Improvements		49,042
South Whitney & West King		184,193
South Dixie Highway Improvements		227
Tidflex Valves Improvements		565,134
Total	\$	4,208,935

Long-Term Debt

The City borrowed an additional \$12,935,000 for water & sewer capital projects in March of 2022. A bank loan was utilized secured by the net revenues of the water and sewer system. The City was able to secure the loan in a historically low interest rate environment and is paying 2.01%. This is a twelve-year loan.

At the end of fiscal year 2022, the City had total debt outstanding (excluding compensated absences and other post-employment benefits) of \$62,622,084. All of this debt is secured solely by specified revenue sources.

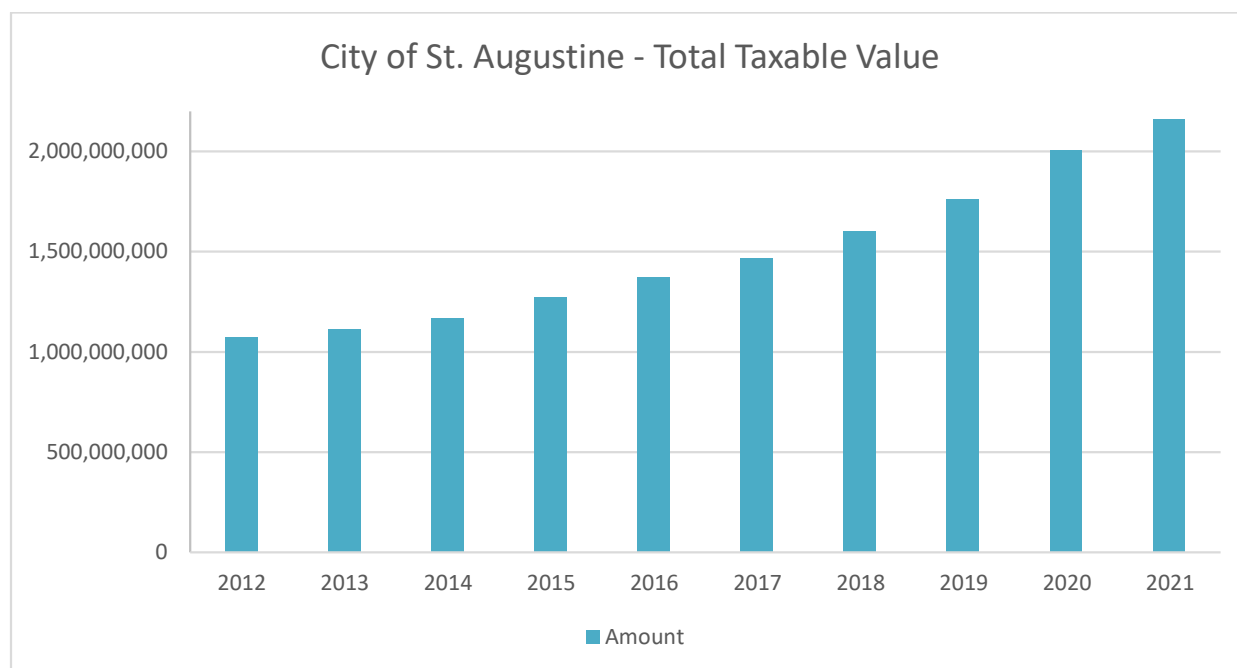
More detail on the long-term debt is presented on pages 98-105 of the Notes to the Financial Statements.

Outstanding Debt at Year End		
	2022	2021
General Long-Term Debt & Obligations		
Capital Improvement and Refunding Revenue Bonds	\$ 18,117,621	\$ 18,295,453
Capital Improvement Refunding Revenue Note	3,226,960	3,608,176
Unamortized (Premium) Discount	1,829,896	1,924,389
Total General Long-Term Obligations	\$ 23,174,477	\$ 23,828,018
Proprietary Fund Long-Term Obligations		
Capital Improvement and Refunding Revenue Bonds	\$ 15,332,380	\$ 16,089,547
Capital Improvement Refunding Revenue Note	1,598,040	1,786,824
Water and Sewer Revenue Bonds	1,890,000	3,695,000
Water and Sewer Revenue Note	12,935,000	-
Revolving Fund Loan DW 550410	6,611,323	7,074,040
Unamortized (Premium) Discount	1,080,864	1,352,611
Total Proprietary Long-Term Obligations	\$ 39,447,607	\$ 29,998,022
Total Long-Term Debt & Obligations	\$ 62,622,084	\$ 53,826,040

Economic Factors

The City primarily relies on property and a limited array of permitted or other taxes and fees for governmental activities. There are a number of state-shared revenues and recurring and non-recurring grants from both the state and federal governments. In addition to new construction and renovations, the tax values of existing properties have seen high rates of increase. This trend is expected to continue in the 2022-2023 fiscal year.

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



As of the date of publication the City has expended and committed to \$3.3 million of its' American Rescue Plan Act funding. Major investments in cyber security upgrades have been made, several police cars have been purchased, and the City's portion of the Back Bay Study has been paid. Additionally, the City has ordered several solid waste vehicles to replace its aging fleet.

The Capital Improvement Plan saw advancement in fiscal year 2022 with \$3.5 million spent on long-term capital projects.

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

Basic Financial Statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Net Position
September 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 23,446,527	\$ 46,473,581	\$ 69,920,108
Receivables (Net)	257,914	4,117,739	4,375,653
Due from Other Governments	571,920	2,877,465	3,449,385
Inventories	967,214	380,854	1,348,068
Prepaid Items	322,125	5,030	327,155
Restricted Assets:			
Cash and Cash Equivalents	7,973,312	848,396	8,821,708
Leases Receivable	6,223,934	-	6,223,934
Capital Assets:			
Non-Depreciable	8,686,444	5,610,762	14,297,206
Depreciable (Net)	25,213,505	128,927,721	154,141,226
Total Assets	73,662,895	189,241,548	262,904,443
Deferred Outflows of Resources:			
Pension Related	11,805,466	2,932,170	14,737,636
OPEB Plan	139,324	60,811	200,135
Unamortized Loss on Refunding	1,800,017	587,590	2,387,607
Total Deferred Outflows of Resources	13,744,807	3,580,571	17,325,378
LIABILITIES			
Accounts Payable and Accrued Expenses	2,317,296	4,208,749	6,526,045
Deposits	-	848,396	848,396
Unearned Revenue	72,000	-	72,000
Non-Current Liabilities:			
Due Within One Year:			
Compensated Absences	129,848	45,921	175,769
Revenue Bonds Payable, Current Portion	277,361	2,769,493	3,046,854
Revenue Notes Payable, Current Portion	383,892	658,580	1,042,472
Due in More Than One Year			
Retiree Healthcare Related	1,498,902	654,224	2,153,126
Pension Related	12,778,305	4,490,835	17,269,140
Compensated Absences	3,308,731	837,396	4,146,127
Revenue Notes Payable, Less Current Portion	2,843,068	19,077,853	21,920,921
Bonds Payable, Less Current Portion	19,670,156	16,941,681	36,611,837
Total Liabilities	43,279,559	50,533,128	93,812,687
Deferred Inflows of Resources:			
Pension Related	503,693	-	503,693
Leases	6,223,934	-	6,223,934
Retiree Healthcare Related	189,304	82,626	271,930
Total Deferred Inflows of Resources	6,916,931	82,626	6,999,557
NET POSITION			
Net Investment in Capital Assets	12,840,951	106,913,873	119,754,824
Restricted for:			
Expendable Activities:			
Community Redevelopment Agencies	1,786,253	-	1,786,253
Capital Projects	7,483,370	12,162,178	19,645,548
Renewal and Replacement	-	3,262,502	3,262,502
Non-expendable:			
Permanent Fund	328,443	-	328,443
Other	91,107	-	91,107
Unrestricted	14,681,088	19,867,812	34,548,900
Total Net Position	\$ 37,211,212	\$ 142,206,365	\$ 179,417,577

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Activities
For Year Ended September 30, 2022

FUNCTION/PROGRAM ACTIVITIES	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 11,641,235	\$ 5,239,216	\$ 27,435	\$ 8,039,959
Public Safety	14,507,974	1,818,767	20,688	-
Physical Environment	4,061,543	1,034,791	-	-
Transportation	4,258,006	2,944,532	3,136	-
Culture/Recreation	1,469,941	-	-	-
Interest/Fiscal Charges on Long-term Debt	961,484	-	-	-
Total Governmental Activities	36,900,183	11,037,306	51,259	8,039,959
Business-type Activities:				
Utilities	17,516,550	24,872,665	-	7,043,937
Stormwater	1,730,267	1,270,817	-	17,239
Solid Waste	5,215,706	4,834,057	-	62,835
Municipal Marina	4,775,491	5,584,839	-	200,184
Visitor Information Center	4,103,244	6,089,068	-	-
Total Business-type Activities	33,341,258	42,651,446	-	7,324,195
Total Primary Government	\$ 70,241,441	\$ 53,660,909	\$ 51,259	\$ 15,364,154

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying notes to basic financial statements

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

Primary Government

Governmental Activities	Business-type Activities	Total
\$ 1,665,375	\$ -	\$ 1,665,375
(12,668,519)	-	(12,668,519)
(3,026,752)	-	(3,026,752)
(1,310,338)	-	(1,310,338)
(1,469,941)	-	(1,469,941)
(961,484)	-	(961,484)
(17,771,659)	-	(17,771,659)
-	14,400,052	14,400,052
-	(442,211)	(442,211)
-	(318,814)	(318,814)
-	1,009,532	1,009,532
-	1,985,824	1,985,824
-	-	-
-	16,634,383	16,634,383
(17,771,659)	16,634,383	(1,137,276)
16,681,699	-	16,681,699
1,784,628	-	1,784,628
951,938	-	951,938
2,367,981	-	2,367,981
800,536	-	800,536
525,769	-	525,769
1,683,076	-	1,683,076
433,974	-	433,974
102,108	-	102,108
2,114,502	692,841	2,807,343
249,566	324,670	574,236
1,395,294	(1,395,294)	-
29,091,071	(377,783)	28,713,288
11,319,412	16,256,600	27,576,012
25,891,800	125,949,765	151,841,565
\$ 37,211,212	\$ 142,206,365	\$ 179,417,577

CITY OF ST. AUGUSTINE, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2022

	General	Debt Service	Special Revenue HACRA
ASSETS			
Cash and Cash Equivalents	\$ 23,446,527	\$ -	\$ -
Receivables (Net of Allowance for Uncollectibles)	257,914	-	-
Due from Other Funds	-	-	-
Due from Other Governments	571,920	-	-
Inventories, At Cost	967,214	-	-
Prepaid Expenditures	322,125	-	-
Restricted Assets:	-	-	-
Cash and Cash Equivalents	5,824,732	-	-
Total Assets	31,390,432	-	-
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	1,519,405	-	-
Unearned Revenue	72,000	-	-
Accrued Expenditures	764,007	-	-
Due to Other Funds	-	-	-
Total Liabilities	2,355,412	-	-
Fund Balances:			
Nonspendable:			
Inventories	967,214	-	-
Prepaid Expenditures	322,125	-	-
Restricted for:			
Education/Confiscation/Donations/Other	91,107	-	-
Enforcement of the Building Code	-	-	-
Trust	-	-	-
Capital Projects	6,731,042	-	-
Committed	15,338,822	-	-
Assigned, Commission Authorized Projects	1,841,603	-	-
Unassigned	3,743,107	-	-
Total Fund Balances	29,035,020	-	-
Total Liabilities and Fund Balances	\$ 31,390,432	\$ -	\$ -

See accompanying notes to basic financial statements

Special Revenue LCRA	Permanent	Total Governmental
\$ -	\$ -	\$ 23,446,527
-	-	257,914
-	-	-
-	-	571,920
-	-	967,214
-	-	322,125
1,820,137	328,443	7,973,312
1,820,137	328,443	33,539,012
32,383	-	1,551,788
-	-	72,000
1,501	-	765,508
-	-	-
33,884	-	2,389,296
-	-	967,214
-	-	322,125
-	-	91,107
-	328,443	328,443
1,786,253	-	8,517,295
-	-	15,338,822
-	-	1,841,603
-	-	3,743,107
1,786,253	328,443	31,149,716
\$ 1,820,137	\$ 328,443	\$ 33,539,012

CITY OF ST. AUGUSTINE, FLORIDA
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2022

Total Governmental Fund Balances \$ 31,149,716

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

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

Governmental capital assets	69,296,659	
Less accumulated depreciation	<u>(35,396,710)</u>	33,899,949

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

Governmental bonds and capital lease payable	(23,174,477)	
Compensated absences	(3,438,579)	
Net pension liability	(12,778,305)	
Net retiree healthcare obligation	<u>(1,498,902)</u>	(40,890,263)

Deferred outflows of resources related to pension experience and assumptions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. 11,805,466

Deferred outflows of resources related to retiree healthcare are not recognized in the government funds; however, they are recorded in the statement of net position under full accrual accounting. 139,324

Deferred outflows of resources on the loss on refunding of debt are not recognized in the government funds; however, they are recorded in the statement of net position under full accrual accounting. 1,800,017

Deferred inflows of resources related to pensions earnings, experience and assumptions are not recognized in the government funds; however, they are recorded in the statement of net position under full accrual accounting. (503,693)

Deferred inflows of resources related to retiree healthcare are not recognized in the government funds; however, they are recorded in the statement of net position under full accrual accounting. (189,304)

Net Position of Governmental Activities \$ 37,211,212

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CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2022

	General	Debt Service	Special Revenue HACRA
REVENUES			
Ad Valorem Taxes	\$ 15,698,432	\$ -	\$ 528,458
Insurance Premium Tax	433,974	-	-
Local Option Gas & Fuel Tax	525,769	-	-
Utility and Communications Service Taxes	2,736,566	-	-
Grants	8,063,763	-	-
Intergovernmental	2,548,153	-	-
Franchise Fees	2,367,981	-	-
Licenses, Permits and Other Fees	6,616,398	-	-
Fines and Forfeitures	323,946	-	-
Rental Income	1,294,491	-	-
Special Assesments	102,107	-	-
Administrative Overhead Charges	4,159,429	-	-
Investment Income	230,248	-	3,784
Miscellaneous	915,209	-	-
Total Revenues	46,016,466	-	532,242
EXPENDITURES			
Current Operating:			
General Government	9,020,493	-	56,180
Public Safety	13,488,358	-	-
Physical Environment	3,621,424	-	-
Transportation	4,108,178	-	-
Culture/Recreation	1,631,595	-	-
Capital Outlay	3,010,528	-	-
Debt Service:			
Principal Retirement	-	559,049	-
Interest and Other	-	961,483	-
Total Expenditures	34,880,576	1,520,532	56,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,135,890	(1,520,532)	476,062
OTHER FINANCING SOURCES (USES)			
Transfers In	3,444,733	1,520,532	851,678
Transfers (Out)	(3,827,386)	-	(1,327,740)
Total Other Financing Sources (Uses)	(382,653)	1,520,532	(476,062)
Net Change in Fund Balances	10,753,237	-	-
Fund Balances - Beginning	18,281,783	-	-
FUND BALANCES - ENDING	\$ 29,035,020	\$ -	\$ -

See accompanying notes to basic financial statements

Special Revenue LCRA	Permanent	Total Governmental
\$ 454,809	\$ -	\$ 16,681,699
-	-	433,974
-	-	525,769
-	-	2,736,566
-	-	8,063,763
-	-	2,548,153
-	-	2,367,981
-	-	6,616,398
-	-	323,946
-	-	1,294,491
-	-	102,107
(46,548)	-	4,112,881
12,841	2,693	249,566
-	-	915,587
421,102	2,693	46,972,881
638,002	-	9,715,053
-	-	13,488,358
-	-	3,621,424
-	-	4,108,178
-	-	1,631,595
40,100	-	3,050,628
-	-	559,049
-	-	961,483
678,102	-	37,135,768
(257,000)	2,693	9,837,113
733,477	-	6,550,420
-	-	(5,155,126)
733,477	-	1,395,294
476,477	2,693	11,232,407
1,309,776	325,750	19,917,309
\$ 1,786,253	\$ 328,443	\$ 31,149,716

CITY OF ST. AUGUSTINE, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 11,232,407

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

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

Expenditures for capital assets	3,050,628	
Book value of disposed assets	(11,312)	
Less: current year depreciation and amortization	(2,048,585)	990,731

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

Principal debt payments - governmental funds	559,048	
Amortization of Discount and Premium	94,493	
Amortization of gain and loss on bond refunding	(93,507)	560,034

Change in pension liabilities and deferred inflows and outflows related to pensions (1,203,136)

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

Change in long-term compensated absences	(316,480)	
Net retiree healthcare asset (obligation)	55,856	(260,624)

Change in Net Position of Governmental Activities **\$ 11,319,412**

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Ad Valorem Taxes	\$ 15,221,310	\$ 15,536,182	\$ 15,698,432	\$ 162,250
Insurance Premium Tax	436,905	436,905	433,974	(2,931)
Local Option Gas & Fuel Tax	474,703	474,703	525,769	51,066
Utility and Communications Service Taxes	2,300,000	2,300,000	2,736,566	436,566
Grants	-	4,769,337	8,063,763	3,294,426
Intergovernmental	2,062,735	2,329,168	2,548,153	218,985
Franchise Fees	1,731,000	1,731,000	2,367,981	636,981
Licenses, Permits and Other Fees	5,023,060	5,643,034	6,616,398	973,364
Fines and Forfeitures	291,000	291,000	323,946	32,946
Rental Income	1,205,600	1,297,633	1,294,491	(3,142)
Special Assesments	50,000	88,496	102,107	13,611
Administrative Overhead Charges	4,159,429	4,159,429	4,159,429	-
Investment Income	20,420	20,420	230,248	209,828
Miscellaneous	489,267	949,134	915,209	(33,925)
Total Revenues	33,465,429	40,026,441	46,016,466	5,990,025
EXPENDITURES				
Current Operating:				
General Government	8,283,980	12,771,750	8,832,346	3,939,404
Public Safety	12,936,313	13,343,175	13,488,358	(145,183)
Physical Environment	3,626,936	4,049,689	3,621,424	428,265
Transportation	4,530,765	5,098,292	4,108,178	990,114
Culture/Recreation	1,844,303	2,087,645	1,631,595	456,050
Capital Outlay	3,115,879	6,929,157	3,199,053	3,730,104
Total Expenditures	34,338,175	44,279,708	34,880,954	9,398,754
Excess of Revenues Over Expenditures	(872,746)	(4,253,267)	11,135,512	15,388,779
OTHER FINANCING SOURCES (USES)				
Transfers In	4,694,733	5,315,585	3,445,111	(1,870,474)
Transfers (Out)	(3,821,987)	(3,821,987)	(3,827,386)	(5,399)
Total Other Financing Sources (Uses)	872,746	1,493,598	(382,275)	(1,875,873)
Net Change in Fund Balances	-	(2,759,669)	10,753,237	13,512,907
Fund Balances - Beginning	18,281,783	18,281,783	18,281,783	-
FUND BALANCES - ENDING	\$ 18,281,783	\$ 15,522,114	\$ 29,035,020	\$ 13,512,907

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Fund - Historic Area Community Redevelopment Agency
For the Fiscal Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 528,460	\$ 528,460	\$ 528,458	\$ (2)
Investment Income	-	-	3,784	3,784
Total Revenues	528,460	528,460	532,242	3,782
EXPENDITURES				
Current Operating:				
General Government	-	74,000	56,180	17,820
Capital Outlay	-	-	-	-
Total Expenditures	-	74,000	56,180	17,820
Excess of Revenues Over Expenditures	528,460	454,460	476,062	21,602
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 851,678	\$ 851,678	\$ 851,678	\$ -
Transfers (Out)	(1,380,138)	(1,306,138)	(1,327,740)	(21,602)
Total Other Financing Sources (Uses)	(528,460)	(454,460)	(476,062)	(21,602)
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Fund - Lincolnville Community Redevelopment Agency
For the Fiscal Year Ended September 30, 2022

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 455,118	\$ 455,118	\$ 454,809	\$ (309)
Investment Income	-	-	12,841	12,841
Total Revenues	455,118	455,118	467,650	12,532
EXPENDITURES				
Current Operating:				
General Government	723,600	1,863,749	638,002	1,225,747
Capital Outlay	421,832	456,591	40,100	416,491
Total Expenditures	1,145,432	2,320,340	678,102	1,642,238
Excess of Revenues Over Expenditures	(690,314)	(1,865,222)	(210,452)	1,654,770
OTHER FINANCING SOURCES (USES)				
Transfers In	736,862	1,450,699	733,477	(717,222)
Transfers (Out)	(46,548)	(46,548)	(46,548)	-
Total Other Financing Sources (Uses)	690,314	1,404,151	686,929	(717,222)
Net Change in Fund Balances	-	(461,071)	476,477	937,548
Fund Balances - Beginning	1,309,776	1,309,776	1,309,776	-
FUND BALANCES - ENDING	\$ 1,309,776	\$ 848,705	\$ 1,786,253	\$ 937,548

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2022

	Utility	Stormwater Drainage	Solid Waste
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 35,048,957	\$ 1,040,329	\$ 2,285,787
Accounts Receivable (Net)	3,463,544	130,832	523,363
Due from Other Funds	1,877,033	-	-
Due from Other Governmental Units	2,814,630	-	62,835
Prepaid Expenditures	-	-	-
Inventories, at Cost	74,634	-	-
Total Current Assets	43,278,798	1,171,161	2,871,985
Non-Current Assets:			
Restricted: Cash and cash equivalents	848,396	-	-
Property, Plant and Equipment:			
Land and Improvements	1,145,803	256,026	-
Buildings and Structures	31,431,165	270,961	333,163
Infrastructure	143,318,146	17,590,055	51,164
Machinery and Equipment	4,677,737	561,740	3,414,023
Construction in Progress	2,760,214	783,486	-
Accumulated Depreciation	(82,580,554)	(5,768,535)	(2,833,277)
Net Property, Plant and Equipment:	100,752,511	13,693,733	965,073
Total Non-Current Assets	101,600,907	13,693,733	965,073
Total Assets	144,879,705	14,864,894	3,837,058
DEFERRED OUTFLOW OF RESOURCES			
Contributions to Pension Plan	1,784,849	135,562	519,491
OPEB Plan	35,334	2,838	10,958
Unamortized Loss on Refunding	-	-	-
Total Deferred Outflow of Resources	1,820,183	138,400	530,449
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 3,007,113	\$ 22,794	\$ 590,790
Customer Deposits	848,396	-	-
Revenue Bonds Payable, Current Portion	1,925,875	-	-
Revenue Notes Payable, Current Portion	468,471	-	-
Due to Other Funds	-	77,033	1,800,000
Compensated Absences, Current Portion	21,544	842	12,506
Total Current Liabilities	6,271,399	100,669	2,403,296
(Continued)			

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
\$ 3,414,988	\$ 4,683,520	\$ 46,473,581
-	-	4,117,739
-	-	1,877,033
-	-	2,877,465
5,030	-	5,030
88,812	217,408	380,854
3,508,830	4,900,928	55,731,702
-	-	848,396
-	-	1,401,829
2,921,408	25,700,188	60,656,885
7,613,438	1,321,424	169,894,227
202,124	361,263	9,216,887
-	665,235	4,208,935
(4,942,278)	(14,715,636)	(110,840,280)
5,794,692	13,332,474	134,538,483
5,794,692	13,332,474	135,386,879
9,303,522	18,233,402	191,118,581
241,881	250,387	2,932,170
5,717	5,964	60,811
-	587,590	587,590
247,598	843,941	3,580,571
\$ 121,070	\$ 466,982	\$ 4,208,749
-	-	848,396
-	843,618	2,769,493
-	190,109	658,580
-	-	1,877,033
3,131	7,898	45,921
124,201	1,508,607	10,408,172

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2022
(Continued)

	Utility	Stormwater Drainage	Solid Waste
LIABILITIES			
Non-Current Liabilities:			
Net Pension Liability	\$ 2,777,828	\$ 179,570	\$ 780,740
Net OPEB Liability	380,135	30,535	117,887
Notes Payable, Less Current Portion	19,077,853	-	-
Revenue Bonds Payable, Less Current Portion	-	-	-
Compensated Absences, Less Current Portion	512,970	19,077	157,992
Total Non-Current Liabilities	22,748,786	229,182	1,056,619
Total Liabilities	29,020,185	329,851	3,459,915
DEFERRED INFLOW OF RESOURCES:			
OPEB Plan	48,009	3,856	14,889
Total Deferred Inflow of Resources	48,009	3,856	14,889
NET POSITION			
Net Investment in Capital Assets	90,529,473	13,693,733	965,073
Restricted			
Renewal and Replacement	3,262,502	-	-
Bond Projects	12,162,178	-	-
Unrestricted	11,677,541	975,854	(72,370)
Total Net Position	\$ 117,631,694	\$ 14,669,587	\$ 892,703

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
-----------------------------	---	------------------------------

\$ 393,658	\$ 359,039	\$ 4,490,835
61,503	64,164	654,224
-	16,941,681	19,077,853
-	-	16,941,681
69,526	77,831	837,396
524,687	17,442,715	42,001,989
648,888	18,951,322	52,410,161

7,768	8,104	82,626
7,768	8,104	82,626

5,794,692	(4,069,098)	106,913,873
-	-	3,262,502
-	-	12,162,178
3,099,772	4,187,015	19,867,812
\$ 8,894,464	\$ 117,917	\$ 142,206,365

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2022

	Utility	Stormwater Drainage	Solid Waste
OPERATING REVENUES			
User Charges	\$ 20,497,867	\$ 1,270,817	\$ 4,771,675
Fees	4,374,798	-	34,822
Rental	-	-	-
Other	-	-	27,560
Total Operating Revenues	24,872,665	1,270,817	4,834,057
OPERATING EXPENSES			
Salaries, Wages and Employee Benefits	4,959,328	366,833	1,613,825
Utilities	969,188	1,204	10,413
Supplies and Materials	869,828	20,413	388,831
Contractual Services	726,948	31,958	1,931,332
Repairs and Maintenance	1,065,603	25,383	395,027
Cost of Goods Sold	-	-	-
Other	423,291	145,173	28,525
Administrative Overhead Charges	2,598,415	386,755	505,629
Depreciation and Amortization	5,703,511	752,548	342,124
Total Operating Expenses	17,316,112	1,730,267	5,215,706
Operating Income (Loss)	7,556,553	(459,450)	(381,649)
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	262,124	5,915	5,493
Interest Expense and Fiscal Charges	(200,438)	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-
Other	696,895	-	-
Total Non-Operating Revenues (Expenses)	758,581	5,915	5,493
Income Before Contributions and Transfers	8,315,134	(453,535)	(376,156)
Capital Grants and Contributions	7,043,937	17,239	62,835
Transfers In	631,370	76,493	211,050
Transfers (Out)	(1,624,131)	(248,108)	(360,763)
Change in Net Position	14,366,310	(607,911)	(463,034)
Net Position - Beginning	103,265,384	15,277,498	1,355,737
Net Position - Ending	\$ 117,631,694	\$ 14,669,587	\$ 892,703

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
\$ 5,493,947	\$ 658,774	\$ 32,693,080
-	5,137,167	9,546,787
51,641	66,309	117,950
39,251	226,818	293,629
5,584,839	6,089,068	42,651,446
714,495	1,073,618	8,728,099
129,608	118,093	1,228,506
43,576	48,633	1,371,281
79,932	259,533	3,029,703
189,243	523,034	2,198,290
2,761,101	304,400	3,065,501
204,571	162,147	963,707
322,213	299,869	4,112,881
330,752	574,069	7,703,004
4,775,491	3,363,396	32,400,972
809,348	2,725,672	10,250,474
16,176	34,962	324,670
-	(739,848)	(940,286)
(4,054)	-	(4,054)
-	-	696,895
12,122	(704,886)	77,225
821,470	2,020,786	10,327,699
200,184	-	7,324,195
20,019	1,327,740	2,266,672
(152,485)	(1,276,479)	(3,661,966)
889,188	2,072,047	16,256,600
8,005,276	(1,954,130)	125,949,765
\$ 8,894,464	\$ 117,917	\$ 142,206,365

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2022

	Utility	Stormwater Drainage	Solid Waste
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities:			
Received from Customers	\$ 21,597,622	\$ 1,542,670	\$ 4,710,470
Payment to Suppliers for Goods and Services	(6,247,792)	(585,203)	(3,178,146)
Paid to Employees	(4,959,327)	(366,833)	(1,613,825)
Other Revenues (Expenses)	696,895	-	-
Net Cash Flows from Operating Activities	11,087,398	590,634	(81,501)
Cash Flows from Capital and Related Financing Activities:			
Principal Paid on Outstanding Bond Issues	(2,267,716)	-	-
Interest Paid on Outstanding Bond Issues	(415,700)	-	-
Acquisition and Construction of Capital Assets	(12,480,244)	(35,674)	(15,501)
Proceeds from Bank Loan	12,935,000	-	-
Capital Contributions and Grants	7,043,937	17,239	62,835
Net Cash Flows from Capital and Related Financing Activities	4,815,277	(18,435)	47,334
Cash Flows from Investing Activities:			
Investment Income	262,124	5,915	5,493
Net Cash Flows from Investing Activities	262,124	5,915	5,493
Cash Flows from Non-Capital Financing Activities:			
Borrowings (Payments) Under Interfund Loan Agreements	(1,373,622)	(99,489)	1,639,172
Transfers from Other Funds	631,370	76,493	211,050
Transfers (to) Other Funds	(1,624,131)	(248,108)	(360,763)
Net Cash Flows from Non-Capital Financing Activities	(2,366,383)	(271,104)	1,489,459
Net Change in Cash and Cash Equivalents	13,798,416	307,010	1,460,785
Cash and Cash Equivalents at Beginning of Year	22,098,937	733,319	825,002
Cash and Cash Equivalents at End of Year	\$ 35,897,353	\$ 1,040,329	\$ 2,285,787

(Continued)

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
-----------------------------	---	------------------------------

\$ 5,584,839	\$ 6,099,109	39,534,710
(3,681,679)	(1,379,326)	(15,072,146)
(714,495)	(1,073,618)	(8,728,098)
-	-	696,895

1,188,665	3,646,165	16,431,361
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-	(945,952)	(3,213,668)
-	(745,240)	(1,160,940)
(116,545)	(692,342)	(13,340,306)
-	-	12,935,000
200,184	-	7,324,195

83,639	(2,383,534)	2,544,281
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16,176	34,962	324,670
16,176	34,962	324,670

-	-	166,061
20,019	1,327,740	2,266,672
(152,485)	(1,276,479)	(3,661,966)

(132,466)	51,261	(1,229,233)
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1,156,014	1,348,854	18,071,079
------------------	------------------	-------------------

2,258,974	3,334,666	29,250,898
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\$ 3,414,988	\$ 4,683,520	\$ 47,321,977
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CITY OF ST. AUGUSTINE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2022
(Continued)

	Utility	Stormwater Drainage	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Net Operating Income (Loss)	\$ 7,556,553	\$ (459,450)	\$ (381,649)
Adjustments to Reconcile Net Operating Income to Net Cash Flows from Operating Activities:			
Depreciation and Amortization	5,703,511	752,548	342,124
Other Revenues (Expenses)	696,895	-	-
Changes in Operating Assets and Liabilities:			
Accounts Receivable	(3,218,284)	284,853	(107,587)
Inventories	44,417	-	-
Prepays	-	-	-
Deferred Outflow of Resources	(1,118,929)	(97,875)	(336,170)
Accounts Payable and Compensated Absences	212,936	4,612	64,558
Net Pension Liability	2,632,155	199,809	747,782
Net OPEB liability	(795)	5,557	(5,874)
Deferred Inflow of Resources	(1,485,303)	(99,420)	(404,685)
Deposits Payable	64,242	-	-
Total Adjustments	3,530,845	1,050,084	300,148
Net Cash Flows from Operating Activities	\$ 11,087,398	\$ 590,634	\$ (81,501)

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

Amortization of unamortized bond refunding gain to interest expense of \$220,654

See accompanying notes to basic financial statements

Municipal Marina	Visitor Information Center	Total Proprietary
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\$ 809,348 \$ 2,725,672 \$ 10,250,474

330,752 574,069 7,703,004
 - - 696,895

- 10,041 (3,030,977)

(52,918) (49,405) (57,906)

(5,030) - (5,030)

(144,981) (163,041) (1,860,996)

96,449 372,203 750,758

351,072 361,786 4,292,604

6,352 9,545 14,785

(202,379) (194,705) (2,386,492)

- - 64,242

379,317 920,493 6,180,887

\$ 1,188,665 \$ 3,646,165 \$ 16,431,361

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2022

	Employee Retirement Funds
ASSETS	
Cash and Short-Term Investments	\$ 3,191,840
Receivables:	
Interest and Dividends	226,903
Total Receivables	226,903
Investments, at Fair Value:	
Fixed income securities	12,248,226
Equity securities	53,010,814
Alternative strategies	3,807,928
Real Estate Fund	17,704,722
Total Investments	86,771,690
Total Assets	90,190,433
LIABILITIES	
Expenses Payable	62,466
Total Liabilities	62,466
NET POSITION, Restricted For Pensions	\$ 90,127,967

See accompanying notes to basic financial statements

CITY OF ST. AUGUSTINE, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2022

	Employee Retirement Funds
ADDITIONS	
Contributions:	
Members	\$ 847,067
City	3,850,461
State Insurance Premium Tax from General Fund	434,728
Total Contributions	5,132,256
Other Income:	
Other Income	15,214
Total Other Income	15,214
Investment Income:	
Net (Decrease) in Fair Value of Investments	(15,826,890)
Interest and Dividends on Investments	2,896,487
Total Investment (Loss)	(12,930,403)
Less Investment Expenses	182,869
Net Income (Loss) from Investing Activities	(13,113,272)
Total Additions	(7,965,802)
DEDUCTIONS	
Benefit Payments	5,976,645
Termination Payments	118,862
Administrative Expenses	189,922
Total Deductions	6,285,429
Change in Net Position	(14,251,231)
Net Position - Beginning	104,379,198
NET POSITION - ENDING	\$ 90,127,967

See accompanying notes to basic financial statements

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

A. Financial Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

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

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

The City reports the following funds:

Major Governmental Funds

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

a. General Fund

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

b. Debt Service Fund

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

c. Special Revenue Funds

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

d. Permanent Fund

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

Major Proprietary Funds

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

a. Utility Fund

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

b. Stormwater Drainage Fund

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

c. Solid Waste Fund

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

d. Municipal Marina Fund

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

e. Visitor Information Center Fund

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

Fiduciary Funds

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

a. General Employees' Pension Plan

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

b. Police Officers' Pension Plan

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

c. Firefighters' Pension Plan

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

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

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

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

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

D. Cash

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested with the State Board of Administration (SBA) Pool and one fully collateralized investment account with a qualified public depository. These investments are considered cash equivalents due to their liquidity and similarity to cash. The City issued a bank loan in fiscal year 2022 when interest rates were at a historic low of .1%. Therefore, the proceeds were deposited into an investment account with FL PALM, a short-term portfolio rated AAAM by S&P. The term portfolio allows the City to earn additional interest income by investing in various terms to meet cash flow needs.

E. Investments

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

F. Fair Value Measurement and Application

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

G. Receivables and Allowance for Uncollectible Accounts

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

H. Inventories

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

I. Prepaid Items

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

J. Restricted Assets

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

K. Capital Assets

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

L. Deferred Inflows/Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred outflows have a positive effect on net position. 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.

M. Compensated Absences

Annual vacation leave is accumulated in the following manner:

General, Municipal & Police Employees: 80 hours per year with 5 years or less, 88 hours with 6 years, 96 hours with 7 years, 104 hours with 8 years, 112 hours with 9 years, 120 hours with 10 years, 128 hours with 11 years, 136 hours with 13 years, 144 hours with 15 years, 152 hours with 17 years, 160 hours with 18 years, and maximum per employee is 168 hours with 19 or more years of service.

Fire Department Employees: 120 hours per year with 5 years of less, 156 hours with 6 years, 165 hours with 7 years, 174 hours with 8 years, 183 hours with 9 years, 192 hours with 10 years, 204 hours with 11 years, 216 hours with 13 years, 228 hours with 15 years, 240 with 17 years of service, 252 with 18 years of service and maximum per employee is 264 hours with 19 or more years of service.

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

General and Municipal Employees:	80.6 hours per year, no maximum
Police Department Employees:	80.6 hours per year, no maximum
Fire Department Employees:	112.06 hours per year, no maximum

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

N. Other Post-Employment Benefits (OPEB)

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

O. Long-Term Obligations

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

P. Unearned Revenue

Governmental funds and business-type funds also defer revenue recognition in connection with resources that have been received, but have yet to be earned.

Q. Pensions

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

R. Fund Balance Classifications

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

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

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

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

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

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

S. Unamortized Bond Premium (Discount)

Unamortized bond premium (discount) represents the amount received above or below par on various bond issues. These costs are being amortized over the life of the respective bond issues using the straight-line method, which is comparable to the effective interest method. Unamortized costs at September 30, 2022 are as follows:

	Original Cost	Accumulated Amortization	Unamortized Costs
Beginning of year	\$ 6,187,780	\$ (2,910,780)	\$ 3,277,000
Current year additions	-	(366,240)	(366,240)
Current year retirements	-	-	-
End of year	\$ 6,187,780	\$ (3,277,020)	\$ 2,910,760

T. Revenue Recognition – Property Taxes

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

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

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

U. Community Redevelopment Area

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

For fiscal year ended September 30, 2022, the funds received \$983,267 in property tax revenue and a \$1,585,155 transfer from the general fund. The City transfer included the City’s portion of the tax increment.

V. Expenditures

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

W. New accounting pronouncements

GASB Statement No. 87, *Leases* establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City has implemented this Statement and its various provisions effective September 30, 2022.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

Leases

The City leases real property and submerged land to various lessees. The City recognizes a long-term lease asset receivable and corresponding deferred inflows for all leases that are not considered short-term.

Basis of lease classification – Leases that meet the following requirements will not be considered short term: (1) the maximum possible lease term(s) is non-cancelable by both the lessee and lessor and is more than 12 months, and (2) the present value of the lease payments for the lease is less than \$5,000.

Discount Rate – Unless explicitly stated in the lease agreement, known by the City, or the City is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be the City’s short-term rate of return on investments. The City’s rate of return was calculated at 2.61% on September 30, 2022, and was the discount rate utilized for applicable leases as of September 30, 2022.

The City’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

X. Future Accounting Pronouncements

- a. Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for reporting periods starting after December 15, 2021.
- b. Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2022.
- c. Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2022.
- d. Statement No. 97, "certain Component Unit Criteria, and accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred compensation Plans – an amendment of GASB Statements No. 14 a No. 84, and a supersession of GASB Statement No. 32." The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2022.
- e. Statement No. 99, "Omnibus 2022." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2023.
- f. Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for the financial statements starting with the fiscal year that begins after June 15, 2023.
- g. Statement No. 101 "Compensated Absences." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

NOTE 2. DEPOSITS AND INVESTMENTS:

A. Cash and Cash Equivalents

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

On September 30, 2022, the carrying amount of cash on hand was \$802,208 and the related bank balance was \$1,295,590. Monies, which are placed on deposit with financial institutions in the form of demand deposit accounts, are defined as Public Deposits and, as such, are secured as provided for in Chapter 280, Florida Statutes. Financial institutions, which meet the requirements for this chapter, can be designated as qualified public depositories eligible to receive Public Deposits. This chapter also created the Public Deposit Security Trust Fund to facilitate the recovery of administrative penalties resulting from the default or insolvency of any qualified Public Depository and the subsequent payment of any losses to Public Depositors. When Public Deposits are made in accordance with this statute, no Public Depositor shall be liable for any loss thereof. Thus, all deposits at year-end are insured or collateralized with securities pursuant to Chapter 280, Florida Statutes.

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

The State Board consists of the Local Government Surplus Trust Fund (Florida PRIME). The Florida PRIME is currently considered a SEC 2a7-like fund; thus, the account balance should also be considered the fair value of the investment. Florida PRIME is rated by Standard & Poor's and currently has a rating of AAA. The Florida PRIME balance of \$65,193,341 maturity as of September 30, 2022. A government money market account with a qualified public depository was established by the City in 2008. This account is fully collateralized and held a balance of \$551,362 as of September 30, 2022. In 2022 The City established an investment account for loan proceeds when interest rates were at historic lows. The funds are held with FL PALM, a short-term portfolio rated AAAM by S&P, and have maturities of 90 days or less. The balance as of September 30th, 2022 is \$12,162,178.

B. Investment Measurement at Fair Value

Fair Value Hierarchy

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

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

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

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

	September 30, 2022	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
General Pension Plan				
Fixed Income Security	\$ 4,900,962	\$ -	\$ 4,900,962	\$ -
Equity Securities	30,231,471	-	30,231,471	-
Alternative Strategies	3,807,928	-	3,807,928	-
Real Estate Funds	12,623,755	-	-	12,623,755
Investment at Fair Value	\$ 51,564,116	\$ -	\$ 38,940,361	\$ 12,623,755
Police Pension Plan				
Fixed Income Security	\$ 3,005,027		\$ 3,005,027	
Equity Securities	13,760,652	3,948,602	9,812,050	
Alternative Strategies	-	-	-	-
Real Estate Funds	5,080,967			5,080,967
Investment at Fair Value	\$ 21,846,646	\$ 3,948,602	\$ 12,817,077	\$ 5,080,967
Fire Pension Plan				
Fixed Income Security	\$ 4,342,237	\$ -	\$ 4,342,237	\$ -
Equity Securities	9,018,691	7,800,381	1,218,310	-
Alternative Strategies	-	-	-	-
Real Estate Funds	-	-	-	-
Investment at Fair Value	\$ 13,360,928	\$ 7,800,381	\$ 5,560,547	\$ -
Total Investment at Fair Value	\$ 86,771,690	\$ 11,748,983	\$ 57,317,985	\$ 17,704,722

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

C. Investments – General Pension Plan

Interest Rate Risk

The General Pension Plan Investment Policy limits interest rate risk by limiting the fixed-income portfolio duration to less than 135% of the market index duration, including investments in government issues, corporate bonds with an average rating of A or higher and/or Government National Mortgage Association pooled obligations. There may be exceptional circumstances indicating the use of longer maturities, but these exceptions should be few. As of September 30, 2022, the General Employee’s Pension Plan had the following fixed income investments and maturities at PAR value:

Investment Type	PAR Value	Investment Maturities (in Years)			
		Less Than 1	Between 1 and 5	Between 6 and 10	More Than 10
Fixed	\$ 5,030,093	\$ 540,033	\$ 1,008,389	\$ 1,986,640	\$ 1,495,031

Credit Risk and Concentration of Credit Risk

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

Foreign Currency

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

D. Investments – Police Pension Plan

Interest Rate Risk

The Police Pension Plan Investment Policy limits fixed income securities to 135% of the duration of the market index, including investments in government issues, corporate bonds having an average quality rating of A or higher and/or securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. There may be exceptional circumstances indicating the use of longer maturities, but these exceptions should be few. As of September 30, 2022, the Police Officer’s Pension Plan had the following investments and maturities:

Investment Type	% of Fund	Fair Value	Rating	Effective Duration
Carillon Core Plus	50.48%	\$ 1,516,806	AAA-BB	6.60
T. Rowe Price Spectrum	49.52%	1,488,221	AAA-below B	5.90
	100.00%	\$ 3,005,027		

Credit Risk and Concentration of Credit Risk

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 2. DEPOSITS AND INVESTMENTS: (continued)

Foreign Currency

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

E. Investments – Firefighter Pension Plan

Interest Rate Risk

The Firefighter Pension Plan Investment Policy limits all investments in corporate fixed income securities to those that hold a rating of investment grade or higher. There is no limit imposed on investment in fixed income securities issued directly by the U.S. Government. The Plan limits the effective duration of its investment portfolio through the adoption of the Merrill Lynch Government/Corporate Bond Index bench mark. It is expected that the average duration of the total fixed income portfolio will not exceed 150% of the duration of the Index. As of September 30, 2021, the Firefighter Pension Plan held the following fixed income investments:

<u>Investment Type</u>	<u>% of Fund</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Effective Duration</u>
US Government Securities & Agencies	50.7%	\$ 2,200,047	AA+-NR	4.75
Corporate Bonds	34.1%	1,480,372	A – BBB-	4
International fixed income investment	15.2%	661,818	A+ - BBB	4.08
	100%	\$ 4,342,237		

Credit Risk and Concentration of Credit Risk

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

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

Foreign Currency Risk

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

NOTE 3. ACCOUNTS RECEIVABLE:

Receivables at September 30, 2022, consist of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 257,914	\$ 4,117,739	\$ 4,375,653
Intergovernmental	571,920	2,877,465	3,449,385
Gross Receivables	\$ 829,834	\$ 6,995,204	\$ 7,825,038

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 4. CAPITAL ASSETS:

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2022:

Governmental Activities	Balance			Balance
	9/30/2021	Increases	Decreases	9/30/2022
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 6,824,622	\$ -	\$ -	\$ 6,824,622
Construction in Progress	105,402	1,756,420	-	1,861,822
Total Capital Assets				
Not Being Depreciated	<u>6,930,024</u>	<u>1,756,420</u>	<u>-</u>	<u>8,686,444</u>
Other Capital Assets:				
Buildings	22,779,325	-	-	22,779,325
Infrastructure	25,735,866	170,359	-	25,906,225
Furniture and Other Equipment	11,128,020	1,123,849	(327,204)	11,924,665
Total Other	<u>59,643,211</u>	<u>1,294,208</u>	<u>(327,204)</u>	<u>60,610,215</u>
Less Accumulated Depreciation For:				
Buildings	(14,215,242)	(335,978)	-	(14,551,220)
Infrastructure	(11,389,343)	(869,931)	-	(12,259,274)
Furniture and Other Equipment	(8,059,432)	(842,676)	315,892	(8,586,216)
Total Accumulated Depreciation	<u>(33,664,017)</u>	<u>(2,048,585)</u>	<u>315,892</u>	<u>(35,396,710)</u>
Other Capital Assets, Net	<u>25,979,194</u>	<u>(754,377)</u>	<u>(11,312)</u>	<u>25,213,505</u>
TOTAL	<u>\$ 32,909,218</u>	<u>\$ 1,002,043</u>	<u>\$ (11,312)</u>	<u>\$ 33,899,949</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 4. CAPITAL ASSETS: (continued)

Depreciation was allocated to Governmental Activities as follows:

General Government	\$ 1,679,515
Public Safety	196,737
Physical Environment	132,300
Transportation	40,033
Culture & Recreation	-
Total	<u><u>\$ 2,048,585</u></u>

Construction in progress is composed of the following at September 30, 2022

Martin Luther King Streetscape	\$ 55,600
Brick Street Refurbishment	269,496
Fire Apparatus	1,108,132
San Marco Landscaping	81
Project Swing	323,611
Mobility and Parking Improvements	104,902
Total	<u><u>\$ 1,861,822</u></u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 4. CAPITAL ASSETS: (continued)

Business-Type Activities

	<u>Balance</u> <u>9/30/2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2022</u>
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 1,401,829	\$ -	\$ -	\$ 1,401,829
Construction in Progress	<u>2,638,794</u>	<u>1,829,220</u>	<u>(259,079)</u>	<u>4,208,935</u>
Total Capital Assets Not Being Depreciated	<u>4,040,623</u>	<u>1,829,220</u>	<u>(259,079)</u>	<u>5,610,764</u>
Other Capital Assets:				
Buildings	60,023,622	693,314	(60,051)	60,656,885
Infrastructure	159,299,084	10,999,161	(404,018)	169,894,227
Furniture and Other Equipment	<u>9,126,796</u>	<u>481,710</u>	<u>(391,619)</u>	<u>9,216,887</u>
Total Other	<u>228,449,502</u>	<u>12,174,185</u>	<u>(855,688)</u>	<u>239,767,999</u>
Less Accumulated Depreciation For:				
Buildings	(35,211,616)	(970,776)	60,051	(36,122,341)
Infrastructure	(62,699,891)	(5,770,413)	-	(68,470,304)
Furniture and Other Equipment	<u>(5,673,383)</u>	<u>(961,815)</u>	<u>387,563</u>	<u>(6,247,635)</u>
Total Accumulated Depreciation	<u>(103,584,890)</u>	<u>(7,703,004)</u>	<u>447,614</u>	<u>(110,840,280)</u>
Other Capital Assets, Net	<u>124,864,612</u>	<u>4,471,181</u>	<u>(408,074)</u>	<u>128,927,719</u>
TOTAL	<u>\$ 128,905,235</u>	<u>\$ 6,300,401</u>	<u>\$ (667,153)</u>	<u>\$ 134,538,483</u>

Depreciation was allocated to Business-Type Activities as follows:

Utility Fund	\$ 5,703,510
Stormwater Drainage Fund	752,549
Solid Waste Fund	342,124
Municipal Marina Fund	330,752
Visitor Information Center	<u>574,069</u>
Total	<u>\$ 7,703,004</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 4. CAPITAL ASSETS: (continued)

Construction in progress is composed of the following at September 30, 2022:

Lift Station Rehabilitation	\$ 323,908
Visitors Information Center Roof	665,235
May Street Intersection (Phase II)	396,342
High Service Pumps Overhaul	53,785
Wastewater Treatment Plant Hedworks Structural Rehabilitation	534,021
St. Francis Sewer Replacement	16,800
Lift Station 51 and 52 Forcemain	977,667
West Augustine Septic to Sewer	50,159
Lake Maria Sanchez Drainage	127,350
Sevilla Street Rebuild and Rebrick	91,726
Coquina Ave Stormwater Project	33,931
King Street Drainage Improvements	109,445
King Street Water Main	29,970
Pearl Street Improvements	49,042
South Whitney & West King Improvements	184,193
South Dixie Highway Improvements	227
Tidflex Valves Improvements	565,134
Total	<u><u>\$ 4,208,935</u></u>

NOTE 5. RISK MANAGEMENT, LITIGATION AND COMMITMENTS:

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. A small portion of the risk is covered by commercial insurance. The majority of this risk (Workers Compensation, Property and Liability) is covered through the Florida Municipal Insurance Trust (the "Trust"). The City pays an annual premium to the Trust for its coverage. The premiums are designed to fund the liability risk assumed by the Trust and are based on certain actual exposures and appropriate classifications of each member. The coverage provided for Workers Compensation is \$1,000,000 for each occurrence. Coverage provided Property and Liability is \$200,000 for each person and \$300,000 for each occurrence. These specific limits of liability are increased to \$3,000,000 for General Liability (combined single limit) per occurrence, solely for any liability resulting from entry of a claims bill pursuant to Section 768.28 (5) Florida Statutes. The City also has Specific Excess Coverage of \$1,000,000 through the Trust. There were no claims paid that exceeded coverage in the past three fiscal years. Employee medical benefits are covered by commercial insurance.

The City Attorney estimates that the amount of any actual or potential claims against the City as of September 30, 2021, will not materially affect the financial condition of the City. Therefore, the financial statements contain no provision for estimated claims.

At September 30, 2022, the City had outstanding commitments of approximately \$14,553,585 relating to construction contracts.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 6. LONG-TERM DEBT:

Governmental Funds

Capital Improvement and Refunding Revenue Bonds, Series 2013:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2022 is as follows:

Year Ended	Capital Improvement Revenue Bonds		
	September 30,	Series 2013	
	Principal	Interest	Total
2023	\$ 8,365	\$ 75,548	\$ 83,913
2024	8,525	75,297	83,822
2025	8,951	74,956	83,907
2026	9,271	74,598	83,869
2027	9,644	74,227	83,871
2028-2032	60,579	365,356	425,935
2033-2037	576,616	321,709	898,325
2038-2041	843,751	107,624	951,375
	\$ 1,525,702	\$ 1,169,315	\$ 2,695,017

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 6: LONG TERM DEBT (continued):

Capital Improvement and Refunding Revenue Bonds, Series 2017:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2022, is as follows:

Year Ended September 30,	Capital Improvement Revenue Bonds		
	Principal	Interest	Total
2023	\$ 174,503	\$ 826,012	\$ 1,000,515
2024	183,936	819,032	1,002,968
2025	-	811,674	811,674
2026	-	811,674	811,674
2027	-	811,674	811,674
2028-2032	1,065,883	3,953,198	5,019,081
2033-2037	5,895,368	3,501,849	9,397,217
2038-2041	9,272,228	1,187,327	10,459,555
	\$ 16,591,918	\$ 12,722,440	\$ 29,314,358

Capital Improvement Refunding Revenue Note, Series 2021:

On July 9, 2021, the City issued a Capital Improvement Refunding Revenue Note totaling \$5,541,000. The Note was issued for the purpose of (i) currently refunding all of the City’s outstanding Public Service Tax and Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2011B, and (ii) paying certain costs of issuance incurred with respect thereto. The proceeds of the Refunded Bonds were used to finance (i) the current refunding of the City’s outstanding Public Service Tax and Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 1992, (ii) the acquisition, relocation, construction and/or equipping of a parking garage, a fire station and related facilities on different sites of the City and other capital projects of the City, (iii) the capitalization of interest on a portion of the Refunding Bonds, (iv) the cost of issuance with respect to the Refunded Bonds. This issuance results in an \$752,451 difference in cash flow requirements with a present value economic gain of \$705,305.

Principal payments are due annually on October 1, and interest payments of 1.318% are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2022, is on the following page:

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 6: LONG TERM DEBT (continued):

Capital Improvement Revenue Note			
Year Ended	Series 2021		
September 30,	Principal	Interest	Total
2023	\$ 383,891	\$ 42,531	\$ 426,422
2024	389,910	37,472	427,382
2025	393,923	32,333	426,256
2026	400,611	27,141	427,752
2027	406,631	21,861	428,492
2028-2030	1,251,994	33,169	1,285,163
	<u>\$ 3,226,960</u>	<u>\$ 194,507</u>	<u>\$ 3,421,467</u>

Enterprise Funds

Water and Sewer Revenue Refunding Bonds, Series 2012:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 3.25%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2022 is as follows:

Capital Improvement Revenue Bonds			
Year Ended	Series 2012		
September 30,	Principal	Interest	Total
2023	\$ 1,890,000	\$ 94,500	\$ 1,984,500
	<u>\$ 1,890,000</u>	<u>\$ 94,500</u>	<u>\$ 1,984,500</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 6. LONG-TERM DEBT: (continued)

Capital Improvement and Refunding Revenue Bonds, Series 2013:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2022 is as follows:

Year Ended	Capital Improvement Revenue Bonds		
September 30,	Series 2013		
Principal	Interest	Total	
2023	\$ 776,635	\$ 648,302	\$ 1,424,937
2024	791,475	625,003	1,416,478
2025	831,049	593,344	1,424,393
2026	860,729	560,102	1,420,831
2027	895,356	525,673	1,421,029
2028-2032	5,624,420	2,091,994	7,716,414
2033-2037	4,273,384	415,791	4,689,175
2038-2041	281,250	35,876	317,126
	\$ 14,334,298	\$ 5,496,085	\$ 19,830,383

Capital Improvement and Refunding Revenue Bonds, Series 2017:

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

Principal payments are due annually on October 1, and interest payments (2.0% to 5.0%) are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2022 is on the following page:

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 6. LONG-TERM DEBT: (continued)

Year Ended	Capital Improvement Revenue Bonds		
	September 30,	Series 2017	
	Principal	Interest	Total
2023	\$ 10,497	\$ 49,688	\$ 60,185
2024	11,064	49,268	60,332
2025	-	48,826	48,826
2026	-	48,826	48,826
2027	-	48,826	48,826
2028-2032	64,117	237,802	301,919
2033-2037	354,632	210,651	565,283
2038-2041	557,772	71,423	629,195
	\$ 998,082	\$ 765,310	\$ 1,763,392

Capital Improvement Refunding Revenue Note, Series 2021:

On July 9, 2021, the City issued a Capital Improvement Refunding Revenue Note totaling \$5,541,000. The note was issued for the purpose of (i) currently refunding all of the City's outstanding Public Service Tax and Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 2011B, and (ii) paying certain costs of issuance incurred with respect thereto. The proceeds of the Refunded Bonds were used to finance (i) the current refunding of the City's outstanding Public Service Tax and Guaranteed Entitlement Revenue Refunding and Improvement Bonds, Series 1992, (ii) the acquisition, relocation, construction and/or equipping of a parking garage, a fire station and related facilities on different sites of the City and other capital projects of the City, (iii) the capitalization of interest on a portion of the Refunding Bonds, (iv) the purchase of a surety bond to fund the Reserve Account relating to the Refunded Bonds, and (v) the cost of issuance with respect to the Refunded Bonds. This issuance results in an \$752,451 difference in cash flow requirements with a present value economic gain of \$705,305.

Principal payments are due annually on October 1, and interest payments of 1.318% are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2022, is as follows:

Year Ended	Capital Improvement Revenue Note		
	September 30,	Series 2021	
	Principal	Interest	Total
2023	\$ 190,109	\$ 21,062	\$ 211,171
2024	193,090	18,557	211,647
2025	195,076	16,012	211,088
2026	198,388	13,441	211,829
2027	201,370	10,826	212,196
2028-2030	620,007	16,425	636,432
	\$ 1,598,040	\$ 96,323	\$ 1,694,363

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 6. LONG-TERM DEBT: (continued)

Capital Improvement Refunding Revenue Note, Series 2022:

On March 4, 2022, the City issued a Capital Improvement Refunding Revenue Note totaling \$12,935,000. The note was issued for the purpose of (i) acquiring, constructing, and equipping various capital improvements to the City’s Water and Sewer System, and (ii) paying certain costs of issuance incurred with respect thereto.

Principal payments are due annually on October 1, and interest payments of 2.01% are due semi-annually on April 1 and October 1. The annual requirement to amortize long-term bonded debt outstanding as of September 30, 2022, is as follows:

Year Ended	Capital Improvement Revenue Note		
	September 30,	Series 2022	Total
	Principal	Interest	
2023	\$ -	\$ 251,586	\$ 251,586
2024	1,070,000	251,586	1,321,586
2025	1,090,000	230,774	1,320,774
2026	1,110,000	209,573	1,319,573
2027	1,135,000	187,984	1,322,984
2028-2032	5,975,000	601,394	6,576,394
2032-2034	2,555,000	74,785	2,629,785
	\$ 12,935,000	\$ 1,807,682	\$ 14,742,682

State Revolving Fund Loan – DW 550410:

On May 9th, 2017, the State of Florida Department of Environmental Protection, State Revolving Fund Loan was obtained for the purpose of providing financing for the planning, design, and construction of various public water systems projects. The loan is payable from and secured by pledged gross revenues of the water and/or sewer system. Principal and interest paid for the current fiscal year was \$549,004 and pledged revenues were \$8,135,146. At September 30, 2021, principal and interest to maturity in 2035 to be paid from pledged future revenues totaled \$7,731,635. As of September 30, 2022, outstanding principal, including capitalized interest, was \$6,611,323. The loan bears interest at 1.24%. The City must fix, establish, maintain, and collect water and/or sewer system revenues which will at least equal 115% of the debt service requirements each fiscal year plus 100% of all additional debt service requirements.

Principal and interest payments are due semi-annually on June 15th and December 15th. Estimated annual debt service requirements to maturity based on the outstanding balance of the loan as of September 30, 2022 are as follows:

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 6. LONG-TERM DEBT: (continued)

Year Ended	State Revolving Fund Loan DW 550410		
September 30,	Series 2017		
September 30,	Principal	Interest	Total
2023	\$ 468,471	\$ 80,533	\$ 549,004
2024	474,298	74,706	549,004
2025	480,198	68,806	549,004
2026	486,171	62,833	549,004
2027	492,218	56,786	549,004
2028-2032	2,554,464	190,556	2,745,020
2033-2036	1,655,504	37,087	1,692,591
	<u>\$ 6,611,324</u>	<u>\$ 571,307</u>	<u>\$ 7,182,631</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 7. CHANGES IN LONG-TERM DEBT:

	<u>Balance</u> <u>9/30/2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2022</u>	<u>Current</u> <u>Portion</u>
General Long-Term Debt & Obligations					
Capital Improvement and Refunding Revenue Bonds	\$ 18,295,453	\$ -	\$ (177,832)	\$ 18,117,621	\$ 182,868
Capital Improvement Refunding Revenue Note	3,608,176	-	(381,216)	3,226,960	383,892
Unamortized Premium (Discount)	1,924,389	-	(94,493)	1,829,896	94,493
Total Notes and Bonds	<u>23,828,018</u>	<u>-</u>	<u>(653,541)</u>	<u>23,174,477</u>	<u>661,253</u>
Accrued Compensated Absences	3,122,099	1,810,817	(1,494,337)	3,438,579	129,848
Net Pension Liability (Asset):	211,374	12,566,929	-	12,778,303	-
Net OPEB Obligation	1,477,735	21,169	-	1,498,904	-
Total General Long-Term Obligations	<u>\$ 28,639,226</u>	<u>\$ 14,398,915</u>	<u>\$ (2,147,878)</u>	<u>\$ 40,890,263</u>	<u>\$ 791,101</u>
Proprietary Fund Long-Term Obligations					
Capital Improvement and Refunding Revenue Bonds	\$ 16,089,547	-	\$ (757,167)	\$ 15,332,380	\$ 787,132
Capital Improvement Refunding Revenue Note	1,786,824	-	(188,784)	1,598,040	190,109
Water and Sewer Revenue Bonds	3,695,000	-	(1,805,000)	1,890,000	1,890,000
Water and Sewer Revenue Note	-	12,935,000	-	12,935,000	-
Revolving Fund Loan DW 550410	7,074,040	-	(462,717)	6,611,323	468,471
	<u>28,645,411</u>	<u>12,935,000</u>	<u>(3,213,668)</u>	<u>38,366,743</u>	<u>3,335,712</u>
Unamortized (Premium) Discount	1,352,611	-	(271,747)	1,080,864	92,361
	<u>29,998,022</u>	<u>12,935,000</u>	<u>(3,485,415)</u>	<u>39,447,607</u>	<u>3,428,073</u>
Accrued Compensated Absences	788,347	457,241	(408,192)	837,396	45,921
Net Pension Liability	198,231	4,292,604	-	4,490,835	-
Net OPEB Obligation	639,439	14,785	-	654,224	-
Total Proprietary Long-Term Obligations	<u>\$ 31,624,039</u>	<u>\$ 17,699,630</u>	<u>\$ (3,893,607)</u>	<u>\$ 45,430,062</u>	<u>\$ 3,473,994</u>
Total Long-Term Debt & Obligations	<u>\$ 60,263,265</u>	<u>\$ 32,098,545</u>	<u>\$ (6,041,485)</u>	<u>\$ 86,320,325</u>	<u>\$ 4,265,095</u>

The City has direct placement debt from the Florida Department of Environmental Protection Drinking Water State Revolving Fund Loan Program. The total loan amount is \$9,403,394 and the City currently has \$6,611,323 and has opted out of future borrowings. This loan is secured by the City's utility revenues.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 8. INTERFUND RECEIVABLES, PAYMENTS, AND TRANSFERS:

A. As of September 30, 2022, interfund payments and transfers are as follows:

<u>Fund Type/Fund</u>	<u>Transfers-in</u>	<u>Transfers-out</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 3,444,733	\$ 3,827,386
Debt Service Fund	1,520,532	-
Special Revenue Fund-HACRA	851,678	1,327,740
Special Revenue Fund-LCRA	733,477	-
Permanent Fund	-	-
PROPRIETARY FUNDS		
Utility Fund	631,370	1,624,131
Stormwater Fund	76,493	248,108
Solid Waste Fund	211,050	360,763
Municipal Marina Fund	20,019	152,485
Visitor Information Center	1,327,740	1,276,479
Total	<u>\$ 8,817,092</u>	<u>\$ 8,817,092</u>

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

<u>Fund Type/Fund</u>	<u>Administrative Overhead Charges</u>	<u>Administrative Overhead Expenses</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 4,159,429	\$ -
Community Redevelopment Agency	-	46,548
PROPRIETARY FUNDS		
Utility Fund	-	2,598,415
Stormwater Fund	-	386,755
Solid Waste Fund	-	505,629
Municipal Marina Fund	-	322,213
Visitor Information Center	-	299,869
Total	<u>\$ 4,159,429</u>	<u>\$ 4,159,429</u>

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

B. As of September 30, 2022, interfund receivables are as follows:

<u>Fund Type/Fund</u>	<u>Due to</u>	<u>Due from</u>
GOVERNMENTAL FUNDS		
General Fund	\$ -	\$ -
Debt Service Fund	-	-
Special Revenue Fund-HACRA	-	-
Special Revenue Fund-LCRA	-	.
Capital Projects Fund	-	-
Permanent Fund	-	-
PROPRIETARY FUNDS		
Utility Fund	1,877,033	-
Stormwater Fund	-	77,033
Solid Waste Fund	-	1,800,000
Municipal Marina Fund	-	-
Visitor Information Center	-	-
 Total	 <u>\$ 1,877,033</u>	 <u>\$ 1,877,033</u>

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

NOTE 9. LEASES:

The City has 37 lease-related revenues for land & buildings it leases to various tenants. The City recognized lease-related revenue during the year ended September 30, 2022 of \$1,294,489.

Future minimum rents under non-cancelable operating leases to be received as of September 30, 2022, are as follows:

<u>As of September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 687,569	\$ 200,993	\$ 888,561
2024	760,696	140,434	901,130
2025	659,035	123,898	782,933
2026	395,391	105,101	500,492
2027	372,801	95,128	467,929
2028-2032	620,339	387,417	1,007,756
2033-2037	639,764	306,090	945,855
2038-2042	855,684	255,671	1,111,355
2043-2047	1,019,005	123,892	1,142,897
Thereafter	213,650	32,909	246,559
Total	<u>\$ 6,223,934</u>	<u>\$ 1,771,534</u>	<u>\$ 7,995,467</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS:

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

A. Membership

As of September 30, 2022, employee membership data related to the pension plans were:

	GERS	PORS	FFRS	Total
Active Participants	235	56	33	324
Inactive Members or Beneficiaries Receiving Benefits	185	31	26	242
Drop Retirees	-	2	-	2
Disabled Members	-	3	-	3
Vested Terminated	11	6	8	25
Inactive or Limited Participants	48	2	-	50
Total Participants	479	100	67	646

Total Covered Payroll	\$11,657,347	\$4,026,795	\$2,445,235	\$18,129,377
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B. Plan Descriptions – General

1. General Employees' Retirement System (GERS)

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS: (continued)

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

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

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

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

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

2. Police Officers' Retirement System (PORS)

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

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

The Deferred Retirement Option Program (DROP) allows participants eligible for regular retirement to continue employment for a maximum of five years and receive retirement benefits during this period. Employee contributions to the plan are discontinued, and the retirement benefits are transferred to the DROP reserve monthly, payable in full upon retirement. As of September 30, 2022, the balance of the Police Officers' Retirement System DROP plan is \$101,531.

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS: (continued)

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

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

3. Fire Fighters' Retirement System (FFRS)

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

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

The Deferred Retirement Option Program (DROP) allows participants eligible for regular retirement to continue employment for a maximum of five years and receive retirement benefits during this period. Employee contributions to the plan are discontinued, and the retirement benefits are transferred to the DROP reserve monthly, payable in full upon retirement. As of September 30, 2022, the balance of the Fire Fighters' Retirement System DROP plan is \$-0-.

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS: (continued)

A. Actuarial Assumptions

The total pension liability was determined by actuarial valuations as of October 01, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

	GERB	PORS	FFRS
Inflation	2.75%	2.75%	2.50%
Salary Increases	Service based	Service based	5.0%
Investment Rate of return, including inflation	7.30%	7.30%	7.15%
Mortality	Table 1	Table 1	Table 2

Mortality Table 1:

Mortality Rate Healthy Lives:

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

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

Mortality Rate Disabled Lives:

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

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

Mortality Table 2:

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

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

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

Mortality Rate Disabled Lives:

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS: (continued)

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

<u>Development of Long Term Discount Rate – General Employee Retirement System</u>			
	Inflation	Policy Allocation	Long Term Expected Real Rate of Return
Domestic Equity	2.75%	55.0%	9.30%
Foreign Equity	2.75%	10.0%	10.30%
Bonds	2.75%	15.0%	5.30%
Real Estate	2.75%	15.0%	7.30%
Treasuries & Other Gov't Obligations	2.75%	5.0%	5.30%
Cash	2.75%	0.0%	1.8%

<u>Development of Long Term Discount Rate – Police Officer Retirement System</u>			
	Inflation	Policy Allocation	Long Term Expected Real Rate of Return
Domestic Equity	2.75%	55.0%	9.50%
Foreign Equity	2.75%	10.0%	10.50%
Corporate Bonds	2.75%	20.0%	5.50%
Real Estate	2.75%	15.0%	7.50%
U. S. Treasuries & Other Gov't Agencies	2.75%	0.0%	5.00%
Cash	2.75%	0.0%	1.0%

<u>Development of Long Term Discount Rate – Fire Fighters Retirement System</u>			
	Inflation	Policy Allocation	Long Term Expected Real Rate of Return
Domestic Equity	2.50%	50.0%	7.50%
Foreign Equity	2.50%	15.0%	8.50%
Fixed Income	2.50%	35.0%	2.50%
Alternative	2.50%	5.0%	3.50%

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS: (continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.20% for the GERS and PORS and 7.15% for the FFRS. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to be made at actuarially determined contribution rates based on the funding requirements of Florida Statutes, taking into account the applicable member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was used as the discount rate and applied to all periods of projected benefit payments to determine the total pension liability.

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

City’s net pension liability (asset)	1% Decrease	Current	1% Increase
GERS (current rate of 7.20%)	\$ 18,225,787	\$ 10,925,312	\$ 5,258,558
PORS (current rate of 7.20%)	\$ 6,201,033	\$ 3,215,787	\$ 264,645
FFRS (current rate of 7.15%)	\$ 5,252,854	\$ 3,128,041	\$ 1,352,362

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS: (continued)

Statement of Fiduciary Net Position (FNP)

	GERS	PORS	FFRS	Total
Assets				
Cash & Cash Equivalents	\$ 592,917	\$ 2,037,912	\$ 561,011	\$ 3,191,840
Receivables	139,747	20,229	66,927	226,903
Fixed Income	4,900,962	3,005,027	4,342,237	12,248,226
Equities	30,231,470	13,760,652	9,018,691	53,010,813
Real Estate	12,623,756	5,080,967	-	17,704,723
Alternative Strategies	3,807,928	-	-	3,807,928
Prepaid	-	-	-	-
Total Assets	52,296,780	23,904,787	13,988,866	90,190,433
Liabilities				
Accounts Payable	16,286	7,199	38,981	62,466
Total Liabilities	16,286	7,199	38,981	62,466
Net Position Held In Trust				
For Pension Benefits – (a)	\$ 52,280,494	\$ 23,897,588	\$ 13,949,885	\$ 90,127,967

Statement of Changes in Total Pension Liability

	GERS	PORS	FFRS	Total
Service cost at 10/01/21	\$ 1,128,957	\$ 521,022	\$ 451,826	\$ 2,101,805
Interest	4,321,201	1,920,832	1,170,514	7,412,547
Change in Excess State Money	-	-	-	-
Share Plan Allocation	-	-	19,365	19,365
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience	939,098	294,183	(149,914)	1,083,367
Changes to Assumptions	662,535	562,826	-	1,225,361
Benefit Payments, including Refunds Of Employee Contributions	(3,823,120)	(1,506,760)	(775,421)	(6,105,301)
Net Change in Total Pension Liability	3,228,671	1,792,103	716,370	5,737,144
Total Pension Liability at 10/01/21	59,977,135	25,321,272	16,361,556	101,659,963
Total Pension Liability at 09/30/22 (b)	63,205,806	27,113,375	17,077,926	107,397,107
Net Pension Liability (a) – (b)	\$ (10,925,312)	\$ (3,215,787)	\$ (3,128,041)	\$ (17,269,140)

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS: (continued)

B. Funding Policy, Contributions, Status and Progress:

1. General Employees' Retirement System (GERS)

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

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

The System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. For the year ended September 30, 2022, the City made an actuarial contribution of 24.64 percent in addition to the required one percent contributed on behalf of the employees.

2. Police Officers' Retirement System (PORS)

The St. Augustine Police Officers' Retirement System is funded under the provisions of Article X, Section 10.03, St. Augustine Code and Chapter 185.07, Florida Statutes. Funding arrangements include contributions by retirement system members, the City of St. Augustine, percentage of casualty insurance premiums collected on property located within the corporate limits of the City of St. Augustine, accretions to the fund by way of interest on bank deposits or otherwise, and any other source of income authorized by law to increase the retirement fund. At September 30, 2022, contributions by retirement system members are based on 5.5 percent of compensation while the City of St. Augustine contributes a minimum of 2.5 percent of compensation. Previously, retirement system members contributed four percent of fixed monthly compensation. The Board of Trustees for the Plan anticipates the above funding methods will result in all members' benefits being fully provided for by the time of their retirement. Effective October 1, 1993, the member contributions were changed from post-tax compensation to pre-tax compensation.

Administrative costs are funded by City and member contributions.

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The City made an actuarial contribution of 8.02 percent during the fiscal year ended September 30, 2022, in addition to the ordinance-required 2.5 percent.

3. Fire Fighters' Retirement System (FFRS)

The City of St. Augustine Firefighters' Retirement System plan was created in 1987 under City Ordinance 87-60 amending Section 20, Article V of the Code of the City of St. Augustine, Florida. The Plan was substantively amended in 1993, 1995, 2000, 2001 and 2005. In addition, the Plan is a local law plan subject to provisions of Chapter 175 of the State of Florida Statutes. Funding arrangements include contributions by retirement system members, the City of St. Augustine, 1.85 percent premium tax for property insurance and investment income from the retirement system assets. Administrative costs of the fund are financed through investment earnings. For the current fiscal year the state premium tax revenue was \$201,143.

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

NOTE 10. RETIREMENT SYSTEMS: (continued)

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The City was required to make an actuarial contribution of 12.21 percent during the fiscal year ended September 30, 2022, in addition to the ordinance-required contribution of 3.5 percent.

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

For the year September 30, 2022, the City recognized (credited) pension expense as follows:

General Employees' Pension Plan	\$ 3,232,105
Police Officers' Pension Plan	930,618
Fire Fighters' Pension Plan	<u>969,132</u>
Total	<u>\$ 5,131,855</u>

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

Deferred Outflow of Resources:

	GERS	PORS	FFRS	Total
Differences between expected and actual experience	\$ 1,848,949	\$ 739,000	\$ 310,755	\$ 2,898,704
Changes in Assumption	1,202,433	984,319	518,319	2,705,071
Net difference between projected and actual earnings on investments	4,348,008	2,100,826	2,685,027	9,133,861
	<u>\$ 7,399,390</u>	<u>\$ 3,824,145</u>	<u>\$ 3,514,101</u>	<u>\$ 14,737,636</u>

Deferred Inflow of Resources:

	GERS	PORS	FFRS	Total
Differences between expected and actual experience	\$ (138,150)	\$ (177,400)	\$ (124,930)	\$ (440,480)
Changes in Assumption	-	(63,213)	-	(63,213)
Net difference between projected and actual earnings on investments	-	-	-	-
	<u>\$ (138,150)</u>	<u>\$ (240,613)</u>	<u>\$ (124,930)</u>	<u>\$ (503,693)</u>
Net	<u>\$ 7,261,240</u>	<u>\$ 3,583,532</u>	<u>\$ 3,389,171</u>	<u>\$ 14,233,943</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

<u>Year Ended September 30,</u>	<u>GERS</u>	<u>PORS</u>	<u>FFRS</u>	<u>Total</u>
2023	\$ 2,241,983	\$ 1,005,607	\$ 853,994	\$ 4,101,584
2024	1,609,854	785,244	705,201	3,100,299
2025	1,154,931	644,183	807,517	2,606,631
2026	2,255,472	1,148,498	1,047,445	4,451,415
2027	-	-	(24,986)	(24,986)
	<u>\$ 7,262,240</u>	<u>\$ 3,583,532</u>	<u>\$ 3,389,171</u>	<u>\$ 14,234,943</u>

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

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

Based on Governmental Accounting Standards Board (GASB) approval of Statement Nos. 74 and 75 which set forth the guidelines for reporting and disclosure of Other Post-Employment Benefits (OPEB), the City had an actuary calculate future funding requirements using an appropriate actuarial cost method. The valuation was performed as of September 30, 2022 and covers subsidies for medical insurance benefits. The City has implemented the provisions of GASB Statement No. 75 prospectively. The City’s annual OPEB cost for the Plan is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The individual entry age actuarial cost method is specially identified in GASB Statement 75 as the only appropriate method for determining a plan’s Total OPEB Liability (TOL), which is the portion of the present value of benefits attributable to past service.

1. Plan Description:

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

Under certain conditions, eligible individuals also include spouses and dependent children. As of September 30, 2022, there were 315 future retirees, 19 retired and disabled participants receiving benefits, no spouses receiving benefits, and no other dependents receiving benefits for a total of 334 included in the valuation. The Plan does not issue a publicly available financial report.

2. Funding Policy:

The City Commission is authorized to establish benefit levels and approve the actuarial assumptions used in the determination of contributions levels. The City Commission establishes the contributions requirements of plan members and the City. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the premium cost. Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on whether the retiree elects single, single plus spouse, single plus dependents, or family coverage. Currently, the City’s subsidy to OPEB benefits is unfunded. There are no separate Trust Funds or equivalent arrangements into which the City makes contributions to advance-fund the OPEB liabilities, as it does for its retiree pension plans. The City’s cost

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

of the OPEB benefits, funded on a pay-as-you-go basis, was \$516,693 for the year ended September 30, 2022. The ultimate implicit and explicit subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments according to its current investment policy. Under GASB Statement 75, the City's expected discount rate of 3.75% reflects the 20-year tax-exempt municipal bond yield or index rate which is based on the assumption that the plan will not be funded. This is consistent with GASB Statement No. 75 guidance.

A. Actuarial Assumptions

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

Retirement Rates Based Service and Age (continued)

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

Termination Rates Based on Age:

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

Police			
Years of Service - Male			
<u>Age</u>	<u>0-3</u>	<u>3-5</u>	<u>5+</u>
Under 40	20.0%	20.0%	3.0%
40+	5.0%	5.0%	5.0%
Years of Service - Female			
<u>Age</u>	<u>0-3</u>	<u>3-5</u>	<u>5+</u>
Under 35	33.0%	2.0%	2.0%
35-39	33.0%	2.0%	10.0%
40-44	15.0%	2.0%	2.0%
45-49	15.0%	2.0%	10.0%
50-54	15.0%	2.0%	2.0%
55+	15.0%	2.0%	0.0%

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

Disability Incidence Rates:

	General	Police		Fire
	All	Male	Female	All
<u>Age</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
25	0.01%	0.07%	0.04%	0.08%
35	0.01%	0.15%	0.12%	0.12%
45	0.04%	0.36%	0.28%	0.33%
55	0.16%	1.18%	0.83%	0.50%

Medical Plan Retiree Election Rates

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

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

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

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

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

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

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

	1.0% Decrease in Discount Rate	Current Single Discount Rate	1.0% Increase in Discount Rate
Discount Rate	2.75%	3.75%	4.75%
Total OPEB Liability (TOL)	\$1,823,689	\$2,153,126	\$2,575,702
Plan Net Fiduciary Position	-	-	-
Net OPEB Liability	\$1,823,689	\$2,153,126	\$2,575,702
Plan Net Fiduciary Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Annual Covered Payroll	19,049,880	19,049,880	19,049,880
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.57%	11.30%	13.52%

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

	1.0% Decrease in Discount Rate	Current Single Discount Rate	1.0% Increase in Discount Rate
Healthcare Cost Trend	4.00%	5.00%	6.00%
Total OPEB Liability (TOL)	\$ 1,836,044	\$ 2,153,126	\$ 2,555,273
Plan Net Fiduciary Position	-	-	-
Net OPEB Liability	1,836,044	2,153,126	2,555,273
Plan Net Fiduciary Position as a Percentage of Total OPEB Liability	0%	0%	0%
Annual Covered Payroll	\$ 19,049,880	\$ 19,049,880	\$ 19,049,880
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.64%	11.30%	13.41%

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

The City's total OPEB liability of \$2,153,126 was measured as of September 30th, 2022.

Changes in the Total OPEB Liability

Total OPEB Liability, 10/1/2021	\$	2,117,173
Service Cost		41,297
Interest on Total OPEB Liability		77,832
Differences between Expected and Actual Experience		-
Changes in Assumptions and Other Inputs		-
Benefit Payments		(83,176)
Net Change in OPEB Liability		<u>35,953</u>
Total OPEB Liability, End of Year	\$	<u><u>2,153,126</u></u>

At September 30, 2022, the City reported its proportionate share of the City's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

Deferred Outflow of Resources:

	<u>OPEB</u>
Differences between expected and actual experience	\$ 154,121
Changes in Assumption	46,014
Net difference between projected and actual earnings on investments	-
	<u>\$ 200,135</u>

Deferred Inflow of Resources:

Differences between expected and actual experience	\$ (82,919)
Changes in Assumption	(189,011)
Net difference between projected and actual earnings on investments	-
	<u>\$ (271,930)</u>

CITY OF ST AUGUSTINE, FLORIDA
Notes to the Financial Statements
September 30, 2022

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

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

<u>Year Ended September 30,</u>	<u>Expense</u>
2023	(110,170)
2024	(16,560)
2025	54,935
2026	-
Thereafter	-
	\$ (71,795)

NOTE 13. 457 TAX-DEFERRED COMPENSATION PLAN:

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

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

NOTE 14. SUBSEQUENT EVENTS

On Wednesday September 28th 2022, the City had to shut down due to Hurricane Ian and remained closed until Monday October 3rd. Six weeks later the City had to shut down again due to Tropical Storm Nicole. The City's marina breakwater dock sustained major damage but saved the main marina docks, fueling system and other infrastructure necessary to keep the marina operational. The damage is estimated at \$7 million to repair and is expected to be funded by grants from FEMA, the Florida Inland Navigational District, and Port & Waterway District. Other cleanup costs associated with these storms are expected to be 87.5% reimbursed by FEMA.

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

CITY OF ST. AUGUSTINE, FLORIDA
General Employees' Retirement Systems
Schedule of Changes in Net Pension Liability and Related Ratios
Last 9 Fiscal Years

	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	\$ 1,128,957	\$ 1,083,642	\$ 1,161,167	\$ 1,212,444	\$ 1,070,512
Interest	4,321,201	4,094,536	3,972,631	3,899,091	3,662,089
Differences Between Expected and Actual					
Experience	939,098	1,880,879	816,741	(690,749)	1,205,174
Changes of Assumptions	662,535	1,249,629	99,193	279,597	270,413
Benefit Payments, Including Refunds of					
Employee Contributions	(3,823,120)	(3,683,439)	(3,616,283)	(3,076,009)	(2,806,416)
Net Change in Total Pension Liability	3,228,671	4,625,247	2,433,449	1,624,374	3,401,772
Total Pension Liability - Beginning	59,977,135	55,351,888	52,918,438	51,294,064	47,892,292
Total Pension Liability - Ending	<u>63,205,806</u>	<u>59,977,135</u>	<u>55,351,888</u>	<u>52,918,438</u>	<u>51,294,064</u>
Plan Fiduciary Net Position					
Contributions - Employer	3,040,396	3,010,252	2,935,788	3,054,301	2,720,877
Contributions - Employee	505,122	527,391	551,940	464,544	440,965
Net Investment Income and other income	(6,929,100)	11,146,101	4,986,042	849,095	2,977,936
Benefit Payments, Including Refunds of					
Employee Contributions	(3,823,120)	(3,683,439)	(3,616,283)	(3,076,009)	(2,806,415)
Administrative Expenses	(80,334)	(80,636)	(68,950)	(68,479)	(65,056)
Net Change in Plan Fiduciary Net Position	(7,287,036)	10,919,669	4,788,537	1,223,452	3,268,307
Plan fiduciary net position - beginning	59,567,530	48,647,861	43,859,324	42,635,872	39,367,565
Plan fiduciary net position - ending	<u>52,280,494</u>	<u>59,567,530</u>	<u>48,647,861</u>	<u>43,859,324</u>	<u>42,635,872</u>
Net Pension Liability	<u>\$ 10,925,312</u>	<u>\$ 409,605</u>	<u>\$ 6,704,027</u>	<u>\$ 9,059,114</u>	<u>\$ 8,658,192</u>
Plan Fiduciary Net Position as a Percentage of the Total Liability	82.71%	99.32%	87.89%	82.88%	83.12%
Actuarial determined contributions	\$ 3,021,181	\$ 2,635,638	\$ 2,837,841	\$ 2,725,709	\$ 2,514,305
Contributions in relation to the actuarially determined contributions	3,151,370	3,123,136	3,048,816	3,171,892	2,825,631
Contribution (excess) deficiency	<u>\$ (130,189)</u>	<u>\$ (487,498)</u>	<u>\$ (210,975)</u>	<u>\$ (446,183)</u>	<u>\$ (311,326)</u>
Covered Payroll	<u>11,657,347</u>	<u>11,777,347</u>	<u>10,751,684</u>	<u>11,360,507</u>	<u>10,272,429</u>
Contribution as a percent of covered employee payroll	<u>27.03%</u>	<u>26.52%</u>	<u>28.36%</u>	<u>27.92%</u>	<u>27.51%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>93.72%</u>	<u>3.48%</u>	<u>62.35%</u>	<u>79.74%</u>	<u>84.30%</u>

Notes to Schedule:

Valuation Date: - January 2023

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

Amortization Method - Level Percentage, Closed

Remaining Amortization Period - 5 to 15 years based on year established

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

Inflation - 2.75%

Salary Increases - 3.5% to 7.0%

Investment Rate of Return - 7.3%

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

Mortality - FRS Mortality

2017	2016	2015	2014
\$ 934,169	\$ 877,693	\$ 803,520	\$ 773,148
3,354,032	3,199,137	2,974,850	2,922,230
-	292,529	957,468	524,737
2,259,593	293,019	64,099	-
<u>(2,560,373)</u>	<u>(2,318,001)</u>	<u>(2,445,651)</u>	<u>(1,946,951)</u>
3,987,421	2,344,377	2,354,286	2,273,164
43,904,875	41,560,498	39,206,212	36,933,048
<u>47,892,292</u>	<u>43,904,875</u>	<u>41,560,498</u>	<u>39,206,212</u>
2,199,188	1,981,476	1,890,973	1,818,974
417,923	403,094	388,933	299,058
4,487,841	2,936,911	712,816	3,220,400
(2,560,372)	(2,318,001)	(2,445,651)	(1,946,951)
<u>(59,340)</u>	<u>(57,582)</u>	<u>(39,139)</u>	<u>(88,525)</u>
4,485,240	2,945,898	507,932	3,302,956
34,882,325	31,936,427	31,428,495	28,125,539
<u>39,367,565</u>	<u>34,882,325</u>	<u>31,936,427</u>	<u>31,428,495</u>
<u>\$ 8,524,727</u>	<u>\$ 9,022,550</u>	<u>\$ 9,624,071</u>	<u>\$ 7,777,717</u>
82.20%	79.45%	76.84%	80.16%
\$ 2,065,477	\$ 1,907,612	\$ 1,791,789	\$ 1,749,201
2,283,857	2,058,258	1,964,248	1,893,589
<u>\$ (218,380)</u>	<u>\$ (150,646)</u>	<u>\$ (172,459)</u>	<u>\$ (144,388)</u>
<u>9,681,447</u>	<u>9,396,015</u>	<u>9,168,707</u>	<u>8,704,913</u>
<u>23.59%</u>	<u>21.91%</u>	<u>21.42%</u>	<u>21.75%</u>
<u>88.05%</u>	<u>96.03%</u>	<u>104.97%</u>	<u>89.35%</u>

CITY OF ST. AUGUSTINE, FLORIDA
Police Employees' Retirement Systems
Schedule of Changes in Net Pension Liability and Related Ratios
Last 9 Fiscal Years

	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	\$ 521,022	\$ 469,468	\$ 591,972	\$ 548,320	\$ 675,379
Interest	1,831,491	1,737,632	1,680,879	1,619,097	1,483,635
Differences Between Expected and Actual					
Experience	294,183	382,522	126,193	(413,933)	782,820
Changes of Assumptions	562,826	578,688	(158,030)	212,449	114,054
Benefit Payments, Including Refunds of					
Employee Contributions	(1,506,760)	(1,078,010)	(1,069,800)	(1,045,032)	(1,019,276)
Net Change in Total Pension Liability	1,702,762	2,090,300	1,171,214	920,901	2,036,612
Total Pension Liability - Beginning	25,321,272	23,230,972	22,059,758	21,138,857	19,102,245
Total Pension Liability - Ending	<u>27,024,034</u>	<u>25,321,272</u>	<u>23,230,972</u>	<u>22,059,758</u>	<u>21,138,857</u>
Plan Fiduciary Net Position					
Contributions - Employer	493,085	332,367	454,562	575,062	541,133
Contributions - Employee	219,683	208,383	190,186	184,388	170,931
Contributions - State	233,585	323,273	261,106	261,770	246,831
Premium Tax not Counted	(20,228)	(40,051)	-	-	-
Net Investment Income (Loss)	(2,879,629)	5,016,380	1,518,627	832,584	1,766,632
Benefit Payments, Including Refunds of					
Employee Contributions	(1,496,966)	(1,078,010)	(1,069,800)	(1,045,032)	(1,019,276)
Administrative Expenses	(67,654)	(81,237)	(86,799)	(75,736)	(60,925)
Net Change in Plan Fiduciary Net Position	(3,518,124)	4,681,105	1,267,882	733,036	1,645,326
Plan fiduciary net position - beginning	27,326,371	22,645,266	21,388,513	20,655,477	19,010,151
Plan fiduciary net position - ending	<u>23,808,247</u>	<u>27,326,371</u>	<u>22,645,266</u>	<u>21,388,513</u>	<u>20,655,477</u>
Net Pension Liability	<u>\$ 3,215,787</u>	<u>\$ (2,005,099)</u>	<u>\$ 585,706</u>	<u>\$ 671,245</u>	<u>\$ 483,380</u>
Plan Fiduciary Net Position as a Percentage of the Total Liability	88.10%	107.92%	97.48%	96.96%	97.71%
Actuarial determined contributions	\$ 739,250	\$ 590,285	\$ 702,783	\$ 828,511	\$ 704,412
Contributions in relation to the actuarially determined contributions	740,395	638,675	742,863	868,841	818,301
	<u>\$ (1,145)</u>	<u>\$ (48,390)</u>	<u>\$ (40,080)</u>	<u>\$ (40,330)</u>	<u>\$ (113,889)</u>
Covered Payroll	<u>4,026,795</u>	<u>3,901,486</u>	<u>3,571,718</u>	<u>3,428,854</u>	<u>3,615,909</u>
Contribution as a percent of covered employee payroll	<u>18.39%</u>	<u>16.37%</u>	<u>20.80%</u>	<u>25.34%</u>	<u>22.62%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>79.86%</u>	<u>-51.39%</u>	<u>16.40%</u>	<u>19.58%</u>	<u>13.38%</u>

Notes to Schedule:

Valuation Date: - December 2022

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

Amortization Method - Level Dollar, Closed

Remaining Amortization Period - 5 to 15 years based on year established

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

Inflation - 2.75%

Salary Increases - 3.5% to 7.0%

Investment Rate of Return - 7.3%

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

Mortality - FRS Mortality

2017	2016	2015	2014
\$ 540,900	\$ 535,582	\$ 514,463	\$ 461,946
1,381,385	1,667,171	1,218,700	1,208,257
-	(19,092)	(234,101)	(109,454)
501,237	93,784	19,821	-
<u>(1,440,875)</u>	<u>(799,841)</u>	<u>(689,626)</u>	<u>(876,479)</u>
982,647	1,477,604	829,257	684,270
18,119,598	16,641,994	15,812,737	15,128,467
<u>19,102,245</u>	<u>18,119,598</u>	<u>16,641,994</u>	<u>15,812,737</u>
478,581	399,211	411,658	387,688
178,168	153,529	164,848	140,007
194,937	175,835	181,087	167,880
-	-	-	-
2,159,405	1,654,228	123,357	1,619,894
<u>(1,440,875)</u>	<u>(799,841)</u>	<u>(689,626)</u>	<u>(876,479)</u>
<u>(50,802)</u>	<u>(59,938)</u>	<u>(40,273)</u>	<u>(47,946)</u>
1,519,414	1,523,024	151,051	1,391,044
17,490,737	15,967,713	15,816,662	14,425,618
<u>19,010,151</u>	<u>17,490,737</u>	<u>15,967,713</u>	<u>15,816,662</u>
\$ 92,094	\$ 628,861	\$ 674,281	\$ (3,925)
99.52%	96.52%	95.93%	100.02%
\$ 613,512	\$ 606,441	\$ 578,501	\$ 538,160
699,448	597,329	610,097	571,885
<u>\$ (85,936)</u>	<u>\$ 9,112</u>	<u>\$ (31,596)</u>	<u>\$ (33,725)</u>
<u>2,943,236</u>	<u>2,646,904</u>	<u>2,867,573</u>	<u>2,812,632</u>
<u>23.80%</u>	<u>22.60%</u>	<u>21.30%</u>	<u>20.33%</u>
<u>3.14%</u>	<u>23.76%</u>	<u>23.51%</u>	<u>-0.14%</u>

CITY OF ST. AUGUSTINE, FLORIDA
Fire Employees' Retirement Systems
Schedule of Changes in Net Pension Liability and Related Ratios
Last 9 Fiscal Years

	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	\$ 451,826	\$ 359,621	\$ 336,036	\$ 325,027	\$ 311,731
Interest	1,174,436	1,060,736	1,032,003	980,843	893,103
Changes in excess state money	-	-	-	-	(389,245)
Share plan allocation	15,443	17,203	30,460	11,011	116,195
Differences Between Expected and Actual Experience	(149,914)	311,459	44,590	84,337	316,244
Changes of Assumptions	-	693,753	111,627	(2,745)	3,672
Contributions - Buy Back	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(775,421)	(704,867)	(710,129)	(750,061)	(753,841)
Net Change in Total Pension Liability	716,370	1,737,905	844,587	648,412	497,859
Total Pension Liability - Beginning *restated	16,361,556	14,623,651	13,779,064	13,130,652	12,632,793
Total Pension Liability - Ending	<u>17,077,926</u>	<u>16,361,556</u>	<u>14,623,651</u>	<u>13,779,064</u>	<u>13,130,652</u>
Plan Fiduciary Net Position					
Contributions - Employer	316,980	288,559	269,544	359,136	349,974
Contributions - State	201,143	196,819	194,690	184,434	176,271
Contributions - Employee	122,262	115,361	106,077	102,020	97,030
Contributions - Buy Back	-	-	-	-	-
Net Investment Income (Loss)	(3,289,329)	2,422,591	1,604,756	516,332	1,063,931
Benefit Payments, Including Refunds of Employee Contributions	(775,421)	(704,867)	(710,129)	(746,299)	(753,841)
Administrative Expenses	(41,934)	(53,682)	(43,908)	(47,443)	(41,140)
Net Change in Plan Fiduciary Net Position	(3,466,299)	2,264,781	1,421,030	368,180	892,225
Plan fiduciary net position - beginning	17,416,184	15,151,533	13,730,503	13,362,323	12,470,098
Plan fiduciary net position - ending	<u>13,949,885</u>	<u>17,416,314</u>	<u>15,151,533</u>	<u>13,730,503</u>	<u>13,362,323</u>
Net Pension Liability	<u>\$ 3,128,041</u>	<u>\$ (1,054,758)</u>	<u>\$ (527,882)</u>	<u>\$ 48,561</u>	<u>\$ (235,343)</u>
Plan Fiduciary Net Position as a Percentage of the Total Liability	81.68%	106.45%	103.61%	99.65%	101.79%
Actuarial determined contributions	\$ 500,051	\$ 470,674	\$ 442,767	\$ 437,053	\$ 438,963
Contributions in relation to the actuarially determined contributions	498,758	482,496	433,774	532,559	688,965
Contribution (excess) deficiency	<u>\$ 1,293</u>	<u>\$ (11,822)</u>	<u>\$ 8,993</u>	<u>\$ (95,506)</u>	<u>\$ (250,002)</u>
Covered Payroll	<u>2,445,235</u>	<u>2,307,226</u>	<u>2,121,547</u>	<u>2,040,395</u>	<u>1,940,595</u>
Contribution as a percent of covered employee payroll	<u>20.40%</u>	<u>20.91%</u>	<u>20.45%</u>	<u>26.10%</u>	<u>35.50%</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>127.92%</u>	<u>-45.72%</u>	<u>-24.88%</u>	<u>2.38%</u>	<u>-12.12%</u>

Notes to Schedule:

Valuation Date - November 2022

Salary Increases - Flat 5%

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

Investment Return - 7.15

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

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

Actuarial Cost Method - Entry Age Normal Actuarial Cost Method.

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

Gains/Losses - 15 years

Method/Assumption changes - 15 years

Benefit Changes - 15 years

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

2017	2016	2015	2014
\$ 275,743	\$ 234,355	\$ 230,062	\$ 209,592
740,339	787,330	721,743	753,466
88,941	(295,791)	90,698	9,746
-	378,685	165,171	29,234
160,964	124,845	-	-
(32,498)	393,462	-	-
-	924	13,864	3,178
<u>(767,735)</u>	<u>(700,051)</u>	<u>(643,641)</u>	<u>(765,357)</u>
465,754	923,759	577,897	239,859
<u>12,167,039</u>	<u>11,243,280</u>	<u>10,665,383</u>	<u>10,425,524</u>
<u>12,632,793</u>	<u>12,167,039</u>	<u>11,243,280</u>	<u>10,665,383</u>
225,053	196,389	243,834	270,792
163,451	157,404	180,080	186,295
92,832	81,793	80,812	78,484
-	924	13,864	3,178
1,158,206	1,082,244	(138,907)	1,107,564
(767,735)	(700,051)	(643,641)	(765,357)
(47,428)	(47,394)	(37,717)	(24,882)
824,379	771,309	(301,675)	856,074
<u>11,645,719</u>	<u>10,874,410</u>	<u>11,176,085</u>	<u>10,320,011</u>
<u>12,470,098</u>	<u>11,645,719</u>	<u>10,874,410</u>	<u>11,176,085</u>
<u>\$ 162,695</u>	<u>\$ 521,320</u>	<u>\$ 368,870</u>	<u>\$ (510,702)</u>
98.71%	95.71%	96.70%	104.79%
\$ 334,010	\$ 303,615	350,237	381,591
301,274	336,351	350,237	381,591
<u>\$ 32,736</u>	<u>\$ (32,736)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>1,856,640</u>	<u>1,635,855</u>	<u>1,645,062</u>	<u>1,569,689</u>
<u>16.23%</u>	<u>20.56%</u>	<u>21.29%</u>	<u>24.31</u>
<u>8.77%</u>	<u>31.87%</u>	<u>22.42%</u>	<u>-32.54%</u>

CITY OF ST. AUGUSTINE, FLORIDA

Required Supplementary Information
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
 Last 5 Fiscal Years

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 41,297	\$ 46,198	\$ 53,053	\$ 154,075	\$ 81,206
Interest	77,834	75,556	63,426	170,941	76,692
Differences Between Expected and Actual					
Experience	-	197,462	(70,086)	(286,270)	-
Changes of Assumptions	-	77,213	(95,017)	(281,500)	123,660
Benefit Payments, Including Refunds of					
Employee Contributions	(83,176)	(58,711)	(56,750)	(132,808)	(58,167)
Net Change in Total OPEB Liability	35,955	337,718	59,729	(375,562)	223,391
Total OPEB Liability - Beginning	2,117,173	1,779,455	1,719,726	2,095,288	1,871,897
Total OPEB Liability - Ending	2,153,128	2,117,173	1,779,455	1,719,726	2,095,288
Plan Fiduciary Net Position					
Contributions - Employer	-	-	-	-	-
Contributions - Employee	-	-	-	-	-
Contributions - Buy Back	-	-	-	-	-
Net Investment Income (loss)	-	-	-	-	-
Benefit Payments, Including Refunds of					
Employee Contributions	-	-	-	-	-
Administrative Expenses	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending	-	-	-	-	-
Net OPEB Liability	\$ 2,153,128	\$ 2,117,173	\$ 1,779,455	\$ 1,719,726	\$ 2,095,288
Plan Fiduciary Net Position as a Percentage of the Total Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Actuarial determined contributions	\$ 516,693	\$ 515,086	\$ 440,696	\$ 438,632	\$ 415,625
Contributions in relation to the actuarially determined contributions	83,176	77,347	56,750	52,743	62,316
	\$ 433,517	\$ 437,739	\$ 383,946	\$ 385,889	\$ 353,309
Covered Payroll	19,049,880	18,317,192	14,573,762	14,013,232	16,374,771
Contribution as a percent of covered employee payroll	0.44%	0.42%	0.39%	0.38%	0.38%
Net OPEB Liability as a Percentage of Covered Payroll	11.30%	11.56%	12.21%	12.27%	12.80%

Notes to Schedule:

Valuation Date: - November 2022
 Actuarial Cost Method - Individual Entry Age
 Amortization Method - Level Dollar, Closed
 Remaining Amortization Period - 6 years
 Asset Valuation Method - N/A
 Medical Inflation - 5.0%
 Salary Increases - 3.5% to 7.0%
 Investment Rate of Return - 3.75%
 Retirement Age - 100% at Normal Retirement System Mortality Table
 Morality - Florida Retirement System Mortality Table

Combining Statements

CITY OF ST. AUGUSTINE, FLORIDA

**Combining Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2022**

	General Employees' Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Employee Retirement Funds
ASSETS				
Cash and Short-term Investments	\$ 592,917	\$ 2,037,912	\$ 561,011	\$ 3,191,840
Receivables:				
Contributions	139,747	20,229	66,927	226,903
Total Receivables	139,747	20,229	66,927	87,156
Prepaid Expenses	-	-	-	-
Investments, at Fair Value:				
Fixed income securities	4,900,962	3,005,027	4,342,237	12,248,226
Equity securities	30,231,471	13,760,652	9,018,691	53,010,814
Alternative strategies	3,807,928	-	-	3,807,928
Real estate fund	12,623,755	5,080,967	-	17,704,722
Total Investments	51,564,116	21,846,646	13,360,928	86,771,690
Total Assets	52,296,780	23,904,787	13,988,866	90,190,433
LIABILITIES				
Expenses Payable	16,286	7,199	38,981	62,466
Total Liabilities	16,286	7,199	38,981	62,466
NET POSITION, Restrictd For Pensions	\$ 52,280,494	\$ 23,897,588	\$ 13,949,885	\$ 90,127,967

CITY OF ST. AUGUSTINE, FLORIDA

**Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2022**

	General Employees' Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Employee Retirement Funds
ADDITIONS				
Contributions				
Members	\$ 505,122	\$ 219,683	\$ 122,262	\$ 847,067
City	3,040,396	493,085	316,980	3,850,461
State Insurance Premium Tax, from General Fund	-	233,585	201,143	434,728
Total Contributions	3,545,518	946,353	640,385	5,132,256
Other Income				
Other Income	7,630	7,584	-	15,214
Total Other Income	7,630	7,584	-	15,214
Investment Income (Loss)				
Net (Decrease) in Fair Value of Investments	(8,141,392)	(3,523,635)	(4,161,863)	(15,826,890)
Interest and Dividends on Investments	1,264,903	706,294	925,290	2,896,487
Total Investment Income (Loss)	(6,876,489)	(2,817,341)	(3,236,573)	(12,930,403)
Less Investment Expenses	60,241	69,872	52,756	182,869
Net Investment Income (Loss)	(6,936,730)	(2,887,213)	(3,289,329)	(13,113,272)
Total Additions	(3,383,582)	(1,933,276)	(2,648,944)	(7,965,802)
DEDUCTIONS				
Benefit Payments	3,711,161	1,490,063	775,421	5,976,645
Termination Payments	111,959	6,903	-	118,862
Administrative Expenses	80,334	67,654	41,934	189,922
Total Deductions	3,903,454	1,564,620	817,355	6,285,429
Change in Net Position	(7,287,036)	(3,497,896)	(3,466,299)	(14,251,231)
Net Position - Beginning	59,567,530	27,395,484	17,416,184	104,379,198
NET POSITION - ENDING	\$ 52,280,494	\$ 23,897,588	\$ 13,949,885	\$ 90,127,967

Schedule of Expenditures of Federal Awards

CITY OF ST. AUGUSTINE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2022

Federal Grantor/Pass-through Grantor/Program	CFDA No.	Contract Number	Federal Expenditures
U.S Department of the Treasury Florida Division of Emergency Management American Rescue Plan Act	21.027	Y5298-FL0275	\$ 541,203
Total U.S. Department of the Treasury			<u>541,203</u>
U.S. Department of Homeland Security/ FEMA Florida Division of Emergency Management Disaster Grants - Public Assistance - Matthew	97.036	PA-04-FL-4283	4,982,602
Disaster Grants - Public Assistance - Irma	97.036	PA-00-04-405-4337	80,382
Disaster Grants - Public Assistance - Dorian	97.036	Z1560-DR-4468	83,325
			<u>5,146,309</u>
Hazard Mitigation Grant Program - Seawall Reconstruction	97.039	4337-382-R	16,470
Hazard Mitigation Grant Program - South Whitney	97.039	4283-87-A	769
			<u>17,239</u>
Total U.S. Department of Homeland Security/ FEMA			<u>5,163,548</u>
U.S. Department of Interior National Park Service State of Florida, Department of State Hurricane Irma Impacts to Older NRHDS	15.957	P198AP00012 / 20.h.fh.100.003	158,289
US Fish and Wildlife Service Florida Department of Environmental Protection Marina Pumpout Boat	15.616	CVA21-023	116,526
Total U.S. Department of Interior			<u>274,815</u>
U.S. Department of Justice Florida Department of Law Enforcement St. Augustine Police Dept. Training Initiative	16.738	JAGC-STJO-3-3B-053	16,604
St. Augustine Police Dept. Pursuit Reduction	16.738	JAGD-STJO -1-4B-015	4,084
Total U.S. Department of Justice			<u>20,688</u>
U.S Department of Transportation Florida Department of Transportation State and Community Highway Traffic Safety Program	20.600	SC-2021-St. Augustine-00248	1,870
Total U.S Department of Transportation			<u>1,870</u>
Total Expenditures of Federal Awards			<u><u>\$ 6,002,124</u></u>

CITY OF ST. AUGUSTINE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2022

A. Basis of Presentation:

The Schedule of Expenditures of Federal Awards presented on page 139 (the Schedule) includes the federal grant activity of the City of St. Augustine for the fiscal year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) therefore, some of the amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

B. Indirect Cost Rate

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

C. Disaster Grants - Public Assistance

The City of St. Augustine has been impacted by hurricanes Matthew, Irma and Dorian. The City has requested and/or has been reimbursed for expenditures for Hurricane Matthew for the fiscal years ending September 30, 2017-2022; and for Hurricane Irma for the fiscal years ending September 30, 2018-2022 and for Hurricane Dorian for the fiscal years ending September 30, 2020-2022. These expenditures have been reported on the Schedule in accordance with Compliance Supplement(2 CFR Part 200, Appendix XI) dated April 2017 for Department of Homeland Security, CFDA 97.036-DISASTER GRANTS - PUBLIC ASSISTANCE (Presidentially Declared Disasters, section: IV. OTHER INFORMATION, Recording Expenditures on the Schedule of Expenditures of Federal Awards.

D. Drinking Water State Revolving Fund

On May 9, 2017 the City of St. Augustine entered into a loan agreement with the Florida Department of Environmental Protection to fund various water projects in the City funded by the U.S Department of Environmental Protection's Capitalization Grants for State Revolving Funds. The total funding amount available per agreement is \$9,403,394 of which \$8,208,099 has been expended. There were no reportable expenditures for this grant for the fiscal year ended September 30, 2022.

F. American Rescue Plan Act

On September 24, 2021 the City of St. Augustine entered into a grant agreement with the Florida Division of Emergency Management under the Coronavirus State and Local Fiscal Recovery Funds provisions of the American Rescue Pan Act. The City received funding of \$7,720,659 or which \$541,203 was expended during the fiscal year ending September 30, 2022. Funds may be used to cover costs related to; (1) Public Health and Economic Impacts, (2) Premium Pay for Essential workers, (3) Revenue Loss and (4) Investments in infrastructure. Funds may only be used to cover these expenses incurred by December 31, 2024.

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	144-151
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over	
Revenue Capacity	152-156
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	
Debt Capacity	157-164
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	165-173
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	174-178
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

CITY OF ST. AUGUSTINE, FLORIDA

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

	2012/13	2013/14	2014/15	2015/16
<u>Governmental Activities</u>				
Invested in Capital Assets, net of related debt	\$ 1,503,296	\$ 2,977,346	\$ 6,987,074	\$ 8,168,623
Restricted	1,936,545	2,212,379	1,150,905	596,974
Unrestricted	8,071,115	8,064,965	1,005,259	3,039,161
Total governmental activities net position	\$ 11,510,956	\$ 13,254,690	\$ 9,143,238	\$ 11,804,758
<u>Business-type activities</u>				
Invested in Capital Assets, net of related debt	\$ 60,744,774	\$ 61,798,072	\$ 67,005,168	\$ 69,601,163
Restricted	4,994,135	3,872,255	5,279,739	6,293,059
Unrestricted	15,838,640	17,383,273	10,953,364	9,907,553
Total business-type activities net position	\$ 81,577,549	\$ 83,053,600	\$ 83,238,271	\$ 85,801,775
<u>Primary Government</u>				
Net Investment in Capital Assets	\$ 62,248,070	\$ 64,775,418	\$ 73,992,242	\$ 77,769,786
Restricted	6,930,680	6,084,634	6,430,644	6,890,033
Unrestricted	23,909,755	25,448,238	11,958,623	12,946,714
Total primary government net position	\$ 93,088,505	\$ 96,308,290	\$ 92,381,509	\$ 97,606,533

2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
\$ 10,018,643	\$ 11,227,466	\$ 9,650,381	\$ 10,276,539	\$ 10,974,724	\$ 12,840,951
712,728	398,551	2,009,797	1,843,746	2,401,917	9,689,173
1,674,662	3,464,098	5,048,152	6,881,874	12,515,159	14,681,088
<u>\$ 12,406,033</u>	<u>\$ 15,090,115</u>	<u>\$ 16,708,330</u>	<u>\$ 19,002,159</u>	<u>\$ 25,891,800</u>	<u>\$ 37,211,212</u>
\$ 78,978,209	\$ 78,892,021	\$ 86,160,080	\$ 91,760,995	\$ 99,545,897	\$ 106,913,873
560,168	612,664	4,487,846	5,906,586	6,258,567	15,424,680
14,044,492	18,766,230	18,819,984	20,722,869	20,145,301	19,867,812
<u>\$ 93,582,869</u>	<u>\$ 98,270,915</u>	<u>\$ 109,467,910</u>	<u>\$ 118,390,450</u>	<u>\$ 125,949,765</u>	<u>\$ 142,206,365</u>
\$ 88,996,852	\$ 90,119,487	\$ 95,810,461	\$ 102,037,534	\$ 110,520,621	\$ 119,754,824
1,272,896	1,011,215	6,497,643	7,750,332	8,660,484	25,113,853
15,719,154	22,230,328	23,868,136	27,604,743	32,660,460	34,548,900
<u>\$ 105,988,902</u>	<u>\$ 113,361,030</u>	<u>\$ 126,176,240</u>	<u>\$ 137,392,609</u>	<u>\$ 151,841,565</u>	<u>\$ 179,417,577</u>

CITY OF ST. AUGUSTINE, FLORIDA

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES										
Governmental Activities:										
General Government	\$ 10,348	\$ 9,150	\$ 9,064	\$ 8,786	\$ 10,633	\$ 8,265	\$ 8,860	\$ 11,082	\$ 10,169	\$ 11,641
Public Safety	8,439	8,849	9,327	9,406	9,474	9,048	12,079	11,269	12,561	14,508
Physical Environment	3,681	3,982	2,572	2,707	2,643	2,509	3,144	3,535	3,230	4,062
Transportation	202	229	-	2,980	2,731	3,156	3,923	3,711	3,854	4,258
Culture & Recreation	485	471	1,456	425	1,438	1,245	1,561	1,465	1,328	1,470
Interest and Fiscal Charges	1,200	1,224	1,227	1,213	1,515	1,263	1,106	1,091	1,115	961
Total Governmental Activities Expenses	\$ 24,355	\$ 23,904	\$ 25,599	\$ 26,518	\$ 28,433	\$ 25,487	\$ 30,673	\$ 32,153	\$ 32,258	\$ 36,900
Business-type Activities:										
Utility	\$ 12,131	\$ 12,058	\$ 12,425	\$ 13,137	\$ 13,793	\$ 14,019	\$ 15,597	\$ 14,960	\$ 16,674	\$ 17,517
Stormwater Drainage	630	741	904	1,258	1,264	1,250	1,444	1,462	1,650	1,730
Solid Waste	3,275	3,120	3,569	3,945	5,727	4,621	4,055	4,143	4,350	5,216
Municipal Marina	2,243	2,347	2,238	2,138	2,423	3,561	3,056	2,953	3,342	4,775
Visitor Information Center	3,606	3,522	3,331	3,688	3,683	3,772	4,184	3,807	4,146	4,103
Total Business-type Activities Expenses	\$ 21,885	\$ 21,789	\$ 22,468	\$ 24,165	\$ 26,890	\$ 27,223	\$ 28,335	\$ 27,325	\$ 30,162	\$ 33,341
Total Primary Government Expenses	\$ 46,240	\$ 45,693	\$ 48,067	\$ 50,683	\$ 55,324	\$ 52,710	\$ 59,008	\$ 59,478	\$ 62,420	\$ 70,241
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services										
General Government	\$ 5,794	\$ 5,242	\$ 2,724	\$ 2,841	\$ 2,474	\$ 1,816	\$ 2,916	\$ 3,481	\$ 4,669	\$ 5,239
Public Safety	1,213	1,276	2,100	2,481	2,633	1,587	3,329	1,715	1,779	1,819
Physical Environment	380	399	373	505	335	-	400	1,151	692	1,035
Transportation	22	22	2,643	2,718	2,107	2,486	2,733	1,766	2,425	2,945
Culture/Recreation	46	77	190	256	190	-	199	181	-	-
Operating Grants and Contributions	81	76	30	43	1,000	45	103	111	1,638	51
Capital Grants and Contributions	164	1,803	1,481	284	20	775	166	665	1,119	8,040
Total Governmental Activities Program Revenues	\$ 7,700	\$ 8,896	\$ 9,540	\$ 9,128	\$ 8,758	\$ 6,709	\$ 9,845	\$ 9,070	\$ 12,323	\$ 19,129
Business-type activities (a):										
Charges for Services										
Utility	\$ 12,759	\$ 13,221	\$ 13,888	\$ 15,689	\$ 18,182	\$ 18,569	\$ 19,863	\$ 22,326	\$ 21,040	\$ 24,873
Stormwater Drainage	749	875	944	926	920	950	978	1,129	1,135	1,271
Solid Waste	3,409	3,427	3,420	3,669	3,653	3,827	3,955	4,078	4,167	4,834
Municipal Marina	2,343	2,508	2,533	2,363	2,632	2,262	3,464	3,116	4,029	5,585
Visitor Information Center	2,825	3,066	3,871	4,084	3,847	4,609	4,755	3,150	5,292	6,089
Operating Grants and Contributions	-	-	8	-	-	-	-	-	-	-
Capital Grants and Contributions	4,348	1,312	3,190	1,444	4,484	2,586	7,267	3,835	2,748	7,324
Total Business-type Activities Program Revenues	\$ 26,433	\$ 24,409	\$ 27,853	\$ 28,174	\$ 33,718	\$ 32,803	\$ 40,282	\$ 37,632	\$ 38,411	\$ 49,976
Total Primary Government Revenues	\$ 34,133	\$ 33,305	\$ 37,393	\$ 37,302	\$ 42,476	\$ 39,512	\$ 50,128	\$ 46,702	\$ 50,734	\$ 69,104

(continued)

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

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

(continued)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	\$ (16,654)	\$ (15,008)	\$ (16,059)	\$ (17,390)	\$ (19,675)	\$ (18,778)	\$ (20,828)	\$ (23,083)	\$ (19,935)	\$ (17,772)
Business-type Activities	4,548	2,620	5,385	4,009	6,827	5,580	11,948	10,307	8,249	16,634
Total primary government net expense	\$ (12,106)	\$ (12,388)	\$ (10,674)	\$ (13,381)	\$ (12,848)	\$ (13,198)	\$ (8,880)	\$ (12,776)	\$ (11,686)	\$ (1,138)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 8,042	\$ 8,354	\$ 8,767	\$ 9,699	\$ 10,509	\$ 11,235	\$ 12,377	\$ 13,662	\$ 15,512	\$ 16,682
Utility Taxes	1,104	1,207	1,213	1,341	1,496	1,577	1,608	1,550	1,648	1,785
Communication Service Taxes	1,080	818	919	902	1,484	916	812	799	900	952
Franchise Fees	1,368	1,450	1,588	1,642	1,602	1,738	1,759	1,603	1,731	2,368
State Revenue Sharing, Unrestricted	549	554	563	565	570	577	767	576	742	801
Local Option Gas Taxes	487	502	525	554	527	514	505	424	485	526
Local Option Sales Taxes	936	1,005	1,077	1,138	1,166	1,225	1,247	1,181	1,452	1,683
Insurance Premium Taxes	295	354	361	333	358	423	446	474	520	434
Other Taxes	108	142	149	162	160	178	-	292	105	102
Miscellaneous	999	1,133	1,088	2,131	2,162	1,742	539	2,437	2,485	2,115
Investment Income	29	52	50	67	119	223	373	197	46	250
Interfund Trans of Assets (net)	-	-	-	-	-	-	-	-	-	-
Transfers	(13,545)	1,181	2,139	1,516	121	1,551	2,013	2,181	1,198	1,395
Total Governmental Activities	\$ 1,452	\$ 16,752	\$ 18,439	\$ 20,051	\$ 20,276	\$ 21,899	\$ 22,446	\$ 25,377	\$ 26,824	\$ 29,091
Business-type activities (a):										
Unrestricted Invest Earnings	\$ 52	\$ 36	\$ 95	\$ 71	\$ 146	\$ 332	\$ 560	\$ 317	\$ 54	\$ 325
Interfund Trans of Assets (net)	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	929	1,098	702	480	454	692
Transfers	13,545	(1,181)	(2,139)	(1,516)	(121)	(1,551)	(2,013)	(2,181)	(1,198)	(1,395)
Total Business-type Activities	\$ 13,597	\$ (1,145)	\$ (2,044)	\$ (1,445)	\$ 954	\$ (121)	\$ (751)	\$ (1,384)	\$ (690)	\$ (378)
Total Primary Government	\$ 15,049	\$ 15,607	\$ 16,395	\$ 18,606	\$ 21,230	\$ 21,778	\$ 21,695	\$ 23,992	\$ 26,134	\$ 28,713
Change in Net Position										
Governmental Activities	\$ (15,202)	\$ 1,744	\$ 2,380	\$ 2,662	\$ 601	\$ 3,121	\$ 1,618	\$ 2,294	\$ 6,890	\$ 11,319
Business-type Activities	18,145	1,475	3,341	2,563	7,781	5,459	11,197	8,923	7,559	16,257
Total Primary Government	\$ 2,943	\$ 3,219	\$ 5,721	\$ 5,225	\$ 8,382	\$ 8,580	\$ 12,815	\$ 11,216	\$ 14,449	\$ 27,576

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

**FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 671,931	\$ 634,204	\$ 636,991	\$ 783,289	\$ 893,538
Restricted	65,389	70,933	64,333	70,806	77,301
Committed	1,206,207	7,871,887	7,305,641	-	7,483,630
Assigned	219,170	555,497	555,541	1,047,221	509,887
Unassigned	8,071,115	798,893	10,646	220,916	88,440
Total General Fund	10,233,812	9,931,414	8,573,152	10,661,056	9,052,796
All Other Governmental Funds					
Nonspendable	\$ 63,829	\$ 312,977	\$ 314,256	\$ -	\$ -
Restricted	1,135,396	1,194,265	135,325	324,556	308,351
Committed	1,101,692	363,094	500,761	371,115	365,823
Assigned	-	-	-	-	-
Unassigned reported in:					
Capital Projects Fund	-	-	-	-	-
Debt Service	-	(430)	-	-	-
Total All Other Governmental Funds	\$ 2,300,917	\$ 1,869,906	\$ 950,342	\$ 695,671	\$ 674,174
Total Governmental Funds	\$ 12,534,729	\$ 11,801,320	\$ 9,523,494	\$ 11,356,727	\$ 9,726,970

	2018	2019	2020	2021	2022
\$	1,331,857	\$ 1,217,640	\$ 1,461,855	\$ 1,203,382	\$ 1,289,339
	785,120	874,152	61,804	610,478	6,822,149
	7,920,294	8,508,568	9,173,314	9,768,666	15,338,822
	976,224	1,566,801	2,020,986	1,230,847	1,841,603
	313,234	1,430,654	1,238,244	5,468,410	3,743,107
	<u>11,326,729</u>	<u>13,597,815</u>	<u>13,956,203</u>	<u>18,281,783</u>	<u>29,035,020</u>
\$	313,790	\$ -	\$ -	\$ -	\$ -
	-	1,081,414	1,781,942	1,635,526	2,114,696
	471,068	-	-	-	-
	-	36,286	-	-	-
	-	-	-	-	-
	-	-	-	-	-
\$	<u>784,858</u>	<u>1,117,700</u>	<u>1,781,942</u>	<u>1,635,526</u>	<u>2,114,696</u>
\$	<u>12,111,587</u>	<u>14,715,515</u>	<u>15,738,145</u>	<u>19,917,309</u>	<u>31,149,716</u>

CITY OF ST. AUGUSTINE, FLORIDA

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

	2013	2014	2015	2016	2017
REVENUES					
Ad Valorem Taxes	\$ 7,858,737	\$ 8,353,876	\$ 8,767,045	\$ 9,698,505	\$ 10,509,003
Sales and Use Taxes	781,883	856,593	885,819	886,755	527,151
Utility Excise Taxes	2,186,496	2,025,371	2,131,711	2,243,500	2,979,244
Licenses, Permits & Fees	3,780,188	3,311,962	3,698,959	3,655,864	3,483,221
Intergovernmental	1,814,169	1,730,263	1,788,627	-	2,255,292
Fines & Forfeitures	299,368	282,512	466,019	621,657	360,707
Interest Earnings	29,342	51,680	50,300	67,261	119,451
Administrative Service Charges	2,131,456	2,134,031	2,532,364	3,536,037	3,423,132
Other	3,818,462	5,720,966	5,519,453	5,087,729	5,285,986
Total Revenues	22,700,101	24,467,254	25,840,297	27,663,114	28,943,187
EXPENDITURES					
Current:					
General Government	\$ 8,573,559	\$ 8,064,638	\$ 8,063,056	\$ 7,251,493	\$ 9,322,157
Public Safety	8,235,598	8,858,310	9,263,984	9,784,975	9,600,675
Physical Environment	3,635,979	3,883,309	2,459,077	2,602,746	2,578,357
Transportation	188,283	223,122	1,949,930	2,979,462	2,772,239
Culture & Recreation	477,295	471,297	1,452,229	1,424,595	1,459,825
Capital Outlay	1,131,616	3,475,857	5,398,703	1,634,176	3,416,681
Debt Service:					
Principal Retirement	392,983	396,186	442,785	454,974	342,952
Interest and Fiscal Charges	1,200,327	1,223,670	1,226,945	1,213,391	1,201,548
Issuance Cost	-	-	-	-	-
Total Expenditures	23,835,640	26,596,389	30,256,709	27,345,812	30,694,434
Excess (deficiency) of revenues over (under) expenditures	(1,135,539)	(2,129,135)	(4,416,412)	317,302	(1,751,247)
Other Financing Sources (Uses)					
Borrowing from Capitalized Lease	\$ -	\$ 215,000	\$ -	\$ -	\$ -
Transfers In	7,071,268	5,387,354	7,931,816	5,602,834	5,102,468
Transfers (Out)	(20,616,655)	(4,206,628)	(5,793,230)	(4,086,903)	(4,980,978)
Sale of Capital Assets	-	-	-	-	-
Long-term Debt Issued	1,576,691	-	-	-	-
Retirement to Escrow Agent	-	-	-	-	-
Bonds Refunded	(197,083)	-	-	-	-
Bond Proceeds	-	-	-	-	-
Payments to Defeased Bonds	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Discount on Long-Term Debt Issued	-	-	-	-	-
Premium on Long-Term Debt Issued	119,412	-	-	-	-
Total Other Financing Sources (Uses)	(12,046,367)	1,395,726	2,138,586	1,515,931	121,490
Net Change in Fund Balances	\$ (13,181,906)	\$ (733,409)	\$ (2,277,826)	\$ 1,833,233	\$ (1,629,757)
Debt Service as a percentage of noncapital expenditures	7.02%	7.01%	6.72%	6.49%	5.66%

	2018	2019	2020	2021	2022
\$	11,234,749	\$ 12,376,972	\$ 13,662,240	\$ 15,511,727	\$ 16,681,699
	423,187	951,484	897,604	1,005,500	959,743
	2,492,867	2,419,967	2,349,425	2,176,225	2,736,566
	819,746	7,284,367	4,378,179	5,594,666	8,984,379
	2,360,183	2,650,062	2,723,710	5,083,025	10,611,916
	384,656	317,319	240,746	483,747	323,946
	223,499	373,488	196,613	46,797	249,566
	3,545,795	3,733,288	3,916,089	3,973,148	4,112,881
	9,118,720	1,660,536	3,664,380	4,074,801	2,312,185
	30,603,402	31,767,483	32,028,986	37,949,636	46,972,881
\$	7,826,693	\$ 8,953,185	\$ 9,364,583	\$ 9,431,627	\$ 9,715,053
	10,395,600	11,198,645	11,653,469	12,787,083	13,488,358
	2,769,827	2,914,985	3,348,736	3,208,200	3,621,424
	3,802,800	2,685,795	3,669,491	3,917,631	4,108,178
	1,436,229	1,447,614	1,441,076	1,589,235	1,631,595
	3,303,643	2,489,834	2,376,735	2,442,720	3,050,628
	469,631	515,592	477,584	443,644	559,049
	1,262,847	1,106,835	1,092,332	1,114,642	961,483
	-	-	-	-	-
	31,267,270	31,312,485	33,424,006	34,934,782	37,135,768
	(663,868)	454,998	(1,395,020)	3,014,854	9,837,113
\$	-	\$ -	\$ -	\$ -	\$ -
	5,805,825	6,693,259	7,030,537	6,430,144	6,550,420
	(4,255,189)	(4,680,469)	(4,849,397)	(5,232,177)	(5,155,126)
	-	136,140	236,510	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	3,705,820	-
	19,968,267	-	-	-	-
	(18,470,418)	-	-	-	-
	-	-	-	(33,657)	-
	-	-	-	(3,705,820)	-
	-	-	-	-	-
	-	-	-	-	-
	3,048,485	2,148,930	2,417,650	1,164,310	1,395,294
\$	2,384,617	2,603,928	1,022,630	4,179,164	11,232,407
	6.20%	5.33%	5.06%	5.03%	4.67%

CITY OF ST. AUGUSTINE, FLORIDA

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

	2013	2014	2015	2016	2017
Real Property	\$ 1,550,025,682	\$ 1,600,223,236	\$ 1,718,302,003	\$ 1,829,080,525	\$ 1,917,447,480
Personal Property	99,441,437	101,527,054	103,628,284	103,885,128	114,084,278
Railroad & Telegraph	2,558,367	2,928,245	3,369,083	3,695,243	3,872,697
Total Assessed Valuations	1,652,025,486	1,704,678,535	1,825,299,370	1,936,660,896	2,035,404,455
Homestead Exempt Property (a)	\$ 141,569,199	\$ 145,786,764	\$ 150,699,482	\$ 155,237,830	\$ 160,319,086
Other Exemptions	394,162,661	389,557,411	402,135,455	407,304,069	409,105,684
Total Exempt Property	535,731,860	535,344,175	552,834,937	562,541,899	569,424,770
Total Taxable Value	\$ 1,116,293,626	\$ 1,169,334,360	\$ 1,272,464,433	\$ 1,374,118,997	\$ 1,465,979,685
Direct Rate	7.500	7.500	7.500	7.500	7.500

NOTES:

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

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

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

2018	2019	2020	2021	2022
\$ 2,065,250,505	\$ 2,258,662,327	\$ 2,541,614,732	\$ 2,724,970,196	\$ 3,091,433,482
124,468,101	126,260,505	144,460,685	155,942,325	168,575,400
3,900,865	3,917,574	3,874,570	3,697,466	4,254,026
2,193,619,471	2,388,840,406	2,689,949,987	2,884,609,987	3,264,262,908
\$ 164,471,795	\$ 167,642,609	\$ 171,359,015	\$ 186,916,766	\$ 190,100,970
425,129,343	459,904,126	511,850,847	536,878,869	574,274,600
589,601,138	627,546,735	683,209,862	723,795,635	764,375,570
\$ 1,604,018,333	\$ 1,761,293,671	\$ 2,006,740,125	\$ 2,160,814,352	\$2,499,887,338
7.500	7.500	7.500	7.500	7.500

CITY OF ST. AUGUSTINE, FLORIDA
PROPERTY TAX RATES AND TAX LEVIEES
DIRECT AND OVERLAPPING GOVERNMENTS
September 30, 2022

Fiscal Year Ended	Direct		Overlapping			Total
	St. Augustine	St. Johns County	School District	Management District	Other	
2013	7.500	5.937	7.544	0.328	0.231	21.540
2014	7.500	5.937	7.342	0.316	0.343	21.439
2015	7.500	5.875	7.228	0.302	0.273	21.178
2016	7.500	5.867	6.928	0.289	0.311	20.894
2017	7.500	5.867	6.543	0.272	1.717	21.900
2018	7.500	5.867	6.278	0.256	1.722	21.623
2019	7.500	5.867	6.136	0.241	1.680	21.425
2020	7.500	5.514	5.953	0.229	0.297	19.493
2021	7.500	5.514	5.812	0.219	1.581	20.626
2022	7.500	5.514	5.483	0.197	1.571	20.265

NOTES:

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

Source: St. Johns County Tax Collector

CITY OF ST. AUGUSTINE, FLORIDA

PRINCIPAL TAX PAYERS
September 30, 2022

Taxpayer	2021/2022		
	Taxable Assessed Value	Rank	Percent of Total Assessment
THE LANDING TWO LLC	\$ 42,899,996	1	1.72%
THE LANDING ONE LLC	\$ 37,483,594	2	1.50%
WEST SHORE ANTIGUA LLC	\$ 34,237,500	3	1.37%
SEBASTIAN LODGING LLLP	\$ 15,918,198	4	0.64%
SAN MARCO HOTEL LLC	\$ 15,411,869	5	0.62%
PATRIS REAL ESTATE LLC	\$ 14,857,237	6	0.59%
THE FLAGLER RESORT LTD	\$ 11,383,680	7	0.46%
KAPG ST AUGUSTINE SENIOR HOUSING LLC	\$ 10,214,605	8	0.41%
116 SAN MARCO ST AUGUSTINE OWNER LLC	\$ 7,953,220	9	0.32%
TARGET CORPORATION	\$ 7,463,473	10	0.30%
Principal Tax Payers Total Assessment	<u>\$ 197,823,372</u>		<u>7.61%</u>
Total Assessment for the City of St. Augustine	<u>\$ 2,501,057,007</u>		<u>100.00%</u>

Source: St. Johns County Property Appraiser's Office

CITY OF ST. AUGUSTINE, FLORIDA

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

Fiscal Year Ended	Total Tax Levy	Current Tax Collection	Percent (a) of Levy Collected	Assessed Taxable Value	Estimated Actual Value (Thousands)	Estimated % of Fair Market Value
2013	8,023,465	7,858,707	97.95%	1,652,025,486	1,652,025	100%
2014	8,366,909	8,136,439	97.25%	1,704,678,535	1,704,679	100%
2015	8,775,490	8,509,409	96.97%	1,825,299,370	1,825,299	100%
2016	9,502,422	9,338,782	98.28%	1,936,660,896	1,936,661	100%
2017	10,994,857	10,038,504	91.30%	1,465,979,685	1,465,979	100%
2018	11,011,494	10,684,346	97.03%	1,604,018,333	1,604,018	100%
2019	12,027,297	11,632,418	96.72%	1,761,874,600	1,761,874	100%
2020	13,213,507	12,777,533	96.70%	2,006,740,124	2,006,740	100%
2021	15,041,450	14,552,551	96.75%	2,163,607,035	2,163,607	100%
2022	16,162,296	15,611,957	96.59%	2,501,057,007	2,501,057	100%

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

**RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
September 30, 2022**

Fiscal Year	Population (a)	Assessed Value (In Thousands) (b)	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2013	13,271	1,652,025	-	-	-	-	-
2014	13,414	1,704,679	-	-	-	-	-
2015	13,590	1,825,299	-	-	-	-	-
2016	13,747	1,936,661	-	-	-	-	-
2017	13,862	2,036,999	-	-	-	-	-
2018	14,021	2,193,619	-	-	-	-	-
2019	14,031	2,389,593	-	-	-	-	-
2020	15,306	2,689,949	54,312,049	15,887,616	38,424,433	0.14	2,510
2021	15,650	2,884,610	49,941,221	22,593,617	27,347,604	0.09	1,747
2022	15,650	3,265,172	45,178,284	25,613,711	19,564,573	0.06	1,250

NOTES:

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

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

CITY OF ST. AUGUSTINE, FLORIDA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
September 30, 2022**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
2013	392,983	1,200,327	1,593,310	20,827,487	7.65
2014	396,186	1,223,670	1,619,856	21,858,437	7.41
2015	442,785	1,226,945	1,669,730	24,456,114	6.83
2016	454,974	1,213,391	1,668,365	24,289,220	6.87
2017	342,952	1,201,548	1,544,500	29,013,360	5.32
2018	469,631	1,262,847	1,732,478	29,434,497	5.89
2019	515,592	1,106,835	1,622,427	29,361,956	5.53
2020	477,584	1,087,433	1,565,017	30,418,808	5.14
2021	443,644	1,114,642	1,558,286	32,223,819	4.84
2022	177,832	908,592	1,086,424	34,822,782	3.12

CITY OF ST. AUGUSTINE, FLORIDA
UTILITY REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
September 30, 2022

Fiscal Year Ended	Gross Revenue (a)	Operating Expenses (b)	Net Revenue (c)	Debt Service Requirements (d)	Debt Service Coverage
2013	20,661,902	8,223,690	4,417,087	2,843,032	1.55
2014	12,864,764	8,264,157	4,600,607	2,833,938	1.62
2015	13,275,185	8,561,023	4,714,162	2,837,388	1.66
2016	15,230,758	8,907,224	6,323,535	3,828,544	1.65
2017	18,182,456	9,509,919	8,672,537	4,406,936	1.97
2018	18,429,492	9,919,482	8,510,010	3,041,968	2.80
2019	19,787,256	10,519,220	9,268,036	3,966,008	2.34
2020	20,914,684	10,420,529	10,494,155	3,447,702	3.04
2021	20,546,790	10,810,113	9,736,677	4,254,622	2.29
2022	24,838,923	11,612,601	13,226,322	2,683,416	4.93

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
September 30, 2022

Fiscal Year	General Obligation Bonds Governmental Activities	Percentage of Taxable Value of Property (a)	Per Capita (b)	Percentage of Personal Income [c]
2013	24,106,979	2.16%	1,817	0.21%
2014	23,710,792	2.03%	1,768	0.21%
2015	21,951,282	1.73%	1,597	0.17%
2016	22,895,020	1.67%	1,665	0.17%
2017	22,594,470	1.54%	1,610	0.16%
2018	25,548,314	1.74%	1,821	0.18%
2019	22,824,854	1.30%	1,627	0.13%
2020	22,347,272	1.11%	1,460	0.11%
2021	21,934,494	0.85%	1,169	0.09%
2022	21,344,581	0.85%	1,364	0.01%

Fiscal Year	General Obligation Bonds Business-Type Activities	Percentage of Taxable Value of Property (a)	Per Capita (b)	Percentage of Personal Income [c]
2013	23,663,021	2.12%	1,783	0.21%
2014	23,114,207	1.98%	1,723	0.20%
2015	23,908,718	1.88%	1,739	0.19%
2016	21,954,980	1.60%	1,597	0.16%
2017	21,225,530	1.45%	1,513	0.15%
2018	22,717,214	1.55%	1,619	0.16%
2019	19,620,144	1.11%	1,398	0.11%
2020	20,403,687	0.93%	1,225	0.10%
2021	24,311,727	0.74%	1,028	0.08%
2022	23,541,743	0.94%	1,504	0.01%

Fiscal Year	Water Revenue Bonds	Total Primary Government (d)	Per Capita (b)	Percentage of Personal Income [c]
2013	21,800,000	68,624,999	5,242	0.19%
2014	19,815,000	65,675,000	4,968	0.17%
2015	17,750,000	63,610,000	4,627	0.14%
2016	15,650,000	60,500,000	4,401	0.11%
2017	13,365,000	61,630,528	4,392	0.09%
2018	11,050,000	53,494,998	3,813	0.08%
2019	8,690,000	51,440,959	3,666	0.05%
2020	6,235,000	47,329,999	3,092	0.03%
2021	3,695,000	38,080,000	2,433	0.02%
2022	14,825,000	44,886,324	2,868	0.01%

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

(a) Schedule for taxable property value data.

(b) Schedule for population data.

[c] See Schedule for total personal income data.

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

CITY OF ST. AUGUSTINE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL
ACTIVITIES DEBT
September 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
St. Johns County Commission Capital Improvement Revenue Bonds	14,395,000	6.12%	\$ 881,584
St. Johns County Commission Sales Tax Revenue Refunding Bonds	41,820,000	6.12%	2,561,157
St. Johns County Commission Transportation Improvement Revenue Bonds	20,595,000	6.12%	1,261,287
Other Debt			
St. Johns County Commission Other Debt	73,255,000	6.12%	4,486,311
St. Johns County School Board Certificates of Participation	186,571,300	6.12%	11,426,072
St. Johns County School Board General Obligation Bonds	1,692,000	6.12%	103,622
St. Johns County School Board Sales Tax Revenue Bonds	22,500,316	6.12%	1,377,973
Subtotal Overlapping Debt			<u>22,098,006</u>
City Direct Debt			
Capital Improvement and Refunding Revenue Bonds	21,344,581	100.00%	<u>21,344,581</u>
Subtotal Direct Debt			<u>21,344,581</u>
Total Direct and Overlapping Debt			<u>\$ 43,442,587</u>

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

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

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

CITY OF ST. AUGUSTINE, FLORIDA

DIRECT AND OVERLAPPING RATIOS

September 30, 2022

Direct and Overlapping General Obligation Debt	\$ 43,442,587
Per Capita	2,775.88
As a Percentage of Taxable Assessed Valuation	1.33%
As a Percentage of Total Just Valuation	1.49%

CITY OF ST. AUGUSTINE, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2022

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

CITY OF ST. AUGUSTINE, FLORIDA

**SUMMARY OF PLEDGED FUNDS
Public Service Tax/Guaranteed Entitlement Bonds**

Revenue Source	2017/18	2018/19	2019/20	2020/21	2021/22
Public Service Tax					
Electric	\$ 1,525,928	\$ 1,559,461	\$ 1,506,962	\$ 1,607,257	\$ 1,741,517
Communication	916,000	811,896	799,042	900,226	951,938
Gas	50,939	48,609	43,420	40,856	43,111
Fuel Oil	-	-	-	-	-
Total	\$ 2,492,867	\$ 2,419,966	\$ 2,349,424	\$ 2,548,339	\$ 2,736,566
Florida Revenue Sharing					
Revenue Sharing	\$ 576,587	\$ 581,797	\$ 576,197	\$ 590,618	\$ 653,501
Guaranteed Entitlements					
Local Option Gas Tax	\$ 514,361	\$ 505,278	\$ 423,885	\$ 485,407	\$ 525,769
Total	\$ 514,361	\$ 505,278	\$ 423,885	\$ 485,407	\$ 525,769
Total Pledged Funds	\$ 3,583,815	\$ 3,507,041	\$ 3,349,506	\$ 3,624,364	\$ 3,915,836

CITY OF ST. AUGUSTINE, FLORIDA

DEMOGRAPHIC STATISTICS

September 30, 2022

Year	Population		Per Capita Personal Income	Total Personal (In Millions)	Unemployment Rate
	City of St. Augustine	St. Johns County			
2013	13,271	201,325 (est.)	\$ 58,019	\$ 12,156,922	5.2%
2014	13,414	207,443 (est.)	\$ 59,102	\$ 12,886,864	4.9%
2015	13,590	226,640	\$ 60,441	\$ 13,698,259	4.0%
2016	13,747	235,078	\$ 60,441	\$ 13,698,259	4.3%
2017	13,862	229,715 (est.)	\$ 61,423	\$ 14,439,811	3.7%
2018	14,021(est.)	238,742 (est.)	\$ 64,177	\$ 15,647,080	3.3%
2019	14,031	254,412 (est.)	\$ 64,177	\$ 17,327,679	2.9%
2020	15,306	261,900 (est.)	\$ 71,273	\$ 19,685,194	3.6%
2021	15,650	285,533 (est)	\$ 73,944	\$ 20,609,326	3.4%
2022	15,346	296,919 (est)	\$ 80,062	\$ 23,415,535	2.1%

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

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

CITY OF ST. AUGUSTINE, FLORIDA

MAJOR EMPLOYERS IN ST. AUGUSTINE AREA

Employer	Sector	2022	
		Approximate Employees	% of Total County Employment
St. Johns County School District	Education	5,039	3.97%
Flagler Health+	Medical	1,564	1.23%
St. Johns County	Public Administration	1,299	1.02%
Northrop Grumman	Manufacturing	1,110	0.88%
Florida NationalGuard Headquarters Office	Military	900	0.71%
PGA TOUR, Inc.	Event Management	800	0.63%
St. Johns County Sheriff's Office	Public Safety	689	0.54%
Florida School for the Deaf & Blind	Education	682	0.54%
Carlisle Interconnect Technologies	Manufacturing	644	0.51%
Ring Power	Heavy Equipment Sales	548	0.43%

Source: <http://www.sjcfll.us/EconomicDevelopment/Employers.aspx#.VseFcPkrJD8>

CITY OF ST. AUGUSTINE, FLORIDA

SUMMARY OF TEN LARGEST WATER CUSTOMERS
September 30, 2022

Customer	Usage for Fiscal Year Ended September 30, 2022 (in thousands of gallons)
Flagler College	199,448
Flagler Hospital	195,300
City Of St Augustine	163,978
Northrop Grumman Systems Corporation	107,530
Sjc Board Of County Commissioners	106,496
The Landing At St. Augustine	97,037
St Johns County School Board	92,934
Landing I, LLC	90,428
D & B School	81,503
United Landscapes	73,737

Source: City of St. Augustine Customer Service Department

CITY OF ST. AUGUSTINE, FLORIDA

**HISTORICAL UTILITY CUSTOMERS AND SALES OF THE SYSTEM
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended	Water Customers			Sewer Customers		
	Inside City	Outside City	Total	Inside City	Outside City	Total
2013	6,826	4,532	11,358	6,727	2,408	9,135
2014	6,842	4,585	11,427	6,717	2,485	9,202
2015	6,771	4,714	11,485	6,624	2,534	9,158
2016	7,695	5,700	13,395	6,950	3,044	9,994
2017	7,623	5,790	13,413	6,862	3,174	10,036
2018	7,907	6,263	14,170	7,109	3,522	10,631
2019	8,040	6,424	14,464	7,172	3,673	10,845
2020	8,606	7,003	15,609	7,643	4,196	11,839
2021	9,158	7,344	16,502	7,751	4,155	11,906
2022	9,153	7,459	16,612	8,068	4,362	12,430

Source: City of St. Augustine Customer Service Department

Water Sales (Thousands of Gallons)		
Inside City	Outside City	Total
535,938	366,881	902,819
595,408	391,182	986,590
540,026	368,309	908,335
563,563	404,526	968,089
587,371	425,859	1,013,230
548,945	411,312	960,257
557,225	421,331	978,556
585,057	443,263	1,028,320
601,624	427,695	1,029,319
603,824	470,224	1,073,448

CITY OF ST. AUGUSTINE, FLORIDA

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

**(In Millions)
"UNAUDITED"**

Fiscal Year Ended	Water Treatment Plant (a)		Wastewater Treatment Plant	
	Annual Average Daily Flow (Millions of Gallons Per Day)	Maximum Monthly Average Daily Flow (Millions of Gallons Per Day)	Annual Average Daily Flow (Millions of Gallons Per Day)	Maximum Monthly Average Daily Flow (Millions of Gallons Per Day)
2013	2.974	3.389	3.913	5.724
2014	2.959	3.178	3.678	4.614
2015	3.110	3.443	3.828	7.915
2016	3.320	3.702	3.213	4.429
2017	3.304	3.690	3.516	5.553
2018	3.225	3.382	3.955	6.417
2019	3.223	3.629	3.453	5.177
2020	3.404	3.619	3.552	5.437
2021	3.348	3.749	4.075	6.014
2022	3.588	3.952	2.496	3.696

Source: City of St. Augustine Engineering Department

CITY OF ST. AUGUSTINE, FLORIDA

**WATER AND SEWER UTILITIES
HISTORICAL RATE STRUCTURES
(In Thousands)**

Effective October 1,	Service Area	Minimum Charge Flow Rate Gal./Month	Water		Sewer	
			Minimum Charge	Additional Charge Per 1,000 Gal.	Minimum Charge	Additional Charge Per 1,000 Gal.
2013	Inside City	3,000	17.12	4.76	23.40	5.98
	Outside City	3,000	21.37	5.95	29.22	7.46
2014	Inside City	3,000	17.30	4.82	23.40	6.06
	Outside City	3,000	21.61	6.03	29.22	7.56
2015 (a)	Inside City	0	11.53	2.50-10.62	11.77	5.56
	Outside City	0	14.30	3.10-13.17	14.59	6.89
2016	Inside City	0	11.53	2.50-10.62	11.77	5.56
	Outside City	0	14.30	3.10-13.17	14.59	6.89
2017	Inside City	0	12.19	2.64-11.26	12.45	6.14
	Outside City	0	14.99	3.25-13.85	15.31	7.55
2018	Inside City	0	12.89	2.79-11.66	13.17	6.47
	Outside City	0	15.73	3.40-14.23	16.07	7.89
2019	Inside City	0	14.26	2.85 - 12.74	14.67	6.69
	Outside City	0	17.25	3.45 - 15.42	17.75	8.09
2020	Inside City	0	14.69	2.94 - 13.12	15.11	6.89
	Outside City	0	17.63	3.53 - 15.74	18.13	8.09
2021	Inside City	0	14.69	2.94 - 13.12	15.11	6.89
	Outside City	0	17.63	3.53 - 15.74	18.13	8.09
2022	Inside City	0	15.28	3.21 - 15.01	16.63	7.58
	Outside City	0	18.18	3.82 - 17.86	19.79	9.02

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

CITY OF ST. AUGUSTINE, FLORIDA

**BUILDING PERMIT ACTIVITY
LAST TEN FISCAL YEARS
(In Thousands)
September 30, 2022**

Fiscal Year	Single Family Units	Multi-Family Units	New Residential Valuation	New Non-Residential Valuations	Residential & Non-Residential Additions/Alterations	Public Valuation	Total Valuation
2013	49	-	10,964	14,490	1	12,644	38,100
2014	67	-	12,135	9,069	65	8,153	29,422
2015	89	-	17,335	13,730	129	9,256	40,450
2016	61	-	11,523	25,918	84	9,256	46,781
2017	58	-	15,390	9,093	370	20,660	45,143
2018	71	524	56,812	15,815	135	12,538	85,168
2019	232	314	87,583	23,343	114	12,818	123,744
2020	79	4	23,504	13,331	109	10,916	47,751
2021	117	1	36,556	14,755	125	5,131	56,442
2022	167	300	45,134	22,875	557	34,004	68,009

Source: City of St. Augustine Planning & Building Department

CITY OF ST. AUGUSTINE, FLORIDA

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

Fiscal Year	Commercial Construction (a)		Residential Construction (a)		Bank Deposits (b)
	Number of Units	Value	Number of Units	Value	
2013	31	14,490	49	10,964	2,940,180
2014	33	15,779	104	13,578	3,100,391
2015	60	23,882	164	20,531	3,500,629
2016	16	25,918	61	11,523	3,879,785
2017	14	9,093	58	15,390	4,125,350
2018	15	15,815	595	56,812	4,267,208
2019	10	23,343	546	87,583	4,939,299
2020	8	13,331	83	23,504	5,588,837
2021	7	14,755	118	36,556	5,966,278
2022	2	714,960	413	52,490	7,134,382

NOTES:

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

CITY OF ST. AUGUSTINE, FLORIDA

MISCELLANEOUS STATISTICAL DATA September 30, 2022

Date of Incorporation	May 30, 1925
Form of Government	Commission - Manager
Area:	
Square Miles	13.89 Miles
Paved Streets	66.61
Unpaved Streets	10.5
Altitude	7 Feet Above Sea Level
Education:	
Elementary	3
Secondary	1
Post-Secondary	2
Fire Protection:	
Number of Fire Stations	2
Number of Firefighters	36
Police Protection:	
Number of Police Stations	1
Number of Police Officers	56
Utility Customers:	
Water	16,612
Sewer	12,430
Solid Waste	8,420
Tourism Facts (St. Johns County):	
Visitors Spend (Per Year)	\$2.5 Billion
Airports	1
Attractions/Points of Interest	50 +
Camp Sites	1241
Condominium Units (Rentals)	4000
Hotel/Motel Units	5600
Marinas	14
Parks and Playgrounds	44
Public Golf Courses	19
Public Tennis Courts	28
Restaurants	200 +
Sightseeing Services	7
State Parks	3
	11.15 emailed the TDC
(continued)	

CITY OF ST. AUGUSTINE, FLORIDA

MISCELLANEOUS STATISTICAL DATA

September 30, 2022

(continued)

Climate:

Average Temperature and Precipitation in St. Johns County			
Quarter	Average Daily Max. Temperature	Average Daily Min. Temperature	Total Rainfall
October - December	73	63	8
January - March	68	53.3	9.6
April - June	82	69.6	10
July - September	88	77	15.2

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

CITY OF ST. AUGUSTINE, FLORIDA

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

FUNCTION	2018	2019	2020	2021	2022
Governmental Activities:					
General Government	56.5	57.5	59	59	61
Public Safety	105	103.5	109.5	108	106.5
Physical Environment	36.5	36	36.5	36.5	39
Transportation	18	18	17	15	14
Culture/Recreation	10	12	14	13	11
Business-Type Activities:					
Utilities	63	61	62	58	61
Stormwater	4	5	4	4	5
Solid Waste	19	19	18	18	24
Municipal Marina	11.5	12	12.5	12	12
Visitor Information Center	21	22.5	22	10.5	22

Source: City of St. Augustine Human Resources Department

CITY OF ST. AUGUSTINE, FLORIDA

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

FUNCTION	2018	2019	2020	2021	2022
Police					
Physical Arrests	1,345	1,222	682	616	1,088
Traffic Violations	1,105	1,968	1,443	2,018	1,629
Calls for Service	44,643	47,262	41,716	27,578	42,849
Parking Violations (includes those issued by Parking Enforcement)	12,835	14,229	6,755	9,170	6,056
Fire					
Number of calls answered	4,235	4,199	4,038	4,923	5,228
Inspections	218	420	590	634	796
Pre-fire tours	270	475	325	385	486
Hydrants Flow Tested	1,648	18	642	642	642
Highways and Streets					
New Street Pavings (miles)	-	0.48	-	0.12	0.43
Streets Resurfaced (miles)	6.6	5.03	7.48	4.17	1.52
Sanitation					
Refuse Collected (tons/day)	69.7	66.3	75.1	93.9	83.5
Recyclables Collected (tons/day)	10.5	18.9	24.4	27.1	22.8
Culture and Recreation					
Field Permits Issued	16	24	9	12	12
Lightner Museum Courtyard Permits Issued	307	304	310	348	363
Plaza Permits Issued	26	52	22	20	26
Other Event Permits Issued	62	75	43	48	69
Water					
New Connections	397	701	408	306	476
Average Daily Consumption (thousands of gallons)	3,225	3,223	3,404	3,348	3,588
Wastewater					
Average Daily Usage (thousands of gallons)	3,955	3,453	3,552	4,075	2,496

Source: Various City Departments

CITY OF ST. AUGUSTINE, FLORIDA

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

FUNCTION	2018	2019	2020	2021	2022
Police					
Stations	1	1	1	1	1
Boats	1	1	1	1	1
Fire					
Stations	2	2	2	2	2
Vehicles	10	10	10	10	11
Boats	2	2	2	1	1
Sanitation					
Collection Trucks	13	13	13	13	13
Water					
New Feet of Water Mains Added	10,404	16,958	9,912	8,677	5,931
Fire hydrants	1,177	1,206	1,221	17	11
Maximum Monthly Average Daily Flow (thousands of gallons)	3,382	3,629	3,619	3,749	4,399
Wastewater					
New Feet of Sanitary Sewer Added	9,327	3,217	20,485	11,159	5,465
New Feet of Storm Sewers Added	1,192	270	1,296	0	156
Maximum Monthly Average Daily Flow (thousands of gallons)	6,417	5,177	5,437	6,014	3,696

Source: Public Works and Utilities Department

Compliance Section

This Section Contains the Following:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

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

Schedule of Findings and Questioned Costs

Management Letter

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of St. Augustine, Florida (the City) as of and for the year ended September 30, 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 31, 2023.

Report on Internal Control over Financial Reporting:

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

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

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

Report on Compliance and Other Matters:

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

Purpose of this Report:

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



Certified Public Accountants
Jacksonville, Florida

March 31, 2023



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

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

We have examined the City of St. Augustine, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 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 and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specific requirements.

In our opinion, the City of St. Augustine, Florida compiled, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

Certified Public Accountants
Jacksonville, Florida

March 31, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion in Each Major Federal Program

We have audited the City of St. Augustine, Florida's (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 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 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 Audit'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 of Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 judgement 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 judgement and maintain professional skepticism throughout the audit.

Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures including examine, on the test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we consider 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 circumstance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Hester, Smith & Wicks, P.A.
Certified Public Accountants
Jacksonville, Florida

March 31, 2023

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CITY OF ST. AUGUSTINE, FLORIDA
Schedule of Findings
and Questioned Costs
For the Year Ended September 30, 2022

Financial Statements

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

Federal Programs:

Internal control over major programs:	
Material weaknesses identified?	No
Reportable condition identified not considered to be material weakness?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)	No
Identification of major programs:	<u>CFDA No.</u>
American Rescue Plan Act	21.027
Disaster Grants - Public Assistance	97.036
Dollar threshold used to distinguish Type A and Type B programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee pursuant to Uniform Guidance	Yes

(continued)

CITY OF ST. AUGUSTINE, FLORIDA
Schedule of Findings
and Questioned Costs
For the Year Ended September 30, 2022

(continued)

Financial Statement Findings:

No matters required to be reported.

Major Federal Programs Findings and Questioned Costs:

No matters required to be reported.

Other Issues

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



MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of St. Augustine, Florida (the City) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 31, 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 the Audit Requirements for Federal Awards* (Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*).

Other Reporting Requirements

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Finding and Recommendation 2022-1 Cash Disbursement Testing:

In reviewing 50 cash disbursements it was noted that a purchase order (P.O.) had been issued after the vendor invoice date which is not in accordance with the City's procurement policy as P.O.'s are to be issued prior to a vendors invoice date. We recommend the City review its procurement process with the appropriate personnel to ensure purchases are approved via a P.O. prior to making a vendor purchase as required by City policy.

Response:

The disbursement located was for fuel under a state contract and the invoice amounts are unknown until time of delivery. The City will issue a Blanket Purchase Order (BPO) at the beginning of each year in the future.

Finding and Recommendation 2022-2 Utility Billing Testing:

In testing 20 customer utility bills for the month of July 2022 it was noted that 3 of them were residential customers inside City limits with a sewer usage of over 10,000 gallons. The rates to be shown for this usage were correct in the City's Munis system but the amount billed the customer did not calculate correctly and all three were underbilled by \$3.43. After further inquiry and review by City personnel, it was determined that a rate charge code was incorrect in the system and had a max rate of \$83.33 thus creating an undercharge of \$3.43 for all City limit customers who use more than 10,000 sewer gallons. The rate was corrected by the City on March 16, 2023. We recommend the City periodically review its utility rates and subsequent billing to ensure the system is correctly calculating the charges.

Response:

Management concurs with this comment and has reviewed utility rates. It was determined to be an isolated incident. The issue has been corrected in the billing system.

Finding and Recommendation 2022-3 Police Pension Contributions:

In reviewing the monthly contributions, the City makes to its Police Pension Plan it was noted that a significant payment was made to the plan that was outside of the normal payroll contribution. Per inquiry of City personnel, it was explained that the City had not correctly been remitting the required actuarial determined percent to the Plan and had to make a catch-up contribution once it made this discovery. We recommend the City put safeguards in place to ensure that its portion of the City's pension liability is made in accordance with actuarial determined percentages.

Response:

At the beginning of the fiscal year the Budget Director updated the payroll system using a pension contribution rate from an erroneous budget spreadsheet. The City has updated its fiscal year-end check list to remind accounting personnel to use the actuarial valuation when updating pension contributions, and to have at least one member of senior management verify its accuracy.

Additional Matters

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

Purpose of this Letter

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

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



Certified Public Accountants
Jacksonville, Florida

March 31, 2023