

CITY OF FERNANDINA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

Prepared by:
Finance Department

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CITY OF FERNANDINA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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Introductory Section

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February 21, 2024

To the Honorable Mayor, City Commissioners, and Citizens of the City of Fernandina Beach:

We are pleased to present the City of Fernandina Beach’s (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. State Law requires that all general-purpose local governments publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements included in this report conform with Generally Accepted Accounting Principles (GAAP) and are audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Mauldin & Jenkins CPA & Advisors, a firm of licensed certified public accountants, has audited the City’s financial statements. The goal of the independent audit was to provide reasonable assurances that the financial statements of the City for the fiscal year ended September 30, 2023, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit and the reports of the auditors, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

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

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

City Profile

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

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

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

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

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

Local Economy

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

The City residents and businesses derive a vast majority of their income and revenues from the Trade/Transportation/Utilities and Tourism sectors. This can be attributed in part to the City's coastal location and mild climate. The City's unemployment rate as of September 2023 was 2.8%, which was consistent with the State average of 2.8% and below the Federal average of 3.8%.

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

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

In fiscal year 2023, the City Commission continued the City's efforts donating funds to several local non-profits. This funding was needed to supply food for the residents with free meals for seniors in crisis and the local food banks for distribution to adults and families in need. Funding was also provided to non-profits specializing in mental health and domestic violence services.

During the fiscal year, the Building Department conducted 16,690 inspections, processed 2,945 building permits, and issued 1,920 business tax licenses. The department is also looking to implement a new permitting software system. This new software is intended to simplify permit applications while providing tracking for residents, contractors, and staff.

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

The City's economy continued to be strong despite the pressures from record inflation and is expected to remain a favorite destination to vacation. As Florida's economic growth is higher than the U.S. overall, Fernandina Beach appeals as a location to purchase or rent a home. All indicators portray a City poised to capture both residential and commercial investors while some of the national indicators show an economic slowdown.

Long Term Financial Planning

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

Major Initiatives

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

- The Commission continues to support the Amelia River waterfront resiliency effort. The City received a State appropriation for \$1,000,000 and continues with the design efforts for the next segment of the seawall project. When fully constructed, the seawall will provide enhanced protection from the threats of tidal flooding, sea level rise and storm surge to the City's historical downtown district.
- Construction efforts continued during the fiscal year with the Alachua Street project. This project will open Alachua Street from N. 2nd Street to N. Front Street. The project required the installation of a new railroad crossing requiring coordination with First Coast Railroad and Florida Department of Transportation. Once completed, this project will create new traffic patterns and ease congestion downtown.
- Federal and state grant funding supported rehabilitation of existing infrastructure and development of new facilities at the City-owned Airport. The Airport completed construction of the rehabilitation of the transient aircraft parking apron. The design phase is underway for the Taxiway A Rehabilitation project.
- The construction efforts continued with the new Fire Station located at the City's Airport. The new facility will be centrally located to provide better overall response times to a previously underserved area of the community. This facility will provide direct support for aircraft rescue and firefighting and in addition includes a four-story training tower. Completion is anticipated in the fiscal year 2024.
- The City completed the restoration of the existing exterior brick façade for the historic Peck Center (a Rosenwald school) Building. Several grants from the Department of State Historic Preservation were secured for this \$1,500,000 project. In addition to the construction, the City was awarded funding for the Peck Center historical exhibition to be permanently located in the facility. Both projects were completed during 2023.

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

Awards and Acknowledgements

The Governments Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fernandina Beach for its annual comprehensive financial report for fiscal year ended September 30, 2022. This is the second time the City of Fernandina Beach has received the award for excellence in financial reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

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

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

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

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

Respectfully submitted,



Charles L. George
Interim City Manager



Pauline Testagrose, CPA
Comptroller

CITY OF FERNANDINA BEACH, FLORIDA

**LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2023**

CITY COMMISSIONERS

Bradley Bean, Mayor

David Sturges, Vice-Mayor

James Antun

Darron Ayscue

Ronald "Chip" Ross

INTERIM CITY MANAGER

Charles L. George

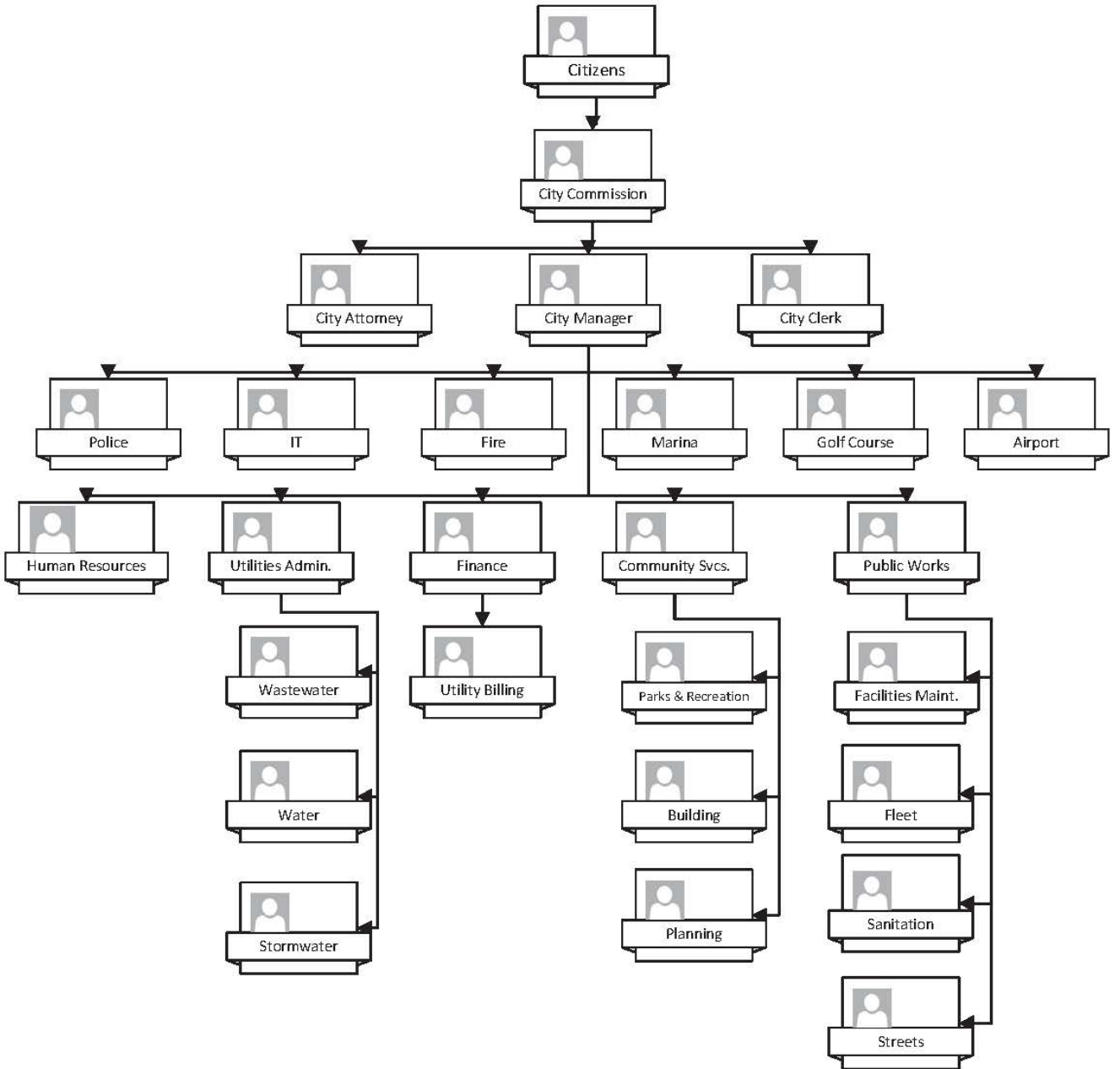
CITY CLERK

Caroline Best

CITY ATTORNEY

Tammi E. Bach

City of Fernandina Beach Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fernandina Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Fernandina Beach, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information, schedules of net pension liability and related ratios, schedules of contributions, schedule of pension investment returns, and schedule of the City's total OPEB liability and related ratios on pages 62 through 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

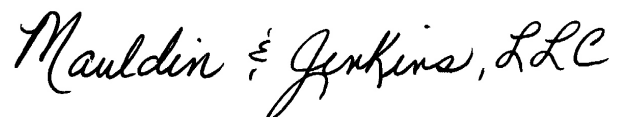
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Bradenton, Florida
February 21, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023

The City of Fernandina Beach, Florida's (the City) financial statements are designed to provide the readers of the financial statements easy to understand information and analysis of the City's financial activities based on currently known facts, decisions, and conditions. As management of the City, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. The management's discussion and analysis should be read in conjunction with the transmittal letter beginning on page i and the City's financial statements which immediately follow this discussion.

HIGHLIGHTS

Financial Highlights

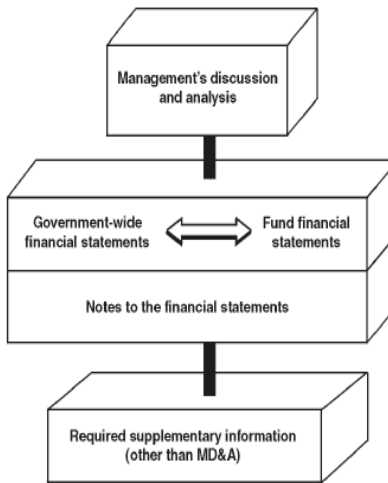
- The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$123,174,756. The Unrestricted portion of the City's Net Position is \$29,712,477. This compares to the Unrestricted Net Position last year of \$28,188,829. Deferred Outflows of Resources due to Pension and OPEB increased by \$8,015,556 year over year due to actual plan experiences compared to plan assumptions. The Deferred Inflow of Resources decreased \$3,161,972 over last year due to a decrease in Pension and OPEB of (\$3,850,379) partially offset by an increase in Leases of \$688,407. The City implemented GASB 96 – Subscription Based Information Technology Arrangements (SBITA), which provides the user with improved disclosure for the right-to-use subscription asset. Liabilities increased this year versus last year due to an increase in Noncurrent liabilities due in more than one year. This increase is related to an increase in net pension liability.
- Revenues from Governmental activities decreased by (\$4,222,989) or (10.9%) when compared to fiscal year 2022. There was an increase in Property Taxes revenue of \$2,259,356 offset by a decrease in Operating and Capital Grants revenue of (\$7,657,449). This decrease is due to funding the City received in fiscal year 2022 from the American Rescue Plan Act. The change in fund balance of \$1,124,131 in the General Fund this year compares to an increase of \$947,131 in 2022. The change in fund balance of \$1,109,090 for Total Governmental Funds compares to an excess of \$9,128,910 in 2022, a decrease of (\$8,019,820). The decrease year over year is primarily due to the American Rescue Plan Act funds of (\$6,595,742) and loan proceeds of (\$1,150,000) received in fiscal year 2022.
- Business-type activities (the City's enterprise funds) total revenues decreased by (\$5,330,646) or (17.3%). The Airport Fund revenues increased \$1,159,741 due to an increase in Capital Grants. This increase was combined with increases in the City's other Enterprise Funds Operating and Grant revenues of \$298,872. The combined increase in revenue was offset by the Marina Fund's decrease in both Operating and Capital revenue. The most notable decrease in the Marina Fund Capital revenue was the FEMA reimbursement in fiscal year 2022 for (\$5,627,398) related to damages from Hurricane Matthew.
- The City maintained the same ad valorem property tax rate of \$5.3330 in 2023. Maintaining the same millage resulted in an increase in ad valorem tax receipts of \$2,259,356. The adjusted taxable value (comparable) increased \$343.1 million. This was the ninth increase after six years of declining property tax values.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Components of the Financial Section



Government-Wide Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023

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

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, other capital fund and capital improvement fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located elsewhere in this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 61 of this report.

Other Information

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Summary of Net position

The following table presents the condensed *Summary* of Net Position for fiscal year 2023 and fiscal year 2022:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2023	FYE 2022	FYE 2023	FYE 2022	FYE 2023	FYE 2022
Current and Other Assets	\$ 36,479,722	\$ 36,731,857	\$ 32,229,350	\$ 32,135,072	\$ 68,709,072	\$ 68,866,929
Capital Assets	40,171,225	32,657,054	69,414,021	69,852,093	109,585,246	102,509,147
Total Assets	76,650,947	69,388,911	101,643,371	101,987,165	178,294,318	171,376,076
Deferred Outflows of Resources	11,795,970	5,030,422	2,595,496	1,358,740	14,391,466	6,389,162
Current Liabilities	1,659,714	2,398,749	1,843,975	2,034,930	3,503,689	4,433,679
Non-Current Liabilities	23,245,404	12,458,237	34,469,535	34,888,852	57,714,939	47,347,089
Total Liabilities	24,905,118	14,856,986	36,313,510	36,923,782	61,218,628	51,780,768
Deferred Inflows of Resources	2,975,224	6,511,105	5,317,176	4,943,267	8,292,400	11,454,372
Net Position:						
Net Investment in Capital Assets	39,406,087	31,979,561	41,626,262	41,820,253	81,032,349	73,799,814
Restricted	10,968,240	10,987,278	1,461,690	1,554,176	12,429,930	12,541,454
Unrestricted	10,192,248	10,084,403	19,520,229	18,104,426	29,712,477	28,188,829
Total Net Position	\$ 60,566,575	\$ 53,051,242	\$ 62,608,181	\$ 61,478,855	\$ 123,174,756	\$ 114,530,097

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$123,174,756.

The majority of the City's net position (65.8%) reflects its investment in capital assets, less any outstanding related debt and deferred outflow/inflows used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (10.1%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects (restricted assets). The remaining balance of unrestricted net position (24.1%) may be used to meet the City's ongoing obligations to its citizens.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023

There was an overall increase in net position of \$8,644,659 for the current fiscal year. The increase of \$7,515,333 in governmental activities and \$1,129,326 in business activities is primarily due to an increase in Charges for Services and General Revenues. Expenses were higher for governmental activities and relatively flat for business activities. The most notable decrease in expenses was in the Marina due to the cost of fuel for resale.

Summary of Activities

The following table presents the condensed Summary of Activities for fiscal year 2023 and fiscal year 2022:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2023	FYE 2022	FYE 2023	FYE 2022	FYE 2023	FYE 2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,982,016	\$ 5,689,569	\$ 23,001,699	\$ 22,702,827	\$ 28,983,715	\$ 28,392,396
Operating Grants and Contrib.	675,758	7,155,612	-	-	675,758	7,155,612
Capital Grants and Contrib.	210,302	1,387,897	2,006,455	7,667,339	2,216,757	9,055,236
General Revenues:						
Property Taxes	17,732,778	15,473,422			17,732,778	15,473,422
Franchise and Utility Taxes	4,098,710	3,620,897			4,098,710	3,620,897
Sales and Use Taxes	3,700,077	3,756,359			3,700,077	3,756,359
Other Taxes (Insur Premium)	438,738	284,463			438,738	284,463
Local Option Gas Tax	565,052	540,504			565,052	540,504
Unrest. State Revenue Sharing	384,325	372,319			384,325	372,319
Business Tax	223,253	182,467			223,253	182,467
Investment Earnings	553,456	215,968	342,929	312,136	896,385	528,104
Gain on Sale of capital asset	35,655	143,632	76,657	76,084	112,312	219,716
Total Revenues	34,600,120	38,823,109	25,427,740	30,758,386	60,027,860	69,581,495
EXPENSES						
Program Activities						
Governmental Activities:						
General Government	7,644,271	6,624,029			7,644,271	6,624,029
Public Safety	14,809,871	11,869,832			14,809,871	11,869,832
Physical Environment	131,630	162,880			131,630	162,880
Transportation	2,262,409	2,128,742			2,262,409	2,128,742
Economic Environment	113,135	75,432			113,135	75,432
Human Services	125,853	121,025			125,853	121,025
Culture and Recreation	4,866,811	4,191,941			4,866,811	4,191,941
Interest	35,037	49,856			35,037	49,856
Business-type Activities:						
Airport			1,825,946	1,621,213	1,825,946	1,621,213
Sanitation			3,502,958	3,265,807	3,502,958	3,265,807
Sewer & Water			10,028,410	9,152,170	10,028,410	9,152,170
Marina			2,746,124	4,059,198	2,746,124	4,059,198
Golf			2,123,172	2,186,032	2,123,172	2,186,032
Stormwater			1,167,574	938,917	1,167,574	938,917
Total Expenses	29,989,017	25,223,737	21,394,184	21,223,337	51,383,201	46,447,074
Change in net position before transfers	4,611,103	13,599,372	4,033,556	9,535,049	8,644,659	23,134,421
Transfers	2,904,230	(800,980)	(2,904,230)	800,980	-	-
Change in Net Position	7,515,333	12,798,392	1,129,326	10,336,029	8,644,659	23,134,421
Net Position, beginning	53,051,242	40,252,850	61,478,855	51,142,826	114,530,097	91,395,676
Net Position, ending	\$ 60,566,575	\$ 53,051,242	\$ 62,608,181	\$ 61,478,855	\$ 123,174,756	\$ 114,530,097

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023**

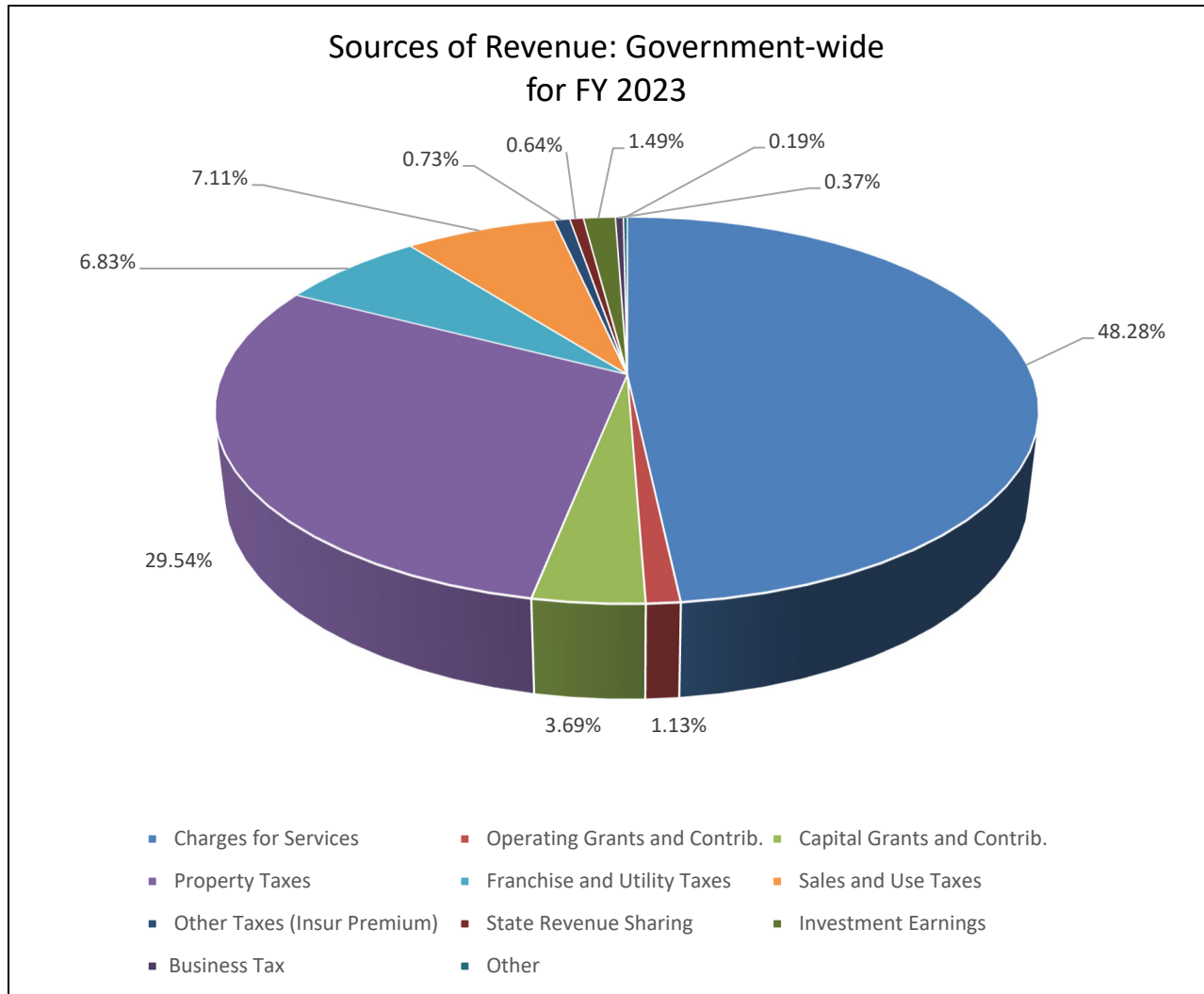
Revenues

For the fiscal year ended September 30, 2023, revenues from governmental activities totaled \$34,600,120.

The City's property tax revenue was \$17,732,778, an increase of \$2,259,356 or 14.6% compared to the previous fiscal year. In the current year, the City maintained the millage rate of \$5.3330 mils, which generated increased revenue. The taxable value increased \$343.2 million or 11.4% on a comparable basis.

Operating grants and contributions decreased by (\$6,479,854) from the prior year. This was due to the receipts in the prior fiscal year of the American Rescue Plan Act funds. The City chose the standard allowance for revenue loss.

Revenue from capital grants and contributions decreased by (\$5,660,884) from fiscal year 2022, primarily due to contributions received from FEMA for damages at the Marina caused by Hurricane Matthew in 2016.



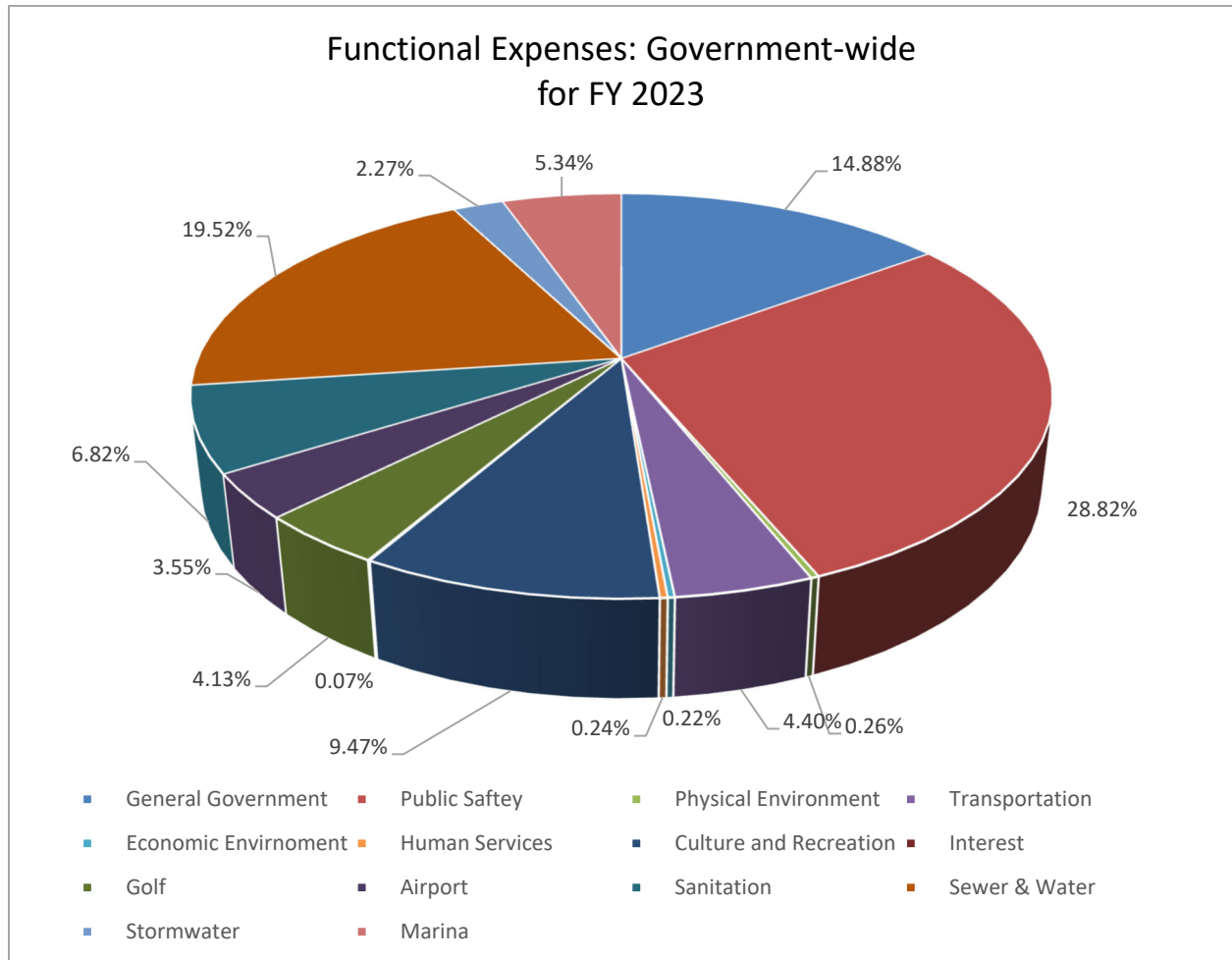
**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023**

Expenses

For the fiscal year ended September 30, 2023, expenses for governmental activities totaled \$29,989,017, an increase of \$4,765,280 from the prior fiscal year. The increase in expenses is due to inflationary price increases for purchased goods and services and the negotiated salary increases for bargaining unit employees.

Expenses for the City's business-type activities, which provide water, sewer, sanitation, stormwater services and airport, golf, and marina operations, totaled \$21,394,184. This is an increase of \$170,847 primarily due to inflationary price increases and negotiated salary increases for bargaining unit employees of \$1,483,921 offset by a reduction in the Marina expenses of (\$1,313,074). The decrease in Marina expenses was due to a lower cost of fuel for resale caused by the fuel system needing repairs.

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



**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2023, the governmental funds reflect a combined fund balance of \$33,170,159 an increase of \$1,109,090 compared to the prior year. Approximately 99.3% of this total amount (\$32,930,802) represents spendable fund balance. The remainder of the fund balance is non-spendable and not available for new spending because it has already been committed for prepaid items (\$239,357). The Other Governmental Funds fund balance remained relatively flat and increased by \$83,959. The Other Capital Improvements Fund, fund balance decreased by (\$1,072,927) due to the start of several capital projects downtown. The increase in the Capital Expansion Fund, fund balance of \$1,412,049 is from impact fees collected on new construction related to growth. The General Fund had an increase in fund balance of \$1,124,131, which is due to an increase in revenues from property taxes partially offset by increase in transfers out for capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was amended to account by \$112,456 to account for structural assessments of the historic Lighthouse, Police Station, and the Atlantic Recreation Center. The Commission also decided to lease a parcel of land for a "pocket park" in the downtown district.

General Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
Taxes, Licenses, and Permits	\$ 23,642,411	\$ 23,642,411	\$ 24,505,207
Intergovernmental	2,575,676	2,575,676	2,849,283
Fines and Forfeitures	29,500	29,500	61,041
Charges for Services	1,579,058	1,579,058	1,707,594
Investment earnings	110,000	110,000	329,538
Miscellaneous revenues	<u>248,901</u>	<u>248,901</u>	<u>686,371</u>
Total	<u>28,185,546</u>	<u>28,185,546</u>	<u>30,139,034</u>
Expenditures	<u>26,066,932</u>	<u>26,179,388</u>	<u>24,583,626</u>
Excess of revenues over (under) expenditures	<u>2,118,614</u>	<u>2,006,158</u>	<u>5,555,408</u>
Other Financing sources (uses):			
SBITA issuance	-	-	132,481
Transfers in	540,000	540,000	546,566
Transfers (out)	<u>(5,208,124)</u>	<u>(5,110,324)</u>	<u>(5,110,324)</u>
Total	<u>(4,668,124)</u>	<u>(4,570,324)</u>	<u>(4,431,277)</u>
Net change in Fund Balance	<u>\$ (2,549,510)</u>	<u>\$ (2,564,166)</u>	<u>\$ 1,124,131</u>

Actual General Fund revenue increased \$1,953,488 when compared to the amended budget. The increases in revenues for the General Fund are in all sources, but most notably in Taxes, Licenses and Permits, Intergovernmental and Miscellaneous. Actual General Fund expenses decreased by \$1,595,762 when compared to the amended budget. This favorable variance was due to decreases in general government for \$338,832, public safety for \$487,610, culture and recreation for \$685,866 and all others \$83,454.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023**

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities at the end of the fiscal year 2023 totaled \$109,585,246 (net of accumulated depreciation). Approximately 36.6% or \$40,171,225 is related to governmental activities and includes land, construction in progress, building and improvements, machinery and equipment and infrastructure. Capital assets held by the City at the end of the current fiscal year are summarized as follows:

	Capital Assets at Year-End					
	(Net of Accumulated depreciation)					
	Governmental Activities		Business-Type		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 12,686,527	\$ 12,539,763	\$ 1,546,370	\$ 1,546,370	\$ 14,232,897	\$ 14,086,133
Construction in Progress	7,694,697	2,163,446	450,962	1,740,911	8,145,659	3,904,357
Building and Improvements	11,373,908	10,168,762	65,578,030	65,319,361	76,951,938	75,488,123
Machinery and Equipment	3,935,051	3,677,797	1,838,659	1,245,451	5,773,710	4,923,248
Infrastructure	<u>4,481,042</u>	<u>4,107,286</u>			<u>4,481,042</u>	<u>4,107,286</u>
Total	<u>\$ 40,171,225</u>	<u>\$ 32,657,054</u>	<u>\$ 69,414,021</u>	<u>\$ 69,852,093</u>	<u>\$ 109,585,246</u>	<u>\$ 102,509,147</u>

In the governmental funds major additions included the waterfront resiliency, Atlantic Recreation Center improvements, five police vehicles, two fire vehicle, fire SCBA equipment, new beach walkovers, grasshopper mowers, new payroll and time keeping system, and the historic Peck Center repointing project.

In the business-type funds major additions included golf course equipment and club house improvements, transient parking apron at the Airport, three utility vehicles, IBAK camera van, lift station generators, submersible pumps, mid-sized front loader and various other utility and stormwater improvement projects.

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

LONG-TERM DEBT

At the end of the fiscal year, the City had a total long-term debt outstanding of \$57,714,939. Of this amount, \$30,531,366 represents bonds and a direct borrowing secured solely by specified revenue sources. More detailed information about the City's long-term debt is presented in Note 8 to the financial statements.

Standard & Poor's Global Ratings affirmed its "AA-" long-term rating on Fernandina Beach, Florida's outstanding rated utility system revenue bonds and noted the outlook is stable. This rating reflects the utility's solid financial position and liquidity supported by ample cash reserves, strong annual debt service coverage and sufficient capacity.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2023

The financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about the governments' subscription activities. The City had two subscription arrangements.

More detailed information about the City's Subscription Based is presented in Note 8 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

According to the Nassau County Property Appraiser the City of Fernandina Beach's current gross taxable value is \$3,908,480,780. This represents an increase of 13.9% or \$476,528,470 when compared to the prior year. The City's millage rate of \$4.8298 adopted for fiscal year 2024 is expected to generate \$18,122,093 in Ad Valorem taxes. The above increases are evidence that the outlook for fiscal 2024 is good.

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

REQUEST FOR INFORMATION

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

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Basic Financial Statements

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CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 32,720,909	\$ 21,038,060	\$ 53,758,969
Accounts receivables, net	486,914	1,858,240	2,345,154
Due from other governments	620,292	966,851	1,587,143
Leases receivable	1,486,538	4,840,874	6,327,412
Prepaid items	239,357	362,479	601,836
Inventory	53,835	177,300	231,135
Restricted cash and investments	753,414	2,985,546	3,738,960
Capital assets			
Non-depreciable	20,381,225	1,997,332	22,378,557
Depreciable, net	19,790,000	67,416,689	87,206,689
Right to use assets, net of amortization	118,463	-	118,463
Total assets	76,650,947	101,643,371	178,294,318
Deferred outflows of resources			
Deferred loss on refunding	-	80,459	80,459
Deferred outflows - pensions	11,397,288	2,386,428	13,783,716
Deferred outflows - OPEB	398,682	128,609	527,291
Total deferred outflows of resources	11,795,970	2,595,496	14,391,466
Liabilities			
Accounts payable	1,648,502	1,262,781	2,911,283
Accrued interest payable	11,212	92,195	103,407
Customer deposits payable	-	273,226	273,226
Unearned revenue	-	215,773	215,773
Noncurrent liabilities			
Due within one year	1,402,619	3,253,663	4,656,282
Due in more than one year	21,842,785	31,215,872	53,058,657
Total liabilities	24,905,118	36,313,510	61,218,628
Deferred inflows of resources			
Deferred inflows - leases	1,436,018	4,816,824	6,252,842
Deferred inflows - pensions	528,579	174,344	702,923
Deferred inflows - OPEB	1,010,627	326,008	1,336,635
Total deferred inflows of resources	2,975,224	5,317,176	8,292,400
Net position			
Net investment in capital assets	39,406,087	41,626,262	81,032,349
Restricted for			
Building inspection	2,939,518	-	2,939,518
Public safety	80,075	-	80,075
Land conservation	83,434	-	83,434
Community development	1,176,108	-	1,176,108
Debt service	-	156,144	156,144
Capital projects	6,689,105	1,305,546	7,994,651
Unrestricted	10,192,248	19,520,229	29,712,477
Total net position	\$ 60,566,575	\$ 62,608,181	\$ 123,174,756

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

CITY OF FERNANDINA BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs							
Governmental activities							
General government	\$ 7,644,271	\$ 1,705,290	\$ 113,627	\$ 59,242	\$ (5,766,112)	\$ -	\$ (5,766,112)
Public safety	14,809,871	2,045,257	562,131	-	(12,202,483)	-	(12,202,483)
Physical environment	131,630	1,260,500	-	-	1,128,870	-	1,128,870
Transportation	2,262,409	-	-	68,228	(2,194,181)	-	(2,194,181)
Economic environment	113,135	-	-	-	(113,135)	-	(113,135)
Human services	125,853	-	-	-	(125,853)	-	(125,853)
Culture and recreation	4,866,811	970,969	-	82,832	(3,813,010)	-	(3,813,010)
Interest on long-term debt	35,037	-	-	-	(35,037)	-	(35,037)
Total governmental activities	<u>29,989,017</u>	<u>5,982,016</u>	<u>675,758</u>	<u>210,302</u>	<u>(23,120,941)</u>	<u>-</u>	<u>(23,120,941)</u>
Business-type activities							
Airport	1,825,946	1,002,810	-	1,817,032	-	993,896	993,896
Sanitation	3,502,958	3,564,933	-	-	-	61,975	61,975
Sewer and water	10,028,410	12,948,151	-	-	-	2,919,741	2,919,741
Marina	2,746,124	2,674,898	-	189,423	-	118,197	118,197
Golf	2,123,172	1,877,447	-	-	-	(245,725)	(245,725)
Stormwater	1,167,574	933,460	-	-	-	(234,114)	(234,114)
Total business-type activities	<u>21,394,184</u>	<u>23,001,699</u>	<u>-</u>	<u>2,006,455</u>	<u>-</u>	<u>3,613,970</u>	<u>3,613,970</u>
Total primary government	<u>\$ 51,383,201</u>	<u>\$ 28,983,715</u>	<u>\$ 675,758</u>	<u>\$ 2,216,757</u>	<u>(23,120,941)</u>	<u>3,613,970</u>	<u>(19,506,971)</u>
General revenues							
Property taxes					17,732,778	-	17,732,778
Franchise and utility taxes					4,098,710	-	4,098,710
Discretionary sales surtax					2,550,906	-	2,550,906
Half-cent sales tax					1,149,171	-	1,149,171
Unrestricted state revenue sharing					384,325	-	384,325
Local option gas tax					565,052	-	565,052
Insurance premium tax					438,738	-	438,738
Business tax					223,253	-	223,253
Investment earnings					553,456	342,929	896,385
Gain on sale of capital assets					35,655	76,657	112,312
Transfers					<u>2,904,230</u>	<u>(2,904,230)</u>	<u>-</u>
Total general revenues and transfers					<u>30,636,274</u>	<u>(2,484,644)</u>	<u>28,151,630</u>
Change in net position					<u>7,515,333</u>	<u>1,129,326</u>	<u>8,644,659</u>
Net position, beginning of year					<u>53,051,242</u>	<u>61,478,855</u>	<u>114,530,097</u>
Net position, end of year					<u>\$ 60,566,575</u>	<u>\$ 62,608,181</u>	<u>\$ 123,174,756</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	<u>General Fund</u>	<u>Other Capital Improvements Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and investments	\$ 13,462,078	\$ 3,857,879	\$ 2,754,367	\$ 12,572,676	\$ 32,647,000
Accounts receivable, net	485,162	-	-	187	485,349
Due from other governments	452,339	-	128,465	39,488	620,292
Lease receivable	1,486,538	-	-	-	1,486,538
Prepaid items	239,357	-	-	-	239,357
Restricted cash and cash equivalents	-	-	-	753,414	753,414
Total assets	<u>\$ 16,125,474</u>	<u>\$ 3,857,879</u>	<u>\$ 2,882,832</u>	<u>\$ 13,365,765</u>	<u>\$ 36,231,950</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,017,692	\$ -	\$ 332,168	\$ 275,913	\$ 1,625,773
Total liabilities	<u>1,017,692</u>	<u>-</u>	<u>332,168</u>	<u>275,913</u>	<u>1,625,773</u>
Deferred inflows of resources					
Lease related	1,436,018	-	-	-	1,436,018
Total deferred inflows of resources	<u>1,436,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,436,018</u>
Fund balances					
Nonspendable					
Prepays	239,357	-	-	-	239,357
Restricted for:					
Building inspection	-	-	-	2,939,518	2,939,518
Public safety	2,803	-	-	77,272	80,075
Land conservation	-	-	-	83,434	83,434
Community development	-	-	-	1,176,108	1,176,108
Capital improvements	-	-	-	6,689,105	6,689,105
Committed for:					
Conservation and resource management	-	-	-	510,310	510,310
Historical district trust	-	-	-	108,288	108,288
Cemetery	-	-	-	1,347,177	1,347,177
Emergencies	5,213,387	-	-	-	5,213,387
Assigned for:					
Cemetery	-	-	-	158,640	158,640
Capital projects	-	3,857,879	2,550,664	-	6,408,543
Subsequent year's budget	2,549,510	-	-	-	2,549,510
Unassigned	5,666,707	-	-	-	5,666,707
Total fund balances	<u>13,671,764</u>	<u>3,857,879</u>	<u>2,550,664</u>	<u>13,089,852</u>	<u>33,170,159</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,125,474</u>	<u>\$ 3,857,879</u>	<u>\$ 2,882,832</u>	<u>\$ 13,365,765</u>	<u>\$ 36,231,950</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total fund balances for governmental funds	\$ 33,170,159
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets	\$ 84,119,026	
Accumulated depreciation	(44,206,794)	
Right to use assets	132,481	
Accumulated amortization	<u>(14,018)</u>	40,030,695

Deferred outflows and deferred inflows are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds.

Deferred outflows - OPEB	398,682	
Deferred inflows - OPEB	(1,010,627)	
Deferred outflows - pensions	11,397,288	
Deferred inflows - pensions	<u>(528,579)</u>	10,256,764

Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.

Accrued interest payable	(11,212)	
Compensated absences	(1,447,837)	
Net pension liability	(18,770,937)	
Total OPEB liability	(1,352,764)	
Financed purchase payable	(448,761)	
SBITA payable	(124,847)	
Notes payable	<u>(1,063,407)</u>	(23,219,765)

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

328,722

Net position of governmental activities

\$ 60,566,575

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	Other Capital Improvements Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 17,589,472	\$ -	\$ -	\$ 143,306	\$ 17,732,778
Other taxes	4,985,383	-	-	-	4,985,383
Licenses and permits	33,236	-	-	1,122,999	1,156,235
Impact fees	-	-	-	1,012,587	1,012,587
Intergovernmental revenues	2,849,283	-	655,925	247,281	3,752,489
Charges for services	1,707,594	-	-	261,524	1,969,118
Franchise fees	1,887,486	-	-	-	1,887,486
Fines and forfeitures	61,736	-	-	13,336	75,072
Investment earnings	338,473	36,990	19,613	157,282	552,358
Miscellaneous revenues	686,371	-	-	170,857	857,228
Total revenues	30,139,034	36,990	675,538	3,129,172	33,980,734
Expenditures					
Current					
General government	6,017,547	-	-	111,302	6,128,849
Public safety	11,845,793	-	-	1,554,641	13,400,434
Physical environment	-	-	-	133,435	133,435
Transportation	1,642,146	-	-	-	1,642,146
Economic environment	113,135	-	-	-	113,135
Human services	125,853	-	-	-	125,853
Culture and recreation	3,864,965	-	-	-	3,864,965
Debt service					
Principal retirement	7,634	-	132,453	49,344	189,431
Interest	48	-	16,663	21,069	37,780
Capital outlay	966,505	1,109,917	3,561,296	1,116,884	6,754,602
Total expenditures	24,583,626	1,109,917	3,710,412	2,986,675	32,390,630
Excess (deficiency) of revenues over (under) expenditures	5,555,408	(1,072,927)	(3,034,874)	142,497	1,590,104
Other financing sources (uses)					
Proceeds from the sale of capital assets	-	-	-	45,026	45,026
SBITA issuance	132,481	-	-	-	132,481
Transfers in	546,566	-	3,911,803	-	4,458,369
Transfers out	(5,110,324)	-	-	(6,566)	(5,116,890)
Total other financing sources (uses)	(4,431,277)	-	3,911,803	38,460	(481,014)
Change in fund balances	1,124,131	(1,072,927)	876,929	180,957	1,109,090
Fund balances, beginning of year	12,547,633	4,930,806	1,673,735	12,908,895	32,061,069
Fund balances, end of year	\$ 13,671,764	\$ 3,857,879	\$ 2,550,664	\$ 13,089,852	\$ 33,170,159

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

CITY OF FERNANDINA BEACH, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balances – total governmental funds \$ 1,109,090

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.

Capital outlay	\$ 10,368,971	
Less current year depreciation and amortization	(2,654,392)	7,714,579

The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.	(58,650)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.

Repayment of principal of long-term debt	189,431
Debt proceeds	(132,481)

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

Pension expense	(474,775)	
Change in total OPEB liability and deferred items	9,499	
Change in accrued interest	2,743	
Change in compensated absences	(178,031)	(640,564)

Internal service funds are used by management to charge the cost of certain activities, such as the costs of the central garage, to individual funds. The net revenue of the internal service funds is reported with governmental activities.	(166,072)
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Change in net position of governmental activities **\$ 7,515,333**

CITY OF FERNANDINA BEACH, FLORIDA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2023

	Airport Fund	Sanitation Fund	Sewer and Water Fund	Marina Fund	Stormwater Fund	Nonmajor Golf Course Fund	Total	Internal Service Funds
Assets								
Current assets								
Cash and investments	\$ 1,043,655	\$ 222,833	\$ 17,425,452	\$ 1,239,480	\$ -	\$ 750,529	\$ 20,681,949	\$ 430,020
Accounts receivable, net	79,786	387,425	1,141,601	134,989	107,004	741	1,851,546	8,259
Due from other governments	491,851	-	-	-	475,000	-	966,851	-
Due from other funds	-	-	327,580	-	-	-	327,580	-
Leases receivable	239,432	-	-	94,465	-	-	333,897	-
Prepays	1,002	-	8,124	349,466	1,200	315	360,107	2,372
Inventory	-	-	105,844	31,084	-	40,372	177,300	53,835
Total current assets	<u>1,855,726</u>	<u>610,258</u>	<u>19,008,601</u>	<u>1,849,484</u>	<u>583,204</u>	<u>791,957</u>	<u>24,699,230</u>	<u>494,486</u>
Noncurrent assets								
Due from other funds - advances	-	-	1,109,414	-	-	-	1,109,414	-
Restricted cash and investments	1,202,903	59,513	1,710,087	-	13,043	-	2,985,546	-
Leases receivable	4,506,977	-	-	-	-	-	4,506,977	-
Capital assets, non-depreciable	77,953	-	499,640	1,085,718	30,941	303,080	1,997,332	-
Capital assets, net	19,406,245	235,035	28,533,867	11,013,530	6,786,752	1,439,602	67,415,031	260,651
Total noncurrent assets	<u>25,194,078</u>	<u>294,548</u>	<u>31,853,008</u>	<u>12,099,248</u>	<u>6,830,736</u>	<u>1,742,682</u>	<u>78,014,300</u>	<u>260,651</u>
Total assets	<u>27,049,804</u>	<u>904,806</u>	<u>50,861,609</u>	<u>13,948,732</u>	<u>7,413,940</u>	<u>2,534,639</u>	<u>102,713,530</u>	<u>755,137</u>
Deferred outflows of resources								
Deferred loss on refunding	-	-	80,459	-	-	-	80,459	-
Deferred outflows - pensions	95,609	93,744	1,694,215	-	183,996	318,864	2,386,428	-
Deferred outflows - OPEB	5,145	5,144	87,454	-	15,433	15,433	128,609	-
Total deferred outflows of resources	<u>100,754</u>	<u>98,888</u>	<u>1,862,128</u>	<u>-</u>	<u>199,429</u>	<u>334,297</u>	<u>2,595,496</u>	<u>-</u>

(Continued)

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Liabilities								
Current liabilities								
Accounts payable and accrued liabilities	\$ 332,681	\$ 240,587	\$ 310,270	\$ 168,828	\$ 20,565	\$ 149,884	\$ 1,222,815	\$ 62,695
Revenue bonds, financed purchases and notes payable	300,696	-	1,873,000	552,000	107,829	124,000	2,957,525	-
Accrued interest	9,212	-	73,377	5,234	4,372	-	92,195	-
Customer deposits payable	25,650	59,513	175,020	-	13,043	-	273,226	-
Due to other funds	-	-	-	-	327,580	-	327,580	-
Unearned revenue	-	-	-	69,359	-	146,414	215,773	-
Compensated absences	45,476	5,056	131,780	-	29,220	22,252	233,784	99,205
Total current liabilities	<u>713,715</u>	<u>305,156</u>	<u>2,563,447</u>	<u>795,421</u>	<u>502,609</u>	<u>442,550</u>	<u>5,322,898</u>	<u>161,900</u>
Noncurrent liabilities								
Due to other funds - advances	-	-	-	1,109,414	-	-	1,109,414	-
Revenue bonds, financed purchases and notes payable, net of current portion	5,085,896	-	18,799,988	2,141,380	184,682	591,000	26,802,946	-
Net pension liability	159,316	156,207	2,823,104	-	306,596	531,328	3,976,551	-
Total OPEB liability	17,455	17,455	296,735	-	52,365	52,365	436,375	-
Total noncurrent liabilities	<u>5,262,667</u>	<u>173,662</u>	<u>21,919,827</u>	<u>3,250,794</u>	<u>543,643</u>	<u>1,174,693</u>	<u>32,325,286</u>	<u>-</u>
Total liabilities	<u>5,976,382</u>	<u>478,818</u>	<u>24,483,274</u>	<u>4,046,215</u>	<u>1,046,252</u>	<u>1,617,243</u>	<u>37,648,184</u>	<u>161,900</u>
Deferred inflows of resources								
Lease related	4,723,519	-	-	93,305	-	-	4,816,824	-
Deferred inflows - pension	6,985	6,849	123,774	-	13,441	23,295	174,344	-
Deferred inflows - OPEB	13,040	13,040	221,686	-	39,121	39,121	326,008	-
Total deferred inflows of resources	<u>4,743,544</u>	<u>19,889</u>	<u>345,460</u>	<u>93,305</u>	<u>52,562</u>	<u>62,416</u>	<u>5,317,176</u>	<u>-</u>
Net position								
Net investment in capital assets	15,274,859	235,035	8,440,978	9,405,868	6,525,182	1,742,682	41,624,604	260,651
Restricted for								
Debt service	-	-	156,144	-	-	-	156,144	-
Capital improvements	-	-	1,305,546	-	-	-	1,305,546	-
Unrestricted	1,155,773	269,952	17,992,335	403,344	(10,627)	(553,405)	19,257,372	332,586
Total net position	<u>\$ 16,430,632</u>	<u>\$ 504,987</u>	<u>\$ 27,895,003</u>	<u>\$ 9,809,212</u>	<u>\$ 6,514,555</u>	<u>\$ 1,189,277</u>	<u>62,343,666</u>	<u>\$ 593,237</u>
Adjustment to reflect the consolidation of internal service fund activities							264,515	
Total net position of business-type activities							<u>\$ 62,608,181</u>	

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Operating revenues								
Charges for services	\$ 7,868	\$ 3,493,974	\$ 11,221,546	\$ -	\$ 931,249	\$ 1,877,447	\$ 17,532,084	\$ 2,250,716
Fees, rentals and miscellaneous	994,942	70,959	554,312	2,674,898	2,211	-	4,297,322	4,210
Total operating revenues	<u>1,002,810</u>	<u>3,564,933</u>	<u>11,775,858</u>	<u>2,674,898</u>	<u>933,460</u>	<u>1,877,447</u>	<u>21,829,406</u>	<u>2,254,926</u>
Operating expenses								
Personnel services and benefits	203,784	225,076	2,791,198	-	386,638	1,112,165	4,718,861	1,339,887
Materials, supplies and other	451,688	3,210,504	3,227,561	2,280,673	330,954	823,539	10,324,919	1,014,900
Depreciation	1,053,778	67,378	1,994,225	369,203	439,628	187,468	4,111,680	32,449
Total operating expenses	<u>1,709,250</u>	<u>3,502,958</u>	<u>8,012,984</u>	<u>2,649,876</u>	<u>1,157,220</u>	<u>2,123,172</u>	<u>19,155,460</u>	<u>2,387,236</u>
Operating income (loss)	<u>(706,440)</u>	<u>61,975</u>	<u>3,762,874</u>	<u>25,022</u>	<u>(223,760)</u>	<u>(245,725)</u>	<u>2,673,946</u>	<u>(132,310)</u>
Nonoperating revenues (expenses)								
Investment earnings	29,151	6,379	294,924	8,598	-	789	339,841	4,186
Gain (loss) on disposal of capital assets	-	-	66,445	-	(643)	10,855	76,657	49,279
Interest expense	(116,696)	-	(815,434)	(96,248)	(10,354)	-	(1,038,732)	-
Total nonoperating revenues, net	<u>(87,545)</u>	<u>6,379</u>	<u>(454,065)</u>	<u>(87,650)</u>	<u>(10,997)</u>	<u>11,644</u>	<u>(622,234)</u>	<u>53,465</u>
Income (loss) before contributions and transfers	(793,985)	68,354	3,308,809	(62,628)	(234,757)	(234,081)	2,051,712	(78,845)
Capital grants and contributions	1,817,032	-	-	189,423	-	-	2,006,455	-
Transfers								
Transfers in	297,420	40,000	-	3,740,519	155,062	1,495,208	5,728,209	-
Transfers out	(3,671,373)	-	(4,961,066)	-	-	-	(8,632,439)	(111,838)
Total transfers	<u>(3,373,953)</u>	<u>40,000</u>	<u>(4,961,066)</u>	<u>3,740,519</u>	<u>155,062</u>	<u>1,495,208</u>	<u>(2,904,230)</u>	<u>(111,838)</u>
Change in net position	<u>(2,350,906)</u>	<u>108,354</u>	<u>(1,652,257)</u>	<u>3,867,314</u>	<u>(79,695)</u>	<u>1,261,127</u>	<u>1,153,937</u>	<u>(190,683)</u>
Total net position (deficit), beginning of year	<u>18,781,538</u>	<u>396,633</u>	<u>29,547,260</u>	<u>5,941,898</u>	<u>6,594,250</u>	<u>(71,850)</u>		<u>783,920</u>
Total net position, end of year	<u>\$ 16,430,632</u>	<u>\$ 504,987</u>	<u>\$ 27,895,003</u>	<u>\$ 9,809,212</u>	<u>\$ 6,514,555</u>	<u>\$ 1,189,277</u>		<u>\$ 593,237</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.							(24,611)	
Changes in net position of business-type activities							<u>\$ 1,129,326</u>	

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Cash flows from operating activities								
Cash received from customers	\$ 731,595	\$ 3,538,240	\$ 11,644,658	\$ 3,295,795	\$ 1,179,566	\$ 1,970,299	\$ 22,360,153	\$ -
Cash received for interfund services	-	-	-	-	-	-	-	2,253,762
Cash paid to suppliers for goods and services	(637,384)	(3,243,398)	(3,301,132)	(2,395,025)	(330,198)	(762,195)	(10,669,332)	(1,031,559)
Cash paid to employees for services and benefits	(221,218)	(202,365)	(2,715,072)	-	(390,960)	(1,121,321)	(4,650,936)	(1,323,863)
Net cash provided (used in) by operating activities	<u>(127,007)</u>	<u>92,477</u>	<u>5,628,454</u>	<u>900,770</u>	<u>458,408</u>	<u>86,783</u>	<u>7,039,885</u>	<u>(101,660)</u>
Cash flows from noncapital financing activities								
Transfer to other funds	(3,671,373)	-	(4,961,066)	(2,962,868)	(65,463)	-	(11,660,770)	(111,838)
Transfer from other funds	297,420	40,000	4,436,841	3,740,519	155,062	86,698	8,756,540	-
Net cash provided by (used in) noncapital financing activities	<u>(3,373,953)</u>	<u>40,000</u>	<u>(524,225)</u>	<u>777,651</u>	<u>89,599</u>	<u>86,698</u>	<u>(2,904,230)</u>	<u>(111,838)</u>
Cash flows from capital and related financing activities								
Acquisition and construction of capital assets	(314,176)	(189,999)	(2,542,053)	-	(452,517)	(184,478)	(3,683,223)	(8,764)
Cash received from sale of capital assets	-	-	75,027	-	-	10,855	85,882	49,279
Principal paid on bonds and notes payable	(293,656)	-	(1,803,000)	(539,648)	(104,607)	-	(2,740,911)	-
Proceeds from issuance of notes payable	-	-	-	-	-	715,000	715,000	-
Interest paid	(117,189)	-	(950,492)	(97,615)	(11,965)	-	(1,177,261)	-
Capital contributions	1,817,032	-	-	189,423	-	-	2,006,455	-
Net cash provided by (used in) capital and related financing activities	<u>1,092,011</u>	<u>(189,999)</u>	<u>(5,220,518)</u>	<u>(447,840)</u>	<u>(569,089)</u>	<u>541,377</u>	<u>(4,794,058)</u>	<u>40,515</u>
Cash flows from investing activities								
Interest received	29,151	6,379	294,924	8,598	-	789	339,841	4,186
Net cash provided by investing activities	<u>29,151</u>	<u>6,379</u>	<u>294,924</u>	<u>8,598</u>	<u>-</u>	<u>789</u>	<u>339,841</u>	<u>4,186</u>
Net change	<u>(2,379,798)</u>	<u>(51,143)</u>	<u>178,635</u>	<u>1,239,179</u>	<u>(21,082)</u>	<u>715,647</u>	<u>(318,562)</u>	<u>(168,797)</u>
Cash and investments, beginning of year	<u>4,626,356</u>	<u>333,489</u>	<u>18,956,904</u>	<u>301</u>	<u>34,125</u>	<u>34,882</u>	<u>23,986,057</u>	<u>598,817</u>
Cash and investments, end of year	<u>\$ 2,246,558</u>	<u>\$ 282,346</u>	<u>\$ 19,135,539</u>	<u>\$ 1,239,480</u>	<u>\$ 13,043</u>	<u>\$ 750,529</u>	<u>\$ 23,667,495</u>	<u>\$ 430,020</u>
Cash and cash equivalents classified as								
Cash and investments	\$ 1,043,655	\$ 222,833	\$ 17,425,452	\$ 1,239,480	\$ -	\$ 750,529	\$ 20,681,949	\$ 430,020
Restricted cash and investments	1,202,903	59,513	1,710,087	-	13,043	-	2,985,546	-
Total cash and investments	<u>\$ 2,246,558</u>	<u>\$ 282,346</u>	<u>\$ 19,135,539</u>	<u>\$ 1,239,480</u>	<u>\$ 13,043</u>	<u>\$ 750,529</u>	<u>\$ 23,667,495</u>	<u>\$ 430,020</u>

(Continued)

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities								
Operating income (loss)	\$ (706,440)	\$ 61,975	\$ 3,762,874	\$ 25,022	\$ (223,760)	\$ (245,725)	\$ 2,673,946	\$ (132,310)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:								
Depreciation	1,053,778	67,378	1,994,225	369,203	439,628	187,468	4,111,680	32,449
Change in operating assets and liabilities:								
(Increase) decrease in assets:								
Accounts receivable	(13,691)	(24,001)	(106,097)	(84,119)	(2,755)	(741)	(231,404)	(1,164)
Leases receivable	(680,019)	-	-	(94,465)	-	-	(774,484)	-
Due from other governments	(272,949)	-	-	670,363	252,000	-	649,414	-
Prepays	(672)	-	(5,686)	(47,917)	-	110	(54,165)	(368)
Inventory	-	-	(44,125)	31,730	-	(1,943)	(14,338)	(11,611)
Deferred outflows - pension	(44,745)	(61,662)	(934,188)	-	(85,950)	(160,378)	(1,286,923)	-
Deferred outflows - OPEB	1,290	1,291	31,591	-	3,871	3,872	41,915	-
Increase (decrease) in liabilities:								
Accounts payable	(185,024)	(32,894)	(23,760)	(98,165)	756	63,177	(275,910)	(4,680)
Unearned revenue	(10,766)	-	-	35,813	-	93,593	118,640	-
Compensated absences payable	(9,734)	2,651	30,980	-	10,186	(602)	33,481	16,024
Customer deposits	2,100	(2,692)	(25,103)	-	(3,139)	-	(28,834)	-
Deferred inflows - leases	704,110	-	-	93,305	-	-	797,415	-
Deferred inflows - pension	(22,604)	(11,814)	(318,353)	-	(43,594)	(68,900)	(465,265)	-
Deferred inflows - OPEB	2,314	2,314	23,247	-	6,942	6,942	41,759	-
Net pension liability	59,131	93,017	1,326,127	-	113,482	219,169	1,810,926	-
Total OPEB liability	(3,086)	(3,086)	(83,278)	-	(9,259)	(9,259)	(107,968)	-
Net cash provided by (used in) operating activities	<u>\$ (127,007)</u>	<u>\$ 92,477</u>	<u>\$ 5,628,454</u>	<u>\$ 900,770</u>	<u>\$ 458,408</u>	<u>\$ 86,783</u>	<u>\$ 7,039,885</u>	<u>\$ (101,660)</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023**

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 2,869,835
Receivables/prepays	
Employer and employee contributions	5
Interest receivable	90,818
Total receivables	90,823
Investments, at fair value	
U.S. government and agency securities	1,788,356
Mortgages and federal agency securities	4,037,642
Corporate bonds	4,226,457
Real estate fund	5,998,587
Equity securities	41,490,733
Total investments	57,541,775
Total assets	\$ 60,502,433
Liabilities	
Accounts payable	\$ 185,548
Total liabilities	185,548
Net position	
Restricted for pension benefits - active and retired members' benefits	60,316,885
Total liabilities and net position	\$ 60,502,433

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Pension Trust Funds
Additions	
Contributions	
City	\$ 3,369,060
Employees	994,886
State of Florida	441,956
Total contributions	4,805,902
Investment income	
Interest and dividends	1,318,469
Net appreciation in the fair value of investments	5,094,546
Less: investment expense	(227,453)
Net investment income	6,185,562
Total additions	10,991,464
Deductions	
Pension benefits	3,553,587
Lump sum distributions	539,349
Administrative expenses	178,981
Total deductions	4,271,917
Change in net position	6,719,547
Net position, restricted for pension benefits	
Beginning of year	53,597,338
End of year	\$ 60,316,885

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

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CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Investments

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

Receivables and Payables

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

Leases

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Inventories and Prepaid Items

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

Capital Assets

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

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

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

Compensated Absences

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-Term Liabilities

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

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

Deferred Inflows/Outflows of Resources

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pensions

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

Net Position

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

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

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

Fund Balance

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Subscription-Based Information Technology Arrangements

The City has entered into noncancelable long-term subscription-based information technology arrangements (SBITA) for various software programs. The City recognizes a right-to-use subscription asset and corresponding subscription liability in the government-wide financial statements.

At the commencement of the subscription term, the City measures the subscription liability at the present value of minimum payments required to be paid during the subscription term. The right-to-use subscription asset is initially measured as the sum of the initial subscription liability amount plus payments made to the vendor before commencement of the subscription term and capitalizable implementation costs, less any incentives received from the vendor at or before commencement.

The City's SBITA activities, other than making subscription payments, are accounted for as follows:

- Preliminary project stage activities include evaluating alternatives, determining the needed technology, and vendor selection are expensed as incurred.
- Initial implementation stage activities include all ancillary charges necessary to place the subscription asset into service are capitalized in addition to the subscription asset.
- Operation and additional implementation stage activities such as maintenance and support are expensed as incurred.

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not specified, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The lease term includes the noncancellable period of the subscription term. Subscription payments included in the measurement of the subscription assets and liabilities are composed of fixed payments due to the vendor over the subscription term.

The City monitors changes in circumstances that would require a remeasurement of its subscription assets and liabilities and will remeasure them if changes occur that are expected to significantly affect the reported amount of subscription assets and liabilities.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 – PROPERTY TAX CALENDAR

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

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

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

NOTE 4 – CASH AND INVESTMENTS

At year-end, the carrying amount of the City's cash deposits was \$44,493,809 and the bank balance was \$44,718,219. The bank balance was covered by federal depository insurance or by collateral held by the City's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of Federal Deposit Insurance Corporation (FDIC) coverage in accordance with the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes.

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The total cash and investment balances of the City at September 30, 2023 are comprised of the following items:

Cash	Fair Value	Credit Rating	Investment Maturity
Petty cash	\$ 4,100	N/A	N/A
Public depository accounts			
Checking	44,493,809	N/A	N/A
Total cash and cash equivalents	44,497,909		
Investments			
Investment with State Board of Administration:			
Florida PRIME (S&P Rating)	6,583,372	AAAm	Less than 1 year
Certificates of deposit	6,416,648	Unrated	Less than 1 year
Total investments	13,000,020		
Total cash and investments	\$ 57,497,929		
Amounts as presented on the entity wide statement of net position:			
Cash and investments	\$ 53,758,969		
Restricted cash and investments	3,738,960		
Total cash and investments	\$ 57,497,929		

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

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

Restricted Cash

Restricted cash and cash equivalents at September 30, 2023 in the enterprise funds are as follows:

Fund	Customer Deposits	Renewal and Replacement	Debt Service	Capital Improvements	Impact Fees	Total
Community redevelopment	\$ -	\$ -	\$ -	\$ 753,414	\$ -	\$ 753,414
Sanitation	59,513	-	-	-	-	59,513
Sewer and water	175,020	200,000	229,522	-	1,105,545	1,710,087
Stormwater	13,043	-	-	-	-	13,043
Airport	25,650	-	-	1,177,253	-	1,202,903
Total	\$ 273,226	\$ 200,000	\$ 229,522	\$ 1,930,667	\$ 1,105,545	\$ 3,738,960

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Pension Investments

The City's pension trust funds contain cash and money market funds of \$2,869,835. Listed below are the investments and maturities in the City's pension trust funds at September 30, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Equities	\$ 41,490,733	\$ 41,490,733	\$ -	\$ -	\$ -
Mortgages	4,037,642	-	24,483	54,941	3,958,218
U.S. government securities	1,788,356	-	1,376,502	411,854	-
Corporate bonds	4,226,457	-	2,453,691	1,284,551	488,215
Real estate fund	5,998,587	5,998,587	-	-	-
Totals	<u>\$ 57,541,775</u>	<u>\$ 47,489,320</u>	<u>\$ 3,854,676</u>	<u>\$ 1,751,346</u>	<u>\$ 4,446,433</u>

Authorized Investments

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

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

Florida Statute, 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. Throughout the year and as of September 30, 2023, the pools contained certain floating and adjustable-rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates.

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

Equities

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Fixed Income

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

Money Market

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

Risk Disclosure

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

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

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

Investment Type	Fair Value	Credit Rating					
		Unrated	AAA	AA	A	BBB	BB
Equities	\$41,490,733	\$41,490,733	\$ -	\$ -	\$ -	\$ -	\$ -
Mortgages	4,037,642	-	-	4,037,642	-	-	-
U.S. government securities	1,788,356	-	-	1,788,356	-	-	-
Corporate bonds	4,226,457	439,676	73,379	98,120	1,363,013	2,196,202	56,067
Real estate fund	5,998,587	5,998,587	-	-	-	-	-
Totals	<u>\$57,541,775</u>	<u>\$47,928,996</u>	<u>\$ 73,379</u>	<u>\$5,924,118</u>	<u>\$1,363,013</u>	<u>\$2,196,202</u>	<u>\$56,067</u>

Fair Value Measurements

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The fair value measurements for the City's pension trust fund investments are as follows at September 30, 2023:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Equities	\$ 41,490,733	\$ 41,490,733	\$ -	\$ -
Mortgages	4,037,642	-	4,037,642	-
U.S. government securities	1,788,356	1,788,356	-	-
Corporate bonds	4,226,457	-	4,226,457	-
Total investments at fair value level	<u>\$ 51,543,188</u>	<u>\$ 43,279,089</u>	<u>\$ 8,264,099</u>	<u>\$ -</u>

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund	\$ 5,998,587	\$ -	Quarterly	10 business days
Total investments	<u>\$ 57,541,775</u>			

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

NOTE 5 – RECEIVABLES

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

	Accounts Receivable	Taxes Receivable	Leases Receivable	Allowance	Net Total Receivables
Governmental Activities					
General	\$ 983,712	\$ 139,906	\$ 1,486,538	\$ (638,456)	\$ 1,971,700
Cemetery Fund	187	-	-	-	187
Internal service:					
Central garage	1,565	-	-	-	1,565
	<u>\$ 985,464</u>	<u>\$ 139,906</u>	<u>\$ 1,486,538</u>	<u>\$ (638,456)</u>	<u>\$ 1,973,452</u>
	Accounts Receivable	Unbilled Receivable	Leases Receivable	Allowance	Net Total Receivables
Business-Type Activities					
Airport	\$ 84,049	\$ -	\$ 4,746,409	\$ (4,263)	\$ 4,826,195
Sanitation	242,376	174,087	-	(29,038)	387,425
Sewer and water	710,347	516,133	-	(84,879)	1,141,601
Golf course	741	-	-	-	741
Stormwater	67,315	47,754	-	(8,065)	107,004
Marina	142,783	-	94,465	(7,794)	229,454
Internal service:					
Utility billing	6,694	-	-	-	6,694
	<u>\$ 1,254,305</u>	<u>\$ 737,974</u>	<u>\$ 4,840,874</u>	<u>\$ (134,039)</u>	<u>\$ 6,699,114</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 12,539,763	\$ 146,764	\$ -	\$ -	\$ 12,686,527
Construction in progress	2,163,446	5,210,000	-	321,252	7,694,698
Total capital assets, not being depreciated	<u>14,703,209</u>	<u>5,356,764</u>	<u>-</u>	<u>321,252</u>	<u>20,381,225</u>
Capital assets, being depreciated					
Buildings and improvements	24,201,344	72,109	(19,887)	2,143,623	26,397,189
Equipment, furniture, fixtures and vehicles	12,885,737	1,210,828	(1,139,975)	349,104	13,305,694
Infrastructure	24,116,797	29,998	-	769,850	24,916,645
Total capital assets, being depreciated	<u>61,203,878</u>	<u>1,312,935</u>	<u>(1,159,862)</u>	<u>3,262,577</u>	<u>64,619,528</u>
Less accumulated depreciation for					
Buildings and improvements	(14,032,582)	(1,010,586)	19,887	-	(15,023,281)
Equipment, furniture, fixtures and vehicles	(9,207,940)	(1,235,754)	1,073,051	-	(9,370,643)
Infrastructure	(20,009,511)	(426,093)	-	-	(20,435,604)
Total accumulated depreciation	<u>(43,250,033)</u>	<u>(2,672,433)</u>	<u>1,092,938</u>	<u>-</u>	<u>(44,829,528)</u>
Total capital assets, being depreciated, net	<u>17,953,845</u>	<u>(1,359,498)</u>	<u>(66,924)</u>	<u>3,262,577</u>	<u>19,790,000</u>
Governmental activities capital assets, net	<u>\$ 32,657,054</u>	<u>\$ 3,997,266</u>	<u>\$ (66,924)</u>	<u>\$ 3,583,829</u>	<u>\$ 40,171,225</u>
Right to use assets:					
Software	\$ -	\$ 132,481	\$ -	\$ -	\$ 132,481
Accumulated amortization	-	(14,018)	-	-	(14,018)
Total right to use assets, net	<u>\$ -</u>	<u>\$ 118,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,463</u>
	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 1,546,370	\$ -	\$ -	\$ -	\$ 1,546,370
Construction in progress	1,740,911	5,803,366	-	(7,093,315)	450,962
Total capital assets, not being depreciated	<u>3,287,281</u>	<u>5,803,366</u>	<u>-</u>	<u>(7,093,315)</u>	<u>1,997,332</u>
Capital assets, being depreciated					
Buildings and improvements	130,138,394	152,236	(6,100,695)	3,690,245	127,880,180
Equipment, furniture, fixtures and vehicles	5,070,059	1,312,824	(304,519)	(180,759)	5,897,605
Total capital assets, being depreciated	<u>135,208,453</u>	<u>1,465,060</u>	<u>(6,405,214)</u>	<u>3,509,486</u>	<u>133,777,785</u>
Less accumulated depreciation for					
Buildings and improvements	(64,819,033)	(3,550,196)	6,067,079	-	(62,302,150)
Equipment, furniture, fixtures and vehicles	(3,824,608)	(561,874)	327,536	-	(4,058,946)
Total accumulated depreciation	<u>(68,643,641)</u>	<u>(4,112,070)</u>	<u>6,394,615</u>	<u>-</u>	<u>(66,361,096)</u>
Total capital assets, being depreciated, net	<u>66,564,812</u>	<u>(2,647,010)</u>	<u>(10,599)</u>	<u>3,509,486</u>	<u>67,416,689</u>
Business-type activities capital assets, net	<u>\$ 69,852,093</u>	<u>\$ 3,156,356</u>	<u>\$ (10,599)</u>	<u>\$ (3,583,829)</u>	<u>\$ 69,414,021</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Included in governmental activities capital assets are \$258,993 of assets from internal service funds. Included in business-type activities are \$1,658 of assets from internal service funds. Depreciation expense was charged to the functions of the government as follows:

Governmental Activities		
General government		\$ 267,997
Public safety		750,457
Transportation		591,041
Culture and recreation		1,044,897
Internal service - garage		32,059
Total depreciation and amortization expense, governmental activities		<u>\$ 2,686,451</u>
 Business-Type Activities		
Airport		\$ 1,053,778
Sanitation		67,378
Sewer and water		1,994,225
Marina		369,203
Non-major - golf course		187,468
Stormwater		439,628
Internal service - utility		390
Total depreciation expense, business-type activities		<u>\$ 4,112,070</u>

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2023 is as follows:

	Due From		
	Marina Fund	Stormwater Fund	Total
Due To			
Sewer and Water Fund	\$ 1,109,414	\$ 327,580	\$ 1,436,994
Total	<u>\$ 1,109,414</u>	<u>\$ 327,580</u>	<u>\$ 1,436,994</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

Interfund Transfers:

	Transfers In						Total
	General Fund	Capital Improvement Fund	Airport Fund	Sanitation Fund	Marina Fund	Non-Major Enterprise Fund	
Transfers Out							
General Fund	\$ -	\$ 3,911,803	\$ 297,420	\$ 40,000	\$ 726,101	\$ 135,000	\$ 5,110,324
Non-Major Governmental	6,566	-	-	-	-	-	6,566
Sewer and Water Fund	540,000	-	-	-	3,014,418	1,360,208	4,914,626
Total	<u>\$ 546,566</u>	<u>\$ 3,911,803</u>	<u>\$ 297,420</u>	<u>\$ 40,000</u>	<u>\$3,740,519</u>	<u>\$ 1,495,208</u>	<u>\$ 10,031,516</u>

Interfund transfers out of the General Fund were used to assist with funding expenses/expenditures in the Capital Improvement, Golf Course and Marina Funds. Interfund transfers into the General Fund from the Sewer and Water Fund were used to pay for overhead costs. There were additional transfers of capital assets between governmental activities and the Airport Fund (\$3,671,373); the Sewer and Water Fund (\$46,440); the Stormwater Fund of \$155,062; and the Internal Service Funds (\$111,838).

NOTE 8 – LONG-TERM DEBT

Financed Purchases

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

SBITA Payable

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

On December 1, 2022, the City entered into a 70-month subscription for the use of Brightly Software. An initial liability was recorded in the amount of \$82,590. As of year-end, the value of the subscription liability is \$77,407. The City is required to make annual fixed payments of \$5,182. The subscription has an interest rate of 3.3313%. The value of the right to use asset as of year-end was \$82,590 with accumulated amortization of \$11,799.

On July 10, 2023, the City entered into a 60-month subscription for the use of Flock Safety Software. An initial liability was recorded in the amount of \$49,891. As of year-end, the value of the liability is \$37,439. The City is required to make annual fixed payments of \$10,000 and the subscription has an interest rate of 2.31%. The value of the right to use asset as of year-end was \$49,891 with accumulated amortization of \$2,219. The City has one extension option for 24 months.

Revenue Bonds and Notes

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – LONG-TERM DEBT (CONTINUED)

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

Issue and Purpose	Interest Rate	Amount Outstanding	Maturity Date
Governmental Activities			
General government:			
Revenue notes payable	1.89%	\$ 1,063,407	2041
Financed purchases	2.50%	448,761	2028
SBITA payable	2.3%-3.3%	<u>124,847</u>	2028
Total Governmental Activities		<u>\$ 1,637,015</u>	
Business-Type Activities			
Sewer and Water:			
Utility System Subordinate Refunding Revenue Note, Series 2015	2.19%	\$ 1,873,000	2024
Utility System Refunding Bonds, Series 2013A	3%-5%	17,985,000	2033
Stormwater:			
Financed purchases	3%-4%	292,511	2026
Marina:			
Capital Improvement Revenue Refunding Notes, Series 2021	2.45%	2,693,380	2040
Airport:			
Airport Refunding Revenue Note, Series 2017	4.28%	901,000	2032
Capital Improvement Revenue Refunding Note, Series 2022	1.89%	4,485,593	2041
Golf Course:			
Capital Improvement Revenue Note, Series 2023	4.86%	<u>715,000</u>	2028
Total Business-Type Activities Revenue Bonds and Notes		<u>\$ 28,945,484</u>	

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

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 214,869	\$ 33,465	\$ 248,334	\$ 2,957,525	\$ 1,117,028	\$ 4,074,553
2025	151,086	28,960	180,046	2,768,673	1,046,982	3,815,655
2026	155,428	25,105	180,533	2,858,522	932,748	3,791,270
2027	159,887	21,129	181,016	2,891,816	814,290	3,706,106
2028	153,462	19,402	172,864	2,802,236	688,286	3,490,522
2029-2033	286,464	65,417	351,881	12,485,536	1,986,413	14,471,949
2034-2038	314,496	37,288	351,784	1,323,504	194,210	1,517,714
2039-2041	201,323	7,748	209,071	857,672	37,292	894,964
	<u>\$ 1,637,015</u>	<u>\$ 238,514</u>	<u>\$ 1,875,529</u>	<u>\$ 28,945,484</u>	<u>\$ 6,817,249</u>	<u>\$ 35,762,733</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Direct placements:					
Revenue notes payable	\$ 1,112,751	\$ -	\$ (49,344)	\$ 1,063,407	\$ 50,304
Finance purchases	581,214	-	(132,453)	448,761	141,053
SBITA payable	-	132,481	(7,634)	124,847	23,512
Compensated absences	1,298,268	1,170,927	(984,507)	1,484,688	1,187,750
Total OPEB liability	1,633,027	152,209	(432,472)	1,352,764	-
Net pension liability	7,832,977	14,586,751	(3,648,791)	18,770,937	-
Total governmental activities	<u>\$ 12,458,237</u>	<u>\$ 16,042,368</u>	<u>\$ (5,255,201)</u>	<u>\$ 23,245,404</u>	<u>\$ 1,402,619</u>
Business-type activities					
Revenue bonds	\$ 19,070,000	\$ -	\$ (1,085,000)	\$ 17,985,000	\$ -
Bond premiums	952,467	-	(137,480)	814,987	-
Total revenue bonds	20,022,467	-	(1,222,480)	18,799,987	-
Direct placements:					
Revenue notes	11,504,275	715,000	(1,551,303)	10,667,972	2,849,697
Finance purchases	397,120	-	(104,608)	292,512	107,828
Compensated absences	255,022	321,069	(279,953)	296,138	296,138
Total OPEB liability	544,343	49,271	(157,239)	436,375	-
Net pension liability	2,165,625	2,868,370	(1,057,444)	3,976,551	-
Total business-type activities	<u>\$ 34,888,852</u>	<u>\$ 3,953,710</u>	<u>\$ (4,373,027)</u>	<u>\$ 34,469,535</u>	<u>\$ 3,253,663</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Pledged Revenue

Pledged revenues on the City's outstanding debt for the year ended September 30, 2023 was as follows:

<u>Pledged Revenue</u>		<u>Pledged Through</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Principal and Interest Payments</u>	<u>Revenue Received</u>	<u>Estimated Percentage Pledged</u>
Net airport revenue	Airport Refunding Revenue Note, Series 2017	2032	\$ 1,381,000	\$ 901,000	\$ 114,570	\$ 1,030,212	11%
	Airport Capital Improvement Note, Series 2022	2022	4,850,000	4,485,593	296,321	297,420	100%
Net sewer and water utility revenue	Utility System Refunding Bonds, Series 2013A	2033	29,720,000	17,985,000	1,978,750		
	Utility System Subordinate Refunding Revenue Note, Series 2015	2024	4,285,000	1,873,000	774,743		
					<u>\$ 2,753,493</u>	<u>\$ 5,331,289</u>	52%

NOTE 9 – EMPLOYEE PENSION PLANS

General Employees' Pension Plan (GEP Plan)

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

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

Plan Membership – GEP Plan membership as of October 1, 2022 and 2021 consisted of the following:

	<u>October 1, 2022</u>	<u>October 1, 2021</u>
Retirees and beneficiaries		
Inactive plan members or beneficiaries currently receiving benefits	83	85
Inactive plan members entitled to but not yet receiving benefits	61	54
Active plan members	143	130
Total retirees and beneficiaries	<u>287</u>	<u>269</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

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

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

Funding Policy – The funding policy is established by City Ordinance. The City's funding policy is to provide amounts required to pay current costs and amortize unfunded past service costs. Employees who are Plan A members are required to contribute 6.5% of the covered payroll to the plan. Employees who are Plan B members do not contribute to the plan. The City's contribution is actuarially determined. Based on the actuarial valuation performed as of October 1, 2021, the City's required contribution as a percentage of covered payroll was 21.62% for fiscal year 2023.

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

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

Plan Membership – FPOP Plan membership as of October 1, 2022 and 2021, consisted of the following:

	October 1, 2022	October 1, 2021
Retirees and beneficiaries		
Inactive plan members or beneficiaries currently receiving benefits	53	51
Inactive plan members entitled to but not yet receiving benefits	22	17
Active plan members	65	63
Total retirees and beneficiaries	140	131

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

Funding Policy – FPOP Plan members are required to contribute 7.7% of salary to the FPOP Plan. The State of Florida also contributes to the FPOP Plan on behalf of the City. The City is required to contribute the remaining amounts, per an actuarial valuation, necessary to pay current costs and amortize unfunded past service costs over 30 years. Based on the actuarial valuation performed as of October 1, 2021, the City’s required contribution as a percentage of covered payroll was 35.24%.

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures

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

Investments:

Investment Policy – The following table illustrates the GEP and FPOP Plans Board of Trustees' adopted asset allocation policy as of September 30, 2023:

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

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

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

Rate of Return – For the year ended September 30, 2023, the annual money-weighted rate of return on plan investments, net of pension plan investment expenses, was 10.68% for the GEP and 12.38% for FPOP Plan. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP) – For both plans, eligibility for DROP occurs upon satisfaction of normal or early retirement requirements. Participation in DROP cannot be more than 60 months. A DROP member may elect the actual rate of investment return, or 6.5% rate of return. Earnings are credited to DROP each fiscal quarter. The DROP balance as of September 30, 2023, is \$119,833 for GEP Plan and \$713,872 for FPOP Plan.

Measurement Date:

As permitted by generally accepted accounting standards, the City has elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2022, one year prior to the reporting date. The GEP and FPOP Plans do not issue separate financial statements. Therefore, the disclosures required for pension plans, as of September 30, 2023, are also included on the following page.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures (Continued)

Net Pension Liability:

The components of the net pension liability for each plan as of the September 30, 2022 measurement date, and for the year then ended, were as follows:

General Employees Pension	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at September 30, 2021	\$ 34,449,245	\$ 28,749,199	\$ 5,700,046
Changes for the year:			
Service cost	984,075	-	984,075
Interest on total pension liability	2,503,087	-	2,503,087
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(607,936)	-	(607,936)
Contributions - buy back	9,874	-	9,874
Benefit payments, including refunds of contributions	(1,815,962)	(1,815,962)	-
Contributions - employer	-	1,676,098	(1,676,098)
Contributions - employee	-	527,732	(527,732)
Net investment loss	-	(3,950,623)	3,950,623
Administrative expenses	-	(63,675)	63,675
Net change	<u>1,073,138</u>	<u>(3,626,430)</u>	<u>4,699,568</u>
Balances at September 30, 2022	<u>\$ 35,522,383</u>	<u>\$ 25,122,769</u>	<u>\$ 10,399,614</u>
Firefighters and Police Officers Pension	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at September 30, 2021	\$ 38,571,060	\$ 34,272,504	\$ 4,298,556
Changes for the year:			
Service cost	916,025	-	916,025
Interest on total pension liability	2,894,198	-	2,894,198
Share plan allocation	32,090	-	32,090
Changes of benefit terms	-	-	-
Differences between expected and actual experience	204,631	-	204,631
Change in assumptions	-	-	-
Benefit payments, including refunds of contributions	(1,795,561)	(1,795,561)	-
Contributions - employer	-	1,531,634	(1,531,634)
Contributions - employee	-	372,709	(372,709)
Net investment loss	-	(5,842,642)	5,842,642
Administrative expenses	-	(64,075)	64,075
Net change	<u>2,251,383</u>	<u>(5,797,935)</u>	<u>8,049,318</u>
Balances at September 30, 2022	<u>\$ 40,822,443</u>	<u>\$ 28,474,569</u>	<u>\$ 12,347,874</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures (Continued)

The components of the City's net pension liability measured as of September 30, 2023 are as follows:

	General Employees	Firefighters and Police Officers	Total
Total pension liability	\$ 37,852,872	\$ 42,959,707	\$ 80,812,579
Plan fiduciary net position	(28,400,076)	(31,973,004)	(60,373,080)
City's net pension liability	<u>\$ 9,452,796</u>	<u>\$ 10,986,703</u>	<u>\$ 20,439,499</u>
Plan fiduciary net position as a percentage of the net pension liability	75.03%	74.43%	74.71%

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

For the year ended September 30, 2023, the City recognized total pension expense of \$4,346,344 (\$2,062,465 from GEP Plan and \$2,283,879 from FPOP Plan). The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees	Firefighters and Police Officers	Total
Deferred Outflows of Resources			
Changes of assumptions	\$ 707,295	\$ 595,152	\$ 1,302,447
Differences between expected and actual experience	85,998	378,101	464,099
Differences between expected and actual experience	3,510,232	4,694,109	8,204,341
Contributions made after the measurement date	1,937,551	1,875,278	3,812,829
	<u>\$ 6,241,076</u>	<u>\$ 7,542,640</u>	<u>\$ 13,783,716</u>
Deferred Inflows of Resources			
Changes of assumptions	\$ -	\$ 100,684	\$ 100,684
Differences between expected and actual experience	455,952	146,287	602,239
	<u>\$ 455,952</u>	<u>\$ 246,971</u>	<u>\$ 702,923</u>

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

Year Ending September 30,	General Employees	Firefighters and Police Officers	Total
2024	\$ 1,287,706	\$ 1,443,258	\$ 2,730,964
2025	942,013	1,068,722	2,010,735
2026	408,514	1,184,534	1,593,048
2027	1,209,340	1,723,877	2,933,217
	<u>\$ 3,847,573</u>	<u>\$ 5,420,391</u>	<u>\$ 9,267,964</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures (Continued)

Actuarial Assumptions:

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

	General Employees	
Valuation date	10/1/2022	10/1/2021
Inflation	2.50%	2.50%
Salary increases	Service based	Service based
Investment rate of return	7.25%	7.25%
Discount rate	7.25%	7.25%
	Firefighters and Police Officers	
Valuation date	10/1/2022	10/1/2021
Inflation	2.50%	2.50%
Salary increases	Service based	Service based
Investment rate of return	7.50%	7.50%
Discount rate	7.50%	7.50%

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

The long-term expected rate of return on pension investments was determined using a building block method in which best-estimate ranges of expected future rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEP and FPOP Plans' target asset allocation as of September 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.50%
International equity	8.50%
Broad market fixed income	2.50%
Global fixed income	3.50%
Real estate	4.50%
GTAA	3.50%

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures (Continued)

Discount Rate:

The discount rate used to measure the total pension liability for the GEP and FPOP Plans was 7.25% and 7.50% for the year ended September 30, 2023. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

As of September 30, 2023:	1% Decrease	Current Rate	1% Increase
	6.25%	7.25%	8.25%
GEP Plan Net Pension Liability	\$ 13,875,387	\$ 9,452,796	\$ 5,749,234
	1% Decrease	Current Rate	1% Increase
	6.50%	7.50%	8.50%
FPOP Plan Net Pension Liability	\$ 15,667,379	\$ 10,986,703	\$ 7,042,720
As of September 30, 2022:	1% Decrease	Current Rate	1% Increase
	6.25%	7.25%	8.25%
GEP Plan Net Pension Liability	\$ 14,515,745	\$ 10,399,614	\$ 6,951,129
	1% Decrease	Current Rate	1% Increase
	6.50%	7.50%	8.50%
FPOP Plan Net Pension Liability	\$ 16,802,680	\$ 12,347,874	\$ 8,590,534

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Statements of fiduciary net position and statements of changes in fiduciary net position for the City's defined benefit pension plans are as follows, as of and for the year ended September 30, 2023:

STATEMENTS OF FIDUCIARY NET POSITION

	General Employees' Pension Plan	Firefighters' and Police Officers' Pension Plan
ASSETS		
Cash and cash equivalents	\$ 1,614,047	\$ 1,255,788
Contributions receivable	-	5
Interest receivable	46,021	44,797
Investments, at fair value		
U.S. government and agency securities	772,380	1,015,976
Mortgages and federal agency securities	1,741,535	2,296,107
Corporate bonds	1,829,219	2,397,238
Real estate fund	2,796,311	3,202,276
Equity securities	19,651,988	21,838,745
Total investments	<u>26,791,433</u>	<u>30,750,342</u>
Total assets	<u>\$ 28,451,501</u>	<u>\$ 32,050,932</u>
LIABILITIES		
Accounts payable	\$ 55,709	\$ 129,839
Total liabilities	<u>55,709</u>	<u>129,839</u>
NET POSITION		
Restricted for pension benefits	<u>28,395,792</u>	<u>31,921,093</u>
Total liabilities and net position	<u>\$ 28,451,501</u>	<u>\$ 32,050,932</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	General Employees' Pension Plan	Firefighters' and Police Officers' Pension Plan
ADDITIONS		
Contributions		
City	\$ 1,935,738	\$ 1,433,322
Employees	599,923	394,963
State of Florida	-	441,956
Total contributions	<u>2,535,661</u>	<u>2,270,241</u>
Investment income		
Interest and dividends	650,407	668,062
Net appreciation in the fair value of investments	2,143,853	2,950,693
Investment expense	<u>(92,217)</u>	<u>(135,236)</u>
Net investment income	<u>2,702,043</u>	<u>3,483,519</u>
Total additions	<u>5,237,704</u>	<u>5,753,760</u>
DEDUCTIONS		
Pension benefits	1,803,364	1,750,223
Lump sum distributions	64,336	475,013
Administrative expenses	96,981	82,000
Total deductions	<u>1,964,681</u>	<u>2,307,236</u>
Net change in plan net position	3,273,023	3,446,524
Plan net position, restricted for pension benefits:		
Beginning of year	25,122,769	28,474,569
End of year	<u>\$ 28,395,792</u>	<u>\$ 31,921,093</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

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

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

Funding Policy

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

Total OPEB Liability

The total OPEB liability was based on an actuarial valuation dated October 1, 2021. The total OPEB liability of \$1,789,139 was measured as of October 1, 2022.

Changes in the Total OPEB Liability

Balances at September 30, 2022	\$ 2,177,370
Changes for the year:	
Service cost	146,241
Interest	55,689
Differences between expected and actual experience	(128,838)
Changes of assumptions	(397,164)
Benefit payments	(64,159)
Net changes	<u>(388,231)</u>
Balances at September 30, 2023	<u>\$ 1,789,139</u>

Changes of assumptions and other inputs include an increase of the discount rate from 2.43% as of the beginning of the measurement period to 4.77% at the end of the measurement period.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

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

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

	1% Decrease <u>(3.77%)</u>	Current Discount Rate <u>(4.77%)</u>	1% Increase <u>(5.77%)</u>
Total OPEB liability	\$ 1,945,883	\$ 1,789,139	\$ 1,649,311

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

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

	1% Decrease <u>(6.00 - 3.50%)</u>	Healthcare Cost Trend Rates <u>(7.00 - 4.50%)</u>	1% Increase <u>(8.00 - 5.50%)</u>
Total OPEB liability	\$ 1,622,561	\$ 1,789,139	\$ 1,982,295

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

For the fiscal year ended September 30, 2023, the City recognized OPEB expense of \$47,306. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 213,190	\$ 920,759
Change of assumptions and other inputs	233,005	415,876
City contributions subsequent to the measurement date	81,096	-
	<u>\$ 527,291</u>	<u>\$ 1,336,635</u>

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

Fiscal Year Ending	Amount
September 30:	
2024	\$ (154,625)
2025	(154,620)
2026	(216,642)
2027	(183,723)
2028	(180,830)
Thereafter	-
Total	<u>\$ (890,440)</u>

Actuarial Methods and Assumptions

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

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2021
Measurement Date:	October 1, 2022
Reporting Date:	September 30, 2023
Actuarial Cost Method:	Entry Age Normal Cost.
Inflation Rate:	0.0% per year for General, 2.3% per year for Police/Fire.
Discount Rate:	4.77% as of October 1, 2021.
Projected Salary Increases:	Salary increase rates used for General, Firefighters, and Police Officers in the applicable pension actuarial valuation: 4.0% - 12.3% including inflation.
Healthcare Cost Trend Rate:	The trend rate selected was based on historical medical CPI information.

NOTE 11 – TAX ABATEMENTS

In 2006, the City established a tax abatement program by adopting Ordinance 2006-99. This ordinance allows the City to grant ad valorem tax exemptions for historic properties within the City limits. Upon meeting certain eligibility requirements specified in Florida Statutes, Section 196.1961, the available tax exemption is 50% of the assessed value. In order to qualify for the exemption, the establishment must be regularly open to the public and be maintained in good repair and condition to the extent necessary to preserve the historic value and significance of the property. The amount of tax abated under the program for eligible establishments totaled \$75,861 for the year ended September 30, 2023.

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 12 – OTHER DISCLOSURES

Commitments and Contingencies

Grant Programs:

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

Litigation:

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

Risk Management:

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

Deferred Compensation Plan:

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

Construction Contract Commitments:

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

<u>Project</u>	<u>Contract Amount</u>	<u>Expended To-Date</u>	<u>Contract Balance</u>
Various projects	\$ 5,635,070	\$ 446,644	\$ 5,188,426

NOTE 13 – SUBSEQUENT EVENT

The City has evaluated subsequent events through February 21, 2024 the date the financial statements were available to be issued.

**Required
Supplementary
Information**

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General Fund

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

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CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes, licenses and permits	\$ 21,142,411	\$ 21,142,411	\$ 22,284,353	\$ 1,141,942
Intergovernmental	2,575,676	2,575,676	2,849,283	273,607
Fines and forfeitures	29,500	29,500	61,041	31,541
Charges for services	1,579,058	1,579,058	1,707,594	128,536
Investment earnings	110,000	110,000	329,538	219,538
Miscellaneous revenues	248,901	248,901	686,371	437,470
Total revenues	<u>25,685,546</u>	<u>25,685,546</u>	<u>27,918,180</u>	<u>2,232,634</u>
Expenditures:				
Current				
General government				
City Commission	272,325	287,739	287,004	735
City Clerk	647,589	626,893	587,110	39,783
City Manager	785,648	879,924	830,279	49,645
Finance	833,558	833,258	824,748	8,510
Information technology	925,578	915,578	895,312	20,266
Personnel/human resources	410,207	410,207	395,504	14,703
Legal	423,746	428,389	378,589	49,800
Planning	971,795	970,295	792,166	178,129
Non-departmental	261,207	265,105	263,953	1,152
Facilities management	859,867	859,867	883,758	(23,891)
Total general government	<u>6,391,520</u>	<u>6,477,255</u>	<u>6,138,423</u>	<u>338,832</u>
Public safety:				
Police	6,642,757	6,672,757	6,335,590	337,167
Fire	6,112,026	6,112,026	5,961,583	150,443
Total public safety	<u>12,754,783</u>	<u>12,784,783</u>	<u>12,297,173</u>	<u>487,610</u>
Transportation:				
Streets	1,898,742	1,841,742	1,806,616	35,126
Economic environment:				
Downtown district	157,665	157,316	113,135	44,181
Human services:				
Public assistance	130,000	130,000	125,853	4,147
Culture and recreation:				
Library	57,765	57,765	47,241	10,524
Recreation	1,352,592	1,381,697	1,112,402	269,295
Parks	1,726,636	1,780,796	1,653,735	127,061
Peck Center/gym	442,686	442,486	370,895	71,591
MLK Center	246,788	219,818	141,461	78,357
Youth programs	360,509	357,989	315,562	42,427
Aquatics	547,246	547,741	461,130	86,611
Total culture and recreation	<u>4,734,222</u>	<u>4,788,292</u>	<u>4,102,426</u>	<u>685,866</u>
Total expenditures	<u>26,066,932</u>	<u>26,179,388</u>	<u>24,583,626</u>	<u>1,595,762</u>

(Continued)

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (381,386)</u>	<u>\$ (493,842)</u>	<u>\$ 3,334,554</u>	<u>\$ (3,828,396)</u>
Other financing sources (uses)				
SBITA issuance	-	-	132,481	(132,481)
Transfers in	3,040,000	3,040,000	3,046,566	(6,566)
Transfers out	(5,208,124)	(5,110,324)	(5,110,324)	-
Total other financing uses, net	<u>(2,168,124)</u>	<u>(2,070,324)</u>	<u>(1,931,277)</u>	<u>(139,047)</u>
Net change in fund balance	<u>(2,549,510)</u>	<u>(2,564,166)</u>	<u>1,403,277</u>	<u>(3,967,443)</u>
Fund balances, beginning of year	<u>11,204,690</u>	<u>11,204,690</u>	<u>11,204,690</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,655,180</u>	<u>\$ 8,640,524</u>	<u>\$ 12,607,967</u>	<u>\$ (3,967,443)</u>

Note 1 - Basis of Presentation

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

	Non-GAAP (Budgetary) Basis	Utility Tax Fund ⁽¹⁾	Law Enforcement Trust Fund ⁽¹⁾	GAAP Basis
Total revenues	<u>\$ 27,918,180</u>	<u>\$ 2,220,131</u>	<u>\$ 723</u>	<u>\$ 30,139,034</u>
Total expenditures	<u>(24,583,626)</u>	<u>-</u>	<u>-</u>	<u>(24,583,626)</u>
Other financing sources - transfers	<u>(1,931,277)</u>	<u>(2,500,000)</u>	<u>-</u>	<u>(4,431,277)</u>
Net change in fund balance	<u>1,403,277</u>	<u>(279,869)</u>	<u>723</u>	<u>1,124,131</u>
Fund balance, beginning of year	<u>11,204,690</u>	<u>1,340,139</u>	<u>2,804</u>	<u>12,547,633</u>
Fund balance, end of year	<u>\$ 12,607,967</u>	<u>\$ 1,060,270</u>	<u>\$ 3,527</u>	<u>\$ 13,671,764</u>

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

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

Reporting period ending measurement date	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total pension liability										
Service cost	\$ 1,158,033	\$ 984,075	\$ 867,900	\$ 795,773	\$ 731,482	\$ 689,139	\$ 623,020	\$ 640,943	\$ 658,841	\$ 638,941
Interest on total pension liability	2,591,626	2,503,087	2,441,597	2,314,735	2,253,079	2,154,276	2,080,456	2,040,323	1,992,049	1,905,236
Differences between expected and actual experience	431,120	(607,936)	86,108	171,770	(586,865)	23,304	80,987	(289,022)	(458,339)	-
Change of assumptions	-	-	1,388,790	51,601	-	-	-	996,058	-	-
Contributions - buy back	17,409	9,874	-	-	-	-	-	-	-	-
Benefit payments	(1,867,699)	(1,815,962)	(1,943,444)	(1,594,721)	(1,738,128)	(1,530,235)	(2,265,908)	(1,793,747)	(1,348,707)	(1,609,123)
Net change in total pension liability	2,330,489	1,073,138	2,840,951	1,739,158	659,568	1,336,484	518,555	1,594,555	843,844	935,054
Total pension liability - beginning	35,522,383	34,449,245	31,608,294	29,869,136	29,209,568	27,873,084	27,354,529	25,759,974	24,916,130	23,981,076
Total pension liability - ending (a)	\$ 37,852,872	\$ 35,522,383	\$ 34,449,245	\$ 31,608,294	\$ 29,869,136	\$ 29,209,568	\$ 27,873,084	\$ 27,354,529	\$ 25,759,974	\$ 24,916,130
Plan fiduciary net position										
Contributions - employer	\$ 1,937,551	\$ 1,676,098	\$ 1,446,017	\$ 1,507,515	\$ 1,798,603	\$ 1,739,561	\$ 1,745,906	\$ 1,590,471	\$ 1,291,060	\$ 1,222,791
Contributions - employee	599,085	527,754	436,377	404,342	377,735	344,206	324,519	302,123	265,734	268,700
Net investment income	2,705,351	(3,950,624)	5,082,467	935,083	262,957	1,627,575	1,938,085	1,445,907	209,869	1,372,873
Benefit payments	(1,867,699)	(1,815,962)	(1,943,444)	(1,594,721)	(1,738,128)	(1,530,235)	(2,265,908)	(1,793,747)	(1,348,707)	(1,609,123)
Administrative expenses	(96,981)	(63,696)	(39,786)	(40,144)	(39,095)	(32,246)	(40,481)	(33,274)	(31,336)	(23,443)
Net change in plan fiduciary net position	3,277,307	(3,626,430)	4,981,631	1,212,075	662,072	2,148,861	1,702,121	1,511,480	386,620	1,231,798
Plan fiduciary net position - beginning	25,122,769	28,749,199	23,767,568	22,555,493	21,893,421	19,744,560	18,042,439	16,530,959	16,144,339	14,912,541
Plan fiduciary net position - ending (b)	\$ 28,400,076	\$ 25,122,769	\$ 28,749,199	\$ 23,767,568	\$ 22,555,493	\$ 21,893,421	\$ 19,744,560	\$ 18,042,439	\$ 16,530,959	\$ 16,144,339
City's net pension liability - ending (a) - (b)	\$ 9,452,796	\$ 10,399,614	\$ 5,700,046	\$ 7,840,726	\$ 7,313,643	\$ 7,316,147	\$ 8,128,524	\$ 9,312,090	\$ 9,229,015	\$ 8,771,791
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.72%	83.45%	75.19%	75.51%	74.95%	70.84%	65.96%	64.17%	64.79%
Covered payroll	\$ 8,961,748	\$ 7,954,504	\$ 6,713,172	\$ 6,291,822	\$ 5,811,317	\$ 5,295,468	\$ 4,992,596	\$ 4,648,051	\$ 4,533,367	\$ 4,133,843
City's net pension liability as a percentage of covered payroll	105.48%	130.74%	84.91%	124.62%	125.85%	138.16%	162.81%	200.34%	203.58%	212.19%

CITY OF FERNANDINA BEACH, FLORIDA

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

Reporting period ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability										
Service cost	\$ 976,727	\$ 916,025	\$ 856,982	\$ 818,624	\$ 762,325	\$ 690,258	\$ 634,067	\$ 691,242	\$ 673,931	\$ 629,885
Interest	3,051,491	2,894,197	2,750,218	2,675,798	2,557,460	2,465,950	2,351,027	2,244,457	2,135,586	2,065,964
Change in excess state money	-	-	-	-	-	(6,262)	(6,566)	-	-	-
Share plan allocation	109,228	32,090	29,991	21,114	11,072	10,654	14,521	-	-	-
Change of benefit terms	-	-	-	-	(5,346)	-	-	-	-	-
Differences between expected and actual experience	225,054	204,631	357,327	(340,638)	(50,157)	(243,733)	47,179	(583,314)	-	-
Changes in assumptions	-	-	875,348	(251,710)	349,722	333,666	404,100	658,065	94,951	-
Contributions - buy back	-	-	-	-	-	-	-	-	-	9,362
Benefit payments	(2,225,236)	(1,795,560)	(2,317,877)	(1,672,244)	(1,775,840)	(1,724,415)	(1,636,299)	(1,606,010)	(1,515,765)	(2,242,194)
Net change in total pension liability	2,137,264	2,251,383	2,551,989	1,250,944	1,849,236	1,526,118	1,808,029	1,404,440	1,388,703	463,017
Total pension liability - beginning	40,822,443	38,571,060	36,019,071	34,768,127	32,918,891	31,392,773	29,584,744	28,180,304	26,791,601	26,328,584
Total pension liability - ending (a)	\$ 42,959,707	\$ 40,822,443	\$ 38,571,060	\$ 36,019,071	\$ 34,768,127	\$ 32,918,891	\$ 31,392,773	\$ 29,584,744	\$ 28,180,304	\$ 26,791,601
Plan fiduciary net position										
Contributions - employer	\$ 1,474,892	\$ 1,247,172	\$ 1,219,779	\$ 1,304,143	\$ 1,577,387	\$ 1,413,664	\$ 1,222,727	\$ 1,285,152	\$ 1,321,071	\$ 1,442,276
Contributions - state	441,956	284,463	281,090	263,555	248,819	227,005	234,807	228,116	224,969	223,515
Contributions - employee	394,876	372,709	354,834	336,298	324,322	299,515	288,097	293,641	287,839	271,215
Contributions - buy back	-	-	-	-	-	-	-	-	-	9,362
Net investment income	3,493,947	(5,842,644)	6,116,937	2,086,610	441,765	2,516,831	2,189,459	1,569,990	216,827	1,579,432
Benefit payments	(2,225,236)	(1,795,560)	(2,317,877)	(1,672,244)	(1,775,840)	(1,724,415)	(1,636,299)	(1,606,010)	(1,515,765)	(2,242,194)
Administrative expenses	(82,000)	(64,075)	(45,259)	(91,393)	(49,691)	(42,005)	(42,590)	(36,728)	(32,903)	(23,615)
Net change in plan fiduciary net position	3,498,435	(5,797,935)	5,609,504	2,228,969	766,762	2,690,595	2,256,201	1,734,161	502,038	1,259,991
Plan fiduciary net position - beginning	28,474,569	34,272,504	28,663,000	26,436,031	25,669,269	22,978,674	20,722,473	18,988,312	18,486,274	17,226,283
Plan fiduciary net position - ending (b)	\$ 31,973,004	\$ 28,474,569	\$ 34,272,504	\$ 28,663,000	\$ 26,436,031	\$ 25,669,269	\$ 22,978,674	\$ 20,722,473	\$ 18,988,312	\$ 18,486,274
City's net pension liability - ending (a) - (b)	\$ 10,986,703	\$ 12,347,874	\$ 4,298,556	\$ 7,356,071	\$ 8,332,096	\$ 7,249,622	\$ 8,414,099	\$ 8,862,271	\$ 9,191,992	\$ 8,305,327
Plan fiduciary net position as a percentage of the total pension liability	74.43%	69.75%	88.86%	79.58%	76.04%	77.98%	73.20%	70.04%	67.38%	69.00%
Covered payroll	\$ 5,129,399	\$ 4,839,247	\$ 4,608,232	\$ 4,539,309	\$ 4,211,980	\$ 3,889,808	\$ 3,741,515	\$ 3,813,519	\$ 3,746,766	\$ 3,522,270
City's net pension liability as a percentage of covered payroll	214.19%	255.16%	93.28%	162.05%	197.82%	186.37%	224.88%	232.39%	245.33%	235.79%

CITY OF FERNANDINA BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION**

Reporting period ending	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contribution	\$ 1,935,737	\$ 1,673,628	\$ 1,446,017	\$ 1,507,521	\$ 1,798,603	\$ 1,739,561	\$ 1,745,911	\$ 1,574,760	\$ 1,291,060	\$ 1,222,791
Contributions in relation to the actuarially determined contribution	1,937,551	1,676,098	1,446,017	1,507,515	1,798,603	1,739,561	1,745,906	1,590,471	1,291,060	1,222,791
Contribution deficiency (excess)	\$ (1,814)	\$ (2,470)	\$ -	\$ 6	\$ -	\$ -	\$ 5	\$ (15,711)	\$ -	\$ -
Covered payroll	\$ 8,961,748	\$ 7,954,504	\$ 6,713,172	\$ 6,713,172	\$ 6,291,822	\$ 5,811,317	\$ 5,295,468	\$ 4,992,596	\$ 4,648,051	\$ 4,533,367
Contributions as a percentage of covered payroll	21.62%	21.07%	21.54%	22.46%	28.59%	29.93%	32.97%	31.86%	27.78%	26.97%

Notes to the Schedule:

Valuation date: October 1, 2021
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method.

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

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

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

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

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

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

Interest rate: 7.25% per year, compounded annually, net of investment-related expenses.

Payroll growth: None.

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

CITY OF FERNANDINA BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' AND POLICE OFFICERS' PENSION**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Reporting period ending										
Actuarially determined contribution	\$ 1,766,050	\$ 1,501,618	\$ 1,475,095	\$ 1,548,358	\$ 1,803,149	\$ 1,654,724	\$ 1,435,619	\$ 1,494,900	\$ 1,544,613	\$ 1,665,681
Contributions in relation to the actuarially determined contribution	<u>1,807,620</u>	<u>1,499,544</u>	<u>1,470,878</u>	<u>1,545,540</u>	<u>1,815,134</u>	<u>1,633,145</u>	<u>1,446,296</u>	<u>1,513,268</u>	<u>1,546,040</u>	<u>1,665,791</u>
Contribution deficiency (excess)	\$ (41,570)	\$ 2,074	\$ 4,217	\$ 2,818	\$ (11,985)	\$ 21,579	\$ (10,677)	\$ (18,368)	\$ (1,427)	\$ (110)
Covered payroll	\$ 5,129,399	\$ 4,839,247	\$ 4,608,232	\$ 4,539,309	\$ 4,211,980	\$ 3,889,808	\$ 3,741,515	\$ 3,813,519	\$ 3,748,766	\$ 3,522,270
Contributions as a percentage of covered payroll	35.24%	30.99%	31.92%	34.05%	43.09%	41.99%	38.66%	39.68%	41.24%	47.29%

Notes to the Schedule:

Valuation date: October 1, 2021
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method.

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

Mortality:

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

Termination rates:

<u>Credited Service</u>	<u>Probability</u>
Less than 2 Years	25.00%
2-3 Years	10.00%
4-9 Years	8.50%
10 Years and Greater	5.00%

Retirement age: Earlier of age 55 and 6 years of service or 25 years of service, regardless of age.
Early retirement: Commencing with the earliest Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.
Salary increases: Range from 10% with 0 Years of Service to 4.5% with 10+ years of service
Interest rate: 7.50% per year, compounded annually, net of investment-related expenses.
Payroll growth: 2.30% for purposes of amortizing the Unfunded Actuarial Accrued Liability.
Asset valuation method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average fair value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below fair value.

CITY OF FERNANDINA BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS

Measurement date	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
General Employees: Annual money-weighted rate of return, net of investment expenses	10.68%	-13.83%	21.66%	4.18%	1.21%	8.31%	11.09%	8.95%	1.31%	9.41%
Firefighters' and Police Officers' Pension Plan: Annual money-weighted rate of return, net of investment expenses	12.38%	-17.22%	21.91%	7.79%	1.74%	11.09%	10.77%	8.42%	1.19%	9.27%

CITY OF FERNANDINA BEACH, FLORIDA

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

Reporting period ending Measurement date	<u>9/30/2023</u> <u>9/30/2022</u>	<u>9/30/2022</u> <u>9/30/2021</u>	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>
Service cost	\$ 146,241	\$ 189,222	\$ 168,967	\$ 154,393	\$ 167,465	\$ 100,064
Interest	55,689	67,465	93,499	110,279	97,594	53,355
Changes in assumptions and other inputs	(397,164)	(23,275)	262,864	193,193	(131,624)	(122,700)
Differences between expected and actual experience	(128,838)	(628,880)	(283,095)	(423,645)	(73,035)	852,753
Benefit payments	(64,159)	(74,204)	(75,205)	(113,124)	(89,114)	(78,336)
Net change in total OPEB liability	(388,231)	(469,672)	167,030	(78,904)	(28,714)	805,136
Total OPEB liability - beginning	<u>2,177,370</u>	<u>2,647,042</u>	<u>2,480,012</u>	<u>2,558,916</u>	<u>2,587,630</u>	<u>1,782,494</u>
Total OPEB liability - ending	<u>\$ 1,789,139</u>	<u>\$ 2,177,370</u>	<u>\$ 2,647,042</u>	<u>\$ 2,480,012</u>	<u>\$ 2,558,916</u>	<u>\$ 2,587,630</u>
Covered employee payroll	\$ 14,120,196	\$ 11,778,257	\$ 10,977,429	\$ 10,730,625	\$ 9,289,093	\$ 9,080,247
City's total OPEB liability as a percentage of covered employee payroll	12.67%	18.49%	24.11%	23.11%	27.55%	28.50%

Notes to the Schedule:

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

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

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

Fiscal Year Ending September 30, 2023:	4.77%
Fiscal Year Ending September 30, 2022:	2.43%
Fiscal Year Ending September 30, 2021:	2.41%
Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	4.15%
Fiscal Year Ending September 30, 2018:	3.60%
Fiscal Year Ending September 30, 2017:	3.06%

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

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

Combining and Individual Fund Statements and Schedules

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Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue Funds				
	Federal Forfeiture Fund	Tree Trust Fund	HDC Fund	Community Development Block Grant Fund	Land Conservation Trust Fund
Assets					
Cash and cash equivalents	\$ 77,272	\$ 533,133	\$ 108,737	\$ 466	\$ 83,434
Accounts receivable, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 77,272</u>	<u>\$ 533,133</u>	<u>\$ 108,737</u>	<u>\$ 466</u>	<u>\$ 83,434</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ -	\$ 22,823	\$ 449	\$ -	\$ -
Total liabilities	<u>-</u>	<u>22,823</u>	<u>449</u>	<u>-</u>	<u>-</u>
Fund balances					
Restricted for:					
Public safety	77,272	-	-	-	-
Community development	-	-	-	466	-
Land conservation	-	-	-	-	83,434
Building inspection	-	-	-	-	-
Capital improvements	-	-	-	-	-
Committed for:					
Conservation and resource management	-	510,310	-	-	-
Historical District Trust Cemetery	-	-	108,288	-	-
Assigned for:					
Cemetery	-	-	-	-	-
Total fund balances	<u>77,272</u>	<u>510,310</u>	<u>108,288</u>	<u>466</u>	<u>83,434</u>
Total liabilities and fund balances	<u>\$ 77,272</u>	<u>\$ 533,133</u>	<u>\$ 108,737</u>	<u>\$ 466</u>	<u>\$ 83,434</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
Building Fees Fund	Cemetery Fund	Community Redevelopment Area Fund	Law Enforcement Recovery Fund	Bond Debt Service Fund	Capital Expansion Fund	
\$ 3,106,120	\$ 1,515,508	\$ 243,549	\$ 218,640	\$ -	\$ 6,685,817	\$ 12,572,676
-	187	-	-	-	-	187
-	-	-	19,680	-	19,808	39,488
-	-	753,414	-	-	-	753,414
<u>\$ 3,106,120</u>	<u>\$ 1,515,695</u>	<u>\$ 996,963</u>	<u>\$ 238,320</u>	<u>\$ -</u>	<u>\$ 6,705,625</u>	<u>\$ 13,365,765</u>
\$ 166,602	\$ 9,878	\$ 25,105	\$ 34,536	\$ -	\$ 16,520	\$ 275,913
<u>166,602</u>	<u>9,878</u>	<u>25,105</u>	<u>34,536</u>	<u>-</u>	<u>16,520</u>	<u>275,913</u>
-	-	-	-	-	-	77,272
-	-	971,858	203,784	-	-	1,176,108
-	-	-	-	-	-	83,434
2,939,518	-	-	-	-	-	2,939,518
-	-	-	-	-	6,689,105	6,689,105
-	-	-	-	-	-	510,310
-	-	-	-	-	-	108,288
-	1,347,177	-	-	-	-	1,347,177
-	158,640	-	-	-	-	158,640
<u>2,939,518</u>	<u>1,505,817</u>	<u>971,858</u>	<u>203,784</u>	<u>-</u>	<u>6,689,105</u>	<u>13,089,852</u>
<u>\$ 3,106,120</u>	<u>\$ 1,515,695</u>	<u>\$ 996,963</u>	<u>\$ 238,320</u>	<u>\$ -</u>	<u>\$ 6,705,625</u>	<u>\$ 13,365,765</u>

CITY OF FERNANDINA BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds				
	Federal Forfeiture Fund	Tree Trust Fund	HDC Fund	Community Development Block Grant Fund	Land Conservation Trust Fund
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Impact fees	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-
Charges for services	-	-	19,026	-	-
Fines and forfeitures	13,336	-	-	-	-
Investment earnings	560	4,278	866	915	1,066
Miscellaneous revenues	-	88,025	-	-	82,832
Total revenues	<u>13,896</u>	<u>92,303</u>	<u>19,892</u>	<u>915</u>	<u>83,898</u>
Expenditures					
Current					
General government	-	56,308	2,000	-	4,877
Public safety	8,833	-	-	-	-
Physical environment	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	11,048	-	-	106,613	146,764
Total expenditures	<u>19,881</u>	<u>56,308</u>	<u>2,000</u>	<u>106,613</u>	<u>151,641</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,985)</u>	<u>35,995</u>	<u>17,892</u>	<u>(105,698)</u>	<u>(67,743)</u>
Other Financing Sources (Uses)					
Sale of capital assets	14,703	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>14,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	8,718	35,995	17,892	(105,698)	(67,743)
Fund balances, beginning	<u>68,554</u>	<u>474,315</u>	<u>90,396</u>	<u>106,164</u>	<u>151,177</u>
Fund balances, ending	<u>\$ 77,272</u>	<u>\$ 510,310</u>	<u>\$ 108,288</u>	<u>\$ 466</u>	<u>\$ 83,434</u>

Special Revenue Funds				Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
Building Fees Fund	Cemetery Fund	Community Redevelopment Area Fund	Law Enforcement Recovery Fund	Bond Debt Service Fund	Capital Expansion Fund	
\$ -	\$ -	\$ 143,306	\$ -	\$ -	\$ -	\$ 143,306
1,117,584	5,415	-	-	-	-	1,122,999
-	-	-	-	-	1,012,587	1,012,587
-	-	-	227,402	-	19,879	247,281
-	242,498	-	-	-	-	261,524
-	-	-	-	-	-	13,336
29,288	32,946	8,895	1,877	-	76,591	157,282
-	-	-	-	-	-	170,857
<u>1,146,872</u>	<u>280,859</u>	<u>152,201</u>	<u>229,279</u>	<u>-</u>	<u>1,109,057</u>	<u>3,129,172</u>
-	-	48,117	-	-	-	111,302
1,530,435	-	-	15,373	-	-	1,554,641
-	133,435	-	-	-	-	133,435
-	-	49,344	-	-	-	49,344
-	-	21,069	-	-	-	21,069
29,077	-	263,058	171,552	-	388,772	1,116,884
<u>1,559,512</u>	<u>133,435</u>	<u>381,588</u>	<u>186,925</u>	<u>-</u>	<u>388,772</u>	<u>2,986,675</u>
(412,640)	147,424	(229,387)	42,354	-	720,285	142,497
12,033	5,250	-	13,040	-	-	45,026
-	-	-	-	(6,566)	-	(6,566)
12,033	5,250	-	13,040	(6,566)	-	38,460
(400,607)	152,674	(229,387)	55,394	(6,566)	720,285	180,957
3,340,125	1,353,143	1,201,245	148,390	6,566	5,968,820	12,908,895
<u>\$ 2,939,518</u>	<u>\$ 1,505,817</u>	<u>\$ 971,858</u>	<u>\$ 203,784</u>	<u>\$ -</u>	<u>\$ 6,689,105</u>	<u>\$ 13,089,852</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – FEDERAL FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 2,500	\$ 2,500	\$ 13,336	\$ 10,836
Other revenue	300	300	560	260
Total revenues	<u>2,800</u>	<u>2,800</u>	<u>13,896</u>	<u>11,096</u>
Expenditures				
Current				
Public safety	15,000	36,900	8,833	28,067
Capital outlay	15,000	11,100	11,048	52
Total expenditures	<u>30,000</u>	<u>48,000</u>	<u>19,881</u>	<u>28,119</u>
(Deficiency) of revenues under expenditures	<u>(27,200)</u>	<u>(45,200)</u>	<u>(5,985)</u>	<u>39,215</u>
Other financing sources				
Sale of capital assets	-	-	14,703	14,703
Total other financing uses	<u>-</u>	<u>-</u>	<u>14,703</u>	<u>14,703</u>
Change in fund balance	<u>(27,200)</u>	<u>(45,200)</u>	<u>8,718</u>	<u>53,918</u>
Fund balance, beginning of year	<u>68,554</u>	<u>68,554</u>	<u>68,554</u>	<u>-</u>
Fund balance, end of year	<u>\$ 41,354</u>	<u>\$ 23,354</u>	<u>\$ 77,272</u>	<u>\$ 53,918</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – TREE TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 1,400	\$ 1,400	\$ 4,278	\$ 2,878
Miscellaneous revenues	130,000	130,000	88,025	(41,975)
Total revenues	<u>131,400</u>	<u>131,400</u>	<u>92,303</u>	<u>(39,097)</u>
Expenditures				
Current				
General government	317,063	317,063	56,308	260,755
Capital outlay	15,000	15,000	-	15,000
Total expenditures	<u>332,063</u>	<u>332,063</u>	<u>56,308</u>	<u>275,755</u>
Change in fund balance	(200,663)	(200,663)	35,995	236,658
Fund balance, beginning of year	<u>474,315</u>	<u>474,315</u>	<u>474,315</u>	<u>-</u>
Fund balance, end of year	<u>\$ 273,652</u>	<u>\$ 273,652</u>	<u>\$ 510,310</u>	<u>\$ 236,658</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – HDC FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 13,700	\$ 13,700	\$ 19,026	\$ 5,326
Investment earnings	-	-	866	866
Total revenues	<u>13,700</u>	<u>13,700</u>	<u>19,892</u>	<u>6,192</u>
Expenditures				
Current				
General government	<u>34,250</u>	<u>34,250</u>	<u>2,000</u>	<u>32,250</u>
Total expenditures	<u>34,250</u>	<u>34,250</u>	<u>2,000</u>	<u>32,250</u>
Change in fund balance	(20,550)	(20,550)	17,892	38,442
Fund balance, beginning of year	<u>90,396</u>	<u>90,396</u>	<u>90,396</u>	<u>-</u>
Fund balance, end of year	<u>\$ 69,846</u>	<u>\$ 69,846</u>	<u>\$ 108,288</u>	<u>\$ 38,442</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 500	\$ 500	\$ 915	\$ 415
Total revenues	<u>500</u>	<u>500</u>	<u>915</u>	<u>415</u>
Expenditures				
Capital outlay	106,613	106,613	106,613	-
Total expenditures	<u>106,613</u>	<u>106,613</u>	<u>106,613</u>	<u>-</u>
Change in fund balance	(106,113)	(106,113)	(105,698)	415
Fund balance, beginning of year	<u>106,164</u>	<u>106,164</u>	<u>106,164</u>	<u>-</u>
Fund balance, end of year	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ 466</u>	<u>\$ 415</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LAND CONSERVATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 1,500	\$ 1,500	\$ 1,066	\$ (434)
Miscellaneous revenues	-	-	82,832	82,832
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>83,898</u>	<u>82,398</u>
Expenditures				
Current				
General government	-	6,350	4,877	1,473
Capital outlay	153,116	146,766	146,764	2
Total expenditures	<u>153,116</u>	<u>153,116</u>	<u>151,641</u>	<u>1,475</u>
Change in fund balance	(151,616)	(151,616)	(67,743)	83,873
Fund balance, beginning of year	<u>151,177</u>	<u>151,177</u>	<u>151,177</u>	<u>-</u>
Fund balance, end of year	<u>\$ (439)</u>	<u>\$ (439)</u>	<u>\$ 83,434</u>	<u>\$ 83,873</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUILDING FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 1,014,472	\$ 1,014,472	\$ 1,117,584	\$ 103,112
Investment earnings	-	-	29,288	29,288
Total revenues	<u>1,014,472</u>	<u>1,014,472</u>	<u>1,146,872</u>	<u>132,400</u>
Expenditures				
Current				
Public safety	2,141,150	2,611,150	1,530,435	1,080,715
Capital outlay	500,000	30,000	29,077	923
Total expenditures	<u>2,641,150</u>	<u>2,641,150</u>	<u>1,559,512</u>	<u>1,081,638</u>
Deficiency of revenues under expenditures	<u>(1,626,678)</u>	<u>(1,626,678)</u>	<u>(412,640)</u>	<u>1,214,038</u>
Other financing sources				
Sale of capital assets	-	-	12,033	12,033
Total other financing sources	<u>-</u>	<u>-</u>	<u>12,033</u>	<u>12,033</u>
Change in fund balance	<u>(1,626,678)</u>	<u>(1,626,678)</u>	<u>(400,607)</u>	<u>1,226,071</u>
Fund balance, beginning of year	<u>3,340,125</u>	<u>3,340,125</u>	<u>3,340,125</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,713,447</u>	<u>\$ 1,713,447</u>	<u>\$ 2,939,518</u>	<u>\$ 1,226,071</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CEMETERY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 3,900	\$ 3,900	\$ 5,415	\$ 1,515
Charges for services	132,500	132,500	242,498	109,998
Investment earnings	13,000	13,000	32,946	19,946
Total revenues	<u>149,400</u>	<u>149,400</u>	<u>280,859</u>	<u>131,459</u>
Expenditures				
Current				
Physical environment	148,833	148,833	133,435	15,398
Total expenditures	<u>148,833</u>	<u>148,833</u>	<u>133,435</u>	<u>15,398</u>
Excess of revenues over expenditures	<u>567</u>	<u>567</u>	<u>147,424</u>	<u>116,061</u>
Other financing sources				
Sale of capital assets	-	-	5,250	5,250
Total other financing sources	<u>-</u>	<u>-</u>	<u>5,250</u>	<u>5,250</u>
Change in fund balance	567	567	152,674	146,857
Fund balance, beginning of year	<u>1,353,143</u>	<u>1,353,143</u>	<u>1,353,143</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,353,710</u>	<u>\$ 1,353,710</u>	<u>\$ 1,505,817</u>	<u>\$ 146,857</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – COMMUNITY REDEVELOPMENT AREA FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 143,306	\$ 143,306	\$ 143,306	\$ -
Investment earnings	500	500	8,895	8,395
Total revenues	<u>143,806</u>	<u>143,806</u>	<u>152,201</u>	<u>8,395</u>
Expenditures				
Current				
General government	-	59,742	48,117	11,625
Debt service				
Principal retirement	49,267	49,267	49,344	(77)
Interest	21,271	21,271	21,069	202
Capital outlay	<u>1,008,910</u>	<u>1,008,510</u>	<u>263,058</u>	<u>745,452</u>
Total expenditures	<u>1,079,448</u>	<u>1,138,790</u>	<u>381,588</u>	<u>757,202</u>
Change in fund balance	(935,642)	(994,984)	(229,387)	765,597
Fund balance, beginning of year	<u>1,201,245</u>	<u>1,201,245</u>	<u>1,201,245</u>	<u>-</u>
Fund balance, end of year	<u>\$ 265,603</u>	<u>\$ 206,261</u>	<u>\$ 971,858</u>	<u>\$ 765,597</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LAW ENFORCEMENT RECOVERY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 227,402	\$ 227,402	\$ 227,402	\$ -
Investment earnings	-	-	1,877	1,877
Total revenues	<u>227,402</u>	<u>227,402</u>	<u>229,279</u>	<u>1,877</u>
Expenditures				
Current				
Public safety	29,402	31,602	15,373	16,229
Capital outlay	234,433	232,233	171,552	60,681
Total expenditures	<u>263,835</u>	<u>263,835</u>	<u>186,925</u>	<u>76,910</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,433)</u>	<u>(36,433)</u>	<u>42,354</u>	<u>78,787</u>
Other financing sources				
Sale of capital assets	-	-	13,040	13,040
Total other financing sources	<u>-</u>	<u>-</u>	<u>13,040</u>	<u>13,040</u>
Change in fund balance	<u>(36,433)</u>	<u>(36,433)</u>	<u>55,394</u>	<u>91,827</u>
Fund balance, beginning of year	<u>148,390</u>	<u>148,390</u>	<u>148,390</u>	<u>-</u>
Fund balance, end of year	<u>\$ 111,957</u>	<u>\$ 111,957</u>	<u>\$ 203,784</u>	<u>\$ 91,827</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – UTILITY TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 2,058,453	\$ 2,058,453	\$ 2,211,224	\$ 152,771
Investment earnings	5,000	5,000	8,907	3,907
Total revenues	<u>2,063,453</u>	<u>2,063,453</u>	<u>2,220,131</u>	<u>156,678</u>
Excess of revenues over expenditures	<u>2,063,453</u>	<u>2,063,453</u>	<u>2,220,131</u>	<u>156,678</u>
Other financing uses				
Transfers out	(2,500,000)	(2,500,000)	(2,500,000)	-
Total other financing sources	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
Change in fund balance	(436,547)	(436,547)	(279,869)	156,678
Fund balance, beginning of year	<u>1,340,139</u>	<u>1,340,139</u>	<u>1,340,139</u>	<u>-</u>
Fund balance, end of year	<u>\$ 903,592</u>	<u>\$ 903,592</u>	<u>\$ 1,060,270</u>	<u>\$ 156,678</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 695	\$ 695
Investment earnings	22	22	28	6
Total revenues	<u>22</u>	<u>22</u>	<u>723</u>	<u>701</u>
Change in fund balance	22	22	723	701
Fund balance, beginning of year	<u>2,804</u>	<u>2,804</u>	<u>2,804</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,826</u>	<u>\$ 2,826</u>	<u>\$ 3,527</u>	<u>\$ 701</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BOND DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses				
Transfers out	-	-	(6,566)	(6,566)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(6,566)</u>	<u>(6,566)</u>
Change in fund balance	-	-	(6,566)	(6,566)
Fund balance, beginning of year	<u>6,566</u>	<u>6,566</u>	<u>6,566</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,566</u>	<u>\$ 6,566</u>	<u>\$ -</u>	<u>\$ (6,566)</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 2,233,144	\$ 4,276,140	\$ 655,925	\$ (3,620,215)
Investment earnings	8,000	8,000	19,613	11,613
Miscellaneous revenues	154,625	154,625	-	(154,625)
Total revenues	<u>2,395,769</u>	<u>4,438,765</u>	<u>675,538</u>	<u>(3,763,227)</u>
Expenditures				
Debt service				
Principal retirement	132,452	132,452	132,453	(1)
Interest	16,664	16,664	16,663	1
Capital outlay	6,256,256	8,201,452	3,561,296	4,640,156
Total expenditures	<u>6,405,372</u>	<u>8,350,568</u>	<u>3,710,412</u>	<u>4,640,156</u>
Deficiency of revenues under expenditures	<u>(4,009,603)</u>	<u>(3,911,803)</u>	<u>(3,034,874)</u>	<u>876,929</u>
Other financing sources				
Transfers in	4,009,603	3,911,803	3,911,803	-
Total other financing sources	<u>4,009,603</u>	<u>3,911,803</u>	<u>3,911,803</u>	<u>-</u>
Change in fund balance	-	-	876,929	876,929
Fund balance, beginning of year	<u>1,673,735</u>	<u>1,673,735</u>	<u>1,673,735</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,673,735</u>	<u>\$ 1,673,735</u>	<u>\$ 2,550,664</u>	<u>\$ 876,929</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL EXPANSION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 890,000	\$ 890,000	\$ 1,012,587	\$ 122,587
Intergovernmental revenue	60,000	60,000	19,879	(40,121)
Investment earnings	25,000	25,000	76,591	51,591
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>1,109,057</u>	<u>134,057</u>
Expenditures				
Capital outlay	505,000	507,000	388,772	118,228
Total expenditures	<u>505,000</u>	<u>507,000</u>	<u>388,772</u>	<u>118,228</u>
Change in fund balance	470,000	468,000	720,285	252,285
Fund balance, beginning of year	<u>5,968,820</u>	<u>5,968,820</u>	<u>5,968,820</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,438,820</u>	<u>\$ 6,436,820</u>	<u>\$ 6,689,105</u>	<u>\$ 252,285</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – OTHER CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 5,000	\$ 5,000	\$ 36,990	\$ 31,990
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>36,990</u>	<u>31,990</u>
Expenditures				
Capital outlay	3,970,299	3,970,299	1,109,917	2,860,382
Total expenditures	<u>3,970,299</u>	<u>3,970,299</u>	<u>1,109,917</u>	<u>2,860,382</u>
Change in fund balance	(3,965,299)	(3,965,299)	(1,072,927)	2,892,372
Fund balance, beginning of year	<u>4,930,806</u>	<u>4,930,806</u>	<u>4,930,806</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 965,507</u></u>	<u><u>\$ 965,507</u></u>	<u><u>\$ 3,857,879</u></u>	<u><u>\$ 2,892,372</u></u>

INTERNAL SERVICE FUNDS

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

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

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

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CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Total
Assets				
Current assets:				
Cash and investments	\$ 73,909	\$ 296,286	\$ 59,825	\$ 430,020
Accounts receivable, net of allowance	1,565	6,694	-	8,259
Prepaid expenses	-	2,104	268	2,372
Inventory	53,835	-	-	53,835
Total current assets	<u>129,309</u>	<u>305,084</u>	<u>60,093</u>	<u>494,486</u>
Noncurrent assets:				
Capital assets, net	258,993	-	1,658	260,651
Total noncurrent assets	<u>258,993</u>	<u>-</u>	<u>1,658</u>	<u>260,651</u>
Total assets	<u>388,302</u>	<u>305,084</u>	<u>61,751</u>	<u>755,137</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	22,729	19,287	20,679	62,695
Compensated absences	36,851	19,300	43,054	99,205
Total current liabilities	<u>59,580</u>	<u>38,587</u>	<u>63,733</u>	<u>161,900</u>
Total liabilities	<u>59,580</u>	<u>38,587</u>	<u>63,733</u>	<u>161,900</u>
Net position (deficit)				
Investment in capital assets	258,993	-	1,658	260,651
Unrestricted	69,729	266,497	(3,640)	332,586
Total net position (deficit)	<u>\$ 328,722</u>	<u>\$ 266,497</u>	<u>\$ (1,982)</u>	<u>\$ 593,237</u>

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Total
Operating revenues				
Charges for services	\$ 1,078,423	\$ 553,633	\$ 618,660	\$ 2,250,716
Fees, rentals and miscellaneous	4,210	-	-	4,210
Total operating revenues	<u>1,082,633</u>	<u>553,633</u>	<u>618,660</u>	<u>2,254,926</u>
Operating expenses				
Personnel services and benefits	325,726	466,283	547,878	1,339,887
Materials, supplies and other	829,459	137,007	48,434	1,014,900
Depreciation and amortization	32,059	-	390	32,449
Total operating expenses	<u>1,187,244</u>	<u>603,290</u>	<u>596,702</u>	<u>2,387,236</u>
Operating income (loss)	<u>(104,611)</u>	<u>(49,657)</u>	<u>21,958</u>	<u>(132,310)</u>
Nonoperating revenues				
Interest income	1,098	2,666	422	4,186
Gain on sale of capital assets	49,279	-	-	49,279
Total nonoperating revenues	<u>50,377</u>	<u>2,666</u>	<u>422</u>	<u>53,465</u>
Income (loss) before transfers	<u>(54,234)</u>	<u>(46,991)</u>	<u>22,380</u>	<u>(78,845)</u>
Transfers				
Transfers out	<u>(111,838)</u>	<u>-</u>	<u>-</u>	<u>(111,838)</u>
Total transfers	<u>(111,838)</u>	<u>-</u>	<u>-</u>	<u>(111,838)</u>
Change in net position	<u>(166,072)</u>	<u>(46,991)</u>	<u>22,380</u>	<u>(190,683)</u>
Total net position (deficit), beginning of year	494,794	313,488	(24,362)	783,920
Total net position (deficit), end of year	<u>\$ 328,722</u>	<u>\$ 266,497</u>	<u>\$ (1,982)</u>	<u>\$ 593,237</u>

CITY OF FERNANDINA BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Total
Cash flows from operating activities				
Cash received for interfund services	\$ 1,081,068	\$ 554,034	\$ 618,660	\$ 2,253,762
Cash paid to suppliers for goods and services	(850,199)	(134,610)	(46,750)	(1,031,559)
Cash paid to employees for services and benefits	(317,337)	(460,196)	(546,330)	(1,323,863)
Net cash provided by (used in) operating activities	<u>(86,468)</u>	<u>(40,772)</u>	<u>25,580</u>	<u>(101,660)</u>
Cash flows from noncapital financing activities				
Transfer to other funds	(111,838)	-	-	(111,838)
Net cash used in noncapital financing activities	<u>(111,838)</u>	<u>-</u>	<u>-</u>	<u>(111,838)</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(8,764)	-	-	(8,764)
Cash received from sale of capital assets	49,279	-	-	49,279
Net cash provided by capital and related financing activities	<u>40,515</u>	<u>-</u>	<u>-</u>	<u>40,515</u>
Cash flows from investing activities				
Interest received	1,098	2,666	422	4,186
Net cash provided by investing activities	<u>1,098</u>	<u>2,666</u>	<u>422</u>	<u>4,186</u>
Net change in cash and investments	(156,693)	(38,106)	26,002	(168,797)
Cash and investments, beginning of year	<u>230,602</u>	<u>334,392</u>	<u>33,823</u>	<u>598,817</u>
Cash and investments, end of year	<u>\$ 73,909</u>	<u>\$ 296,286</u>	<u>\$ 59,825</u>	<u>\$ 430,020</u>
Cash and investments classified as				
Cash and investments	<u>\$ 73,909</u>	<u>\$ 296,286</u>	<u>\$ 59,825</u>	<u>\$ 430,020</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (104,611)	\$ (49,657)	\$ 21,958	\$ (132,310)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	32,059	-	390	32,449
Change in operating assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(1,565)	401	-	(1,164)
Prepays	-	(100)	(268)	(368)
Inventory	(11,611)	-	-	(11,611)
Increase (decrease) in liabilities:				
Accounts payable	(9,129)	2,497	1,952	(4,680)
Compensated absences payable	8,389	6,087	1,548	16,024
Net cash provided by (used in) operating activities	<u>\$ (86,468)</u>	<u>\$ (40,772)</u>	<u>\$ 25,580</u>	<u>\$ (101,660)</u>

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Fiduciary Funds

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

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

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

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CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2023**

	<u>General Employees' Pension Plan</u>	<u>Firefighters' and Police Officers' Pension Plan</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,614,047	\$ 1,255,788	\$ 2,869,835
Contributions receivable	-	5	5
Interest receivable	46,021	44,797	90,818
Investments, at fair value			
U.S. government and agency securities	772,380	1,015,976	1,788,356
Mortgages and federal agency securities	1,741,535	2,296,107	4,037,642
Corporate bonds	1,829,219	2,397,238	4,226,457
Real estate fund	2,796,311	3,202,276	5,998,587
Equity securities	19,651,988	21,838,745	41,490,733
Total investments	<u>26,791,433</u>	<u>30,750,342</u>	<u>57,541,775</u>
Total assets	<u>\$ 28,451,501</u>	<u>\$ 32,050,932</u>	<u>\$ 60,502,433</u>
LIABILITIES			
Accounts payable	\$ 55,709	\$ 129,839	\$ 185,548
Total liabilities	<u>55,709</u>	<u>129,839</u>	<u>185,548</u>
NET POSITION			
Restricted for pension benefits	<u>28,395,792</u>	<u>31,921,093</u>	<u>60,316,885</u>
Total liabilities and net position	<u>\$ 28,451,501</u>	<u>\$ 32,050,932</u>	<u>\$ 60,502,433</u>

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>General Employees' Pension Plan</u>	<u>Firefighters' and Police Officers' Pension Plan</u>	<u>Total</u>
ADDITIONS			
Contributions			
City	\$ 1,935,738	\$ 1,433,322	\$ 3,369,060
Employees	599,923	394,963	994,886
State of Florida	-	441,956	441,956
Total contributions	<u>2,535,661</u>	<u>2,270,241</u>	<u>4,805,902</u>
Investment income			
Interest and dividends	650,407	668,062	1,318,469
Net appreciation in the fair value of investments	2,143,853	2,950,693	5,094,546
Investment expense	<u>(92,217)</u>	<u>(135,236)</u>	<u>(227,453)</u>
Net investment income	<u>2,702,043</u>	<u>3,483,519</u>	<u>6,185,562</u>
Total additions	<u>5,237,704</u>	<u>5,753,760</u>	<u>10,991,464</u>
DEDUCTIONS			
Pension benefits	1,803,364	1,750,223	3,553,587
Lump sum distributions	64,336	475,013	539,349
Administrative expenses	<u>96,981</u>	<u>82,000</u>	<u>178,981</u>
Total deductions	<u>1,964,681</u>	<u>2,307,236</u>	<u>4,271,917</u>
Net change in plan net position	3,273,023	3,446,524	6,719,547
Plan net position, restricted for pension benefits:			
Beginning of year	25,122,769	28,474,569	53,597,338
End of year	<u>\$ 28,395,792</u>	<u>\$ 31,921,093</u>	<u>\$ 60,316,885</u>

Statistical Section

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

Contents

Financial Trends (Pages 94 – 98) (Tables 1 – 4)

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

Revenue Capacity (Pages 99 – 103) (Tables 5 – 9)

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

Debt Capacity (Pages 104 – 107) (Tables 10 – 13)

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

Demographics and Economic Information (Pages 108 and 109) (Tables 14 and 15)

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

Operating Information (Pages 110 – 112) (Tables 16 – 18)

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

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CITY OF FERNANDINA BEACH, FLORIDA

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

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 39,406,087	\$ 31,979,561	\$ 29,263,400	\$ 27,439,500	\$ 24,367,016	\$ 23,584,000	\$ 22,959,982	\$ 22,255,738	\$ 21,363,150	\$ 20,086,968
Restricted	10,968,240	10,987,278	8,949,357	8,493,508	8,287,039	7,320,960	4,133,646	3,126,644	2,919,530	2,820,795
Unrestricted ⁽²⁾	10,192,248	10,084,403	2,040,093	(1,886,395)	(1,795,780)	(4,860,371)	(4,182,808)	(4,916,921)	(6,495,182)	5,573,556
Total Governmental Activities Net Position	<u>\$ 60,566,575</u>	<u>\$ 53,051,242</u>	<u>\$ 40,252,850</u>	<u>\$ 34,046,613</u>	<u>\$ 30,858,275</u>	<u>\$ 26,044,589</u>	<u>\$ 22,910,820</u>	<u>\$ 20,465,461</u>	<u>\$ 17,787,498</u>	<u>\$ 28,481,319</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 41,626,262	\$ 41,820,253	\$ 31,656,480	\$ 29,141,671	\$ 26,496,040	\$ 24,293,174	\$ 19,971,800	\$ 21,758,186	\$ 21,519,553	\$ 19,562,429
Restricted	1,461,690	1,554,176	1,929,642	2,056,475	2,187,063	1,510,257	1,346,122	631,824	444,527	575,878
Unrestricted ⁽²⁾	19,520,229	18,104,426	17,556,704	14,561,303	11,074,620	10,467,704	9,570,979	8,012,813	6,208,903	6,299,731
Total Business-Type Activities Net Position	<u>\$ 62,608,181</u>	<u>\$ 61,478,855</u>	<u>\$ 51,142,826</u>	<u>\$ 45,759,449</u>	<u>\$ 39,757,723</u>	<u>\$ 36,271,135</u>	<u>\$ 30,888,901</u>	<u>\$ 30,402,823</u>	<u>\$ 28,172,983</u>	<u>\$ 26,438,038</u>
Total:										
Net Investment in Capital Assets ⁽¹⁾	\$ 81,032,349	\$ 73,799,814	\$ 60,919,880	\$ 56,581,171	\$ 50,863,056	\$ 47,877,174	\$ 42,931,782	\$ 44,013,924	\$ 42,882,703	\$ 39,649,397
Restricted	12,429,930	12,541,454	10,878,999	10,549,983	10,474,102	8,831,217	5,479,768	3,758,468	3,364,057	3,396,673
Unrestricted ⁽²⁾	29,712,477	28,188,829	19,596,797	12,674,908	9,278,840	5,607,333	5,388,171	3,095,892	(286,279)	11,873,287
Total Net Position	<u>\$ 123,174,756</u>	<u>\$ 114,530,097</u>	<u>\$ 91,395,676</u>	<u>\$ 79,806,062</u>	<u>\$ 70,615,998</u>	<u>\$ 62,315,724</u>	<u>\$ 53,799,721</u>	<u>\$ 50,868,284</u>	<u>\$ 45,960,481</u>	<u>\$ 54,919,357</u>

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

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

CITY OF FERNANDINA BEACH, FLORIDA

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

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental Activities:										
General Government	\$ 7,644,271	\$ 6,624,029	\$ 6,331,488	\$ 5,071,080	\$ 4,794,176	\$ 4,645,880	\$ 4,163,808	\$ 3,789,868	\$ 3,720,751	\$ 3,515,960
Public Safety	14,809,871	11,869,832	12,171,877	12,632,726	11,595,342	11,077,039	10,358,556	9,830,929	9,614,391	9,879,821
Physical Environment	131,630	162,880	164,652	232,336	1,506,579	1,639,299	-	-	-	-
Transportation	2,262,409	2,128,742	2,180,181	2,296,521	2,694,817	3,403,051	3,429,751	2,094,050	1,972,165	1,955,405
Economic Environment	113,135	75,432	73,461	69,185	77,153	783,494	52,414	47,184	47,379	35,494
Human Services	125,853	121,025	399,486	383,930	55,418	52,811	45,666	42,871	172,992	497,085
Culture and Recreation	4,866,811	4,191,941	3,972,297	3,769,815	2,813,869	2,631,741	2,639,833	2,685,529	2,964,980	2,344,731
Interest on Long-Term Debt	35,037	49,856	33,009	34,211	54,271	73,810	90,328	93,298	98,484	113,432
Total Governmental Activities Expenses	<u>29,989,017</u>	<u>25,223,737</u>	<u>25,326,451</u>	<u>24,489,804</u>	<u>23,591,625</u>	<u>24,307,125</u>	<u>20,780,356</u>	<u>18,583,729</u>	<u>18,591,142</u>	<u>18,341,928</u>
Business-Type Activities:										
Golf Course	2,123,172	2,186,032	1,603,647	1,591,193	1,701,757	1,644,592	1,666,591	1,649,065	1,704,365	1,665,949
Airport	1,825,946	1,621,213	1,414,228	1,293,876	1,423,977	1,474,615	1,047,074	1,147,472	1,131,745	1,110,268
Sanitation	3,502,958	3,265,807	2,869,263	2,652,962	2,377,519	2,362,448	2,263,923	2,307,671	2,209,587	2,130,278
Sewer and Water	10,028,410	9,152,170	7,890,975	7,459,307	7,324,589	7,562,630	7,714,073	7,274,661	6,998,895	9,004,523
Stormwater	1,167,574	938,917	1,146,349	1,100,082	1,175,464	649,258	553,591	435,834	276,939	199,478
Marina	2,746,124	4,059,198	2,051,096	1,133,208	1,157,961	679,833	4,587,827	2,177,505	2,182,068	2,326,168
Total Business-Type Activities Expenses	<u>21,394,184</u>	<u>21,223,337</u>	<u>16,975,558</u>	<u>15,230,628</u>	<u>15,161,267</u>	<u>14,373,376</u>	<u>17,833,079</u>	<u>14,992,208</u>	<u>14,503,599</u>	<u>16,436,664</u>
Total Expenses	<u>\$ 51,383,201</u>	<u>\$ 46,447,074</u>	<u>\$ 42,302,009</u>	<u>\$ 39,720,432</u>	<u>\$ 38,752,892</u>	<u>\$ 38,680,501</u>	<u>\$ 38,613,435</u>	<u>\$ 33,575,937</u>	<u>\$ 33,094,741</u>	<u>\$ 34,778,592</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,705,290	\$ 1,472,583	\$ 1,820,424	\$ 129,411	\$ 223,716	\$ 343,119	\$ 159,242	\$ 105,652	\$ 80,073	\$ 64,535
Public Safety	2,045,257	1,814,404	1,488,415	2,205,266	3,107,967	3,528,505	2,271,875	1,925,961	1,727,680	1,594,369
Physical Environment	1,260,500	1,388,857	1,736,117	129,126	185,444	198,011	-	-	-	-
Transportation	-	1,000	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	970,969	1,012,725	906,245	1,107,278	1,595,600	1,941,137	1,588,940	1,432,328	1,219,871	1,122,999
Operating Grants and Contributions	675,758	7,155,612	1,532,917	574,767	2,966,057	2,313,984	1,262,691	217,650	246,238	334,065
Capital Grants and Contributions	210,302	1,387,897	434,394	866,495	-	63,450	10,226	632,805	1,559,532	1,345,976
Total Governmental Activities Program Revenues	<u>6,868,076</u>	<u>14,233,078</u>	<u>7,918,512</u>	<u>5,012,343</u>	<u>8,078,784</u>	<u>8,388,206</u>	<u>5,292,974</u>	<u>4,314,396</u>	<u>4,833,394</u>	<u>4,461,944</u>
Business-Type Activities:										
Charges for Services:										
Golf Course	1,877,447	1,690,005	1,313,641	1,148,859	1,327,190	1,297,173	1,257,703	1,270,514	1,343,072	1,315,098
Airport	1,002,810	888,178	847,756	860,670	875,909	674,692	651,350	663,190	600,851	576,008
Sanitation	3,564,933	3,408,896	2,949,533	2,707,115	2,385,670	2,395,312	2,330,575	2,254,588	2,245,416	2,190,580
Sewer and Water	12,948,151	12,124,398	11,671,844	11,417,150	11,664,072	11,120,309	11,114,482	9,897,960	9,406,734	9,082,896
Stormwater	933,460	1,072,418	901,400	907,234	879,548	847,771	303,450	277,181	271,299	270,857
Marina	2,674,898	3,518,932	1,718,845	509,354	125,939	296,773	333,876	2,264,613	2,210,050	2,341,395
Operating Grants and Contributions	-	-	-	708	216,618	13,562	2,184	-	-	-
Capital Grants and Contributions	2,006,455	7,667,339	3,180,345	2,951,271	1,017,264	2,842,464	2,025,660	289,864	2,316,435	788,868
Total Business-Type Activities Program Revenues	<u>25,008,154</u>	<u>30,370,166</u>	<u>22,583,364</u>	<u>20,502,361</u>	<u>18,492,210</u>	<u>19,488,056</u>	<u>18,019,280</u>	<u>16,917,910</u>	<u>18,393,857</u>	<u>16,565,702</u>
Total Program Revenue	<u>\$ 31,876,230</u>	<u>\$ 44,603,244</u>	<u>\$ 30,501,876</u>	<u>\$ 25,514,704</u>	<u>\$ 26,570,994</u>	<u>\$ 27,876,262</u>	<u>\$ 23,312,254</u>	<u>\$ 21,232,306</u>	<u>\$ 23,227,251</u>	<u>\$ 21,027,646</u>
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (23,120,941)	\$ (10,990,659)	\$ (17,407,939)	\$ (19,477,461)	\$ (15,512,841)	\$ (15,918,919)	\$ (15,487,382)	\$ (14,269,333)	\$ (13,757,748)	\$ (13,879,984)
Business-Type Activities	3,613,970	9,146,829	5,607,806	5,271,733	3,330,943	5,114,680	186,201	1,925,702	3,890,258	129,038
Total (Expense)/Revenue	<u>\$ (19,506,971)</u>	<u>\$ (1,843,830)</u>	<u>\$ (11,800,133)</u>	<u>\$ (14,205,728)</u>	<u>\$ (12,181,898)</u>	<u>\$ (10,804,239)</u>	<u>\$ (15,301,181)</u>	<u>\$ (12,343,631)</u>	<u>\$ (9,867,490)</u>	<u>\$ (13,750,946)</u>

(Continued)

CITY OF FERNANDINA BEACH, FLORIDA

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

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 17,732,778	\$ 15,473,422	\$ 14,952,463	\$ 15,798,230	\$ 12,859,437	\$ 12,104,097	\$ 11,040,874	\$ 10,356,519	\$ 9,894,587	\$ 9,680,522
Franchise and Utility Taxes	4,098,710	3,620,897	3,582,576	3,324,199	3,296,296	3,234,806	3,216,047	3,188,719	3,167,234	2,970,994
Half-Cent Sales Tax	1,149,171	1,174,985	999,957	836,880	910,955	877,989	810,556	772,617	729,203	673,908
State Revenue Sharing	384,325	372,319	249,366	338,250	357,847	341,595	325,671	309,451	302,846	295,693
Discretionary Sales Surtax	2,550,906	2,581,374	2,099,009	2,126,109	2,179,554	1,941,118	1,873,713	1,778,306	1,683,460	1,556,723
Other Taxes	1,227,043	1,007,434	1,028,918	262,511	247,774	225,101	228,954	224,176	-	-
Other Miscellaneous	-	-	-	175,226	218,561	216,543	331,378	412,372	558,488	324,125
Investment Earnings	553,456	215,968	194,064	212,694	174,403	90,392	63,263	41,351	26,333	12,190
Gain on Disposal of Capital Assets	35,655	143,632	51,995	-	-	2,272	-	-	-	-
Transfers	2,904,230	(800,980)	485,828	(408,300)	81,700	58,685	42,285	(136,215)	(183,836)	(301,620)
Total Governmental Activities	<u>30,636,274</u>	<u>23,789,051</u>	<u>23,644,176</u>	<u>22,665,799</u>	<u>20,326,527</u>	<u>19,092,598</u>	<u>17,932,741</u>	<u>16,947,296</u>	<u>16,178,315</u>	<u>15,212,535</u>
Business-Type Activities:										
Other Miscellaneous	-	-	-	74,266	88,374	174,222	310,193	153,837	34,860	32,790
Investment Earnings	342,929	312,136	201,634	247,427	148,971	38,213	31,969	14,086	17,373	3,393
Gain on Disposal of Capital Assets	76,657	76,084	59,765	-	-	157,969	-	-	-	-
Transfers	(2,904,230)	800,980	(485,828)	408,300	(81,700)	(58,685)	(42,285)	136,215	183,836	301,620
Total Business-Type Activities	<u>(2,484,644)</u>	<u>1,189,200</u>	<u>(224,429)</u>	<u>729,993</u>	<u>155,645</u>	<u>311,719</u>	<u>299,877</u>	<u>304,138</u>	<u>236,069</u>	<u>337,803</u>
Total	<u>\$ 28,151,630</u>	<u>\$ 24,978,251</u>	<u>\$ 23,419,747</u>	<u>\$ 23,395,792</u>	<u>\$ 20,482,172</u>	<u>\$ 19,404,317</u>	<u>\$ 18,232,618</u>	<u>\$ 17,251,434</u>	<u>\$ 16,414,384</u>	<u>\$ 15,550,338</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 7,515,333	\$ 12,798,392	\$ 6,236,237	\$ 3,188,338	\$ 4,813,686	\$ 3,173,679	\$ 2,445,359	\$ 2,677,963	\$ 2,420,567	\$ 1,332,551
Business-Type Activities	1,129,326	10,336,029	5,383,377	6,001,726	3,486,588	5,426,399	486,078	2,229,840	4,126,327	466,841
Total	<u>\$ 8,644,659</u>	<u>\$ 23,134,421</u>	<u>\$ 11,619,614</u>	<u>\$ 9,190,064</u>	<u>\$ 8,300,274</u>	<u>\$ 8,600,078</u>	<u>\$ 2,931,437</u>	<u>\$ 4,907,803</u>	<u>\$ 6,546,894</u>	<u>\$ 1,799,392</u>

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

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 239,357	\$ 246,089	\$ 822,822	\$ 694,290	\$ 618,052	\$ 1,043,011	\$ 1,023,966	\$ 905,428	\$ 634,185	\$ 782,063
Restricted	2,803	2,803	2,781	2,759	3,253,168	2,429,327	1,398,046	1,004,250	793,374	512,378
Committed	5,213,387	5,213,387	4,691,137	4,556,811	4,548,761	4,510,708	4,402,869	3,987,271	3,664,922	3,509,190
Assigned	2,549,510	2,549,510	1,882,521	1,544,522	728,532	769,951	1,167,461	1,191,699	718,233	638,759
Unassigned	5,666,707	4,535,844	4,201,241	2,311,489	2,519,317	1,132,201	623,782	975,530	1,482,841	1,148,343
Total General Fund	<u>\$ 13,671,764</u>	<u>\$ 12,547,633</u>	<u>\$ 11,600,502</u>	<u>\$ 9,109,871</u>	<u>\$ 11,667,830</u>	<u>\$ 9,885,198</u>	<u>\$ 8,616,124</u>	<u>\$ 8,064,178</u>	<u>\$ 7,293,555</u>	<u>\$ 6,590,733</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ 6,622	\$ -	\$ -	\$ -	\$ 122,371	\$ 1,600,000	\$ -	\$ 4,000	\$ 138,233
Restricted	10,965,437	10,984,475	8,946,576	8,490,749	5,033,871	4,925,247	3,896,645	3,633,965	2,126,156	2,308,417
Committed	1,965,775	1,759,214	1,556,224	1,434,242	1,268,487	1,026,918	974,146	933,449	878,709	823,278
Assigned	6,567,183	6,763,125	828,857	(15,171)	56,720	416,836	92,048	1,133,821	825,811	529,383
Unassigned	-	-	-	-	(444,589)	-	(293,149)	-	-	-
Total All Other Governmental Funds	<u>\$ 19,498,395</u>	<u>\$ 19,513,436</u>	<u>\$ 11,331,657</u>	<u>\$ 9,909,820</u>	<u>\$ 5,914,489</u>	<u>\$ 6,491,372</u>	<u>\$ 6,269,690</u>	<u>\$ 5,701,235</u>	<u>\$ 3,834,676</u>	<u>\$ 3,799,311</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

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

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes, Licenses and Permits	\$ 25,761,882	\$ 22,974,598	\$ 22,333,758	\$ 23,757,338	\$ 22,058,467	\$ 22,009,415	\$ 17,958,345	\$ 16,798,549	\$ 15,825,898	\$ 15,177,234
Intergovernmental	3,752,489	9,754,622	3,664,986	3,093,190	2,766,962	3,565,064	2,350,148	1,661,536	1,922,392	2,323,299
Charges for Services	1,969,118	1,804,592	1,756,738	1,259,089	1,598,099	1,477,078	1,446,796	1,494,628	1,380,703	1,331,053
Fines and Forfeitures	75,072	74,504	43,917	59,413	214,329	58,643	87,785	89,123	117,506	93,791
Other	2,422,173	2,526,117	2,347,263	1,144,757	322,598	263,060	1,244,664	1,036,059	1,226,549	958,129
Total Revenues	33,980,734	37,134,433	30,146,662	29,313,787	26,960,455	27,373,260	23,087,738	21,079,895	20,473,048	19,883,506
Expenditures										
General Government	6,128,849	5,340,770	5,224,171	4,767,791	4,692,625	4,461,902	4,069,837	3,514,919	3,214,122	3,373,043
Public Safety	13,400,434	12,232,549	11,470,658	11,556,807	11,258,634	10,625,934	9,758,426	9,769,412	9,391,242	9,209,143
Physical Environment	133,435	167,966	165,478	195,850	1,506,579	1,639,299	-	-	-	-
Transportation	1,642,146	1,403,805	1,539,639	1,684,830	2,146,026	2,930,090	2,948,493	1,719,952	1,547,868	1,478,862
Economic Environment	113,135	75,432	73,461	69,185	74,459	782,268	52,414	47,184	47,379	35,494
Human Services	125,853	121,025	399,486	383,930	55,418	52,811	45,666	37,913	172,992	497,085
Culture and Recreation	3,864,965	3,427,939	3,221,774	2,998,611	2,285,030	2,138,614	2,093,649	2,291,180	2,560,053	1,887,808
Debt Service:										
Principal	189,431	163,285	1,105,126	1,206,426	1,186,339	1,168,951	977,860	694,999	636,934	620,495
Interest	37,780	52,678	21,153	38,977	58,932	78,365	94,812	97,652	102,744	117,597
Capital Outlay	6,754,602	5,386,391	3,974,760	4,545,708	2,572,364	2,491,609	1,954,965	2,268,612	1,883,691	2,233,323
Total Expenditures	32,390,630	28,371,840	27,195,706	27,448,115	25,836,406	26,369,843	21,996,122	20,441,823	19,557,025	19,452,850
Excess (Deficiency) of Revenues Over (Under) Expenditure	1,590,104	8,762,593	2,950,956	1,865,672	1,124,049	1,003,417	1,091,616	638,072	916,023	430,656
Other Financing Sources (Uses)										
Capital Lease	-	-	-	-	-	427,154	-	-	-	-
Proceeds from Sale of Capital Assets	45,026	37,297	23,975	-	-	-	-	-	-	-
SBITA issuance	132,481	-	-	-	-	-	-	-	-	-
Proceeds from Notes Payable	-	1,150,000	770,837	-	-	-	-	3,216,109	-	-
Payment on Note Refunding	-	-	-	-	-	-	-	(1,030,784)	-	-
Transfers In	4,458,369	10,172,486	2,978,919	6,960,624	2,749,688	2,164,466	2,209,800	1,962,550	2,259,355	1,463,904
Transfers Out	(5,116,890)	(10,993,466)	(2,812,219)	(7,388,924)	(2,667,988)	(2,104,281)	(2,181,015)	(2,148,765)	(2,437,191)	(1,750,524)
Total Other Financing Sources (Uses)	(481,014)	366,317	961,512	(428,300)	81,700	487,339	28,785	1,999,110	(177,836)	(286,620)
Net Change in Fund Balance	\$ 1,109,090	\$ 9,128,910	\$ 3,912,468	\$ 1,437,372	\$ 1,205,749	\$ 1,490,756	\$ 1,120,401	\$ 2,637,182	\$ 738,187	\$ 144,036
Debt Service as a Percentage of Non Capital Expenditures	1.03%	0.93%	4.88%	5.44%	5.35%	5.22%	5.35%	4.36%	4.19%	4.29%

CITY OF FERNANDINA BEACH, FLORIDA

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Franchise and Utility Tax</u>	<u>Half-cent Sales Tax</u>	<u>State Revenue Sharing</u>	<u>Discretionary Sales Surtax</u>	<u>Total</u>
2023	\$ 17,732,778	\$ 4,098,710	\$ 1,149,171	\$ 384,325	\$ 2,550,906	\$ 25,915,890
2022	15,473,422	3,620,897	1,174,985	372,319	2,581,374	23,222,997
2021	14,952,463	3,582,576	999,957	249,366	2,099,009	21,883,371
2020	15,798,230	3,324,199	836,880	338,250	1,781,241	22,078,800
2019	12,859,437	3,296,296	910,955	357,847	1,847,705	19,272,240
2018	12,104,097	3,234,806	877,989	341,595	1,941,118	18,499,605
2017	11,040,874	3,216,047	810,556	325,671	1,873,713	17,266,861
2016	10,356,519	3,188,719	772,617	309,451	1,778,306	16,405,612
2015	9,894,587	3,167,234	729,203	302,846	1,683,460	15,777,330
2014	9,680,522	2,970,994	673,908	295,693	1,556,723	15,177,840

CITY OF FERNANDINA BEACH, FLORIDA

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

Fiscal Year	REAL PROPERTY				LESS EXEMPTIONS:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property	Industrial Property	Other*	Real Property	Personal Property				
2023	\$ 2,747,768	\$ 337,774	\$ 84,910	\$ 309,611	\$ 545,505	\$ 21,627	\$ 2,912,931	5.3330	\$ 3,480,063	83.70%
2022	2,426,154	272,904	82,194	289,177	531,959	34,756	2,503,714	5.3330	3,070,429	81.54%
2021	2,201,861	261,001	82,194	247,241	475,586	16,448	2,300,263	5.6236	2,792,298	82.38%
2020	1,996,672	252,491	81,288	234,045	448,484	16,037	2,099,976	6.5236	2,564,497	81.89%
2019	1,768,916	239,602	66,426	224,570	424,324	18,043	1,857,147	6.0482	2,299,513	80.76%
2018	1,612,673	222,294	67,728	215,163	379,199	16,010	1,722,649	6.2097	2,117,858	81.34%
2017	1,488,441	211,702	66,971	196,684	378,463	16,717	1,568,618	6.3044	1,963,799	79.88%
2016	1,646,936	202,452	50,893	185,572	367,512	16,797	1,701,543	6.3044	2,085,853	81.58%
2015	1,566,635	192,581	48,411	176,524	359,449	16,348	1,608,354	6.3663	1,984,151	81.06%
2014	1,528,059	187,839	47,219	172,178	354,340	37,579	1,543,377	6.5080	1,935,295	79.75%

Source: Nassau County Property Appraiser.

CITY OF FERNANDINA BEACH, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

(rate per \$1,000 of assessed value)

(Schedule 7)

Fiscal Year	Tax Roll Year	City of Fernandina Beach			OVERLAPPING RATES					
		Operating Millage	Debt Service Millage	Total City Millage	Nassau County	St. Johns River Water Management	Nassau County Schools	FL Inland Navigational District	Amelia Island Mosquito Control	Amelia Island Beach MSTU
2023	2022	5.3330	-	5.3330	7.1041	0.1974	5.5030	0.0320	0.1151	0.0960
2022	2021	5.3330	-	5.3330	7.3238	0.2189	5.8800	0.0320	0.1277	0.0960
2021	2020	5.4683	0.1553	5.6236	7.4278	0.2189	5.9640	0.0320	0.1412	0.0960
2020	2019	6.3553	0.1683	6.5236	7.4278	0.2414	6.1360	0.0320	0.1412	0.1021
2019	2018	5.8553	0.1929	6.0482	7.4278	0.2562	6.3170	0.0320	0.1412	0.1021
2018	2017	6.0000	0.2097	6.2097	6.5670	0.2724	6.5980	0.0320	0.1495	0.1021
2017	2016	6.0682	0.2362	6.3044	6.5670	0.2885	6.7940	0.0320	0.1587	-
2016	2015	6.1021	0.2023	6.3044	6.5670	0.3023	7.1530	0.0320	0.1472	-
2015	2014	6.1021	0.2642	6.3663	6.5670	0.3164	7.2160	0.0345	0.1522	-
2014	2013	6.2844	0.2236	6.5080	5.5670	0.3283	7.3590	0.0345	0.1474	-

Source: Nassau County Property Appraiser.

CITY OF FERNANDINA BEACH, FLORIDA

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

TAXPAYER	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Westrock CP, LLC	\$ 285,035,026	1	8.19%	\$ 156,686,078	1	8.10%
Rayonier Performance Fibers	70,256,877	2	2.02%	65,602,319	2	3.39%
Vintage Amelia Owner LLC	52,977,319	3	1.52%			
PR Amelia Island Propco LLC	47,931,691	4	1.38%			
Eight Flags Energy	45,289,356	5	1.30%			
Lignotech	42,535,097	6	1.22%	41,868,508	3	2.16%
West Rock (Rocktenn CP, LLC)	38,084,297	7	1.09%			
Ocean Highway & Port Authority	30,645,530	8	0.88%			
Main Beach Sojourn LLLP	27,584,700	9	0.79%			
Chesapeake Utilities Corp	22,227,252	10	0.64%	24,046,821	4	1.24%
Amelia Island Hotel Group				8,271,603	5	0.43%
Amelia Harbor View, LLC				5,114,195	6	0.26%
RRG of Amelia Inc.				3,976,365	7	0.21%
Fernandina Beach Hotel Group				3,470,145	8	0.18%
Wal-Mart Stores #977				3,045,302	9	0.16%
First Coast Community Bank				2,868,286	10	0.15%
Totals	<u>\$ 662,567,145</u>		<u>19.04%</u>	<u>\$ 314,949,622</u>		<u>16.27%</u>

Source: Nassau County Property Appraiser and Nassau County.

CITY OF FERNANDINA BEACH, FLORIDA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(Schedule 9)**

Fiscal Year	Tax Roll Year	Taxes Levied For the Fiscal Year	Collected Within The Fiscal Year Of the Levy		Collections In Subsequent Years	Total Collections To Date	
			Amount	Percentage of Levy		Amount*	Percentage of Levy
2023	2022	\$ 18,302,602	\$ 17,589,471	96.10%	\$ -	\$ 17,589,471	96.10%
2022	2021	16,051,729	15,357,697	95.68%	2,303	15,360,000	95.69%
2021	2020	15,031,155	14,866,403	98.90%	7,677	14,874,080	98.96%
2020	2019	15,992,013	15,776,672	98.65%	(963)	15,775,709	98.65%
2019	2018	12,860,995	12,834,672	99.80%	(8,887)	12,825,785	99.73%
2018	2017	12,123,361	12,089,983	99.72%	16,112	12,106,095	99.86%
2017	2016	10,971,228	10,824,778	98.67%	8,725	10,833,503	98.74%
2016	2015	10,447,275	10,350,806	99.08%	45,791	10,396,597	99.51%
2015	2014	9,814,954	9,716,219	98.99%	5,712	9,721,931	99.05%
2014	2013	9,824,000	9,686,556	98.60%	16,883	9,703,439	98.77%

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

Source: Nassau County Tax Collector.

CITY OF FERNANDINA BEACH, FLORIDA

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total	Percentage of Estimated Actual Taxable Value of Real Property ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	Revenue Bonds and Notes	Financed Purchases and SBITAs	Revenue Bonds and Notes	Line of Credit	Financed Purchases			
2023	\$ -	\$ 1,063,407	\$ 573,608	\$ 29,467,959	\$ -	\$ 292,512	\$ 31,397,486	0.90%	\$ 2,381
2022	-	1,112,751	581,214	31,526,742	-	397,120	33,617,827	1.09%	2,549
2021	-	-	707,250	36,144,444	-	498,605	37,350,299	1.34%	2,862
2020	417,000	577,933	46,607	30,195,791	7,968,352	188,729	39,394,412	1.54%	2,911
2019	821,000	1,146,796	280,217	32,435,534	4,820,002	-	39,503,549	1.72%	3,059
2018	1,216,000	1,707,115	511,237	34,596,821	695,001	-	38,726,174	1.83%	3,035
2017	1,602,000	2,261,562	312,588	35,643,980	-	41,637	39,861,767	2.03%	3,176
2016	1,982,000	2,775,746	396,264	37,631,402	-	81,927	42,867,339	2.06%	3,505
2015	2,351,000	1,312,683	-	38,605,721	-	151,494	42,420,898	2.14%	3,586
2014	2,712,000	1,588,617	-	40,491,393	-	233,499	45,025,509	2.33%	3,786

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

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

⁽²⁾ See Schedule 14 for population data.

CITY OF FERNANDINA BEACH, FLORIDA

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

<u>Fiscal Year</u>	<u>Total Taxable Assessed Value</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Net Bonds Outstanding</u>	<u>Percentage of Estimated Actual Taxable Value of Real Property ⁽¹⁾</u>	<u>Per Capita ⁽²⁾</u>
2023	\$ 3,480,062,823	\$ -	\$ -	\$ -	0.00%	\$ -
2022	3,070,429,543	-	-	-	0.00%	-
2021	2,792,279,703	-	-	-	0.00%	-
2020	2,564,497,031	417,000	4,863	412,137	0.02%	30.45
2019	2,299,513,071	821,000	4,464	816,536	0.04%	63.22
2018	2,117,858,482	1,216,000	4,442	1,211,558	0.06%	94.94
2017	1,963,798,534	1,602,000	4,442	1,597,558	0.08%	127.30
2016	2,085,853,231	1,982,000	4,316	1,977,684	0.09%	161.72
2015	1,984,151,696	2,351,000	121,867	2,229,133	0.11%	188.43
2014	1,935,294,915	2,712,000	118,371	2,593,629	0.13%	218.06

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

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

⁽²⁾ See Schedule 14 for population data.

CITY OF FERNANDINA BEACH, FLORIDA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2023
(Schedule 12)**

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Nassau County*	\$ 20,710,771	24.5%	<u>\$ 5,077,977</u>
Subtotal Overlapping Debt			5,077,977
City direct debt			1,637,015
Totals			<u><u>\$ 6,714,992</u></u>

* Fiscal year 2023 outstanding debt from Nassau County unavailable. Fiscal Year 2022 debt is presented.

Source: Nassau County Clerk of the Court/Comptroller.

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

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

CITY OF FERNANDINA BEACH, FLORIDA

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

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2023	\$ 11,312,571	\$ 6,057,996	\$ 5,254,575	\$ 1,085,000	\$ 893,750	2.66
2022	10,832,150	5,145,781	5,686,369	1,495,000	968,500	2.31
2021	10,250,978	4,222,661	6,028,317	1,425,000	1,039,750	2.45
2020	10,794,271	4,288,932	6,505,339	1,360,000	1,107,750	2.64
2019	10,364,923	4,521,496	5,843,427	1,290,000	1,172,250	2.37
2018	10,221,053	4,283,204	5,937,849	1,230,000	1,233,750	2.41
2017	10,079,472	4,267,823	5,811,649	1,085,000	1,277,150	2.46
2016	9,411,710	3,877,659	5,534,051	1,045,000	1,311,850	2.35
2015	9,131,153	3,702,025	5,429,128	1,000,000	1,355,617	2.30
2014	9,095,086	3,808,621	5,286,465	720,000	1,378,750	2.52

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

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

Fiscal Year	Population	Total Population Income (Amounts in Thousands)	Per Capita Income	Unemployment Rate
2023	13,475	N/A	N/A	2.8
2022	13,188	\$ 1,217,815	\$ 58,231	2.4
2021	13,051	1,160,014	50,051	3.2
2020	13,534	1,083,475	49,853	4.4
2019	12,915	995,924	43,693	2.6
2018	12,761	949,609	41,816	3.0
2017	12,550	881,703	38,925	3.5
2016	12,229	818,978	36,577	4.2
2015	11,830	803,471	33,032	4.7
2014	11,894	792,211	31,896	5.4

N/A - Data is unavailable.

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

CITY OF FERNANDINA BEACH, FLORIDA

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Nassau County School District	2,281	1	16.93%	1,500	1	12.61%
WestRock CP, LLC	620	2	4.60%	440	3	3.70%
Nassau County Government	484	3	3.59%	670	2	5.63%
Baptist Medical Center Nassau	420	4	3.12%	410	4	3.45%
Rayonier Advanced Materials	305	5	2.26%	280	5	2.35%
City of Fernandina Beach	270	6	2.00%	224	6	1.88%
Publix	190	7	1.41%	- ⁽¹⁾	7	0.00%
Walmart - Fernandina Beach	100	8	0.74%	- ⁽¹⁾	8	0.00%
Florida Public Utilities	60	9	0.45%	- ⁽¹⁾	9	0.00%
Winn Dixie	32	10	0.24%	- ⁽¹⁾	10	0.00%
Total	4,762		35.34%	3,524		29.63%

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

⁽¹⁾ 2014 data not available

CITY OF FERNANDINA BEACH, FLORIDA

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

FUNCTION	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
City Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50	4.50
City Manager	5.50	4.00	4.00	4.00	4.00	4.25	3.50	4.00	3.90	3.90
Finance	7.00	7.00	7.00	7.00	8.00	7.84	6.90	6.40	6.40	6.50
Information Technology	4.84	4.50	4.50	4.50	3.00	3.00	2.60	2.60	2.60	3.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.17	2.50	2.50	3.00	3.00
Legal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development-Planning	7.50	7.00	7.00	6.00	6.00	4.38	4.00	3.30	3.40	3.10
Public Safety										
Police										
Officers	37.00	38.00	38.00	38.00	38.00	37.50	35.50	33.50	32.50	32.50
Civilians	11.00	11.00	11.00	11.00	8.00	5.50	5.50	5.50	10.50	10.50
Fire										
Firefighters and Officers	36.00	34.00	34.00	34.00	34.00	33.00	33.00	31.00	31.00	30.50
Civilians	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	1.00
Building	13.33	13.00	12.50	12.00	10.00	9.90	7.70	6.15	6.15	5.80
Code Enforcement	0.00	3.00	3.00	2.50	2.50	1.73	1.90	2.10	1.50	1.10
Public Works										
Streets	10.00	10.00	10.00	10.50	20.50	18.50	18.50	17.50	15.50	15.50
Facility Maintenance	8.50	9.00	8.50	7.50	6.50	6.50	7.00	6.00	6.00	6.00
Culture and Recreation	37.50	46.00	46.00	46.00	31.00	31.00	29.00	34.00	34.00	34.00
Enterprise Funds										
Water	13.50	13.50	12.50	12.50	12.50	12.50	12.50	11.50	10.50	10.50
Airport	2.50	2.50	2.50	2.50	2.00	2.00	2.00	1.50	1.50	1.60
Golf Course	21.50	22.00	21.00							
Marina										
Wastewater	15.00	14.50	13.50	13.50	13.50	13.50	13.50	13.00	13.00	13.00
Sanitation*	2.50	2.00								
Stormwater	6.00	7.00	6.00	6.00	6.00	4.75	2.50	0.50	0.00	0.50
Internal Service Funds										
Central Garage	3.5	4.0	3.0	3.0	3.0	3.0	3.0	3.00	3.00	3.00
Utility Billing	6.0	6.0	6.0	5.0	5.0	5.0	5.0	4.50	4.50	4.50
Utilities Administration	5.3	4.0	4.0	3.0	3.0	3.0	3.0	3.00	4.00	4.00

Data obtained from City of Fernandina Beach Finance Department.

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

FUNCTION	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety										
Police										
Physical Arrests	249	255	266	243	350	386	255	362	675	675
Parking Violations	705	822	811	585	500	430	556	673	1,000	500
Traffic Violations	2,658	3,158	2,456	2,462	3,000	3,081	925	1,131	1,250	1,500
Number of calls answered	21,333	22,065	21,904	19,758	19,309	19,309	21,914	21,525	22,500	22,000
Fire										
Number of calls answered	3,653	3,498	3,269	3,279	3,057	3,057	2,678	2,200	2,200	2,200
Rescue Transports	2,067	1,887	1,723	1,573	1,516	1,516	1,448	1,300	1,200	1,200
Inspections	257	232	279	306	271	271	198	200	220	200
Transportation										
Street Resurfacing (square yards)	42,764	29,710	22,650	21,375	N/A	N/A	N/A	N/A	N/A	N/A
Potholes repaired (in tons of cold mix used)	55	65	72	22	25	25	30	30	30	30
Culture and Recreation *										
Participants - After school tutoring	109	100	113	70	50	50	50	50	50	50
Participants - Summer Camp	100	126	213	36	220	220	220	166	220	216
Participants - Adult Softball Leagues	290	298	403	251	700	700	700	700	700	640
Participants - Senior Programs	60	0	0	0	935	360	360	360	850	521
Water										
Number of Active Accounts	6,443	9,310	9,281	9,028	8,675	7,951	8,541	8,064	7,888	8,482
Annual Daily Pumpage (millions of gallons)	3,624.000	3.673	3.438	3.396	3.340	3.301	3.285	5.071	4.964	5.099
Wastewater										
Annual daily sewage treatment (millions of gallons)	1.657	1.790	1.835	1.704	1.741	1.669	1.593	1.741	1.755	1.802
Stormwater										
Streets Cleaned (miles)	5,735	5,735	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Drainage Cleaning (man hours)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Golf*										
Rounds Played	40,656	39,917	40,814	34,552	39,254	39,057	46,317	41,904	42,231	39,674
Memberships	224	187	231	369	358	765	827	190	244	202
Marina										
Diesel Pumped (gallons)	203,672 **	334,778 **	128,643 **	0 **	0 **	0 **	0 **	503,500	398,354	195,000
Gas Pumped (gallons)	31,537 **	94,818 **	50,309 **	0 **	0 **	0 **	0 **	79,897	68,268	72,000
Boat Night Count	10,184	11,123	7,175	15,000	15,000	15,145	15,145	19,900	22,650	15,500

N/A - data not reported.

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

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

Data obtained from City of Fernandina Beach Finance Department.

CITY OF FERNANDINA BEACH, FLORIDA

**CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Schedule 18)**

FUNCTION	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets (Miles)	79.00	79.00	79.00	79.00	79.00	77.16	77.16	76.05	76.03	75.09
Street Lights	1,190	1,190	1,178	1,178	1,178	1,178	1,178	1,173	1,168	1,168
Culture and Recreation										
Community Centers	3	3	3	3	3	3	3	3	3	3
Parks	18	18	18	18	18	18	18	18	18	18
Parks Acreage	446	446	446	446	446	446	446	446	446	446
Pickleball Courts	6	6	6	4	4	4	0	0	0	0
Golf Course	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Water										
Water Mains (Miles)	125 *	120	119	130	130	124	121	120	120	117
Maximum Daily Capacity (Thousands of Gallons)	18.2	18.2	18.2	18.2	18.2	18.0	18.2	18.2	18.2	18.2
Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sewer Lines (Miles)	112	112	111	102	102	102	98	97	97	95
Maximum Daily Treatment Capacity (Millions of Gallons)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Treatment Plants	2	2	2	2	2	2	2	2	2	2
Stormwater										
Stormwater Pipe (Miles)	68	68	67	66	66	66	66	N/A	N/A	N/A
Drainage Structures	1,508	1,489	1,464	1,453	1,453	1,453	1,453	N/A	N/A	N/A
City Maintained Ponds	5	4	4	4	4	4	4	N/A	N/A	N/A

N/A - Statistical data not accounted for.

Statistical information obtained from the City's Finance Department.

* Current year information is actual miles using the City's GIS inventory. Prior years information was management's best estimate.

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OTHER REPORTS

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CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Federal/State Agency, Pass-through Grantor/Program Title/State Project	AL/CSFA Number	Contract Grant Number	Expenditures	Passed Through to Subrecipients
Federal Expenditures				
U.S. Department of Homeland Security				
Federal Emergency Management Agency				
Passed through the State of Florida Division of Emergency Management				
Disaster Grants - Public Assistance	97.036	N/A	\$ 264,344	\$ -
Total U.S. Department of Homeland Security			<u>264,344</u>	<u>-</u>
U.S. Fish and Wildlife Service				
Passed through the Florida Fish and Wildlife Conservation Commission				
Habitat Conservation Plan for the Beaches of Amelia Island	15.615	F21AP04042	39,728	-
Total U.S. Department of Justice			<u>39,728</u>	<u>-</u>
U.S. Department of Transportation				
Federal Aviation Administration Airport Improvement Program				
Transient April Rehabilitation	20.106	3-12-0022-034-2022	1,194,588	-
Total U.S. Department of Transportation			<u>1,194,588</u>	<u>-</u>
U.S. Department of Commerce				
Coastal Zone Management Administration Awards				
Total U.S. Department of Commerce	11.419	CZ518	19,808	-
			<u>19,808</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,518,468</u>	<u>\$ -</u>
State Financial Assistance				
Florida Department of Environmental Protection				
Downtown Flooding Prevention Project	37.039	LPA0286	\$ 289,998	\$ -
Fernandina Beach Comprehensive Vulnerability and Resiliency Master Plan	37.098	22PLN15	31,175	-
Total Florida Department of Environmental Protection			<u>321,173</u>	<u>-</u>
Florida Department of Transportation				
Transient April Rehabilitation	55.004	G1M03/3-12-0022-034-2022	96,489	-
T-Hangar Development	55.004	G1G99/434909-1-94-21	34,136	-
Fire Station 2A	55.004	G1Z48/434909-2-94-22 & 23	471,350	-
Total Florida Department of Transportation			<u>601,975</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 923,148</u>	<u>\$ -</u>

NOTES:

Note 1 - General

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

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2023. All federal awards and state financial assistance received directly from federal agencies or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - De Minimis Indirect Cost Rate Election

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

Note 4 - Prior Year Expenditures

The accompanying schedule of expenditures of federal awards and state financial assistance projects includes expenditures incurred prior to fiscal year 2023, which are allowable under the grant terms and conditions.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Bradenton, Florida
February 21, 2024



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

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

Report on Compliance For Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Fernandina Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2023. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
February 21, 2024

CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

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

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Programs and State Financial Assistance Projects

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

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

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

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

Identification of major federal programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	U.S. Department of Transportation – Airport Improvement Program

Identification of major state financial assistance:

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

Dollar threshold used to distinguish between Type A and Type B federal and state programs: \$750,000 and \$300,000

Auditee qualified as low-risk auditee? X yes ___ no

CITY OF FERNANDINA BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III
FEDERAL/STATE AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

CITY OF FERNANDINA BEACH, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

None noted.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Fernandina Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 21, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated February 21, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
February 21, 2024



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Fernandina Beach, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2023. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2023.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
February 21, 2024

AFFIDAVIT

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

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

FURTHER AFFIANT SAYETH NAUGHT.


Pauline Testagrose

STATE OF FLORIDA
COUNTY OF NASSAU

SWORN TO AND SUBSCRIBED before me this 16th day of February, 2024.


NOTARY PUBLIC
Print Name Katie A. Newton

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

7/13/2025



Katie A. Newton
Notary Public
State of Florida
Comm# HH150272
Expires 7/13/2025