

Annual Comprehensive Financial Report



City of Jacksonville Beach, Florida



Fiscal Year Ended September 30, 2023

INTRODUCTORY SECTION

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

Prepared by
Finance Department

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

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LETTER OF TRANSMITTAL



February 14, 2024

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

Florida Statutes require that all general purpose local governments publish within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report for the City of Jacksonville Beach, Florida, for the fiscal year ended September 30, 2023.

This report consists of management's representations concerning the finances of the City of Jacksonville Beach, Florida (the City). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the City's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Purvis, Gray and Company, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there is a reasonable basis for rendering unmodified opinions on the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City for the fiscal year ended September 30, 2023, and that the City's financial statements are presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.



The independent audit of the financial statements of the City is sometimes part of a broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. The City met the minimum expenditures required for a Federal Single Audit.

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

Profile of the City of Jacksonville Beach, Florida

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

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

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

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

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

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

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

Factors Affecting Financial Condition

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

Local Economy

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

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

Long-Term Financial Planning

The City prepares a rolling five-year Capital Improvement Plan (CIP) each year. As part of this process, revenues and expenditures for key operating funds such as the General Fund, Community Redevelopment, Electric, and Water & Sewer are analyzed to ensure the financial sustainability of each fund over the long term. The goal is to ensure that a minimum reserve of 25% will be maintained at the end of each five-year period. This exercise allows the City to plan for major capital expenditures in a fiscally responsible manner, while consciously evaluating whether scheduled rate changes meet the needs of adequately maintaining assets. Therefore, during the fiscal year 2023-2027 capital budget process, various projects for continued electric improvements, public works infrastructure projects, technology improvements, parks projects, and equipment purchases were planned. The total projected cost for capital improvements identified in the 2023-2027 capital improvement plan totaled \$204,181,080.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2023. This was the 30th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2022. This was the 29th consecutive year that the government has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories: as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,

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

Michael Staffopoulos
City Manager

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

Ashlie Gossett
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Jacksonville Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

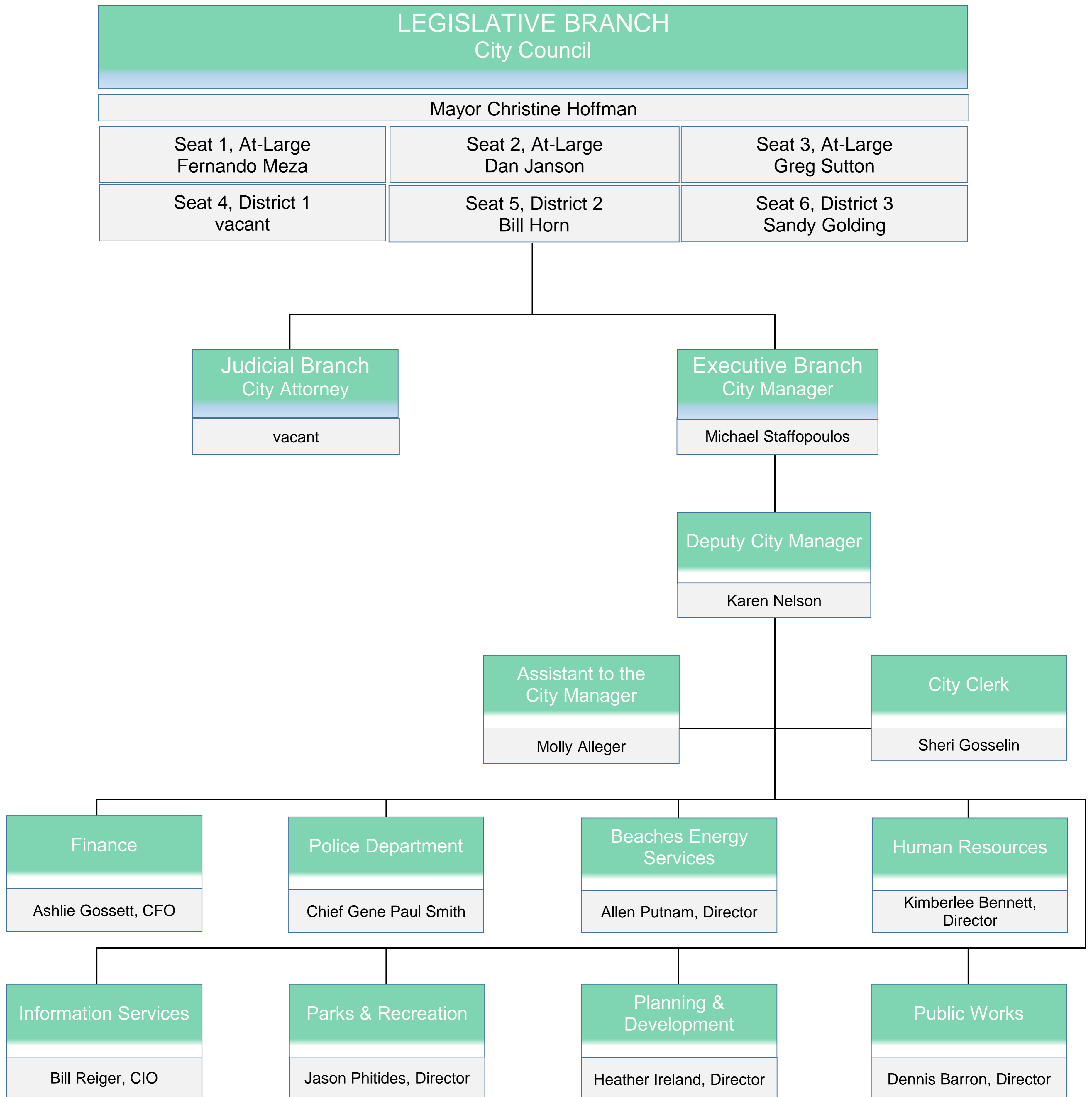
September 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF JACKSONVILLE BEACH

Government Organization



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

LEGISLATIVE BRANCH

City Council:

Mayor	Christine Hoffman
Seat 1, At-Large	Fernando Meza
Seat 2, At-Large	Dan Janson
Seat 3, At-Large	Greg Sutton
Seat 4, District 1	vacant
Seat 5, District 2	Bill Horn
Seat 6, District 3	Sandy Golding
City Attorney	vacant
City Auditors	Purvis, Gray and Company, LLP

EXECUTIVE BRANCH

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

AGENCY, BOARDS, AND COMMISSION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, Florida, (the City), as of and for the year ended September 30, 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, and the respective budgetary comparison for the general fund, the community redevelopment fund, and the ARPA grant fund 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 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.

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

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefit plan schedules as listed in the table of contents (collectively, the required supplementary information) be presented to supplement the

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

INDEPENDENT AUDITOR'S REPORT

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements and other schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and other schedules, the schedule of expenditures of federal awards, and schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 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 the City's internal control over financial reporting and compliance.



February 14, 2024
Tallahassee, Florida

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

As the management of the City of Jacksonville Beach (the City), we offer readers of the City's financial statements this narrative overview and analysis of the City's activities for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, on pages vi-x of this report, and the financial statements which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$526,336,937 (net position). Of this amount, \$144,383,672 (unrestricted net position) is available to meet the City's obligations to provide ongoing services to our citizens and customers, to make payments to creditors, to pay for the projects in our capital improvement plan, or to establish reserves for emergencies or catastrophic events.
- The City's total net position increased by \$34,497,478 or 7.0% over the prior year. The governmental net position increased by \$21,835,200 (11.4%) and the business-type net position increased by \$12,662,278 (4.2%). The increase in the governmental activities is due primarily planned savings for upcoming capital improvement projects as well as increased property tax revenues as property values continue to grow. The increase in the business-type activities is due to the continued positive business performance of the City's various services.
- Revenues and net transfers-in for the governmental activities totaled \$53,291,034, an increase of \$10,937,313 or 25.8% for the year. Total expenses were \$31,455,834, an increase of \$5,480,535 or 21.1% for the year. Both revenue and expense increases are primarily due to projects undertaken utilizing ARPA grant proceeds.
- Revenues in the business-type activities totaled \$131,431,081, a decrease of \$3,426,052 or 2.5% from the prior year. The decrease is largely due to lowering the bulk power cost adjustment which is the pass-through cost of power from the City's provider. Total expenses and transfers out were \$118,768,803, a decrease of \$2,975,885 or 2.46% for the year. Again, the decrease in expenses is largely driven by the falling cost of power and natural gas in both the electric and natural gas utilities.
- The City's total financed debt as of September 30, 2023, is zero.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Fund Financial Statements. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The governmental fund financial statements consist of a *balance sheet* and a *statement of revenues, expenditures, and changes in fund balance*. The basic governmental fund statements are presented on pages 21-27 of this report.

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because their resources are not available to support the City's own programs. The City uses fiduciary funds to account for the activities of the police, fire, and general employees' pension trust funds. The basic fiduciary fund financial statements are presented on pages 33-34 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 35-70 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information is presented on pages 71-76 of this report.

Individual fund data for the non-major funds is provided in the form of combining statements in the supplemental information section titled "Combining and Individual Non-Major Fund Statements and Other Schedules". Budgetary comparison statements for the non-major governmental funds are also included in this section, which begins on page 77.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. Over time, changes in net position serve as one useful measure of the City's financial condition. During fiscal year 2023, the City's net position for governmental activities increased by \$21,835,200 or 11.4%. The increase in net position for business-type activities was \$12,662,278 or 4.2%.

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

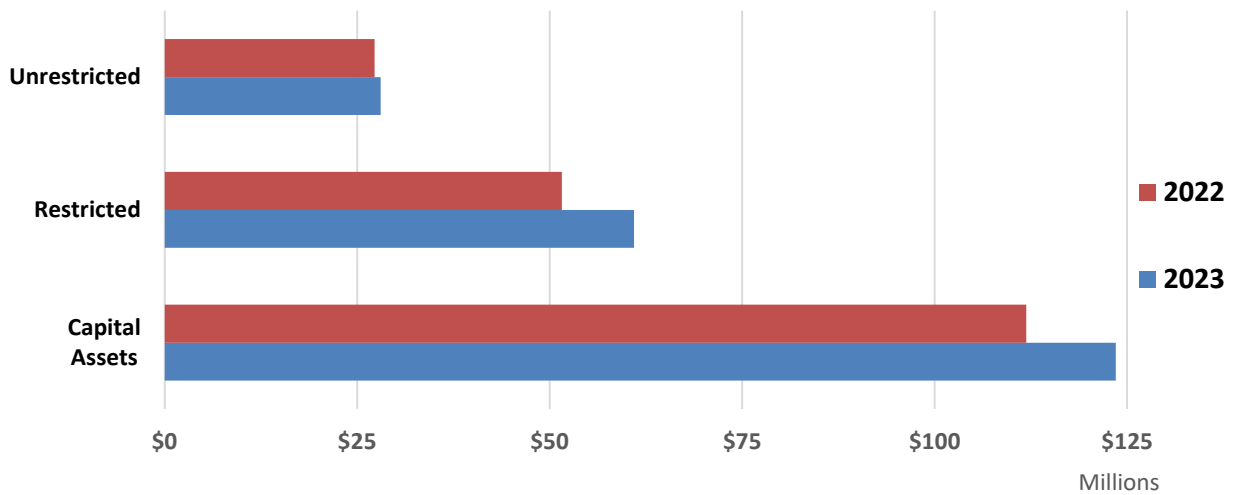
City of Jacksonville Beach Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$115,785,365	\$112,138,693	\$163,235,867	\$147,282,387	\$279,021,232	\$259,421,080
Capital Assets, Net	123,538,442	111,901,718	198,017,352	194,884,830	321,555,794	306,786,548
Total Assets	239,323,807	224,040,411	361,253,219	342,167,217	600,577,026	566,207,628
Total Deferred Outflows of Resources	11,408,550	3,245,646	6,604,055	2,119,657	18,012,605	5,365,303
Current Liabilities	11,686,043	16,818,543	17,313,315	17,696,328	28,999,358	34,514,871
Non-Current Liabilities	23,974,366	11,351,764	14,720,130	5,912,263	38,694,496	17,264,027
Total Liabilities	35,660,409	28,170,307	32,033,445	23,608,591	67,693,854	51,778,898
Total Deferred Inflows of Resources	2,508,609	8,387,611	22,050,231	19,566,963	24,558,840	27,954,574
Net Position:						
Net Invested in						
Capital Assets	123,538,442	111,901,718	197,443,561	194,884,830	320,982,003	306,786,548
Restricted	60,971,262	51,566,305	-	-	60,971,262	51,566,305
Unrestricted	28,053,635	27,260,116	116,330,037	106,226,490	144,383,672	133,486,606
Total Net Position	\$212,563,339	\$190,728,139	\$313,773,598	\$301,111,320	\$526,336,937	\$491,839,459

- Current and Other Assets increased by \$19,600,152, which is mostly from increased equity in pooled cash and investments due in large part to the City's continued effort to build up reserves as part of its pay-as-you-go strategy for future capital improvement projects.
- Deferred Outflows of resources increased by \$12,647,302, which includes the recording of Other Post Employment Benefit related outflows and actuarial changes to pension related outflows.
- Current Liabilities decreased by \$5,515,513 or 16.0%, which mainly reflects a reduction in unearned revenues due to spending of ARPA grant funds that were received in advance.
- Non-current Liabilities grew by \$21,430,469 or 124.1%, largely due to the increase in the actuarially determined net pension liability based on the plans' experience.
- Deferred Inflows decreased by \$3,395,734 or 12.1% due to recording of other post-employment benefits, rate stabilization changes, and the actuarial changes to pension related inflows.

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

- The largest portion of the City's net position (61.1%) reflects its net investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment, net of accumulated depreciation and directly related liabilities). The City uses these capital assets to provide services to citizens and customers; therefore, these assets are not available for future spending.
- An additional portion of the City's net position (11.6%) represents resources that are subject to external restrictions on how they may be used.
- The remaining balance of the City's net position (27.3%) may be used to meet the government's ongoing obligations to citizens, customers, and creditors.

Net Position - Governmental Activities



Net Position - Business Type Activities



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

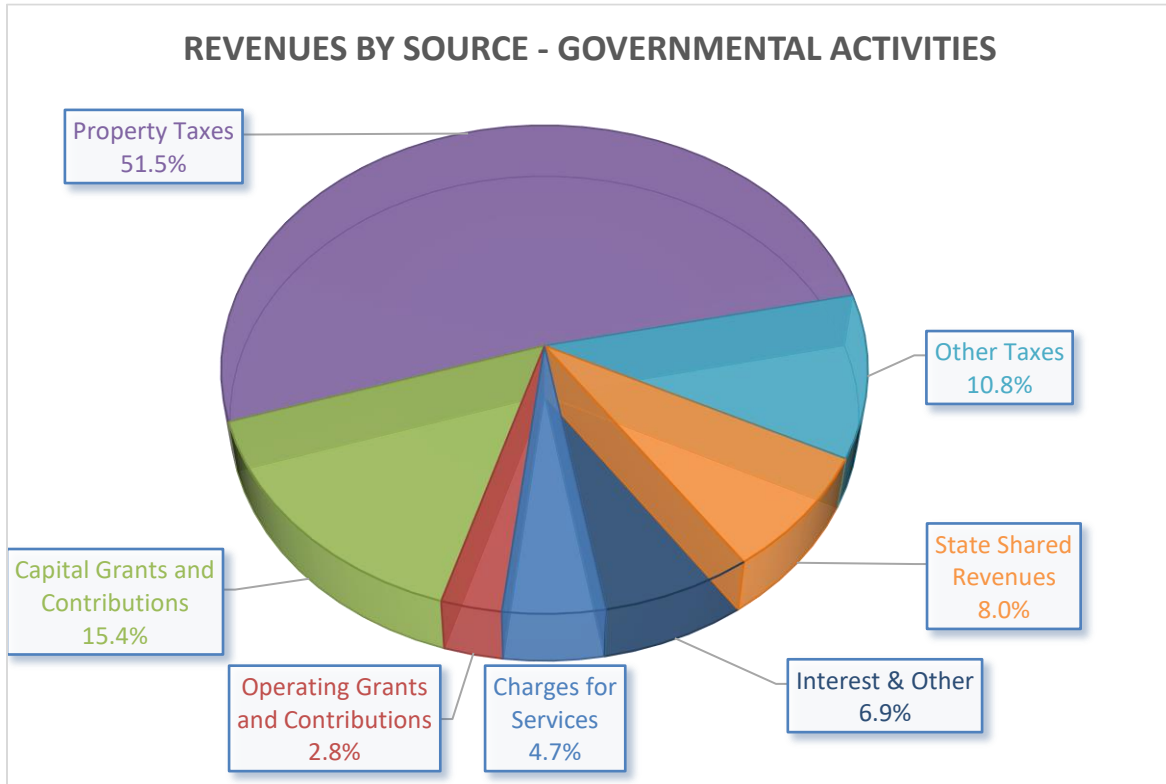
Statement of Activities. The following table illustrates the condensed statement of activities for the most recent fiscal year as compared to the prior year. The detailed statement of activities is presented on page 20 of this report.

City of Jacksonville Beach Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for Services	\$2,374,412	\$1,939,622	\$126,515,489	\$135,409,454	\$128,889,901	\$137,349,076
Operating Grants and Contributions	1,411,143	1,440,547	642	11,910	1,411,785	1,452,457
Capital Grants and Contributions	7,773,103	1,707,747	625,267	2,629,206	8,398,370	4,336,953
General Revenues:						
Property Taxes	26,078,066	23,114,045	-	-	26,078,066	23,114,045
Other Taxes	5,455,416	5,519,166	-	-	5,455,416	5,519,166
State Shared Revenues	4,042,787	4,359,210	-	-	4,042,787	4,359,210
Other Intergovernmental Revenues	30,804	65,919	-	-	30,804	65,919
Interest	3,350,619	(2,240,169)	4,214,966	(3,193,437)	7,565,585	(5,433,606)
Miscellaneous	96,720	2,233,441	74,717	-	171,437	2,233,441
Total Revenues	50,613,070	38,139,528	131,431,081	134,857,133	182,044,151	172,996,661
Program Expenses:						
General Government	6,600,965	4,319,646	-	-	6,600,965	4,319,646
Law Enforcement	13,229,825	10,871,090	-	-	13,229,825	10,871,090
Fire Control	2,939,662	2,790,961	-	-	2,939,662	2,790,961
Building Inspections	814,472	704,921	-	-	814,472	704,921
Physical Environment	496,048	511,929	-	-	496,048	511,929
Road and Street	2,845,201	2,506,098	-	-	2,845,201	2,506,098
Parks and Recreation	4,529,661	4,270,654	-	-	4,529,661	4,270,654
Electric	-	-	91,506,974	97,129,039	91,506,974	97,129,039
Water and Sewer	-	-	11,939,694	10,009,081	11,939,694	10,009,081
Stormwater	-	-	1,618,979	1,481,291	1,618,979	1,481,291
Sanitation	-	-	5,880,149	3,821,009	5,880,149	3,821,009
Golf Course	-	-	2,724,234	2,322,140	2,724,234	2,322,140
Leased Facilities	-	-	657,558	487,915	657,558	487,915
Natural Gas	-	-	1,763,251	2,280,020	1,763,251	2,280,020
Total Expenses	31,455,834	25,975,299	116,090,839	117,530,495	147,546,673	143,505,794
Change in Net Position						
Before Transfers	19,157,236	12,164,229	15,340,242	17,326,638	34,497,478	29,490,867
Net Transfers	2,677,964	4,214,193	(2,677,964)	(4,214,193)	-	-
Change in Net Position	21,835,200	16,378,422	12,662,278	13,112,445	34,497,478	29,490,867
Net Position-Beginning of Year	190,728,139	174,349,717	301,111,320	287,998,875	491,839,459	462,348,592
Net Position-End of Year	\$ 212,563,339	\$ 190,728,139	\$ 313,773,598	\$ 301,111,320	\$ 526,336,937	\$ 491,839,459

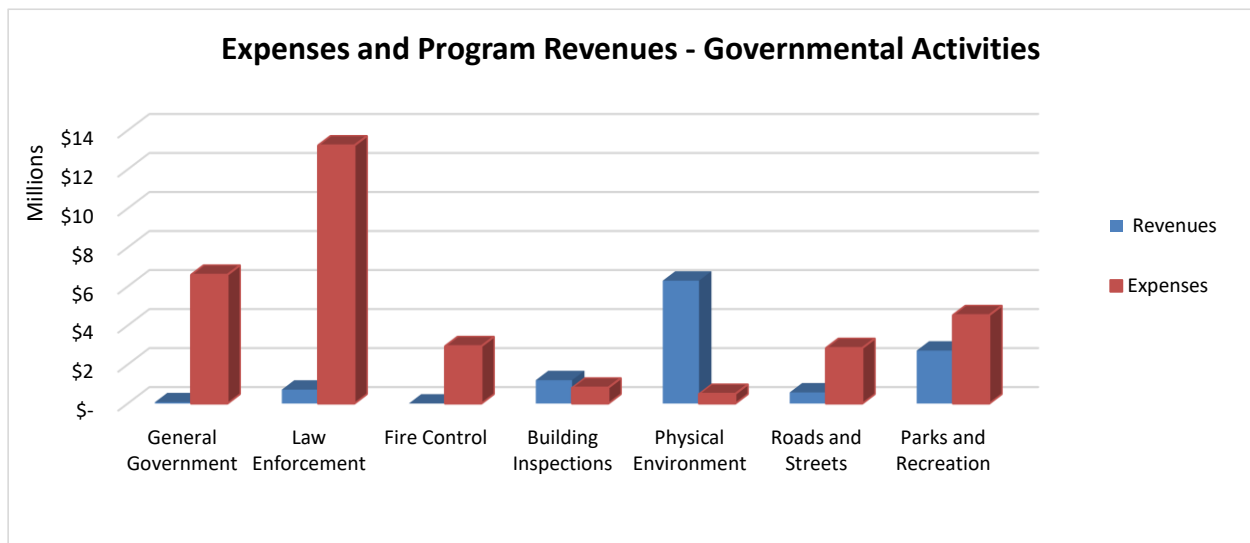
Governmental activities. Governmental activities for fiscal year 2023 increased the City's net position by \$19,157,236 (before transfers). For purposes of this discussion, interfund transfers from business-type funds to governmental funds are not included in revenues from activities.

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

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



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

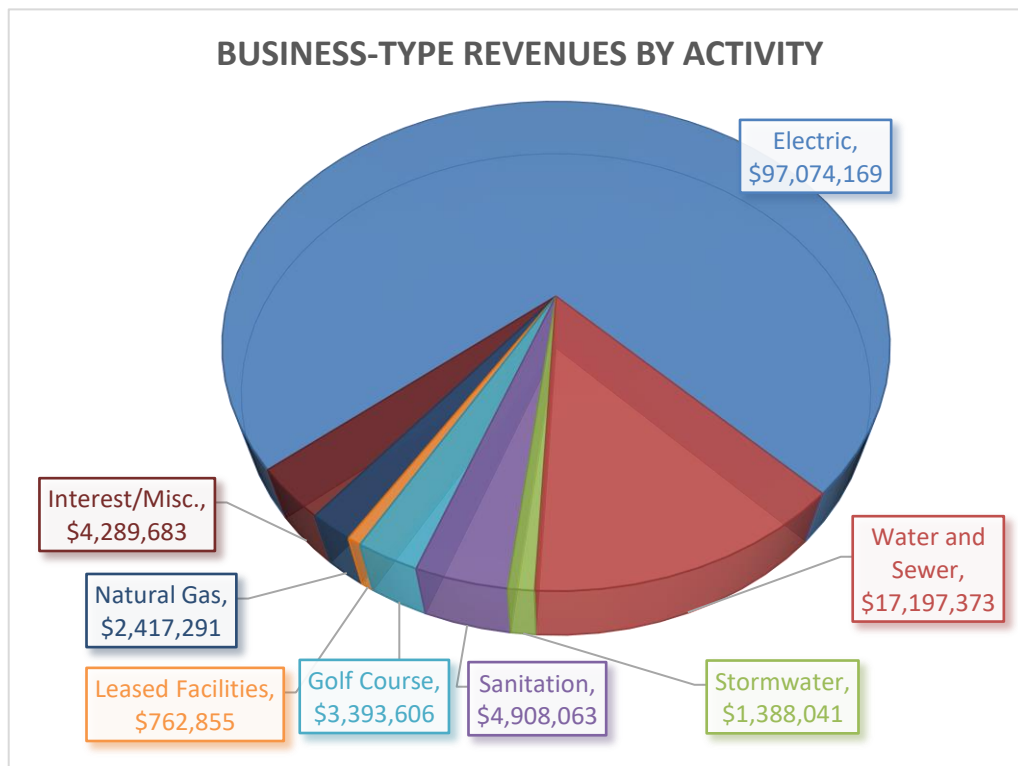


MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Key Elements of Governmental Activities Revenues and Expenses:

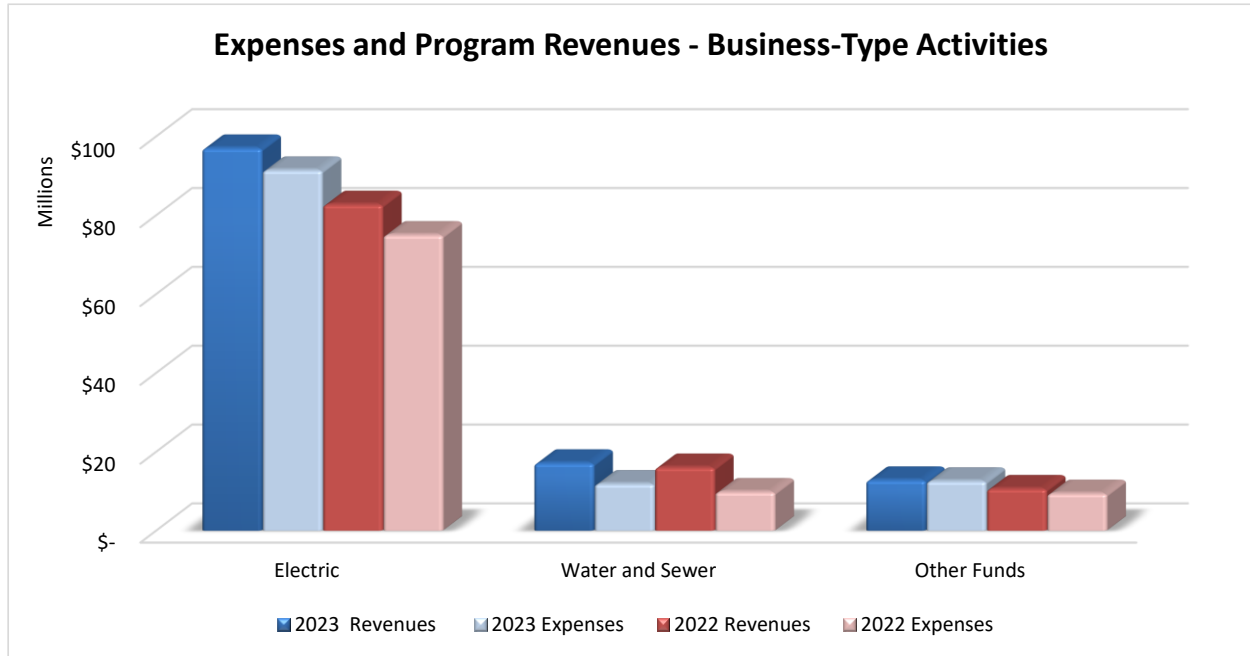
- Property taxes, which provided 51.5% of governmental revenues, increased by \$2,964,021 or 12.8% in Fiscal year 2023 due to rising property values and new construction.
- Capital grants and contributions increased by \$6,065,356, due in large part to the revenue recognition of ARPA grant proceeds utilized in capital projects during the year.
- Interest revenues increased by \$5,590,788 compared to the prior year as a result of market performance. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by an independent professional investment advisor.
- Total expenses increased by 21.1% to \$31,455,834 due largely to the timing of capital projects undertaken with ARPA grant funding in the current year.

Business-type activities. Business-type activities for fiscal year 2023 increased the City's net position by \$15,340,242 (before transfers). On the statement of activities, net revenues are reduced by transfers to the governmental funds of \$2,677,964 to determine the change in net position. The following chart shows the composition of revenues from the City's business-type activities.



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

The following chart compares the program revenues from the City's business-type activities to the related expenses for fiscal years 2023 and 2022. Business-type activities differ from governmental activities in that charges for services are designed specifically to recover the cost of providing those services, including capital costs such as depreciation or debt service.



Key Elements of Business-Type Revenues and Expenditures:

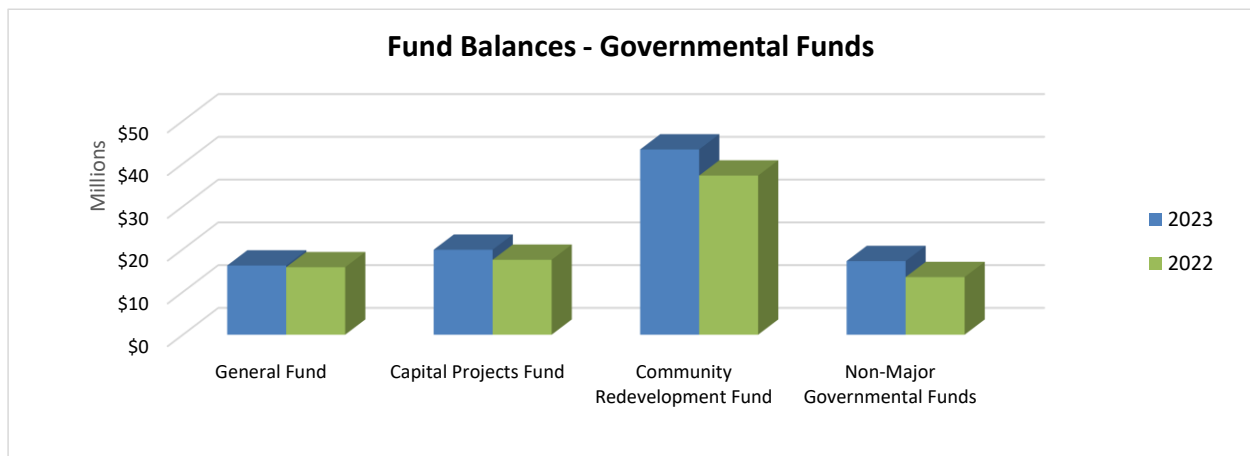
- Charges for services in the business-type activities decreased by \$8,893,965 or 6.6% from the prior year. Of these program revenues, 73.9% comes from electric utility services and 13.1% from the water and sewer utility. Much of the decrease is attributable to the bulk power cost adjustment, which is the pass-through cost of power to our customers. Water and sewer rates are adjusted annually in accordance with the Consumer Price Index (CPI) which is necessary to pay for needed maintenance and improvements to the system. Sanitation rates were also increased during the year to recover the cost of the new solid waste and recycling contract.
- Interest revenues increased by \$7,408,403 compared to the prior year as a result of market performance. Investments are reported at fair value. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by an independent professional investment advisor.
- Total expenses for the business-type activities decreased by \$1,439,656 due in large part to a reduction in the cost of purchased electricity and natural gas from the City's providers.
- Significant transfers out in business-type activities included a \$3,680,146 transfer from the electric enterprise fund and \$115,249 transfer from the natural gas fund to governmental funds in accordance with the City's policies on electric and natural gas transfers.

MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

At the end of fiscal year 2023 the City’s governmental funds reported a combined ending fund balance of \$96,554,957, an increase of \$12,602,018 or 15.0% for the year. The growth in all funds is attributable to the City’s pay-as-you-go funding strategy for capital improvements. In years where large capital projects take place, it is expected that fund balances will decrease. Of the total fund balance, \$60,971,262 is restricted for specific uses related to redevelopment, tourism, transportation improvements, capital projects, law enforcement, and building permits; \$8,550,488 is committed for revenue stabilization, cemetery improvements, parking and transportation, and tree replacement; \$26,591,788 is assigned for capital projects and unanticipated events/emergencies; \$851 is non-spendable; and \$440,568 is unassigned.



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

At the end of the fiscal year, the fund balance of the general fund was \$16,172,802, of which \$455,246 was restricted for building permits and \$8,544,202 was committed for revenue stabilization, cemetery improvements, and parking and transportation improvements. An additional \$6,731,935 was assigned to an unanticipated events/emergencies reserve account, and \$851 was reserved for prepaid expenditures. The remaining amount of \$440,568 was unassigned. The City uses current revenue sources to fund budgeted expenditures in the general fund. When evaluating the general fund’s liquidity, it should be noted that the revenue stabilization reserve serves as a working capital reserve and the unanticipated events/emergencies account may be used to supplement operating revenues if approved by the City Council. Combined, the general fund balances represent 69.9% of general fund expenditures for 2023.

MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

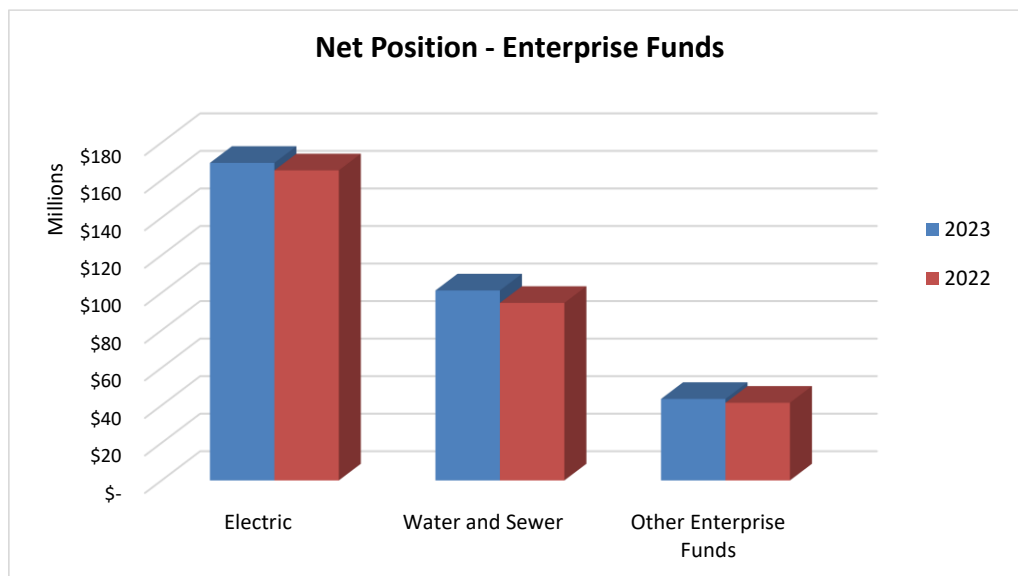
Other major governmental funds. Other major governmental funds include the capital projects fund, the community redevelopment fund, and the ARPA Grant fund. The capital projects fund is used to account for various capital projects, major equipment purchases, and major repairs and renovations. These expenditures are funded by transfers from other funds or grants. The fund balance at year-end in the capital projects fund was \$19,859,853. The increase of \$2,349,662, or 13.4%, from the prior year reflects the accumulation of funds to be used for approved capital improvement projects or major equipment replacements in future years.

The community redevelopment fund is used to account for expenses in the City’s two redevelopment districts, which are funded by tax increment revenues. The ending fund balance in the redevelopment fund was \$43,311,893, an increase of \$6,108,682 for the year. The FY2023-2028 5-year Capital Improvement Plan for both the Downtown and Southend Districts anticipates spending over \$70 million for infrastructure, parks, and beautification projects. A more detailed summary of the activities in this fund can be found in the notes to the financial statements.

The ARPA Grant fund is used to account for expenditures associated with federal grant funding under the *American Rescue Plan Act*. All funding under this grant was received in advance and has been deferred as unearned revenue (a liability) until the associated allowable expenditures occur, at which point revenue is recognized. As such, ending fund balance in the ARPA Grant fund was \$0 for the current and prior years because expenditures and revenues are recognized simultaneously.

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

At the end of fiscal year 2023, the City’s enterprise funds reported a combined ending net position of \$313,773,598, an increase of \$12,662,278 or 4.2% for the year. The increase is attributable to the City’s strategy to accumulate resources over a period of time to fund future capital improvements via pay-as-you-go financing.



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

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was an increase in net appropriations of \$1,225,290 for expenditures and an increase of \$3,500,000 for transfers out. Budget amendments were adopted anticipating using available fund balance or revenues in excess of the original budget projections. Major amendments are summarized in Note 3 of the notes to the financial statements.

In 2023, the total fund balance of the City's general fund increased by \$401,240. Actual revenues were higher than final budgeted revenues by \$3,416,933. While property tax revenues met budget expectations, all other categories out-performed estimates. Actual expenditures were under budget by \$1,560,527 or 6.3%. This variance is attributable to personnel vacancies and the active management by departments of their individual budgets to ensure compliance with budgetary limits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, totaled \$321,555,794 (net of accumulated depreciation). Capital assets include land, buildings, equipment, infrastructure, and construction in progress. The City's total investment in capital assets increased \$14,769,246 or 4.6% due in large part to the start of several ARPA grant funded water/sewer capital improvement projects. A portion of the increase is attributable to new GASB 87 lease reporting requirements, which include assets under leases associated with golf cart leases for the City's golf course.

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

The following table is a summary of the City's investment in capital assets for fiscal years 2023 and 2022:

	City of Jacksonville Beach Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 29,373,496	\$ 29,373,496	\$ 4,388,198	\$ 4,388,198	\$ 33,761,694	\$ 33,761,694
Buildings & Improvements	59,477,104	54,608,319	373,386,626	363,587,305	432,863,730	418,195,624
Equipment	20,367,169	19,215,218	14,499,130	12,900,662	34,866,299	32,115,880
Infrastructure	61,413,398	61,413,398	-	-	61,413,398	61,413,398
Construction in Progress	30,750,015	21,195,507	22,051,569	19,172,376	52,801,584	40,367,883
	201,381,182	185,805,938	414,325,523	400,048,541	615,706,705	585,854,479
Less: Accumulated Depreciation	(77,842,740)	(73,904,220)	(216,308,171)	(205,163,711)	(294,150,911)	(279,067,931)
Capital Assets, Net	\$ 123,538,442	\$ 111,901,718	\$ 198,017,352	\$ 194,884,830	\$ 321,555,794	\$ 306,786,548

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

Long-Term Debt. At September 30, 2023, the City had no outstanding bonded debt. The last utility revenue bond payment was made on October 1, 2020. The City seeks to minimize the need for future debt through long-term planning and capital budgeting. Pay-as-you-go financing is the preferred financing method and is used where possible.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Each year the City begins its annual budget process with an evaluation of its current financial position. This evaluation considers local and national economic trends, financial trend analysis, a five-year capital improvement plan, and a five-year cash flow analysis for major city operations. FY2024 is the third consecutive fiscal year that the City prepared the budget while continuing to deal with uncertainty stemming from the COVID-19 pandemic and the volatile recovery that follows. While the financial outlook has generally improved since the onset of the pandemic, the recovery remains challenging. Through careful and forward planning, we have been able to maintain and provide a level of services that our citizens expect.

The total FY2024 adopted budget of \$212,809,512 is 4.8% lower than the prior year and continues to provide the same service level our community expects. The decrease is largely attributable to planned capital projects in the redevelopment districts and ARPA funded water and sewer projects. The general fund budget is \$28,677,150, an increase of 7.6% from the prior year.

Factors considered in preparing the City's budget for the fiscal year 2024 included:

- The City Council adopted a new Vision statement for the community and Mission statement for the organization, while employees developed a set of core values. These three efforts were the foundational pillars for the Strategic Plan adopted during FY2022. Capital improvement projects and departmental service levels proposed during the budget process were evaluated based on their alignment with the strategic plan.
- Jacksonville Beach's property values increased by 10.5%, and the millage rate remains the same at 3.9947 mills. However, this growth is expected to be offset by the escalating labor, operating, and capital outlay costs.
- A turbulent labor market coupled with the challenges of rapid inflation necessitated a city-wide cost of living adjustment during FY2022. New union contracts were negotiated for FY2023 through FY2025 which include 3% annual escalators in addition to merit increases.
- As stewards of the taxpayer resources that make possible the services that are essential to our community, we will continue to manage these resources conservatively and responsibly.

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

REQUESTS FOR INFORMATION

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

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

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

STATEMENT OF NET POSITION
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 112,324,329	\$ 108,781,584	\$ 221,105,913
Other Cash and Investments	5,425	1,300	6,725
Accounts Receivable, Net	320,567	19,876,438	20,197,005
Assessments Receivable, Net	26,299	1,144	27,443
Due from Other Governments	1,705,119	2,767	1,707,886
Inventories	-	4,304,547	4,304,547
Prepaid Items	1,403,626	91,053	1,494,679
Restricted Assets:			
Equity in Pooled Cash and Investments	-	28,905,548	28,905,548
Leases Receivable	-	1,271,486	1,271,486
Capital Assets:			
Non-Depreciable	60,123,511	26,439,767	86,563,278
Depreciable, Net	63,414,931	171,577,585	234,992,516
Total Assets	239,323,807	361,253,219	600,577,026
Deferred Outflows of Resources			
Pension Related	10,899,229	6,269,531	17,168,760
OPEB Related	509,321	334,524	843,845
Total Deferred Outflows of Resources	11,408,550	6,604,055	18,012,605
Liabilities			
Accounts Payable	1,628,260	6,450,307	8,078,567
Accrued Interest	-	3,735	3,735
Other Accrued Liabilities	1,580,678	1,379,730	2,960,408
Power Costs Recovered in Advance	-	2,950,163	2,950,163
Due to Other Governments	2,488,673	3,563	2,492,236
Deposits	54,766	6,456,999	6,511,765
Unearned Revenues	5,715,292	68,818	5,784,110
Self-Insurance Claims Payable	218,374	-	218,374
Non-Current Liabilities:			
Due Within One Year	1,347,331	615,264	1,962,595
Due in More than One Year	22,627,035	14,104,866	36,731,901
Total Liabilities	35,660,409	32,033,445	67,693,854
Deferred Inflows of Resources			
Pension Related	1,561,689	722,508	2,284,197
OPEB Related	946,920	621,941	1,568,861
Lease Related	-	1,207,396	1,207,396
Rate Stabilization	-	19,498,386	19,498,386
Total Deferred Inflows of Resources	2,508,609	22,050,231	24,558,840
Net Position			
Net Investment in Capital Assets	123,538,442	197,443,561	320,982,003
Restricted for:			
Redevelopment	43,311,893	-	43,311,893
Tourism	3,022,260	-	3,022,260
Transportation Improvements	3,091,796	-	3,091,796
Capital Projects	10,695,906	-	10,695,906
Law Enforcement	394,161	-	394,161
Building Permits	455,246	-	455,246
Unrestricted	28,053,635	116,330,037	144,383,672
Total Net Position	\$ 212,563,339	\$ 313,773,598	\$ 526,336,937

See accompanying notes.

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

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 6,600,965	\$ 60,229	\$ 5,000	\$ -	\$ (6,535,736)		\$ (6,535,736)
Law Enforcement	13,229,825	254,070	414,109	44,993	(12,516,653)		(12,516,653)
Fire Control	2,939,662	-	-	-	(2,939,662)		(2,939,662)
Building Inspections	814,472	1,197,778	-	-	383,306		383,306
Physical Environment	496,048	17,733	-	6,280,452	5,802,137		5,802,137
Roads and Streets	2,845,201	569,559	-	660	(2,274,982)		(2,274,982)
Parks and Recreation	4,529,661	275,043	992,034	1,446,998	(1,815,586)		(1,815,586)
Total Governmental Activities	31,455,834	2,374,412	1,411,143	7,773,103	(19,897,176)	\$ -	(19,897,176)
Business-Type Activities							
Electric	91,506,974	96,803,891	53	270,225		5,567,195	5,567,195
Water and Sewer	11,939,694	17,138,549	-	58,824		5,257,679	5,257,679
Stormwater	1,618,979	1,388,041	-	-		(230,938)	(230,938)
Sanitation	5,880,149	4,907,474	589	-		(972,086)	(972,086)
Golf Course	2,724,234	3,393,606	-	-		669,372	669,372
Leased Facilities	657,558	762,855	-	-		105,297	105,297
Natural Gas	1,763,251	2,121,073	-	296,218		654,040	654,040
Total Business-Type Activities	116,090,839	126,515,489	642	625,267	-	11,050,559	11,050,559
Total Primary Government	\$ 147,546,673	\$ 128,889,901	\$ 1,411,785	\$ 8,398,370	(19,897,176)	11,050,559	(8,846,617)
General Revenues							
Taxes:							
					26,078,066	-	26,078,066
					1,790,723	-	1,790,723
					1,133,739	-	1,133,739
					781,771	-	781,771
					1,195,249	-	1,195,249
					553,934	-	553,934
					4,042,787	-	4,042,787
					30,804	-	30,804
					3,350,619	4,214,966	7,565,585
					-	74,717	74,717
					96,720	-	96,720
					2,677,964	(2,677,964)	-
					41,732,376	1,611,719	43,344,095
					21,835,200	12,662,278	34,497,478
					190,728,139	301,111,320	491,839,459
					\$ 212,563,339	\$ 313,773,598	\$ 526,336,937

See accompanying notes.

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	ARPA Grant Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 15,802,482	\$ 20,383,891	\$ 46,612,195	\$ 6,240,821	\$ 17,001,118	\$ 106,040,507
Other Cash and Investments	5,425	-	-	-	-	5,425
Receivables:						
Accounts, Net	320,338	-	-	-	-	320,338
Assessments, Net	33	-	1,585	-	24,681	26,299
Interfund Receivables	97,816	-	-	-	-	97,816
Due from Other Governments	1,288,262	-	-	-	416,857	1,705,119
Prepaid Expenditures	851	-	-	-	-	851
Total Assets	17,515,207	20,383,891	46,613,780	6,240,821	17,442,656	108,196,355
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts Payable	112,944	182,450	547,492	664,688	17,716	1,525,290
Other Accrued Liabilities	457,046	341,588	271,447	270,372	22,434	1,362,887
Due to Other Governments	7,310	-	2,481,363	-	-	2,488,673
Interfund Payables	-	-	-	-	97,816	97,816
Deposits	54,766	-	-	-	-	54,766
Unearned Revenue	409,531	-	-	5,305,761	-	5,715,292
Total Liabilities	1,041,597	524,038	3,300,302	6,240,821	137,966	11,244,724
Deferred Inflows of Resources						
Unavailable Revenues	300,808	-	1,585	-	94,281	396,674
Fund Balances						
Non-Spendable:						
Prepaid Expenditures	851	-	-	-	-	851
Restricted for:						
Redevelopment	-	-	43,311,893	-	-	43,311,893
Tourism Expenditures	-	-	-	-	3,022,260	3,022,260
Transportation Improvements	-	-	-	-	3,091,796	3,091,796
Capital Projects	-	-	-	-	10,695,906	10,695,906
Law Enforcement	-	-	-	-	394,161	394,161
Building Permits	455,246	-	-	-	-	455,246
Committed for:						
Revenue Stabilization	7,169,288	-	-	-	-	7,169,288
Cemetery Improvements	472,704	-	-	-	-	472,704
Parking and Transportation	902,210	-	-	-	-	902,210
Tree Replacement	-	-	-	-	6,286	6,286
Assigned for:						
Unanticipated Events/ Emergencies	6,731,935	-	-	-	-	6,731,935
Capital Projects	-	19,859,853	-	-	-	19,859,853
Unassigned	440,568	-	-	-	-	440,568
Total Fund Balances	16,172,802	19,859,853	43,311,893	-	17,210,409	96,554,957
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,515,207	\$ 20,383,891	\$ 46,613,780	\$ 6,240,821	\$ 17,442,656	\$ 108,196,355

See accompanying notes.

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

Fund Balance - Total Governmental Funds \$ 96,554,957

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

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

Capital Assets	\$ 200,341,124	
(Accumulated Depreciation)	<u>(76,986,603)</u>	123,354,521

Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of:

Deferred Outflows Related to Pensions	8,256,838	
Deferred Inflows Related to Pensions	(1,400,119)	
Deferred Outflows Related to OPEB	509,321	
Deferred Inflows Related to OPEB	<u>(946,920)</u>	6,419,120

Some revenues have been deferred on the governmental funds balance sheet because they were not measurable and available at year-end. 396,674

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

Net Pension Liability	(10,455,409)	
Total OPEB Liability	(1,434,414)	
Contractual Pension Liability	(3,609,167)	
Compensated Absences	<u>(3,117,073)</u>	(18,616,063)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows and liabilities, and deferred inflows of the internal service funds are reported with governmental activities. 4,454,130

Net Position of Governmental Activities \$ 212,563,339

See accompanying notes.

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

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	ARPA Grant Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 16,498,043	\$ -	\$ 11,463,597	\$ -	\$ 4,245,443	\$ 32,207,083
Licenses and Permits	1,050,332	-	-	-	-	1,050,332
Intergovernmental	5,983,477	-	-	6,280,452	172,881	12,436,810
Charges for Services	853,704	-	-	-	-	853,704
Fines and Forfeitures	444,877	-	-	-	46,199	491,076
Interest and Other Revenue	942,127	546,745	1,575,577	-	488,387	3,552,836
Total Revenues	<u>25,772,560</u>	<u>546,745</u>	<u>13,039,174</u>	<u>6,280,452</u>	<u>4,952,910</u>	<u>50,591,841</u>
Expenditures						
Current:						
General Government	2,608,109	174,468	1,318,715	-	14,141	4,115,433
Public Safety	14,550,973	-	1,271,150	-	167,461	15,989,584
Physical Environment	83,610	-	-	16,000	4,879	104,489
Roads and Streets	1,752,939	-	-	-	254,603	2,007,542
Parks and Recreation	3,942,028	10,000	-	-	91,497	4,043,525
Capital Outlay	184,176	5,181,615	4,340,627	6,264,452	178,007	16,148,877
(Total Expenditures)	<u>(23,121,835)</u>	<u>(5,366,083)</u>	<u>(6,930,492)</u>	<u>(6,280,452)</u>	<u>(710,588)</u>	<u>(42,409,450)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,650,725</u>	<u>(4,819,338)</u>	<u>6,108,682</u>	<u>-</u>	<u>4,242,322</u>	<u>8,182,391</u>
Other Financing Sources (Uses)						
Transfers in	4,295,283	7,169,000	-	-	-	11,464,283
Transfers (out)	(6,700,000)	-	-	-	(499,888)	(7,199,888)
Sale of General Capital Assets	155,232	-	-	-	-	155,232
Total Other Financing Sources (Uses)	<u>(2,249,485)</u>	<u>7,169,000</u>	<u>-</u>	<u>-</u>	<u>(499,888)</u>	<u>4,419,627</u>
Net Change in Fund Balances	401,240	2,349,662	6,108,682	-	3,742,434	12,602,018
Fund Balances, Beginning of Year	<u>15,771,562</u>	<u>17,510,191</u>	<u>37,203,211</u>	<u>-</u>	<u>13,467,975</u>	<u>83,952,939</u>
Fund Balances, End of Year	<u>\$ 16,172,802</u>	<u>\$ 19,859,853</u>	<u>\$ 43,311,893</u>	<u>\$ -</u>	<u>\$ 17,210,409</u>	<u>\$ 96,554,957</u>

See accompanying notes.

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

Net Change in Fund Balance - Total Governmental Funds \$ 12,602,018

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Expenditures for Capital Assets	\$ 16,148,877	
Transfers of Capital Assets	(1,516,431)	
Contributions of Capital Assets	1,446,998	
Disposals of Capital Assets	(36,237)	
(Current Year Depreciation)	<u>(4,351,968)</u>	11,691,239

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

Payments related to the Contractual Pension Liability - Firefighters' Plan		471,539
--	--	---------

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

Change in Accrued Compensated Absences	(305,690)	
Change in Net Pension Liability and Deferred Inflows and Outflows Related to Pensions	(497,478)	
Change in Other Postemployment Benefits and Deferred Inflows and Outflows Related to OPEB	<u>2,249</u>	(800,919)

Some revenues have been deferred in the governmental funds because they were not available at year-end, but have been recognized in the statement of activities. (1,646,115)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (482,562)

Change in Net Position of Governmental Activities \$ 21,835,200

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 16,504,264	\$ 16,504,264	\$ 16,498,043	\$ (6,221)
Licenses and Permits	647,300	647,300	1,050,332	403,032
Intergovernmental	4,292,113	4,297,113	5,983,477	1,686,364
Charges for Services	456,000	456,000	853,704	397,704
Fines and Forfeitures	170,000	170,000	444,877	274,877
Interest and Other Revenue	278,000	280,950	942,127	661,177
Total Revenues	22,347,677	22,355,627	25,772,560	3,416,933
Expenditures				
Executive and Legislative	1,215,354	1,252,460	1,194,982	57,478
Finance	448,719	454,154	429,424	24,730
Planning and Development	1,232,919	1,553,411	1,345,817	207,594
Parks and Recreation	4,055,232	4,294,255	4,124,140	170,115
Public Works	1,825,909	1,862,450	1,793,858	68,592
Police	10,107,653	10,685,946	10,365,591	320,355
Fire	3,562,669	3,571,069	3,409,999	161,070
Non-Departmental	1,008,617	1,008,617	458,024	550,593
(Total Expenditures)	(23,457,072)	(24,682,362)	(23,121,835)	1,560,527
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,109,395)	(2,326,735)	2,650,725	4,977,460
Other Financing Sources (Uses)				
Transfers in	4,309,395	4,355,168	4,295,283	(59,885)
Transfers (out)	(3,200,000)	(6,700,000)	(6,700,000)	-
Sale of General Capital Assets	-	-	155,232	155,232
Total Other Financing Sources (Uses)	1,109,395	(2,344,832)	(2,249,485)	95,347
Net Change in Fund Balance	\$ -	\$ (4,671,567)	\$ 401,240	\$ 5,072,807

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 11,611,539	\$ 11,611,539	\$ 11,463,597	\$ (147,942)
Interest and Other Revenue	315,014	315,014	1,575,577	1,260,563
Total Revenues	<u>11,926,553</u>	<u>11,926,553</u>	<u>13,039,174</u>	<u>1,112,621</u>
Expenditures				
Current:				
General Government	2,217,999	2,270,485	1,318,715	951,770
Public Safety	1,276,146	1,401,955	1,271,150	130,805
Capital Outlay	33,127,850	52,832,581	4,340,627	48,491,954
(Total Expenditures)	<u>(36,621,995)</u>	<u>(56,505,021)</u>	<u>(6,930,492)</u>	<u>49,574,529</u>
Net Change in Fund Balance	<u>\$ (24,695,442)</u>	<u>\$ (44,578,468)</u>	<u>\$ 6,108,682</u>	<u>\$ 50,687,150</u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ARPA GRANT FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 250,000	\$ 6,280,452	\$ 6,030,452
Total Revenues	<u>-</u>	<u>250,000</u>	<u>6,280,452</u>	<u>6,030,452</u>
Expenditures				
Physical Environment	-	-	16,000	(16,000)
Capital Outlay	4,500,000	12,683,151	6,264,452	6,418,699
(Total Expenditures)	<u>(4,500,000)</u>	<u>(12,683,151)</u>	<u>(6,280,452)</u>	<u>6,402,699</u>
Net Change in Fund Balance	<u>\$ (4,500,000)</u>	<u>\$ (12,433,151)</u>	<u>\$ -</u>	<u>\$ 12,433,151</u>

See accompanying notes.

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2023
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Assets					
Current Assets:					
Equity in Pooled Cash and Investments	\$ 40,333,523	\$ 49,010,900	\$ 19,437,161	\$ 108,781,584	\$ 6,283,822
Other Operating Cash	-	-	1,300	1,300	-
Receivables:					
Accounts, Net	16,710,372	2,073,721	1,092,345	19,876,438	229
Assessments, Net	-	1,144	-	1,144	-
Leases, Current	-	-	122,568	122,568	-
Due from Other Governments	2,767	-	-	2,767	-
Inventories	4,185,691	-	118,856	4,304,547	-
Prepaid Expenses	79,901	-	11,152	91,053	1,402,775
Restricted Assets:					
Equity in Pooled Cash and Investments	28,175,063	-	730,485	28,905,548	-
Total Current Assets	89,487,317	51,085,765	21,513,867	162,086,949	7,686,826
Non-Current Assets:					
Leases Receivable, Non-Current	-	-	1,148,918	1,148,918	-
Capital Assets:					
Land	2,551,256	361,970	1,474,972	4,388,198	-
Buildings and Improvements	234,553,521	99,859,568	38,973,537	373,386,626	149,937
Equipment	8,102,356	3,358,905	2,354,884	13,816,145	890,121
Equipment Under Leases	-	-	682,985	682,985	-
Construction in Progress	11,358,889	8,232,040	2,460,640	22,051,569	-
	256,566,022	111,812,483	45,947,018	414,325,523	1,040,058
(Accumulated Depreciation and Amortization)	(137,082,677)	(57,941,433)	(21,284,061)	(216,308,171)	(856,137)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	119,483,345	53,871,050	24,662,957	198,017,352	183,921
Total Non-Current Assets	119,483,345	53,871,050	25,811,875	199,166,270	183,921
Total Assets	208,970,662	104,956,815	47,325,742	361,253,219	7,870,747
Deferred Outflows of Resources					
Pension Related	3,835,108	1,722,088	712,335	6,269,531	2,642,391
OPEB Related	171,783	123,563	39,178	334,524	-
Total Deferred Outflows of Resources	4,006,891	1,845,651	751,513	6,604,055	2,642,391

See accompanying notes.

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2023
 CITY OF JACKSONVILLE BEACH, FLORIDA
 (Concluded)**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 5,413,180	\$ 617,638	\$ 419,489	\$ 6,450,307	\$ 102,970
Accrued Interest	2,241	1,494	-	3,735	-
Other Accrued Liabilities	782,773	493,187	103,770	1,379,730	217,791
Due to Other Governments	-	-	3,563	3,563	-
Unearned Revenue	-	-	68,818	68,818	-
Estimated Liability for Self-Insured Losses	-	-	-	-	218,374
Accrued Compensated Absences	311,169	133,433	16,963	461,565	219,369
Lease Liability	-	-	153,699	153,699	-
Current Liabilities Payable from Restricted Assets:					
Power Costs Recovered in Advance	2,219,678	-	730,485	2,950,163	-
Customer Deposits	6,456,999	-	-	6,456,999	-
Total Current Liabilities	15,186,040	1,245,752	1,496,787	17,928,579	758,504
Non-Current Liabilities:					
Accrued Compensated Absences	1,244,677	533,731	67,851	1,846,259	877,479
Lease Liability	-	-	420,092	420,092	-
Net Pension Liability	6,632,913	3,078,629	1,184,843	10,896,385	4,261,455
Other Postemployment Benefits	483,796	347,994	110,340	942,130	-
Total Non-Current Liabilities	8,361,386	3,960,354	1,783,126	14,104,866	5,138,934
Total Liabilities	23,547,426	5,206,106	3,279,913	32,033,445	5,897,438
Deferred Inflows of Resources					
Pension Related	448,836	166,289	107,383	722,508	161,570
OPEB Related	319,375	229,726	72,840	621,941	-
Lease Related	-	-	1,207,396	1,207,396	-
Rate Stabilization	19,498,386	-	-	19,498,386	-
Total Deferred Inflows of Resources	20,266,597	396,015	1,387,619	22,050,231	161,570
Net Position					
Net Investment in Capital Assets Unrestricted	119,483,345 49,680,185	53,871,050 47,329,295	24,089,166 19,320,557	197,443,561 116,330,037	183,921 4,270,209
Total Net Position	\$ 169,163,530	\$ 101,200,345	\$ 43,409,723	\$ 313,773,598	\$ 4,454,130

See accompanying notes.

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Operating Revenues					
Charges for Services	\$ 96,611,404	\$ 17,018,811	\$ 11,778,660	\$ 125,408,875	\$ 15,345,537
Other	192,487	119,738	794,389	1,106,614	17,225
Total Operating Revenues	<u>96,803,891</u>	<u>17,138,549</u>	<u>12,573,049</u>	<u>126,515,489</u>	<u>15,362,762</u>
Operating Expenses					
Purchased Power	69,061,169	-	1,057,098	70,118,267	-
Personnel Services	6,605,066	4,033,609	1,948,956	12,587,631	6,666,280
Purchased Services	1,734,971	752,512	5,844,984	8,332,467	1,131,085
Repairs and Maintenance	789,396	786,242	761,035	2,336,673	374,960
Depreciation and Amortization	6,643,353	3,126,937	1,596,723	11,367,013	60,191
Materials and Supplies	711,882	428,972	425,337	1,566,191	198,996
Other Expenses	5,961,137	2,811,422	990,365	9,762,924	7,445,163
(Total Operating Expenses)	<u>(91,506,974)</u>	<u>(11,939,694)</u>	<u>(12,624,498)</u>	<u>(116,071,166)</u>	<u>(15,876,675)</u>
Operating Income	<u>5,296,917</u>	<u>5,198,855</u>	<u>(51,449)</u>	<u>10,444,323</u>	<u>(513,913)</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	2,049,920	1,498,202	639,797	4,187,919	101,351
Interest from Leasing Activities	-	-	27,047	27,047	-
Intergovernmental Revenue	53	-	589	642	-
Interest Expense on Leases	-	-	(19,673)	(19,673)	-
Gain on Disposal of Capital Assets	73,767	950	-	74,717	-
Total Non-Operating Revenues (Expenses)	<u>2,123,740</u>	<u>1,499,152</u>	<u>647,760</u>	<u>4,270,652</u>	<u>101,351</u>
Income Before Contributions and Transfers	<u>7,420,657</u>	<u>6,698,007</u>	<u>596,311</u>	<u>14,714,975</u>	<u>(412,562)</u>
Capital Contributions					
Connection Fees	136,473	58,824	296,218	491,515	-
Contributions from Other Funds	-	-	1,516,431	1,516,431	-
Developer Contributions	133,752	-	-	133,752	-
Total Capital Contributions	<u>270,225</u>	<u>58,824</u>	<u>1,812,649</u>	<u>2,141,698</u>	<u>-</u>
Transfers					
Transfers in	162,097	-	-	162,097	-
Transfers (out)	(3,863,146)	(126,000)	(367,346)	(4,356,492)	(70,000)
Total Transfers	<u>(3,701,049)</u>	<u>(126,000)</u>	<u>(367,346)</u>	<u>(4,194,395)</u>	<u>(70,000)</u>
Change in Net Position	<u>3,989,833</u>	<u>6,630,831</u>	<u>2,041,614</u>	<u>12,662,278</u>	<u>(482,562)</u>
Total Net Position, Beginning of Year	<u>165,173,697</u>	<u>94,569,514</u>	<u>41,368,109</u>	<u>301,111,320</u>	<u>4,936,692</u>
Total Net Position, End of Year	<u>\$ 169,163,530</u>	<u>\$ 101,200,345</u>	<u>\$ 43,409,723</u>	<u>\$ 313,773,598</u>	<u>\$ 4,454,130</u>

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

	Business-Type Activities - Enterprise Funds				Governmental
	Electric	Water and Sewer	Other Funds	Totals	Activities - Internal Service Funds
Cash Flows from Operating Activities					
Cash Received from Customers and Users	\$ 105,585,897	\$ 17,079,139	\$ 13,035,775	\$ 135,700,811	\$ 15,362,762
Cash Payments to Vendors for Goods and Services	(82,891,513)	(4,558,012)	(9,283,066)	(96,732,591)	(9,212,116)
Cash Payments to Employees for Services	(6,311,633)	(3,788,135)	(1,917,037)	(12,016,805)	(6,347,025)
Insurance Reimbursements Received (Claims Paid)	-	-	-	-	(64,162)
Net Cash Provided by (Used in) Operating Activities	16,382,751	8,732,992	1,835,672	26,951,415	(260,541)
Cash Flows from Non-Capital Financing Activities					
Transfers in	162,097	-	-	162,097	-
Intergovernmental Revenue	53	-	589	642	-
Transfers (out)	(3,863,146)	(126,000)	(367,346)	(4,356,492)	(70,000)
Interest from Leasing Activities	-	-	27,047	27,047	-
Net Cash (Used in) Provided by Non-Capital Financing Activities	(3,700,996)	(126,000)	(339,710)	(4,166,706)	(70,000)
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(7,705,493)	(4,238,977)	(806,897)	(12,751,367)	(5,677)
Proceeds on Sale of Capital Assets	658,715	1,000	-	659,715	-
Connection Fees	136,473	58,824	296,218	491,515	-
Principal Repayments on Long-term Debt	-	-	(109,194)	(109,194)	-
Interest Paid on Long-term Debt	-	-	(19,673)	(19,673)	-
Net Cash (Used in) Provided by Capital and Related Financing Activities	(6,910,305)	(4,179,153)	(639,546)	(11,729,004)	(5,677)
Cash Flows from Investing Activities					
Investment Earnings	2,049,920	1,498,202	639,798	4,187,920	101,351
Net Cash Provided by (Used in) Investing Activities	2,049,920	1,498,202	639,798	4,187,920	101,351
Net Increase (Decrease) in Cash and Cash Equivalents	7,821,370	5,926,041	1,496,214	15,243,625	(234,867)
Cash and Cash Equivalents, Beginning of Year	60,687,216	43,084,859	18,672,732	122,444,807	6,518,689
Cash and Cash Equivalents, End of Year	\$ 68,508,586	\$ 49,010,900	\$ 20,168,946	\$ 137,688,432	\$ 6,283,822

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Other Funds</u>	<u>Totals</u>	<u>Activities - Internal Service Funds</u>
<u>Included on the Accompanying Balance Sheet Under the Following Captions</u>					
Current Assets					
Equity in Pooled Cash and Investments	\$ 40,333,523	\$ 49,010,900	\$ 19,437,161	\$ 108,781,584	\$ 6,283,822
Other Operating Cash	-	-	1,300	1,300	-
Restricted Assets					
Equity in Pooled Cash and Investments	28,175,063	-	730,485	28,905,548	-
Total	<u>\$ 68,508,586</u>	<u>\$ 49,010,900</u>	<u>\$ 20,168,946</u>	<u>\$ 137,688,432</u>	<u>\$ 6,283,822</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>					
Operating Income (Loss)	\$ 5,296,917	\$ 5,198,855	\$ (51,449)	\$ 10,444,323	\$ (513,913)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	6,643,353	3,126,937	1,596,723	11,367,013	60,191
Power Costs Recovered in Advance (Returned)	9,518,349	-	673,910	10,192,259	-
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):					
Accounts Receivable	(953,483)	(59,377)	(201,620)	(1,214,480)	-
Leases Receivable and Related Deferred Inflow of Resources	-	-	(28,786)	(28,786)	-
Assessments Receivable	-	(33)	-	(33)	-
Inventories	(1,001,861)	-	(34,611)	(1,036,472)	-
Prepaid Expenses	(9,218)	-	(844)	(10,062)	(258,878)
Accounts Payable and Other Accrued Liabilities	(3,621,879)	221,136	(168,792)	(3,569,535)	53,770
Estimated Liability for Self-Insured Losses	-	-	-	-	79,034
Unearned Revenues	-	-	19,222	19,222	-
Customer Deposits	217,140	-	-	217,140	-
Accrued Compensated Absences	231,744	159,648	(27,101)	364,291	185,322
OPEB Liability and Related Deferred Inflows and Outflows of Resources	(122,888)	8,449	18,289	(96,150)	-
Net Pension Liability and Related Deferred Inflows and Outflows of Resources	184,577	77,377	40,731	302,685	133,933
Net Cash Provided by (Used in) Operating Activities	<u>\$ 16,382,751</u>	<u>\$ 8,732,992</u>	<u>\$ 1,835,672</u>	<u>\$ 26,951,415</u>	<u>\$ (260,541)</u>
<u>Supplemental Disclosure of Non-Cash Activities</u>					
Transfer of Capital Assets	\$ -	\$ -	\$ 1,516,431	\$ 1,516,431	\$ -
Right-of-Use Assets Acquired Under Leases	\$ -	\$ -	\$ 682,985	\$ 682,985	\$ -

See accompanying notes.

STATEMENT OF FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Assets

Cash and Cash Equivalents	\$	4,875,135
Accrued Interest		124,050
Investments:		
Equities, Including Mutual Funds		71,583,907
Corporate Bonds		6,118,904
U.S. Government Obligations/Agencies		17,340,169
Real Estate		5,933,969
Total Investments		<u>100,976,949</u>
Total Assets		<u>105,976,134</u>

Liabilities

Accounts Payable		10,836
Other Accrued Liabilities		2,469
Total Liabilities		<u>13,305</u>

Net Position

Restricted for Pensions	\$	<u>105,962,829</u>
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See accompanying notes.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

Additions

Contributions:	
Employee	\$ 2,047,881
Employer:	
City of Jacksonville Beach	3,528,377
City of Jacksonville	289,465
State of Florida	278,268
Total Contributions	<u>6,143,991</u>

Investment Income:	
Investment Earnings	9,534,170
(Investment Expenses)	(151,134)
Net Investment Income	<u>9,383,036</u>

Total Additions	<u>15,527,027</u>
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Deductions

Benefits	7,902,382
Refunds of Contributions	318,804
Administrative Expense	<u>358,825</u>

(Total Deductions)	<u>(8,580,011)</u>
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Change in Net Position	6,947,016
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Net Position, Beginning of Year	<u>99,015,813</u>
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Net Position, End of Year	<u><u>\$ 105,962,829</u></u>
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See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Jacksonville Beach, Florida, (the City) was founded in 1907 and operates under a City Council/City Manager form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units.

The City has one blended component unit, the City of Jacksonville Beach Community Redevelopment Agency (CRA). The CRA was created in 1978 pursuant to Chapter 163, Florida Statutes and City Ordinance No. 6950. The CRA is being treated as a blended component unit and included as part of the primary government for financial reporting purposes because the City appoints the CRA Board, the City has the power to impose its will on the CRA through significant influence on activities and level of service, and the CRA provides its services entirely to the City. All assets constructed by the CRA on City-owned land automatically become assets of the City upon completion, and all assets constructed by the CRA on CRA-owned land, along with the underlying land, are deeded to the City upon completion. The CRA is presented in the financial statements of the City as a special revenue fund. There are two redevelopment trust funds established by the CRA, the Downtown Redevelopment District and the Southend Redevelopment District. Both Districts' fund financial statements are presented in the separately issued financial statements of the CRA, as required by State Statute.

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

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

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

B. Government-Wide and Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

obligations of the government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within thirty days of the end of the current fiscal period, except for grant revenues which are considered available if collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, accrued compensated absences, and expenditures related to claims and judgments, are recorded only when payment is due. Other postemployment benefits are accrued in governmental funds only if funded.

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

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

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

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

The City reports the following major governmental funds:

- **General Fund**—is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Most of the essential governmental services such as public safety, street construction and maintenance, culture and recreation, and general administration are provided by the general fund.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

- **General Capital Projects Fund**—is the City’s primary capital projects fund. It accounts for the costs of various capital projects, major equipment purchases, and major repairs and renovations.
- **Community Redevelopment Fund**—accounts for the activities of the City’s Community Redevelopment Agency, including the Downtown and Southend redevelopment districts. The primary revenue source is ad valorem tax increment funds, which are restricted for expenditures benefiting the redevelopment districts.
- **ARPA Grant Fund**—accounts for grant revenues received under the *American Rescue Plan Act* and related expenditures.

The City reports the following major enterprise funds:

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

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

In addition, the City reports the following fund types:

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

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

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

D. Assets and Liabilities

■ **Cash and Investments**

- **Cash and Cash Equivalents**—for purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include demand deposits, certificates of deposit, repurchase agreements with financial institutions, petty cash, state pool investments, mutual funds, and equity in pooled cash and investments. Equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. Cash equivalents may exclude certain liquid assets held in restricted investment accounts.
- **Equity in Pooled Cash and Investments**—the City maintains an accounting system in which substantially all cash and investments are recorded and are reflected as pooled cash and investments, except for the pension trust fund investments. Investment earnings are distributed monthly in accordance with the participating funds’ relative percentage of investments.
- **Restricted Cash and Investments**—represent equity in pooled cash and investments and separately identified investments which are restricted as to use.

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

- **Receivables**—All receivables are reported at their gross value, and where appropriate are reduced by the estimated portion that is expected to be uncollectible. The allowance for doubtful accounts at September 30, 2023, is \$182,128. Estimated unbilled revenues from the electric, water and sewer, stormwater, sanitation, and natural gas funds are recognized at the end of each fiscal year on a pro rata basis. Included in accounts receivable at September 30, 2023, are unbilled amounts totaling \$8,382,769. The estimated amount is based on billings during the month following the close of the fiscal year.
- **Interfund Receivables and Payables**—During the course of its operations, the City has numerous transactions between funds to provide services and construct assets. To the extent that certain transactions between funds were not paid for or received as of September 30, 2023, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year, if any, are recorded as advances to and advances from other funds. Balances of advances to other funds are offset by non-spendable fund balances in the respective funds since these receivables are not available for appropriation. Short-term interfund loans to eliminate cash deficits are classified as “interfund receivables/payable”.

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

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

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

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

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

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

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

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

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

In the fund financial statements, governmental fund types record bond premiums and discounts, as well as bond issuance costs in the year incurred. The face amount of debt and premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

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

City employees are permitted to accumulate two years of accrued vacation leave (up to 352 hours) and an unlimited amount of accrued sick leave. If an employee retires from the City, he/she will be paid for unused sick leave at 100% up to 700 hours. Additionally, employees retiring with twenty years' service may be eligible for a supplemental percentage payment of sick leave. Eligible employees may receive payment for 25% of hours accrued over 700 to a maximum of 2,400 total hours. Upon termination of employment, an employee is paid for his/her accrued vacation leave based on the current hourly rate of pay.

Each calendar year, employees who have an accrued sick leave balance of 208 hours or more on December 31 have the option of converting 16 hours sick leave to 16 hours vacation leave. Additionally, employees have the option of converting either 16 or 32 hours of vacation leave to cash provided their accrued leave balances and hours utilized during the year meet the following requirements:

<u>Minimum Accrued Vacation Leave Balance as of December 31</u>	<u>Minimum Vacation Hours Utilized in Year</u>	<u>Vacation Leave Hours Eligible for Conversion to Cash</u>
120	32	16
160	48	32

- **Deferred Inflows/Outflows of Resources**—Deferred outflows of resources represent the consumption of net assets that applies to future periods. Deferred outflows have a positive effect on net position, similar to assets. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred inflows have a negative effect on net position, similar to liabilities.
- **Unearned Revenue**—Governmental funds and business-type funds also defer revenue recognition in connection with resources that have been received, but not yet earned.
- **Pensions**—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's pension plans and additions to/deductions from pension plan net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. Fund Balances

- **Classifications**—The City has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily

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on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution, which are considered equally binding) of the organization’s governing authority (the City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.

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

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

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

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

■ **Flow Assumption**

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

F. Accounting Changes

GASB Statement No. 96

The GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements* (SBITAs), in June of 2020. This statement is effective for the current fiscal year ended September 30, 2023. The City reviewed the provisions of GASB 96 and compiled an inventory of agreements that would potentially be impacted by the implementation of this statement. An evaluation of each agreement was made, based on materiality to the City’s financial statements. Based on this evaluation, the impact of the provisions of GASB 96 to the City was deemed not significant for SBITAs to which the City is a party and acts as an end user. All agreements were evaluated as of the implementation date of October 1, 2022. As such, no restatement of prior period balances related to affected agreements was required and no current year financial impact occurred.

Note 2 - Property Tax Calendar

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

Details of the tax calendar are presented below:

Lien Date	January 1, 2022
Levy Date	October 1, 2022
Installment Payments	
First Installment	No Later Than June 30, 2022
Second Installment	No Later Than September 30, 2022
Third Installment	No Later Than December 31, 2022
Fourth Installment	No Later Than March 31, 2023
Regular Payments	
Discount Periods	November 2022 Through February 2023
No Discount Period	After March 1, 2023
Delinquent Date	April 1, 2023

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Note 3 - Stewardship, Compliance, and Accountability

Budgets

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

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

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

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

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

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

	<u>Original</u>	<u>Encumbrances</u>	<u>Supplemental</u>	<u>Amended</u>
	<u>Budget</u>	<u>Rolled</u>	<u>Appropriations</u>	<u>Budget</u>
		<u>Forward</u>		
General Fund	\$ 26,657,072	\$ 457,947	\$ 4,267,343	\$ 31,382,362
Special Revenue Funds	44,281,681	11,783,979	17,427,450	73,493,110

Supplementary budgetary appropriations for the general fund include the following:

- \$683,620 for pay plan amendments and union contract ratifications.

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- \$30,000 for Carver Center playground and surrounding improvements as approved in the FY22 budget but executed in FY23.
- \$45,773 for 2023 JAG Grant award and corresponding active threat response tools purchase.
- \$7,950 for purchases made with grant proceeds received for ocean rescue training equipment (\$5,000), pond lighting at Paws Park (\$2,500), and Carver Center supplies (\$450).
- \$3,500,000 in transfers to the General Capital Projects Fund for the following reserve programs: police vehicle replacements, parks improvements, building physical security improvements, building renovations, ERP project implementation, police records management and computer aided dispatch system replacement, street heavy equipment replacement, police radio system upgrades, and technology major equipment replacements.

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

- \$12,060 for Downtown bike rack installations as approved during FY22 and executed in FY23.
- \$29,215 for pay plan amendments and union contract ratifications.
- \$1,105,293 for Avigilon camera system upgrades in Downtown and Southend Redevelopment districts and corresponding ongoing maintenance agreement.
- \$13,641,054 for Downtown Redevelopment Phase IIIC-Project 4 & 5 infrastructure improvements.
- \$300,000 for Urban Trails master plan as approved in the FY22 budget but executed in FY23.
- \$45,773 to obligate 2023 JAG grant award and transfer funding to the General Fund for corresponding active threat response tools purchase.
- \$1,521,352 to obligate ARPA grant funding and adjust the budget for chlorine conversion and modification projects at the water plants and PCP.
- \$733,319 for emergency sewer replacements as part of the 10th Street South infrastructure improvements Phase I.
- \$39,384 for the purchase of two drones for the police department.

Note 4 - Deposits and Investments

Equity in Pooled Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled cash and investments is allocated to each fund based on the average equity balance. The balance in unrestricted pooled cash and investments was \$221,105,913 in governmental and business-type funds and \$358,835 in the pension funds.

Deposits

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

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Certain deposits held by trust companies and fully secured under trust business laws are exempt from Chapter 280 requirements. At year-end, the amount of City deposits held in trust was \$2,808,592 and the amount of deposits held in the pension trust funds was \$4,516,300.

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

Cash Held in Banks	\$ 20,719,518
Petty Cash	6,725
Investments	226,842,186
Deposits Held in Trust	2,808,592
Less Pooled Cash Held in Pension Trust Funds	<u>(358,835)</u>
Total	<u>\$ 250,018,186</u>

As presented in the accompanying Statement of Net Position:

Equity in Pooled Cash and Investments	\$ 221,105,913
Other Cash and Investments	6,725
Restricted Equity in Pooled Cash and Investments	<u>28,905,548</u>
Total	<u>\$ 250,018,186</u>

Investments

Following are the investments held in the pooled cash fund, credit ratings, and maturities of the City's governmental and business-type activities at September 30, 2023:

Investment Type	S&P Credit Rating	Fair Value	Investment Maturities			
			Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Govt Obligations	AA+	\$ 85,854,906	\$ 1,639,912	\$ 83,280,188	\$ 805,760	\$ 129,046
Federal Agency Securities:						
Federal Home Loan Mortgage Corporation	AA+	7,917,204	-	1,105,581	4,334,377	2,477,246
Federal National Mortgage Association	AA+	7,686,099	149	2,243,548	2,310,275	3,132,127
Federal Home Loan Bank	AA+	2,410,704	-	2,410,704	-	-
Federal Farm Credit Bank	AA+	2,559,718	860,939	1,698,779	-	-
Government National Mortgage Association						
Association	AA+	14,640	-	-	-	14,640
Corporate ABSs	AAA	11,107,962	-	10,739,845	345,801	22,316
Corporate ABSs	AA+	104,950	-	104,950	-	-
Corporate ABSs	Aaa (Moody's)	2,415,826	17,535	2,359,674	-	38,617
Corporate Bonds	AA+	764,419	-	764,419	-	-
Corporate Bonds	AA	503,276	-	503,276	-	-
Corporate Bonds	AA-	416,473	-	416,473	-	-
Corporate Bonds	A+	4,160,074	1,045,042	3,115,032	-	-
Corporate Bonds	A	6,096,678	1,022,600	4,961,412	112,666	-
Corporate Bonds	A-	6,287,434	1,334,412	4,905,620	47,402	-
Corporate Bonds	BBB+	3,591,058	887,520	2,703,538	-	-
Corporate Bonds	Aaa(Moody's)	1,359,312	-	1,359,312	-	-
Corporate Bonds	A1(Moody's)	1,852,255	-	1,852,255	-	-
Corporate Bonds	A3(Moody's)	732,632	-	732,632	-	-
Municipal Bonds	AAA	1,466,021	-	1,350,829	115,192	-
Municipal Bonds	AA+	1,054,182	-	872,354	181,828	-
Municipal Bonds	AA	100,704	-	100,704	-	-
Municipal Bonds	AA-	319,960	202,646	117,314	-	-
Municipal Bonds	A+	91,775	-	91,775	-	-
Municipal Bonds	A-	91,297	-	91,297	-	-
Municipal Bonds	Aa1 (Moody's)	133,938	-	-	109,527	24,411
Florida State Board of Administration:						
Florida PRIME	AAAm	34,014,515	34,014,515	-	-	-
Florida Trust - Day to Day Fund	AAAmf (Fitch)	30,677,433	30,677,433	-	-	-
Florida Municipal Investment Trust:						
Short-Term Bond Portfolio (0-2 Years)	AAA (Fitch)	13,056,741	13,056,741	-	-	-
Total		<u>\$ 226,842,186</u>	<u>\$ 84,759,444</u>	<u>\$ 127,881,511</u>	<u>\$ 8,362,828</u>	<u>\$ 5,838,403</u>

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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 Maturities</u>			
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Equities	\$ 71,583,907	\$ 71,583,907	\$ -	\$ -	\$ -
U.S. Government Securities	6,456,404	-	3,534,586	645,578	2,276,240
Federal Agency Securities:					
Federal Farm Credit Banks	98,626	-	98,626	-	-
Federal Home Loan Mortgage Corporation	1,701,507	474	-	-	1,701,033
Federal National Mortgage Association	9,083,632	-	29,829	208,419	8,845,384
Corporate Bonds	6,118,904	-	3,089,812	3,029,092	-
Real Estate	5,933,969	5,933,969	-	-	-
Total	\$ 100,976,949	\$ 77,518,350	\$ 6,752,853	\$ 3,883,089	\$ 12,822,657

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

<u>Investment Type</u>	<u>Moody’s Credit Rating</u>	<u>Percent of Total</u>
U.S. Government Securities	Aaa	6.39%
Federal Agency Securities	Aaa	10.78%
Corporate Bonds	A1	2.80%
Corporate Bonds	A2	1.24%
Corporate Bonds	A3	0.55%
Corporate Bonds	Aa1	0.37%
Corporate Bonds	Aa3	0.34%
Corporate Bonds	Baa1	0.76%

Authorized Investments

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

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

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

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

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

Risk Disclosure

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

- **Interest Rate Risk**—the City's fixed rate investments are generally tied to bond reserve requirements and are intended to be held until the funds are needed, at maturity. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's pension funds limit their risk by averaging investment maturities at approximately five to seven years.
- **Custodial Credit Risk**—for an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City generally utilizes third-party custodians to help manage custodial credit risk.
- **Concentration of Credit Risk**—the investment policy for the operating funds of the City define what percentage of the total investment portfolio may be invested in each type of investment vehicle. The City's policy states that these percentages may be further restricted based on market conditions, risk, and diversification investment strategies. The pension funds' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. No more than 10% of an individual investment manager's total fixed income portfolio may be invested in securities of a single issuer (5% in the case of a corporate issuer). No more than 10% of plan assets may be in foreign securities.

Fair Value Measurements

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

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

The City’s investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value in the hierarchy described above. The fair value measurements for the City’s operating investments are as follows at September 30, 2023:

<u>Investments by Fair Value Level</u>	<u>Amount</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
U.S. Government Obligations	\$ 85,854,906	\$ 12,393,194	\$ 73,461,712	\$ -
Federal Agency Securities:				
Federal Agencies	4,970,422	-	4,970,422	-
Federal Home Loan Mortgage Corporation	7,917,204	-	7,917,204	-
Federal National Mortgage Association	7,686,099	-	7,686,099	-
Government National Mortgage Association	14,640	-	14,640	-
Corporate ABSs	13,628,738	-	13,628,738	-
Corporate Bonds	25,763,611	-	25,763,611	-
Municipal Bonds	3,257,877	-	3,257,877	-
Total Investments by Fair Value Level	<u>149,093,497</u>	<u>\$ 12,393,194</u>	<u>\$ 136,700,303</u>	<u>\$ -</u>
		Unfunded	Redemption	Redemption Notice
<u>Investments Measured at Amortized Cost</u>	<u>Amount</u>	<u>Commitments</u>	<u>Frequency (if Currently Eligible)</u>	<u>Period</u>
Florida State Board of Administration:				
Florida PRIME	\$ 34,014,515		None	Daily
Florida Trust - Day to Day Fund	30,677,433		None	Daily
Florida Municipal Investment Trust:				
Short-Term Bond Portfolio (0-2 Years)	13,056,741		None	Daily
Total Investments Measured at Amortized Cost	<u>77,748,689</u>			
Total Investments	<u>\$ 226,842,186</u>			

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

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Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 71,583,907	\$ 71,583,907	\$ -	\$ -
U.S. Government Securities	6,456,404	-	6,456,404	-
Federal Agency Securities:				
Federal Farm Credit Banks	98,626	-	98,626	-
Federal Home Loan Mortgage Corporation	1,701,507	-	1,701,507	-
Federal National Mortgage Association	9,083,632	-	9,083,632	-
Corporate Bonds	6,118,904	-	6,118,904	-
Total Investments Measured at Fair Value	95,042,980	\$ 71,583,907	\$ 23,459,073	\$ -

Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 5,933,969		Quarterly	45 days
Total Investments	\$ 100,976,949			

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

Note 5 - Interfund Receivables, Payables and Transfers

Interfund receivables/payables represent short-term loans to cover other funds' deficits in pooled cash and investments. As of September 30, 2023, the balance in these accounts consists of the following:

	Receivable	Payable
General Fund	\$ 97,816	\$ -
J.A.G. Grant	-	97,816
Total	\$ 97,816	\$ 97,816

Interfund transfers during the year ended September 30, 2023, consist of the following:

	Transfers In			
	General Fund	General Capital Projects	Electric	Total
Transfers Out				
General Fund	\$ -	\$ 6,700,000 (1)	\$ -	\$ 6,700,000
Other Governmental	499,888 (2)	-	-	499,888
Electric Fund	3,680,146 (3)	183,000 (1)	-	3,863,146
Water and Sewer	-	126,000 (1)	-	126,000
Other Enterprise	115,249 (3)	90,000 (1)	162,097 (4)	367,346
Internal Service	-	70,000 (1)	-	70,000
Total Transfers Out	\$ 4,295,283	\$ 7,169,000	\$ 162,097	\$ 11,626,380

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Transfer Purpose

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

Note 6 - Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 29,373,496	\$ -	\$ -	\$ 29,373,496
Construction In Progress	21,195,507	12,892,560	(3,338,052)	30,750,015
Total Capital Assets Not Being Depreciated	<u>50,569,003</u>	<u>12,892,560</u>	<u>(3,338,052)</u>	<u>60,123,511</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	54,608,319	4,868,785	-	59,477,104
Equipment	19,215,218	1,661,827	(509,876)	20,367,169
Road Network	33,148,818	-	-	33,148,818
Other Infrastructure Networks	28,264,580	-	-	28,264,580
Total Capital Assets Being Depreciated	<u>135,236,935</u>	<u>6,530,612</u>	<u>(509,876)</u>	<u>141,257,671</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(23,532,716)	(1,936,112)	-	(25,468,828)
Equipment	(13,802,451)	(1,666,792)	473,639	(14,995,604)
Road Network	(13,628,377)	(421,264)	-	(14,049,641)
Other Infrastructure Networks	(22,940,676)	(387,991)	-	(23,328,667)
Total Accumulated Depreciation	<u>(73,904,220)</u>	<u>(4,412,159)</u>	<u>473,639</u>	<u>(77,842,740)</u>
Total Being Depreciated, Net	<u>61,332,715</u>	<u>2,118,453</u>	<u>(36,237)</u>	<u>63,414,931</u>
Governmental Activities Capital Assets, Net	<u>\$ 111,901,718</u>	<u>\$ 15,011,013</u>	<u>\$ (3,374,289)</u>	<u>\$ 123,538,442</u>
	Beginning Balances	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 4,388,198	\$ -	\$ -	\$ 4,388,198
Construction In Progress	19,172,376	8,549,073	(5,669,880)	22,051,569
Total Capital Assets Not Being Depreciated	<u>23,560,574</u>	<u>8,549,073</u>	<u>(5,669,880)</u>	<u>26,439,767</u>
Capital Assets Being Depreciated/Amortized:				
Buildings and Improvements	363,587,305	9,868,973	(69,652)	373,386,626
Equipment	12,900,662	1,068,395	(152,912)	13,816,145
Equipment Under Leases	-	682,985	-	682,985
Total Capital Assets Being Depreciated/Amortized	<u>376,487,967</u>	<u>11,620,353</u>	<u>(222,564)</u>	<u>387,885,756</u>
Less Accumulated Depreciation and Amortization for:				
Buildings and Improvements	(195,759,690)	(10,212,823)	69,692	(205,902,821)
Equipment	(9,404,021)	(1,036,619)	152,861	(10,287,779)
Equipment Under Leases	-	(117,571)	-	(117,571)
Total Accumulated Depreciation and Amortization	<u>(205,163,711)</u>	<u>(11,367,013)</u>	<u>222,553</u>	<u>(216,308,171)</u>
Total Being Depreciated or Amortized, Net	<u>171,324,256</u>	<u>253,340</u>	<u>(11)</u>	<u>171,577,585</u>
Business-Type Activities Capital Assets, Net	<u>\$ 194,884,830</u>	<u>\$ 8,802,413</u>	<u>\$ (5,669,891)</u>	<u>\$ 198,017,352</u>

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

Governmental Activities	
General Government	\$ 1,779,857
Law Enforcement	847,875
Building Inspections	14,349
Physical Environment	391,559
Roads and Streets	811,832
Parks and Recreation	506,496
Internal Service Funds	60,191
Total Depreciation Expense - Governmental Activities	\$ 4,412,159
Business-Type Activities	
Electric	\$ 6,643,353
Water and Sewer	3,126,937
Stormwater	969,693
Sanitation	67,796
Golf Course	391,357
Leased Facilities	13,536
Natural Gas	154,341
Total Depreciation and Amortization Expense – Business-Type Activities	\$ 11,367,013

Note 7 - Long-Term Debt

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

	Balance September 30, 2022	Additions	Other Reductions	Balance September 30, 2023	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	\$ 3,658,133	\$ 2,099,177	\$ (1,543,389)	\$ 4,213,921	\$ 842,784
Accrued Other Postemployment Benefits	1,723,348	-	(288,934)	1,434,414	-
Net Pension Liability	1,889,577	12,827,287	-	14,716,864	-
Other Contractual Pension Obligation - Fire	4,080,706	-	(471,539)	3,609,167	504,547
Total Governmental Activities	11,351,764	14,926,464	(2,303,862)	23,974,366	1,347,331
Business-Type Activities					
Accrued Compensated Absences	1,943,533	1,089,269	(724,978)	2,307,824	461,565
Accrued Other Postemployment Benefits	1,218,953	811	(277,634)	942,130	-
Net Pension Liability	2,749,777	8,146,608	-	10,896,385	-
Lease Liability	-	682,985	(109,194)	573,791	153,699
Total Business-Type Activities	5,912,263	9,919,673	(1,111,806)	14,720,130	615,264
Total Long-Term Obligations	\$ 17,264,027	\$ 24,846,137	\$ (3,415,668)	\$ 38,694,496	\$ 1,962,595

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

Note 8 - Restricted Assets

The following table indicates the balances at September 30, 2023, for all restricted assets in the proprietary fund types:

	<u>Electric Fund</u>	<u>Natural Gas Fund</u>
Power Costs Recovered in Advance	\$ 2,219,678	\$ 730,485
Rate Stabilization	19,498,386	-
Customer Deposits	6,456,999	-
Total Restricted Assets	<u>\$ 28,175,063</u>	<u>\$ 730,485</u>

Note 9 - Florida Municipal Power Affiliation

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

The St. Lucie Project

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

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

Total expense for 2023 under this contract was \$2,562,332. The City's St. Lucie Power Supply and Sales contracts with FMPA extend through the later of: (1) the date on which related bond principal or other obligations are fully retired; (2) the date the St. Lucie Project is fully decommissioned or otherwise disposed of; or (3) the date all obligations of FMPA under its participation agreement with FPL have been fully satisfied.

The All Requirements Project

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

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

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

The electric system's load in excess of that served from the St. Lucie Project is provided for by FMPA under the All Requirements Project. The City's highest system peak load for fiscal 2023 was in August 2023, at 178.583 MW. Total expense to the City under the All Requirements Project for 2023 was \$66,266,455.

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

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

The Florida Municipal Solar Project

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

Interconnect Services

The City also has a contract for backup interconnection and electric service with Jacksonville Electric Authority (JEA) through an interconnection point at the Neptune Beach Substation. Total expense for 2023 under this contract was \$0.

Note 10 - Power Costs

The City uses a power true-up recomputed monthly in its electric rates. At September 30, 2023, the City was over-recovered from customers by \$2,219,678. This amount is expected to be returned to customers in future years. In 2013, the City adopted Resolution 1911-2013 establishing a rate stabilization reserve in order to reduce the impact of changes in power costs to the City's residents. The rate stabilization reserve is equal to three months of average power costs for the previous fiscal year. As of September 30, 2023, the rate stabilization reserve totaled \$19,498,386. This amount is included as a Deferred Inflow of Resources in the accompanying financial statements.

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023
 CITY OF JACKSONVILLE BEACH, FLORIDA**

The City also uses a cost of gas true-up recomputed monthly in its natural gas rates. At September 30, 2023, the City was over-recovered from customers by \$730,485. This amount will be returned to customers in future years.

Note 11 - Retirement Systems

Plan Descriptions

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

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

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

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

Membership

As of October 1, 2022, employee membership data related to the pension plans were:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Inactive Plan Members or Their Beneficiaries			
Currently Receiving Benefits (Including DROP Participants)	196	43	23
Inactive Plan Members Entitled to Benefits, But Not Yet Receiving Them	13	4	1
Active Plan Members	<u>243</u>	<u>65</u>	<u>25</u>
Total	<u><u>452</u></u>	<u><u>112</u></u>	<u><u>49</u></u>

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

The City will continue to be the plan administrator and is responsible for the unfunded actuarial accrued liability as determined by the plan actuary as of November 22, 2019. The City agreed to pay the unfunded liability (representing a fixed contractual obligation) at that time totaling \$5,318,174 into the Plan over a 10-year period. Annual contributions towards the unfunded liability are \$707,653 including interest. The City of Jacksonville is responsible for paying the total required contribution to the Jacksonville Beach Firefighters' Pension Plan and estimated annual employee contributions attributable to services rendered after November 23, 2019. As such, the City is no longer subject to the provisions of GASB 68, *Accounting and Financial Reporting for Pensions*, as it relates to the Firefighters' Pension Plan, as the City is no longer considered the Plan employer. The City's contractual pension obligation totaled \$3,609,167 as of September 30, 2023.

Benefits

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

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

CITY OF JACKSONVILLE BEACH GENERAL EMPLOYEES' PENSION PLAN				
Provision	Employees with Less Than 5 Years of Service on November 25, 2013	Employees with at Least 5 Years of Service but Less Than 10 Years of Service on November 25, 2013	Employees with 10 or More Years of Service on November 25, 2013	Employees with 30 Years of Service or Age 60 with 5 Years of Service on November 25, 2013
Benefit Formula	2.5% for all years of service (\$100,000 or 75% maximum)			2.5% for all years of service (75% maximum)
Normal Retirement Date	Age 55 with 30 years of service; or age 62 with 10 years of service	Age 62 with 10 years of service; or age 55 with 30 years of service; or age 65 with 5 years of service	Age 60 with 5 years of service; or 30 years of service regardless of age	
Pensionable Pay	Base pay + longevity pay; excluding overtime, shift differential, leave payouts, and all other compensation			Base pay, longevity, overtime, shift differential and incentive pay

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

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

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

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

Contributions

For the year ended September 30, 2023, plan participants were required to pay 7.95% of their annual compensation to their respective pension plan. The payments are deducted from the employees' wages or salary and remitted by the City to the respective plan at the end of each pay period. If an employee leaves the employment of the City before he or she is vested, the accumulated contributions plus earned interest are refunded to the employee or the employee's designated beneficiary. If an employee leaves the employment of the City after becoming vested, but before attaining retirement age, the employee or the employee's designated beneficiary has the option of being refunded the accumulated contributions plus earned interest or keeping the funds in the plan and receiving benefits under the plan upon reaching retirement age.

NOTES TO FINANCIAL STATEMENTS
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For the GERS and the PORS, the City makes periodic contributions totaling a minimum of 100% of the annual actuarially determined amount to the pension plan. In addition to the employer contribution, the Police Officers’ pension plan receives a distribution of casualty premium tax monies from the State of Florida pursuant to Chapter 185, Florida Statutes. The on-behalf payments received from the State of Florida totaling \$278,268 for the period ending September 30, 2023 were recognized as revenues and expenses in the General Fund and were used to reduce the City’s contribution to the Police Officers’ pension plan.

For the period ended September 30, 2023, the actuarially determined contribution amount for the City was to be \$3,806,644, including estimated contributions from the State of Florida. The City’s actual contribution was \$3,806,645, including actual contributions from the State of Florida. These contributions were determined pursuant to an actuarial valuation dated October 1, 2021.

There were no contributions due to the plans by the City at September 30, 2023.

Investment Policy

The following are the three Boards’ adopted asset allocation policy as of September 30, 2023:

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

Concentration

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

Rate of Return

For the years ended September 30, 2023 and 2022, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 9.64% and (16.04%), respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Values

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Schedule of Pension Plan Net Position as of September 30, 2023

	General Employees	Police Officers	Firefighters	Totals
Assets				
Cash and Cash Equivalents	\$ 2,605,637	\$ 1,553,045	\$ 716,453	\$ 4,875,135
Accrued Interest	71,882	32,719	19,449	124,050
Investments:				
Equities, Including Mutual Funds	40,798,826	18,786,049	11,999,032	71,583,907
Corporate Bonds	3,528,688	1,624,529	965,687	6,118,904
U.S. Government Obligations/Agencies	9,999,837	4,603,702	2,736,630	17,340,169
Real Estate Fund	3,422,038	1,575,430	936,501	5,933,969
Total Investments	57,749,389	26,589,710	16,637,850	100,976,949
Total Assets	60,426,908	28,175,474	17,373,752	105,976,134
Liabilities				
Accounts Payable	3,590	3,656	3,590	10,836
Other Accrued Liabilities	1,555	552	362	2,469
Total Liabilities	5,145	4,208	3,952	13,305
Net Position Restricted for Pensions	\$ 60,421,763	\$ 28,171,266	\$ 17,369,800	\$ 105,962,829

Schedule of the Change in Pension Plan Net Position as of September 30, 2023

	General Employees	Police Officers	Firefighters	Totals
Additions				
Contributions				
Employee	\$ 1,410,829	\$ 498,855	\$ 138,197	\$ 2,047,881
Employer:				
City of Jacksonville Beach	2,356,822	463,902	707,653	3,528,377
City of Jacksonville	-	-	289,465	289,465
State of Florida	-	278,268	-	278,268
Total Contributions	3,767,651	1,241,025	1,135,315	6,143,991
Investment Income				
Investment Earnings	5,479,692	2,524,263	1,530,215	9,534,170
(Investment Expenses)	(86,091)	(39,831)	(25,212)	(151,134)
Net Investment Income	5,393,601	2,484,432	1,505,003	9,383,036
Total Additions	9,161,252	3,725,457	2,640,318	15,527,027
Deductions				
Benefits	5,427,690	1,662,530	812,162	7,902,382
Refunds of Contributions	246,452	72,352	-	318,804
Administrative Expense	166,403	107,363	85,059	358,825
(Total Deductions)	(5,840,545)	(1,842,245)	(897,221)	(8,580,011)
Change in Net Position	3,320,707	1,883,212	1,743,097	6,947,016
Net Position, Beginning of Year	57,101,056	26,288,054	15,626,703	99,015,813
Net Position, End of Year	\$ 60,421,763	\$ 28,171,266	\$ 17,369,800	\$ 105,962,829

Basis of Accounting – Pension Trust Funds

The Pension Trust Fund statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Interest and dividend income is recognized when earned by the pension plan.

NOTES TO FINANCIAL STATEMENTS
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Realized gains and losses on the sale of investments held by the pension plan are recognized when incurred. Net appreciation in the fair value of investments held by the pension plan is recorded as an increase to investment income based on the valuation of investments as of the date of the statement of plan net position available for benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Measurement Date

As permitted by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the City elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2022, one year prior to the reporting date.

Net Pension Liability

The components of the net pension liability for the General Employees' Plan and Police Officers' Plan as of September 30, 2022, and for the year then ended, were as follows:

General Employees' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	\$ 74,529,881	\$ 69,890,527	\$ 4,639,354
Service Cost	1,660,426	-	1,660,426
Interest	5,454,290	-	5,454,290
Differences Between Expected and Actual Experience	1,303,615	-	1,303,615
Changes of Assumptions	-	-	-
Contributions - Employer	-	2,405,223	(2,405,223)
Contributions - Employee	-	1,173,445	(1,173,445)
Net Investment Income	-	(10,994,068)	10,994,068
Benefit Payments Including Refunds of Employee Contributions	(5,272,459)	(5,272,459)	-
Administrative Expenses	-	(101,612)	101,612
Net Changes	<u>3,145,872</u>	<u>(12,789,471)</u>	<u>15,935,343</u>
Balance, End of Year	<u>\$ 77,675,753</u>	<u>\$ 57,101,056</u>	<u>\$ 20,574,697</u>

Police Officers' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension (Asset) Liability
Balance, Beginning of Year	\$ 29,850,249	\$ 31,982,965	\$ (2,132,716)
Service Cost	815,805	-	815,805
Interest	2,206,627	-	2,206,627
Differences Between Expected and Actual Experience	126,843	-	126,843
Changes of Assumptions	-	-	-
Contributions - Employer and State	-	653,851	(653,851)
Contributions - Employee	-	448,906	(448,906)
Net Investment Income	-	(5,042,780)	5,042,780
Benefit Payments Including Refunds of Employee Contributions	(1,672,918)	(1,672,918)	-
Administrative Expenses	-	(81,970)	81,970
Net Changes	<u>1,476,357</u>	<u>(5,694,911)</u>	<u>7,171,268</u>
Balance, End of Year	<u>\$ 31,326,606</u>	<u>\$ 26,288,054</u>	<u>\$ 5,038,552</u>

NOTES TO FINANCIAL STATEMENTS
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CITY OF JACKSONVILLE BEACH, FLORIDA

Actuarial Assumptions

The total pension liability was based on an actuarial valuation as of October 1, 2021, and a measurement date of September 30, 2022, using the following actuarial assumptions applied to all measurement periods. The rationale for the actuarial assumptions were developed using an experience study last updated in 2002.

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

Mortality rates were based on the House Bill 1309, which mandated the use of the Florida Retirement System (FRS) mortality tables, which use variations of the fully generational PUB-2010 Mortality Tables with projection scale MP-2018.

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

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return (Excluding Inflation)</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%
Cash	0%

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

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

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption				
	1% Decrease	Current	Discount Rate	1% Increase
	6.50%	7.50%	8.50%	
General Employees'				
Pension Plan:	\$ 28,959,707	\$ 20,574,697		\$ 13,470,852
Police Officers'				
Pension Plan:	\$ 8,746,124	\$ 5,038,552		\$ 1,920,663

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

For the year ended September 30, 2023, the City recognized pension expense as follows:

General Employees' Pension Plan	\$ 2,948,895
Police Officers' Pension Plan	<u>1,084,191</u>
Total	<u>\$ 4,033,086</u>

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

	General Employees'	Police Officers'	Total
Contributions Made After the Measurement Date	\$ 2,356,822	\$ 742,170	\$ 3,098,992
Differences Between Expected and Actual Experience	1,160,177	248,424	1,408,601
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,517,067	4,013,615	12,530,682
Changes in Assumptions	-	130,485	130,485
Total	<u>\$ 12,034,066</u>	<u>\$ 5,134,694</u>	<u>\$ 17,168,760</u>

Deferred Inflows of Resources

	General Employees'	Police Officers'	Total
Differences Between Expected and Actual Experience	\$ 384,030	\$ 470,442	\$ 854,472
Changes in Assumptions	850,617	579,108	1,429,725
Total	<u>\$ 1,234,647</u>	<u>\$ 1,049,550</u>	<u>\$ 2,284,197</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Contributions made after the measurement date (shown above) but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2024, the fiscal period subsequent to the actuarial measurement date.

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

<u>Year Ending September 30,</u>	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Total</u>
2024	\$ 1,522,967	\$ 729,948	\$ 2,252,915
2025	1,522,215	557,789	2,080,004
2026	1,944,199	678,015	2,622,214
2027	3,453,216	1,368,388	4,821,604
2028	-	8,834	8,834
Total	<u>\$ 8,442,597</u>	<u>\$ 3,342,974</u>	<u>\$ 11,785,571</u>

Note 12 - Interlocal Agreement

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

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

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

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

The City contributed \$167,516 to the interlocal agreement during 2023. As of September 30, 2023, the City had no commitment related to outfall repairs and maintenance and the interlocal agreement had no outstanding debt. There are no separate financial statements prepared for the interlocal agreement. The City records its capital assets related to the interlocal agreement in the water/sewer enterprise fund.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 13 - Commitments, Contingencies, and Encumbrances

Grants

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

Litigation

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

Construction Commitments

As of September 30, 2023, the City had the following commitments related to significant unfinished capital projects:

<u>Project</u>	<u>Expended as of September 30, 2023</u>	<u>Remaining Commitment</u>
Penman Rd Improvements - PENMAN	\$ 371,633	\$ 59,332
10 St S Infrastructure (10STS2)	2,697,089	111,312
4TH St. S. Roadway Improvements	173,105	5,666
BES/City Comm Infrastructure	30,051	59,391
Butler - Transformer & Bus Relay Upgrades	721,170	447,190
Citywide sewage SL & Hydraulic Evaluation	102,675	10,000
Construction of LS #7 & LS #20	3,691,720	2,433,496
Design FY23 Dune Walkover Replacement	60,808	48,517
Design of Beach Stormwater Outfalls Replacement	159,053	9,253
Design of Downtown Infrastructure Improvement Phase 3C Projects 4 & 5 4th - 11th	967,457	13,209
Design of Downtown Infrastructure Improvement Phase 3C Projects 4 & 5 13th - 16th	365,963	144,666
Design of LS #28 Rehabilitation	46,637	8,148
Design Water Main Imp FY22	27,942	1,272
DTI3C3 - South Basin Prelim Study for Downtown Improvement	513,064	496,120
Dune Walkovers 3 ADA Compliant (DUNEWA)	575,265	811
Fort Diego Substation EPC Scoping Project	18,686	97,454
Gravity Sewer 18th Ave N (LS8DEM)	15,165	33,134
JaxBch Water Master Plan - Eng	110,090	14,864
Lift Station #2 Rehabilitation (VREH2)	1,849,395	79,998
Lift Station #33	45,361	12,796
Lift Station #5 Rehabilitation	7,585	41,817
Ocean Terrace Drainage Improvements (SBOTP)	5,261,448	268,090
Phase 1 of Citywide Area network Coverage	200,000	101,266
SBIS5 Downtown Improvements South Basin	175,167	113,865
Sludge Dewatering Improvement Design Task WP-01	322,335	1,141
Specific Project Task Identified in the Downtown Action, Implementation & Management Plan Phase 2	387,678	22,323
Stormwater Master Plan Update	118,504	6,396
Water Main Improvement Plan	677,567	450,374
WWTP Digester Tank, Air Piping & Stairway (WWTP19)	1,115,957	243,509
Total	\$ 20,808,570	\$ 5,335,410

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2023
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Fire Services Agreement

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

Encumbrances

Significant encumbrances included in governmental fund balances are as follows:

<u>Fund</u>	<u>Restricted Fund Balance</u>	<u>Assigned Fund Balance</u>
General Fund	\$ -	\$ 265,229
General Capital Projects Fund	-	2,010,980
Community Redevelopment Fund	32,247,541	-
Other Governmental Funds	9,002,431	-
Total	<u>\$ 41,249,972</u>	<u>\$ 2,276,209</u>

Note 14 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In response to that risk, the City has implemented a risk management program. The major features of the program include the following:

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

During 2023, the City purchased commercial insurance against losses for the following types of risk:

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

NOTES TO FINANCIAL STATEMENTS
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CITY OF JACKSONVILLE BEACH, FLORIDA

Substantially all risk management activities are accounted for by the City within its internal service fund. Total expenses for risk management services (including claims and commercial insurance) were \$4,698,928 in 2023, and \$3,896,366 in 2022.

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

The internal service fund is charging other funds of the City for risk management services based on costs incurred of the program. For 2023, actual costs exceeded interdepartmental charges and other earnings by \$410,595. For 2022, interdepartmental charges and other earnings (excluding investment earnings) exceeded actual costs by \$21,550. The self-insurance fund has unrestricted net position of \$3,380,247 at September 30, 2023.

There were no significant reductions in insurance coverage from 2022 to 2023.

The estimated liability for self-insured losses of \$218,374 accrued in the self-insurance fund at September 30, 2023, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates must be re-evaluated annually based on current year payment activity and progression of remaining open claims. Based on prior claims activity and the nature of outstanding claims remaining, it is considered to be reasonably possible that the full current estimated claims payable amount may be paid within one year of the reporting date. Should the remaining claims not be liquidated, a revised estimate will be performed, with the remaining liability reported as a current liability. Changes in the self-insurance fund's estimated liability were as follows for September 30:

	2023	2022
Beginning Balance	\$ 139,340	\$ 127,949
Current Year Claims and Changes in Estimates	49,872	148,916
Insurance Reimbursements (Claim Payments)	29,162	(137,525)
Ending Balance	\$ 218,374	\$ 139,340

Note 15 - Leases

City as Lessor

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

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

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

Charges for space at the Community Services Center, the Industrial Park, Penman Park, and the Marina building are based on the size of the area leased; cell tower charges are based on square footage of tower and ancillary ground-level space utilized. Payments are due monthly at the beginning of each month for all leases with an annual escalation of 4% applied across all leases, with the exception of the Marina building, which is subject to a 3% annual escalation on payments. No leases of the City contain variable payment components. There are no contingent rentals or subleases at any of the facilities. Imputed interest on all leases is considered to be the incremental borrowing rate of the City, which was 2% at inception of the leases.

The City received the following inflows of resources from leases in 2023:

Lease Revenue Recognized	\$	180,741
Interest Revenue Recognized		<u>27,047</u>
Total Inflows of Resources from Leases		<u><u>\$ 207,788</u></u>

City as Lessee

Commencing January 1, 2023, the City entered into two lease agreements for operational assets for the City's golf course, including golf carts and associated GPS units for the carts. Terms of these leases are 52 months from the date of inception, terminating April 30, 2027. The City applied an imputed rate of interest of 4.2% for these leases, based on the stated interest rate of 4.2% on additional golf course operational asset leases as described below, as all leases are for similar assets and were entered into within the same timeframe. The leases include no variable components, residual value guarantees, or bargain purchase options.

Commencing February 1, 2023, the City entered into three lease agreements for operational assets for the City's golf course, including golf carts and a range picker car. Terms of the leases are 48 months from the date of inception, terminating January 31, 2027, at a stated rate of interest of 4.2%. The leases include no variable components, residual value guarantees, or bargain purchase options.

Lease payments made under these agreements during the fiscal year ended September 30, 2023, were \$128,867, including \$109,194 of principal and \$19,673 of interest expense. Future minimum lease payments, including principal and interest components, under this lease are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 153,699	\$ 21,163	\$ 174,862
2025	160,280	14,582	174,862
2026	167,143	7,719	174,862
2027	<u>92,669</u>	<u>1,241</u>	<u>93,910</u>
Total	<u><u>\$ 573,791</u></u>	<u><u>\$ 44,705</u></u>	<u><u>\$ 618,496</u></u>

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

Note 16 - Other Postemployment Benefits (OPEB)

Plan Description

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

Membership Information

The following table provides a summary of the number of participants in the plan as of September 30, 2022 (the latest actuarial valuation):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	22
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	<u>280</u>
Total Plan Members	<u><u>302</u></u>

Funding Policy

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

Total OPEB Liability

The City's total OPEB liability of \$2,376,544 was measured as of September 30, 2022, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2022.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	<u>\$ 2,942,301</u>
Service Cost	129,864
Interest on Total OPEB Liability	65,662
Differences Between Expected and Actual Experience	208,011
Changes of Assumptions and Other Inputs	(821,527)
Benefit Payments	<u>(147,767)</u>
Net change in Total OPEB Liability	<u>(565,757)</u>
Total OPEB Liability, End of Year	<u><u>\$ 2,376,544</u></u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Changes of assumptions and other inputs include an increase of the discount rate from 2.19% as of the beginning of the measurement period to 4.40% at the end of the measurement period.

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

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

	1% Decrease	Current Discount Rate	1% Increase
	3.40%	4.40%	5.40%
Total OPEB Liability	\$ 2,605,777	\$ 2,376,544	\$ 2,176,972

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

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

	1% Decrease	Current Healthcare cost Trend Rate	1% Increase
Total OPEB Liability	\$ 2,147,838	\$ 2,376,544	\$ 2,648,326

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 \$31,917. 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
Benefits Paid after Measurement Date	\$ 130,316	\$ -
Differences between Expected and Actual Experience	503,327	117,585
Changes in Assumptions and Other Inputs	210,202	1,451,276
Total	\$ 843,845	\$ 1,568,861

Of the total amount reported as deferred outflows of resources related to OPEB, \$130,316 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Amount
2024	\$ (163,609)
2025	(163,609)
2026	(162,062)
2027	(148,144)
2028	(31,759)
Thereafter	(186,149)
Total	\$ (855,332)

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

Actuarial Methods and Assumptions

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

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2022
Measurement Date:	September 30, 2022
Reporting Date:	September 30, 2023
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.25%
Discount Rate:	4.40%
Projected Salary Increases:	Salary increase rates used for General Employees and Police Officers in their respective pension actuarial valuation: 2.7% - 6.3% including inflation.
Retirement Age:	Retirement rates vary by group and are based on applicable pension valuations.
Mortality:	Mortality rates are the same as used in the July 1, 2022 actuarial valuation of the Florida Retirement System for Regular Class and Special Risk Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the SOA with generational mortality improvements using Scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Healthcare Cost Trend Rate:	Based on the Getzen Model, with a trend starting at 6.50% for 2023 followed by 6.25% for 2024, and then gradually decreasing to an ultimate trend rate of 4.00%.
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses:	Administrative expenses are included in the per capita health costs.

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

Reporting Date - September 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date - September 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 1,660,426	\$ 1,568,162	\$ 1,598,849	\$ 1,503,973	\$ 1,376,901	\$ 1,391,483	\$ 1,207,176	\$ 1,111,657	\$ 1,129,366
Interest on the Total Pension Liability	5,454,290	5,420,774	5,349,162	5,292,226	5,106,511	4,852,273	4,606,558	4,557,077	4,443,924
Difference Between Expected and Actual Experience	1,303,615	218,907	(533,465)	(1,027,446)	1,126,397	325,573	(1,228,033)	(891,893)	-
Assumption Changes (1), (2), (3), (4)	-	(1,459,419)	-	-	2,931,687	2,129,976	2,784,150	-	-
Benefit Payments	(5,042,246)	(5,149,912)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds	(230,213)	(272,998)	(557,035)	(301,365)	(158,889)	(97,989)	(153,923)	(276,366)	(301,455)
Net Change in Total Pension Liability	3,145,872	325,514	948,706	1,120,512	5,826,951	4,001,742	3,286,294	448,212	1,601,868
Total Pension Liability - Beginning	74,529,881	74,204,367	73,255,661	72,135,149	66,308,198	62,306,456	59,020,162	58,571,950	56,970,082
Total Pension Liability - Ending (a)	77,675,753	74,529,881	74,204,367	73,255,661	72,135,149	66,308,198	62,306,456	59,020,162	58,571,950
Plan Fiduciary Net Position									
Employer and State Contributions	2,405,223	2,443,559	2,324,624	2,100,105	1,898,689	1,591,545	1,321,320	1,387,165	1,216,994
Employee Contributions	1,173,445	1,147,477	1,110,267	1,036,998	1,029,762	1,018,627	927,251	853,057	771,553
Pension Plan Net Investment Income	(10,994,068)	11,245,803	5,610,039	3,062,326	4,761,584	5,827,579	3,782,591	(153,496)	4,697,264
Benefit Payments	(5,042,246)	(5,149,912)	(4,908,805)	(4,346,876)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds	(230,213)	(272,998)	(557,035)	(301,365)	(158,889)	(97,989)	(153,923)	(276,366)	(301,456)
Pension Plan Administrative Expense	(101,612)	(101,416)	(102,704)	(96,476)	(100,429)	(105,804)	(111,995)	(92,050)	(102,358)
Net Change in Plan Fiduciary Net Position	(12,789,471)	9,312,513	3,476,386	1,454,712	2,875,061	3,634,384	1,835,610	(2,333,953)	2,612,030
Plan Fiduciary Net Position - Beginning	69,890,527	60,578,014	57,101,628	55,646,916	52,771,855	49,137,471	47,301,861	49,635,814	47,023,784
Plan Fiduciary Net Position - Ending (b)	57,101,056	69,890,527	60,578,014	57,101,628	55,646,916	52,771,855	49,137,471	47,301,861	49,635,814
Net Pension Liability - Ending (a) - (b)	\$ 20,574,697	\$ 4,639,354	\$ 13,626,353	\$ 16,154,033	\$ 16,488,233	\$ 13,536,343	\$ 13,168,985	\$ 11,718,301	\$ 8,936,136
Plan Fiduciary Net Position as Percentage of Total Pension Liability	73.51%	93.78%	81.64%	77.95%	77.14%	79.59%	78.86%	80.15%	84.74%
Covered Payroll	\$ 14,746,238	\$ 14,294,336	\$ 13,915,132	\$ 13,044,000	\$ 12,952,981	\$ 12,812,918	\$ 11,663,535	\$ 10,730,277	\$ 10,622,900
Net Pension Liability as a Percentage of Covered Payroll	139.53%	32.46%	97.92%	123.84%	127.29%	105.65%	112.91%	109.21%	84.12%

Notes to Schedule:

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

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

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

Reporting Date - September 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date - September 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 815,805	\$ 787,675	\$ 750,964	\$ 724,675	\$ 625,887	\$ 633,232	\$ 608,970	\$ 583,329	\$ 517,788
Interest on the Total Pension Liability	2,206,627	2,200,335	2,063,471	2,008,899	1,916,453	1,826,742	1,709,163	1,632,596	1,568,728
Benefit Changes (1)	-	-	-	-	-	-	-	-	(2,590,277)
Difference Between Expected and Actual Experience	126,843	(533,542)	279,135	(521,988)	177,596	(458,370)	(393,421)	-	54,979
Assumption Changes (2), (3), (4), (5)	-	(906,992)	-	-	1,221,310	675,123	776,974	-	-
Benefit Payments	(1,646,393)	(1,265,218)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds	(26,525)	(17,162)	(15,301)	(31,896)	(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Net Change in Total Pension Liability	1,476,357	265,096	1,801,795	509,171	2,715,205	1,405,922	1,484,329	889,971	(1,874,670)
Total Pension Liability - Beginning	29,850,249	29,585,153	27,783,358	27,274,187	24,558,982	23,153,060	21,668,731	20,778,760	22,653,430
Total Pension Liability - Ending (a)	31,326,606	29,850,249	29,585,153	27,783,358	27,274,187	24,558,982	23,153,060	21,668,731	20,778,760
Plan Fiduciary Net Position									
Employer and State Contributions	653,851	1,024,101	909,449	802,241	691,323	705,983	662,694	562,835	530,453
Employee Contributions	448,906	493,053	399,342	383,822	362,140	353,277	343,112	328,665	263,978
Pension Plan Net Investment Income	(5,042,780)	4,983,666	2,411,239	1,316,052	1,991,673	2,367,943	1,498,725	(59,565)	1,819,901
Benefit Payments	(1,646,393)	(1,265,218)	(1,276,474)	(1,670,519)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds	(26,525)	(17,162)	(15,301)	(31,896)	(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Pension Plan Administrative Expense	(81,970)	(83,994)	(80,908)	(77,460)	(88,504)	(80,293)	(66,704)	(71,518)	(81,366)
Net Change in Plan Fiduciary Net Position	(5,694,911)	5,134,446	2,347,347	722,240	1,730,591	2,076,105	1,220,470	(565,537)	1,107,078
Plan Fiduciary Net Position - Beginning	31,982,965	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303	18,210,225
Plan Fiduciary Net Position - Ending (b)	26,288,054	31,982,965	26,848,519	24,501,172	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303
Net Pension Liability - Ending (a) – (b)	\$ 5,038,552	\$ (2,132,716)	\$ 2,736,634	\$ 3,282,186	\$ 3,495,255	\$ 2,510,641	\$ 3,180,824	\$ 2,916,965	\$ 1,461,457
Plan Fiduciary Net Position as Percentage of Total Pension Liability	83.92%	107.14%	90.75%	88.19%	87.18%	89.78%	86.26%	86.54%	92.97%
Covered Payroll	\$ 5,641,806	\$ 5,395,032	\$ 5,023,170	\$ 4,827,950	\$ 4,555,220	\$ 4,443,736	\$ 4,315,874	\$ 4,134,151	\$ 3,945,943
Net Pension Liability as a Percentage of Covered Payroll	89.31%	-39.53%	54.48%	67.98%	76.73%	56.50%	73.70%	70.56%	37.04%

Notes to Schedule:

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

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

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

September 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,356,821	\$ 2,405,220	\$ 2,442,960	\$ 2,322,790	\$ 2,097,788	\$ 1,892,707	\$ 1,591,545	\$ 1,321,320	\$ 1,387,165	\$ 1,205,756
Contributions in Relation to the Actuarially Determined Contribution	2,356,822	2,405,223	2,443,559	2,324,624	2,100,105	1,898,689	1,591,545	1,321,320	1,387,165	1,216,994
Contribution Deficiency (Excess)	\$ (1)	\$ (3)	\$ (599)	\$ (1,834)	\$ (2,317)	\$ (5,982)	\$ -	\$ -	\$ -	\$ (11,238)
Covered Payroll	\$ 17,612,571	\$ 14,746,238	\$ 14,294,336	\$ 13,915,132	\$ 13,044,000	\$ 12,952,981	\$ 12,812,918	\$ 11,663,535	\$ 10,730,277	\$ 10,622,900
Contributions as a Percentage of Covered Payroll	13.38%	16.31%	17.09%	16.71%	16.10%	14.66%	12.42%	11.33%	12.93%	11.46%

Notes to Schedule of Contributions:

Valuation Date	October 1, 2021 for period ended September 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	1 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.50%
Projected Salary Increases	2.5% to 6.3%
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System mortality tables which use variations of the fully generational PUB-2010 Mortality Tables with projection scale MP-2018.

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

September 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 742,170	\$ 653,851	\$ 917,954	\$ 844,401	\$ 770,582	\$ 691,323	\$ 678,304	\$ 633,555	\$ 511,049	\$ 490,666
Contributions in Relation to the Actuarially Determined Contribution	742,170	653,851	1,024,101	909,449	802,241	691,323	705,983	662,694	562,835	530,453
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (106,147)	\$ (65,048)	\$ (31,659)	\$ -	\$ (27,679)	\$ (29,139)	\$ (51,786)	\$ (39,787)
Covered Payroll	\$ 6,037,062	\$ 5,641,806	\$ 5,395,032	\$ 5,023,170	\$ 4,827,950	\$ 4,555,220	\$ 4,443,736	\$ 4,315,874	\$ 4,134,151	\$ 3,945,943
Contributions as a Percentage of Covered Payroll	12.29%	11.59%	18.98%	18.11%	16.62%	15.18%	15.89%	15.35%	13.61%	13.44%

Notes to Schedule of Contributions

Valuation Date	October 1, 2021 for period ended September 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	2 to 25 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.50%
Projected Salary Increases	2.5% to 6.3%
Retirement Age	Age and experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2002 valuation.
Mortality	The Florida Retirement System mortality tables which use variations of the fully generational PUB-2010 Mortality Tables with projection scale MP-2018.

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

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense	
	General Employees	Police Officers
2023	9.64%	9.64%
2022	-16.04%	-16.04%
2021	18.94%	18.94%
2020	10.02%	10.02%
2019	5.61%	5.61%
2018	9.22%	9.22%
2017	12.11%	12.11%
2016	8.15%	8.15%
2015	-0.35%	-0.35%
2014	10.22%	10.22%

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

Reporting Date:	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability						
Service Cost	\$ 129,864	\$ 119,336	\$ 136,800	\$ 119,289	\$ 178,369	\$ 173,214
Interest on the Total OPEB Liability	65,662	69,333	74,815	89,149	119,333	106,001
Difference Between Expected and Actual						
Experience of the Total OPEB Liability	208,011	-	476,887	-	(260,980)	-
Changes in Assumptions and Other Inputs	(821,527)	69,271	(392,386)	279,237	(915,785)	(137,638)
Benefit Payments	(147,767)	(146,390)	(98,241)	(126,309)	(161,121)	(152,098)
Net Change in Total OPEB Liability	<u>(565,757)</u>	<u>111,550</u>	<u>197,875</u>	<u>361,366</u>	<u>(1,040,184)</u>	<u>(10,521)</u>
Total OPEB Liability - Beginning of Year	<u>2,942,301</u>	<u>2,830,751</u>	<u>2,632,876</u>	<u>2,271,510</u>	<u>3,311,694</u>	<u>3,322,215</u>
Total OPEB Liability - End of Year	<u>\$ 2,376,544</u>	<u>\$ 2,942,301</u>	<u>\$ 2,830,751</u>	<u>\$ 2,632,876</u>	<u>\$ 2,271,510</u>	<u>\$ 3,311,694</u>
Estimated Covered-Employee Payroll	\$ 17,213,754	\$ 21,560,345	\$ 17,562,406	\$ 20,116,441	\$ 17,880,928	\$ 14,491,777
Total OPEB Liability as a Percentage of Covered-Employee Payroll	13.81%	13.65%	16.12%	13.09%	12.70%	22.85%

Notes:

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

There are no assets accumulated in a trust that meets the criteria of GASB Codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Assumption changes and other inputs include the following:

- Change in discount rate from 3.10% to 3.50% for the 9/30/17 measurement date.
- Change in discount rate from 3.50% to 3.83% for the 9/30/18 measurement date.
- Change in discount rate from 3.83% to 2.75% for the 9/30/19 measurement date.
- Change in discount rate from 2.75% to 2.41% for the 9/30/20 measurement date.
- Change in discount rate from 2.41% to 2.19% for the 9/30/21 measurement date.
- Change in discount rate from 2.19% to 4.40% for the 9/30/22 measurement date.
- Updates to per capita cost and premiums for the 9/30/22 measurement date.
- Updates to the healthcare cost trend assumption for the 9/30/22 measurement date.

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

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Special Revenue Funds			
	Convention Development Tax Fund	Court Costs Training Fund	Local Option Gas Tax Fund	Infrastructure Surtax Fund
Assets				
Equity in Pooled Cash and Investments	\$ 2,964,997	\$ 11,806	\$ 2,985,223	\$ 8,228,337
Special Assessments Receivable	-	-	24,681	-
Due from Other Governments	135,494	-	111,240	125,130
Total Assets	3,100,491	11,806	3,121,144	8,353,467
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	8,631	-	4,325	-
Other Accrued Liabilities	-	-	342	22,092
Interfund Payables	-	-	-	-
Total Liabilities	8,631	-	4,667	22,092
Deferred Inflows of Resources				
Unavailable Revenues	69,600	-	24,681	-
Fund Balances				
Restricted for:				
Tourism Expenditures	3,022,260	-	-	-
Transportation Improvements	-	-	3,091,796	-
Capital Projects	-	-	-	8,331,375
Law Enforcement	-	11,806	-	-
Committed for:				
Tree Replacement	-	-	-	-
Total Fund Balances	3,022,260	11,806	3,091,796	8,331,375
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,100,491	\$ 11,806	\$ 3,121,144	\$ 8,353,467

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)**

	Special Revenue Funds			
	Community Development Block Grant Fund	Radio Communications Fund	J.A.G. Grant Fund	Tree Protection Fund
Assets				
Equity in Pooled Cash and Investments	\$ -	\$ 74,788	\$ 52,823	\$ 6,286
Special Assessments Receivable	-	-	-	-
Due from Other Governments	-	-	44,993	-
Total Assets	-	74,788	97,816	6,286
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	-	-	-	-
Other Accrued Liabilities	-	-	-	-
Interfund Payables	-	-	97,816	-
Total Liabilities	-	-	97,816	-
Deferred Inflows of Resources				
Unavailable Revenues	-	-	-	-
Fund Balances				
Restricted for:				
Tourism Expenditures	-	-	-	-
Transportation Improvements	-	-	-	-
Capital Projects	-	-	-	-
Law Enforcement	-	74,788	-	-
Committed for:				
Tree Replacement	-	-	-	6,286
Total Fund Balances	-	74,788	-	6,286
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 74,788	\$ 97,816	\$ 6,286

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)**

	Special Revenue Funds		Capital Projects Fund	Total Non-Major Governmental Funds
	Law Enforcement Trust Fund	Equitable Sharing Trust Fund	Infrastructure Tax Capital Projects Fund	
Assets				
Equity in Pooled Cash and Investments	\$ 2,095	\$ 305,696	\$ 2,369,067	\$ 17,001,118
Special Assessments Receivable	-	-	-	24,681
Due from Other Governments	-	-	-	416,857
Total Assets	2,095	305,696	2,369,067	17,442,656
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	224	-	4,536	17,716
Other Accrued Liabilities	-	-	-	22,434
Interfund Payables	-	-	-	97,816
Total Liabilities	224	-	4,536	137,966
Deferred Inflows of Resources				
Unavailable Revenues	-	-	-	94,281
Fund Balances				
Restricted for:				
Tourism Expenditures	-	-	-	3,022,260
Transportation Improvements	-	-	-	3,091,796
Capital Projects	-	-	2,364,531	10,695,906
Law Enforcement	1,871	305,696	-	394,161
Committed for:				
Tree Replacement	-	-	-	6,286
Total Fund Balances	1,871	305,696	2,364,531	17,210,409
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,095	\$ 305,696	\$ 2,369,067	\$ 17,442,656

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Special Revenue Funds			
	Convention Development Tax Fund	Court Costs Training Fund	Local Option Gas Tax Fund	Infrastructure Surtax Fund
Revenues				
Taxes	\$ 773,671	\$ -	\$ 1,427,049	\$ 2,044,723
Intergovernmental	-	-	-	-
Fines and Forfeitures	-	5,406	-	-
Interest and Other Revenue	80,892	291	85,967	227,744
Total Revenues	<u>854,563</u>	<u>5,697</u>	<u>1,513,016</u>	<u>2,272,467</u>
Expenditures				
Current:				
General Government	-	-	-	14,141
Public Safety	-	1,073	-	-
Physical Environment	-	-	-	-
Roads and Streets	-	-	254,603	-
Parks and Recreation	91,497	-	-	-
Capital Outlay	43,631	-	-	174
(Total Expenditures)	<u>(135,128)</u>	<u>(1,073)</u>	<u>(254,603)</u>	<u>(14,315)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>719,435</u>	<u>4,624</u>	<u>1,258,413</u>	<u>2,258,152</u>
Other Financing Sources (Uses)				
Transfers (out)	-	-	(372,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(372,000)</u>	<u>-</u>
Net Change in Fund Balance	719,435	4,624	886,413	2,258,152
Fund Balances, Beginning of Year	<u>2,302,825</u>	<u>7,182</u>	<u>2,205,383</u>	<u>6,073,223</u>
Fund Balances, End of Year	<u>\$ 3,022,260</u>	<u>\$ 11,806</u>	<u>\$ 3,091,796</u>	<u>\$ 8,331,375</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)**

	Special Revenue Funds			
	Community Development Block Grant Fund	Radio Communications Fund	J.A.G. Grant Fund	Tree Protection Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	127,888	-	44,993	-
Fines and Forfeitures	-	20,093	-	-
Interest and Other Revenue	-	1,966	-	201
Total Revenues	<u>127,888</u>	<u>22,059</u>	<u>44,993</u>	<u>201</u>
Expenditures				
Current:				
General Government	-	-	-	-
Public Safety	-	111,852	44,993	-
Physical Environment	-	-	-	12
Roads and Streets	-	-	-	-
Parks and Recreation	-	-	-	-
Capital Outlay	-	-	-	-
(Total Expenditures)	<u>-</u>	<u>(111,852)</u>	<u>(44,993)</u>	<u>(12)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>127,888</u>	<u>(89,793)</u>	<u>-</u>	<u>189</u>
Other Financing Sources (Uses)				
Transfers (out)	(127,888)	-	-	-
Total Other Financing Sources (Uses)	<u>(127,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(89,793)	-	189
Fund Balances, Beginning of Year	-	164,581	-	6,097
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 74,788</u>	<u>\$ -</u>	<u>\$ 6,286</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)**

	Special Revenue Funds		Capital Projects Fund	Total Non-Major Governmental Funds
	Law Enforcement Trust Fund	Equitable Sharing Trust Fund	Infrastructure Tax Capital Projects Fund	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 4,245,443
Intergovernmental	-	-	-	172,881
Fines and Forfeitures	-	20,700	-	46,199
Interest and Other Revenue	1,963	10,117	79,246	488,387
Total Revenues	<u>1,963</u>	<u>30,817</u>	<u>79,246</u>	<u>4,952,910</u>
Expenditures				
Current:				
General Government	-	-	-	14,141
Public Safety	8,920	623	-	167,461
Physical Environment	-	-	4,867	4,879
Roads and Streets	-	-	-	254,603
Parks and Recreation	-	-	-	91,497
Capital Outlay	-	39,933	94,269	178,007
(Total Expenditures)	<u>(8,920)</u>	<u>(40,556)</u>	<u>(99,136)</u>	<u>(710,588)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,957)</u>	<u>(9,739)</u>	<u>(19,890)</u>	<u>4,242,322</u>
Other Financing Sources (Uses)				
Transfers (out)	-	-	-	(499,888)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(499,888)</u>
Net Change in Fund Balance	(6,957)	(9,739)	(19,890)	3,742,434
Fund Balances, Beginning of Year	<u>8,828</u>	<u>315,435</u>	<u>2,384,421</u>	<u>13,467,975</u>
Fund Balances, End of Year	<u>\$ 1,871</u>	<u>\$ 305,696</u>	<u>\$ 2,364,531</u>	<u>\$ 17,210,409</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 CONVENTION DEVELOPMENT TAX FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 411,000	\$ 411,000	\$ 773,671	\$ 362,671
Interest and Other Revenue	7,705	7,705	80,892	73,187
Total Revenues	<u>418,705</u>	<u>418,705</u>	<u>854,563</u>	<u>435,858</u>
Expenditures				
Current:				
Parks and Recreation	156,334	156,880	91,497	65,383
Capital Outlay	300,000	627,740	43,631	584,109
(Total Expenditures)	<u>(456,334)</u>	<u>(784,620)</u>	<u>(135,128)</u>	<u>649,492</u>
Net Change in Fund Balance	<u>\$ (37,629)</u>	<u>\$ (365,915)</u>	<u>\$ 719,435</u>	<u>\$ 1,085,350</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COURT COSTS TRAINING FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 8,000	\$ 8,000	\$ 5,406	\$ (2,594)
Interest and Other Revenue	100	100	291	191
Total Revenues	<u>8,100</u>	<u>8,100</u>	<u>5,697</u>	<u>(2,403)</u>
Expenditures				
Current:				
Public Safety	8,100	8,100	1,073	7,027
(Total Expenditures)	<u>(8,100)</u>	<u>(8,100)</u>	<u>(1,073)</u>	<u>7,027</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,624</u>	<u>\$ 4,624</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,146,000	\$ 1,146,000	\$ 1,427,049	\$ 281,049
Interest and Other Revenue	8,613	8,613	85,967	77,354
Total Revenues	1,154,613	1,154,613	1,513,016	358,403
Expenditures				
Current:				
Roads and Streets	376,103	451,218	254,603	196,615
(Total Expenditures)	(376,103)	(451,218)	(254,603)	196,615
Excess (Deficiency) of Revenues Over (Under) Expenditures	778,510	703,395	1,258,413	555,018
Other Financing Sources (Uses)				
Transfers (out)	(372,000)	(372,000)	(372,000)	-
Net Change in Fund Balance	\$ 406,510	\$ 331,395	\$ 886,413	\$ 555,018

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,467,000	\$ 1,467,000	\$ 2,044,723	\$ 577,723
Interest and Other Revenue	11,438	11,438	227,744	216,306
Total Revenues	1,478,438	1,478,438	2,272,467	794,029
Expenditures				
Current:				
General Government	7,000	7,000	14,141	(7,141)
Roads and Streets	750,000	750,000	-	750,000
Capital Outlay	120,000	347,378	174	347,204
(Total Expenditures)	(877,000)	(1,104,378)	(14,315)	1,090,063
Net Change in Fund Balance	\$ 601,438	\$ 374,060	\$ 2,258,152	\$ 1,884,092

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 142,000	\$ 142,000	\$ 127,888	\$ (14,112)
Total Revenues	<u>142,000</u>	<u>142,000</u>	<u>127,888</u>	<u>(14,112)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	142,000	142,000	127,888	(14,112)
Other Financing Sources (Uses)				
Transfers (out)	<u>(142,000)</u>	<u>(142,000)</u>	<u>(127,888)</u>	<u>14,112</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
RADIO COMMUNICATION FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$ 28,000	\$ 28,000	\$ 20,093	\$ (7,907)
Interest and Other Revenue	1,253	1,253	1,966	713
Total Revenues	<u>29,253</u>	<u>29,253</u>	<u>22,059</u>	<u>(7,194)</u>
Expenditures				
Current:				
Public Safety	113,189	119,825	111,852	7,973
(Total Expenditures)	<u>(113,189)</u>	<u>(119,825)</u>	<u>(111,852)</u>	<u>7,973</u>
Net Change in Fund Balance	<u>\$ (83,936)</u>	<u>\$ (90,572)</u>	<u>\$ (89,793)</u>	<u>\$ 779</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 J.A.G. GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 45,773	\$ 44,993	\$ (780)
Total Revenues	<u>-</u>	<u>45,773</u>	<u>44,993</u>	<u>(780)</u>
Expenditures				
Current:				
Public Safety	-	-	44,993	(44,993)
Capital Outlay	-	45,773	-	45,773
(Total Expenditures)	<u>-</u>	<u>(45,773)</u>	<u>(44,993)</u>	<u>780</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TREE PROTECTION FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and Other Revenue	\$ 100	\$ 100	\$ 201	\$ 101
Total Revenues	<u>100</u>	<u>100</u>	<u>201</u>	<u>101</u>
Expenditures				
Current:				
Physical Environment	<u>3,000</u>	<u>3,000</u>	<u>12</u>	<u>2,988</u>
(Total Expenditures)	<u>(3,000)</u>	<u>(3,000)</u>	<u>(12)</u>	<u>2,988</u>
Net Change in Fund Balance	<u>\$ (2,900)</u>	<u>\$ (2,900)</u>	<u>\$ 189</u>	<u>\$ 3,089</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 LAW ENFORCEMENT TRUST FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Fines and Forfeitures	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Interest and Other Revenue	3,030	3,030	1,963	(1,067)
Total Revenues	<u>8,030</u>	<u>8,030</u>	<u>1,963</u>	<u>(6,067)</u>
Expenditures				
Current:				
Public Safety	8,030	10,481	8,920	1,561
(Total Expenditures)	<u>(8,030)</u>	<u>(10,481)</u>	<u>(8,920)</u>	<u>1,561</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,451)</u>	<u>\$ (6,957)</u>	<u>\$ (4,506)</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
EQUITABLE SHARING TRUST FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Fines and Forfeitures	\$ 30,000	\$ 30,000	\$ 20,700	\$ (9,300)
Interest and Other Revenue	1,291	1,291	10,117	8,826
Total Revenues	<u>31,291</u>	<u>31,291</u>	<u>30,817</u>	<u>(474)</u>
Expenditures				
Current:				
Public Safety	20,780	20,780	623	20,157
Capital Outlay	-	178,234	39,933	138,301
(Total Expenditures)	<u>(20,780)</u>	<u>(199,014)</u>	<u>(40,556)</u>	<u>158,458</u>
Net Change in Fund Balance	<u>\$ 10,511</u>	<u>\$ (167,723)</u>	<u>\$ (9,739)</u>	<u>\$ 157,984</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and Other Revenues	\$ 50,000	\$ 50,000	\$ 546,745	\$ 496,745
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>546,745</u>	<u>496,745</u>
Expenditures				
Current:				
General Government	157,000	269,816	174,468	95,348
Culture and Recreation	-	-	10,000	(10,000)
Capital Outlay	4,157,400	9,102,294	5,181,615	3,920,679
(Total Expenditures)	<u>(4,314,400)</u>	<u>(9,372,110)</u>	<u>(5,366,083)</u>	<u>4,006,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,264,400)	(9,322,110)	(4,819,338)	4,502,772
Other Financing Sources (Uses)				
Transfers in	<u>3,669,000</u>	<u>7,169,000</u>	<u>7,169,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (595,400)</u>	<u>\$ (2,153,110)</u>	<u>\$ 2,349,662</u>	<u>\$ 4,502,772</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE TAX CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and Other Revenues	\$ -	\$ -	\$ 79,246	\$ 79,246
Total Revenues	<u>-</u>	<u>-</u>	<u>79,246</u>	<u>79,246</u>
Expenditures				
Current:				
Physical Environment	6,000	6,000	4,867	1,133
Capital Outlay	777,150	1,058,528	94,269	964,259
(Total Expenditures)	<u>(783,150)</u>	<u>(1,064,528)</u>	<u>(99,136)</u>	<u>965,392</u>
Net Change in Fund Balance	<u>\$ (783,150)</u>	<u>\$ (1,064,528)</u>	<u>\$ (19,890)</u>	<u>\$ 1,044,638</u>

**COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Assets						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 7,333,526	\$ 3,474,478	\$ 3,779,702	\$ 1,354,045	\$ 3,495,410	\$ 19,437,161
Other Operating Cash	-	-	1,300	-	-	1,300
Receivables:						
Accounts, Net	160,275	667,308	-	42,559	222,203	1,092,345
Leases, Current	-	-	-	122,568	-	122,568
Inventory	-	-	118,856	-	-	118,856
Prepaid Expenses	-	-	10,180	972	-	11,152
Restricted Assets:						
Equity in Pooled Cash and Investments	-	-	-	-	730,485	730,485
Total Current Assets	<u>7,493,801</u>	<u>4,141,786</u>	<u>3,910,038</u>	<u>1,520,144</u>	<u>4,448,098</u>	<u>21,513,867</u>
Non-Current Assets:						
Leases Receivable, Non-Current	-	-	-	1,148,918	-	1,148,918
Capital Assets:						
Land	1,057,992	-	388,980	28,000	-	1,474,972
Buildings and Improvements	28,061,221	-	4,650,401	813,838	5,448,077	38,973,537
Equipment	473,549	641,302	555,543	684,490	-	2,354,884
Equipment Under Leases	-	-	682,985	-	-	682,985
Construction in Progress	1,155,422	-	-	-	1,305,218	2,460,640
	<u>30,748,184</u>	<u>641,302</u>	<u>6,277,909</u>	<u>1,526,328</u>	<u>6,753,295</u>	<u>45,947,018</u>
(Accumulated Depreciation and Amortization)	(15,093,582)	(512,151)	(2,734,113)	(1,302,179)	(1,642,036)	(21,284,061)
Total Non-Current Assets	<u>15,654,602</u>	<u>129,151</u>	<u>3,543,796</u>	<u>1,373,067</u>	<u>5,111,259</u>	<u>25,811,875</u>
Total Assets	<u>23,148,403</u>	<u>4,270,937</u>	<u>7,453,834</u>	<u>2,893,211</u>	<u>9,559,357</u>	<u>47,325,742</u>
Deferred Outflows of Resources						
Pension Related	218,937	110,829	382,569	-	-	712,335
OPEB Related	9,041	-	30,137	-	-	39,178
Total Deferred Outflows of Resources	<u>227,978</u>	<u>110,829</u>	<u>412,706</u>	<u>-</u>	<u>-</u>	<u>751,513</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Liabilities						
Current Liabilities:						
Accounts Payable	\$ 77,684	\$ 236,778	\$ 13,532	\$ 4,995	\$ 86,500	\$ 419,489
Power Costs Recovered in Advance	-	-	-	-	730,485	730,485
Other Accrued Liabilities	9,091	15,999	63,788	1,925	12,967	103,770
Due to Other Governments	-	3,563	-	-	-	3,563
Unearned Revenues	-	-	68,818	-	-	68,818
Current Portion of Long-Term Liabilities:						
Accrued Compensated Absences	-	8,767	8,196	-	-	16,963
Lease Liability	-	-	153,699	-	-	153,699
Total Current Liabilities	86,775	265,107	308,033	6,920	829,952	1,496,787
Non-Current Liabilities:						
Accrued Compensated Absences	-	35,068	32,783	-	-	67,851
Lease Liability	-	-	420,092	-	-	420,092
Net Pension Liability	252,557	227,021	705,265	-	-	1,184,843
Other Postemployment Benefits	25,463	-	84,877	-	-	110,340
Total Non-Current Liabilities	278,020	262,089	1,243,017	-	-	1,783,126
Total Liabilities	364,795	527,196	1,551,050	6,920	829,952	3,279,913
Deferred Inflows of Resources						
Pension Related	59,427	20,000	27,956	-	-	107,383
OPEB Related	16,809	-	56,031	-	-	72,840
Lease Related	-	-	-	1,207,396	-	1,207,396
Total Deferred Inflows of Resources	76,236	20,000	83,987	1,207,396	-	1,387,619
Net Position						
Net Investment in Capital Assets	15,654,602	129,151	2,970,005	224,149	5,111,259	24,089,166
Unrestricted	7,280,748	3,705,419	3,261,498	1,454,746	3,618,146	19,320,557
Total Net Position	\$ 22,935,350	\$ 3,834,570	\$ 6,231,503	\$ 1,678,895	\$ 8,729,405	\$ 43,409,723

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Operating Revenues						
Charges for Services	\$ 1,388,041	\$ 4,875,974	\$ 3,393,572	\$ -	\$ 2,121,073	\$ 11,778,660
Other	-	31,500	34	762,855	-	794,389
Total Operating Revenues	<u>1,388,041</u>	<u>4,907,474</u>	<u>3,393,606</u>	<u>762,855</u>	<u>2,121,073</u>	<u>12,573,049</u>
Operating Expenses						
Purchased Power	-	-	-	-	1,057,098	1,057,098
Personnel Services	306,727	486,432	1,155,723	74	-	1,948,956
Purchased Services	114,733	5,086,926	149,801	78,978	414,546	5,844,984
Repairs and Maintenance	19,807	16,518	168,577	556,133	-	761,035
Depreciation and Amortization	969,693	67,796	391,357	13,536	154,341	1,596,723
Materials and Supplies	6,237	24,410	389,074	3,855	1,761	425,337
Other Expenses	201,782	198,067	450,029	4,982	135,505	990,365
(Total Operating Expenses)	<u>(1,618,979)</u>	<u>(5,880,149)</u>	<u>(2,704,561)</u>	<u>(657,558)</u>	<u>(1,763,251)</u>	<u>(12,624,498)</u>
Operating Income (Loss)	<u>(230,938)</u>	<u>(972,675)</u>	<u>689,045</u>	<u>105,297</u>	<u>357,822</u>	<u>(51,449)</u>
Non-Operating Revenues (Expenses)						
Investment Earnings (Loss)	228,846	145,329	107,889	39,050	118,683	639,797
Interest from Leasing Activities	-	-	-	27,047	-	27,047
Intergovernmental Revenue	-	589	-	-	-	589
Interest Expense on Leases	-	-	(19,673)	-	-	(19,673)
Total Non-Operating Revenues (Expense)	<u>228,846</u>	<u>145,918</u>	<u>88,216</u>	<u>66,097</u>	<u>118,683</u>	<u>647,760</u>
Income (Loss) Before Contributions and Transfers	<u>(2,092)</u>	<u>(826,757)</u>	<u>777,261</u>	<u>171,394</u>	<u>476,505</u>	<u>596,311</u>
Capital Contributions						
Connection Fees	-	-	-	-	296,218	296,218
Contributions from Other Funds	1,516,431	-	-	-	-	1,516,431
Total Capital Contributions	<u>1,516,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,218</u>	<u>1,812,649</u>
Transfers						
Transfers (out)	-	-	-	(90,000)	(277,346)	(367,346)
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(277,346)</u>	<u>(367,346)</u>
Change in Net Position	1,514,339	(826,757)	777,261	81,394	495,377	2,041,614
Total Net Position, Beginning of Year	21,421,011	4,661,327	5,454,242	1,597,501	8,234,028	41,368,109
Total Net Position, End of Year	<u>\$ 22,935,350</u>	<u>\$ 3,834,570</u>	<u>\$ 6,231,503</u>	<u>\$ 1,678,895</u>	<u>\$ 8,729,405</u>	<u>\$ 43,409,723</u>

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Cash Flows from Operating Activities						
Cash Received from Customers and Users	\$ 1,399,250	\$ 4,685,877	\$ 3,413,988	\$ 720,229	\$ 2,816,431	\$ 13,035,775
Cash Payments to Vendors for Goods and Services	(414,005)	(5,353,335)	(1,206,312)	(645,792)	(1,663,622)	(9,283,066)
Cash Payments to Employees for Services	(290,664)	(473,619)	(1,152,680)	(74)	-	(1,917,037)
Net Cash Provided by (Used in) Operating Activities	<u>694,581</u>	<u>(1,141,077)</u>	<u>1,054,996</u>	<u>74,363</u>	<u>1,152,809</u>	<u>1,835,672</u>
Cash Flows from Non-Capital Financing Activities						
Intergovernmental Revenue	-	589	-	-	-	589
Interest from Leasing Activities	-	-	-	27,047	-	27,047
Transfers (out)	-	-	-	(90,000)	(277,346)	(367,346)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>-</u>	<u>589</u>	<u>-</u>	<u>(62,953)</u>	<u>(277,346)</u>	<u>(339,710)</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of Capital Assets	(392,437)	-	(185,232)	-	(229,228)	(806,897)
Connection Fees	-	-	-	-	296,218	296,218
Principal Repayments on Long-term Debt	-	-	(109,194)	-	-	(109,194)
Interest Paid on Long-term Debt	-	-	(19,673)	-	-	(19,673)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(392,437)</u>	<u>-</u>	<u>(314,099)</u>	<u>-</u>	<u>66,990</u>	<u>(639,546)</u>
Cash Flows from Investing Activities						
Investment Earnings	<u>228,846</u>	<u>145,329</u>	<u>107,889</u>	<u>39,051</u>	<u>118,683</u>	<u>639,798</u>
Net Increase (Decrease) in Cash and Cash Equivalents	530,990	(995,159)	848,786	50,461	1,061,136	1,496,214
Cash and Cash Equivalents, Beginning of Year	<u>6,802,536</u>	<u>4,469,637</u>	<u>2,932,216</u>	<u>1,303,584</u>	<u>3,164,759</u>	<u>18,672,732</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,333,526</u>	<u>\$ 3,474,478</u>	<u>\$ 3,781,002</u>	<u>\$ 1,354,045</u>	<u>\$ 4,225,895</u>	<u>\$ 20,168,946</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
<u>Included on the Accompanying Balance Sheet</u>						
<u>Under the Following Captions</u>						
Current Assets						
Equity in Pooled Cash and Investments	\$ 7,333,526	\$ 3,474,478	\$ 3,779,702	\$ 1,354,045	\$ 3,495,410	\$ 19,437,161
Other Operating Cash	-	-	1,300	-	-	1,300
Restricted Equity in Pooled Cash and Investments	-	-	-	-	730,485	730,485
Total	<u>\$ 7,333,526</u>	<u>\$ 3,474,478</u>	<u>\$ 3,781,002</u>	<u>\$ 1,354,045</u>	<u>\$ 4,225,895</u>	<u>\$ 20,168,946</u>
<u>Reconciliation of Operating Income (Loss) to Net</u>						
<u>Cash Provided by (Used in) Operating Activities</u>						
Operating Income (Loss)	\$ (230,938)	\$ (972,675)	\$ 689,045	\$ 105,297	\$ 357,822	\$ (51,449)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation and Amortization	969,693	67,796	391,357	13,536	154,341	1,596,723
Power Costs Recovered in Advance (Returned)	-	-	-	-	673,910	673,910
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):						
Accounts Receivable	11,209	(221,597)	1,160	(13,840)	21,448	(201,620)
Leases Receivable and Related Deferred Inflow of Resources	-	-	-	(28,786)	-	(28,786)
Inventories	-	-	(34,611)	-	-	(34,611)
Prepaid Expenses	-	-	(758)	(86)	-	(844)
Accounts Payable and Other Accrued Liabilities	(71,446)	(27,414)	(13,462)	(1,758)	(54,712)	(168,792)
Unearned Revenues	-	-	19,222	-	-	19,222
Accrued Compensated Absences	-	7,491	(34,592)	-	-	(27,101)
OPEB Liability and Related Deferred Inflows and Outflows of Resources	(1,054)	-	19,343	-	-	18,289
Net Pension Liability and Related Deferred Inflows and Outflows of Resources	17,117	5,322	18,292	-	-	40,731
Net Cash Provided by (Used in) Operating Activities	<u>\$ 694,581</u>	<u>\$ (1,141,077)</u>	<u>\$ 1,054,996</u>	<u>\$ 74,363</u>	<u>\$ 1,152,809</u>	<u>\$ 1,835,672</u>
<u>Supplemental Disclosure of Non-Cash</u>						
<u>Activities</u>						
Transfer of Capital Assets	\$ 1,516,431	\$ -	\$ -	\$ -	\$ -	\$ 1,516,431
Right-of-Use Assets Acquired Under Leases	\$ -	\$ -	\$ 682,985	\$ -	\$ -	\$ 682,985

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA

	<u>Self-Insurance Funds</u>	<u>Other Internal Service Funds</u>	<u>Totals</u>
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 2,221,382	\$ 4,062,440	\$ 6,283,822
Accounts Receivable, Net	229	-	229
Prepaid Expenses	1,381,778	20,997	1,402,775
Total Current Assets	<u>3,603,389</u>	<u>4,083,437</u>	<u>7,686,826</u>
Non-Current Assets:			
Capital Assets:			
Buildings and Improvements	113,743	36,194	149,937
Equipment	-	890,121	890,121
	113,743	926,315	1,040,058
(Accumulated Depreciation)	<u>(18,938)</u>	<u>(837,199)</u>	<u>(856,137)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>94,805</u>	<u>89,116</u>	<u>183,921</u>
Total Assets	<u>3,698,194</u>	<u>4,172,553</u>	<u>7,870,747</u>
Deferred Outflows of Resources			
Pension-Related	-	2,642,391	2,642,391
Liabilities			
Current Liabilities:			
Accounts Payable	4,768	98,202	102,970
Other Accrued Liabilities	-	217,791	217,791
Estimated Liability for Self-Insured Losses	218,374	-	218,374
Current Portion of Long-Term Liabilities:			
Accrued Compensated Absences	-	219,369	219,369
Total Current Liabilities	<u>223,142</u>	<u>535,362</u>	<u>758,504</u>
Non-Current Liabilities:			
Accrued Compensated Absences	-	877,479	877,479
Net Pension Liability	-	4,261,455	4,261,455
Total Non-Current Liabilities	<u>-</u>	<u>5,138,934</u>	<u>5,138,934</u>
Total Liabilities	<u>223,142</u>	<u>5,674,296</u>	<u>5,897,438</u>
Deferred Inflows of Resources			
Pension-Related	-	161,570	161,570
Net Position			
Investment in Capital Assets	94,805	89,116	183,921
Unrestricted	3,380,247	889,962	4,270,209
Total Net Position	<u>\$ 3,475,052</u>	<u>\$ 979,078</u>	<u>\$ 4,454,130</u>

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

	Self-Insurance Funds	Other Internal Service Funds	Totals
Operating Revenues			
Charges for Services	\$ 4,271,434	\$ 11,074,103	\$ 15,345,537
Other Revenue	16,899	326	17,225
Total Operating Revenues	<u>4,288,333</u>	<u>11,074,429</u>	<u>15,362,762</u>
Operating Expenses			
Personnel Services	20,027	6,646,253	6,666,280
Purchased Services	115,650	1,015,435	1,131,085
Repairs and Maintenance	-	374,960	374,960
Depreciation	7,575	52,616	60,191
Materials and Supplies	-	198,996	198,996
Other Expenses	4,555,676	2,889,487	7,445,163
(Total Operating Expenses)	<u>(4,698,928)</u>	<u>(11,177,747)</u>	<u>(15,876,675)</u>
Operating Income (Loss)	<u>(410,595)</u>	<u>(103,318)</u>	<u>(513,913)</u>
Non-Operating Income (Expense)			
Investment Earnings	101,351	-	101,351
Total Non-Operating Income (Expense)	<u>101,351</u>	<u>-</u>	<u>101,351</u>
Income (Loss) Before Transfers	<u>(309,244)</u>	<u>(103,318)</u>	<u>(412,562)</u>
Transfers			
Transfers (out)	-	(70,000)	(70,000)
Total Transfers	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Change in Net Position	(309,244)	(173,318)	(482,562)
Total Net Position, Beginning of Year	<u>3,784,296</u>	<u>1,152,396</u>	<u>4,936,692</u>
Total Net Position, End of Year	<u>\$ 3,475,052</u>	<u>\$ 979,078</u>	<u>\$ 4,454,130</u>

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

	<u>Self-Insurance Funds</u>	<u>Other Internal Service Funds</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers and Users	\$ 4,288,333	\$ 11,074,429	\$ 15,362,762
Cash Payments to Vendors for Goods and Services	(4,778,334)	(4,433,782)	(9,212,116)
Cash Payments to Employees for Services	(20,027)	(6,326,998)	(6,347,025)
Insurance Reimbursements Received (Claims Paid)	(64,162)	-	(64,162)
Net Cash (Used in) Provided by Operating Activities	<u>(574,190)</u>	<u>313,649</u>	<u>(260,541)</u>
Cash Flows from Non-Capital Financing Activities			
Transfers (out)	-	(70,000)	(70,000)
Total Cash Flows from Non-Capital Financing Activities	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	(5,677)	(5,677)
Cash Flows from Investing Activities			
Interest Received on Investments	101,351	-	101,351
Net (Decrease) Increase in Cash and Cash Equivalents	(472,839)	237,972	(234,867)
Cash and Cash Equivalents, Beginning of Year	2,694,221	3,824,468	6,518,689
Cash and Cash Equivalents, End of Year	<u>\$ 2,221,382</u>	<u>\$ 4,062,440</u>	<u>\$ 6,283,822</u>
<u>Included on the Accompanying Balance Sheet Under the Following Captions</u>			
Current Assets			
Equity in Pooled Cash and Investments	<u>\$ 2,221,382</u>	<u>\$ 4,062,440</u>	<u>\$ 6,283,822</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ (410,595)	\$ (103,318)	\$ (513,913)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used in) Provided by Operating Activities:			
Depreciation	7,575	52,616	60,191
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):			
Prepaid Expenses	(250,204)	(8,674)	(258,878)
Accounts Payable and Other Accrued Liabilities	-	53,770	53,770
Change in Estimated Liability for Self-Insured Losses	79,034	-	79,034
Accrued Compensated Absences	-	185,322	185,322
Net Pension Liability and Related Deferred Inflows and Outflows of Resources	-	133,933	133,933
Net Cash (Used in) Provided by Operating Activities	<u>\$ (574,190)</u>	<u>\$ 313,649</u>	<u>\$ (260,541)</u>

**SCHEDULE OF COMBINING BALANCE SHEET
COMMUNITY REDEVELOPMENT FUNDS
SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Downtown Redevelopment District Fund	Southend Redevelopment District Fund	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 32,950,557	\$ 13,661,638	\$ 46,612,195
Assessments Receivable	-	1,585	1,585
Total Assets	32,950,557	13,663,223	46,613,780
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable	162,862	384,630	547,492
Other Accrued Liabilities	36,111	235,336	271,447
Due to Other Governments	-	2,481,363	2,481,363
Total Liabilities	198,973	3,101,329	3,300,302
Deferred Inflows of Resources			
Unavailable Revenues	-	1,585	1,585
Fund Balances			
Restricted for:			
Redevelopment	32,751,584	10,560,309	43,311,893
Total Fund Balances	32,751,584	10,560,309	43,311,893
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,950,557	\$ 13,663,223	\$ 46,613,780

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Downtown Redevelopment District Fund</u>	<u>Southend Redevelopment District Fund</u>	<u>Totals</u>
Revenues			
Taxes	\$ 8,706,527	\$ 2,757,070	\$ 11,463,597
Interest and Other Revenue	1,050,713	524,864	1,575,577
Total Revenues	<u>9,757,240</u>	<u>3,281,934</u>	<u>13,039,174</u>
Expenditures			
Current:			
General Government	873,858	444,857	1,318,715
Public Safety	1,271,150	-	1,271,150
Capital Outlay	1,236,484	3,104,143	4,340,627
(Total Expenditures)	<u>(3,381,492)</u>	<u>(3,549,000)</u>	<u>(6,930,492)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,375,748</u>	<u>(267,066)</u>	<u>6,108,682</u>
Net Change in Fund Balances	6,375,748	(267,066)	6,108,682
Fund Balances, Beginning of Year	<u>26,375,836</u>	<u>10,827,375</u>	<u>37,203,211</u>
Fund Balances, End of Year	<u>\$ 32,751,584</u>	<u>\$ 10,560,309</u>	<u>\$ 43,311,893</u>

Statistical Section (Unaudited)

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

Contents	Pages
Financial Trends Information These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	105
Revenue Capacity Information These schedules contain information to help the reader assess the City's local revenue source.	110
Debt Capacity Information These schedules present information to help the reader assess the City's debt burden and its ability to issue additional debt in the future.	114
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.	119
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	121

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

FINANCIAL TRENDS INFORMATION

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 85,081,323	\$ 86,383,735	\$ 91,291,193	\$ 97,360,044	\$ 103,211,819	\$ 106,877,097	\$ 109,163,923	\$ 107,483,303	\$ 111,901,718	\$ 123,538,442
Restricted	18,203,910	23,230,058	27,183,762	29,102,410	31,711,520	34,119,094	38,810,100	47,141,320	51,566,305	60,971,262
Unrestricted	15,803,521	9,601,684	12,564,372	11,440,106	13,386,797	14,252,607	17,354,249	19,725,094	27,260,116	28,053,635
Total Governmental Activities Net Position	119,088,754	119,215,477	131,039,327	137,902,560	148,310,136	155,248,798	165,328,272	174,349,717	190,728,139	212,563,339
Business-type Activities										
Net Investment in Capital Assets	151,886,547	155,027,489	157,675,660	168,296,227	175,128,349	183,588,778	194,305,179	193,783,121	194,884,830	197,443,561
Restricted	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	4,193,000	-	-	-
Unrestricted	61,548,916	62,652,866	68,166,503	65,451,820	68,995,532	75,349,878	78,181,725	94,215,754	106,226,490	116,330,037
Total Business-type Activities Net Position	215,435,463	219,680,355	227,842,163	235,748,047	246,123,881	260,938,656	276,679,904	287,998,875	301,111,320	313,773,598
Primary Government										
Net Investment in Capital Assets	236,967,870	241,411,224	248,966,853	265,656,271	278,340,168	290,465,875	303,469,102	301,266,424	306,786,548	320,982,003
Restricted	20,203,910	25,230,058	29,183,762	31,102,410	33,711,520	36,119,094	43,003,100	47,141,320	51,566,305	60,971,262
Unrestricted	77,352,437	72,254,550	80,730,875	76,891,926	82,382,329	89,602,485	95,535,974	113,940,848	133,486,606	144,383,672
Total Primary Government Net Position	\$ 334,524,217	\$ 338,895,832	\$ 358,881,490	\$ 373,650,607	\$ 394,434,017	\$ 416,187,454	\$ 442,008,176	\$ 462,348,592	\$ 491,839,459	\$ 526,336,937

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$ 2,481,148	\$ 3,327,768	\$ 2,493,191	\$ 3,284,283	\$ 3,202,655	\$ 3,737,267	\$ 3,911,667	\$ 4,974,593	\$ 4,319,646	\$ 6,600,965
Law Enforcement	8,644,124	6,158,188	9,020,136	10,008,845	9,757,732	10,562,207	11,300,694	11,033,893	10,871,090	13,229,825
Fire Control	3,697,834	1,972,069	3,827,130	4,183,046	4,123,060	4,766,320	4,342,859	2,758,059	2,790,961	2,939,662
Building Inspections	436,897	498,870	510,092	531,696	574,436	631,896	682,069	668,549	704,921	814,472
Physical Environment	356,947	356,095	356,268	446,496	506,348	482,877	465,506	491,317	511,929	496,048
Roads and Streets	2,937,071	3,936,380	2,713,668	2,794,320	2,643,431	3,635,996	2,514,183	3,051,233	2,506,098	2,845,201
Human Services	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,840,920	3,141,474	3,134,179	3,502,497	3,607,934	3,848,072	3,863,411	3,513,829	4,270,654	4,529,661
Interest on Long-Term Debt	167,258	116,801	74,599	38,722	21,773	4,310	-	-	-	-
Total Governmental Activities Expenses	21,562,199	19,507,645	22,129,263	24,789,905	24,437,369	27,668,945	27,080,389	26,491,473	25,975,299	31,455,834
Business-Type Activities:										
Electric	78,915,218	74,983,356	74,126,043	76,095,735	75,833,677	73,644,169	70,910,714	75,085,347	97,129,039	91,506,974
Water and Sewer	8,919,844	8,835,376	9,008,417	9,358,111	9,782,478	9,738,833	10,252,806	9,911,907	10,009,081	11,939,694
Stormwater	1,307,367	1,190,742	1,290,008	1,507,348	1,573,499	1,294,110	1,484,027	1,547,067	1,481,291	1,618,979
Sanitation	3,201,492	3,320,470	3,362,128	5,203,263	3,970,986	3,554,289	3,652,176	3,701,798	3,821,009	5,880,149
Golf Course	1,346,173	1,471,132	1,268,556	1,309,024	962,855	1,877,802	2,171,412	2,321,607	2,322,140	2,724,234
Leased Facilities	267,406	265,349	278,923	424,898	541,874	383,286	833,029	468,625	487,915	657,558
Natural Gas	1,529,129	1,350,599	1,201,664	1,506,490	1,611,079	1,592,891	1,293,532	1,461,999	2,280,020	1,763,251
Total Business-Type Activities Expenses	95,486,629	91,417,024	90,535,739	95,404,869	94,276,448	92,085,380	90,597,696	94,498,350	117,530,495	116,090,839
Total Primary Government Expenses	117,048,828	110,924,669	112,665,002	120,194,774	118,713,817	119,754,325	117,678,085	120,989,823	143,505,794	147,546,673
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	74,677	77,737	73,132	65,947	64,540	67,387	66,255	68,662	61,255	60,229
Law Enforcement	169,424	187,102	187,762	131,667	127,957	203,998	139,910	279,504	270,235	254,070
Building Inspections	563,934	656,045	683,556	604,421	666,973	938,103	917,441	841,131	1,027,742	1,197,778
Physical Environment	3,758	15,238	12,371	15,185	11,260	29,169	24,120	17,007	13,720	17,733
Roads and Streets	177,144	200,975	170,746	163,799	175,360	275,640	898,622	311,036	328,515	569,559
Parks and Recreation	126,804	125,443	121,342	160,132	213,789	211,172	160,824	225,110	238,155	275,043
Operating Grants and Contributions	1,165,743	1,149,520	1,105,992	1,424,306	1,472,822	1,226,389	1,290,905	1,229,351	1,440,547	1,411,143
Capital Grants and Contributions	863,473	328,049	53,564	52,233	28,223	58,070	55,547	292,208	1,707,747	7,773,103
Total Governmental Activities	3,144,957	2,740,109	2,408,465	2,617,690	2,760,924	3,009,928	3,553,624	3,264,009	5,087,916	11,558,658
Program Revenues	3,144,957	2,740,109	2,408,465	2,617,690	2,760,924	3,009,928	3,553,624	3,264,009	5,087,916	11,558,658

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues (Concluded)										
Business-type Activities:										
Charges for Services:										
Electric	\$ 86,218,701	\$ 81,912,342	\$ 82,096,562	\$ 81,444,806	\$ 83,457,490	\$ 79,637,252	\$ 80,101,098	\$ 82,519,625	\$ 106,890,674	\$ 96,803,891
Water and Sewer	10,793,248	11,675,568	12,459,297	13,002,446	14,357,160	14,825,478	14,901,668	15,786,840	16,506,710	17,138,549
Stormwater	1,273,921	1,294,802	1,314,783	1,337,248	1,382,348	1,408,750	1,406,797	1,311,274	1,360,397	1,388,041
Sanitation	3,218,670	3,235,626	3,333,899	3,447,674	3,515,142	3,579,173	3,490,240	3,600,138	3,750,331	4,907,474
Golf Course	1,271,338	1,140,725	984,317	954,162	278,686	2,013,103	2,516,520	3,125,375	3,443,125	3,393,606
Leased Facilities	621,022	476,548	528,391	588,606	653,191	664,195	767,195	761,049	758,819	762,855
Natural Gas	2,100,135	2,017,973	1,869,071	2,068,186	2,221,745	2,162,732	1,788,412	1,845,309	2,699,398	2,121,073
Operating Grants and Contributions	-	-	-	1,518,177	1,459,055	23,204	55,062	2,580	11,910	642
Capital Grants and Contributions	3,154,807	861,845	489,894	661,152	349,628	458,010	499,544	665,695	2,626,206	625,267
Total Business-type Activities										
Program Revenues	108,651,842	102,615,429	103,076,214	105,022,457	107,674,445	104,771,897	105,526,536	109,617,885	138,047,570	127,141,398
Total Primary Government Program Revenues	111,796,799	105,355,538	105,484,679	107,640,147	110,435,369	107,781,825	109,080,160	112,881,894	143,135,486	138,700,056
Net (Expense) Revenue										
Governmental Activities	(18,417,242)	(16,767,536)	(19,720,798)	(22,172,215)	(21,676,445)	(24,659,017)	(23,526,765)	(23,227,464)	(20,887,383)	(19,897,176)
Business-type Activities	13,165,213	11,198,405	12,540,475	9,617,588	13,397,997	12,686,517	14,928,840	15,119,535	20,520,075	11,050,559
Total Primary Government Net Expense	(5,252,029)	(5,569,131)	(7,180,323)	(12,554,627)	(8,278,448)	(11,972,500)	(8,597,925)	(8,107,929)	(367,308)	(8,846,617)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	15,137,151	15,906,918	16,942,109	18,050,950	19,884,929	18,357,738	20,971,159	22,048,764	23,114,045	26,078,066
Franchise Taxes	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	-
Infrastructure Surtax	1,112,859	1,195,504	1,242,584	1,300,026	1,384,739	1,436,666	1,395,678	1,593,766	1,842,917	1,790,723
Communication Service Tax	1,158,559	1,109,765	1,168,470	1,080,151	1,161,638	1,151,317	1,160,616	1,101,550	1,186,333	1,133,739
Convention Development Tax	298,019	344,940	363,370	372,921	414,030	423,275	320,451	565,513	753,398	781,771
Fuel Taxes	719,143	765,325	797,149	806,576	837,087	853,266	772,754	780,852	1,193,223	1,195,249
Other Taxes	718,854	702,174	728,276	653,051	618,215	632,425	682,804	554,098	538,015	553,934
State-shared Revenues	2,830,039	3,022,878	3,120,537	3,290,116	3,475,563	3,568,750	3,298,598	3,809,465	4,359,210	4,042,787
Other Intergovernmental Revenues	64,142	32,343	31,883	41,756	38,603	33,258	31,429	12,074	65,919	30,804
Interest	511,269	947,694	1,344,885	805,131	363,329	2,405,402	2,090,225	99,731	(2,240,169)	3,350,619
Miscellaneous	148,707	245,617	146,118	326,364	363,393	423,946	118,521	509,738	2,233,441	96,720
Net Transfers	4,030,356	3,236,898	5,653,987	2,303,126	3,766,229	2,306,356	2,758,724	3,969,386	4,214,193	2,677,964
Total Governmental Activities	26,734,378	27,515,336	31,544,648	29,035,448	32,313,035	31,597,679	33,606,239	35,050,217	37,265,805	41,732,376
Business-type Activities:										
Interest	487,702	1,019,905	1,275,320	591,422	828,004	4,413,572	3,570,132	155,103	(3,193,437)	4,214,966
Miscellaneous	-	-	-	-	68,325	21,042	1,000	13,719	-	74,717
Net Transfers	(4,030,356)	(3,236,898)	(5,653,987)	(2,303,126)	(3,766,229)	(2,306,356)	(2,758,724)	(3,969,386)	(4,214,193)	(2,677,964)
Total Business-type Activities	(3,542,654)	(2,216,993)	(4,378,667)	(1,711,704)	(2,869,900)	2,128,258	812,408	(3,800,564)	(7,407,630)	1,611,719
Total Primary Government	23,191,724	25,298,343	27,165,981	27,323,744	29,443,135	33,725,937	34,418,647	31,249,653	29,858,175	43,344,095
Change in Net Position										
Governmental Activities	8,317,136	10,747,800	11,823,850	6,863,233	10,636,590	6,938,662	10,079,474	11,822,753	16,378,422	21,835,200
Business-type Activities	9,622,559	8,981,412	8,161,808	7,905,884	10,528,097	14,814,775	15,741,248	11,318,971	13,112,445	12,662,278
Total Primary Government	\$ 17,939,695	\$ 19,729,212	\$ 19,985,658	\$ 14,769,117	\$ 21,164,687	\$ 21,753,437	\$ 25,820,722	\$ 23,141,724	\$ 29,490,867	\$ 34,497,478

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Non-Spendable	\$ -	\$ -	\$ 1,807	\$ 77	\$ 1,193	\$ 2,291	\$ 4,714	\$ 3,279	\$ 4,219	\$ 851
Restricted							79,020	161,612	352,382	455,246
Committed	4,922,833	5,069,431	5,168,956	5,540,793	5,758,237	6,271,451	6,265,763	6,603,601	7,899,382	8,544,202
Assigned	4,560,255	4,312,870	5,050,075	5,029,759	5,712,790	7,537,043	8,001,876	6,233,902	6,664,268	6,731,935
Total General Fund	<u>\$ 9,483,088</u>	<u>\$ 9,382,301</u>	<u>\$ 10,220,838</u>	<u>\$ 10,570,629</u>	<u>\$ 11,472,220</u>	<u>\$ 13,810,785</u>	<u>\$ 14,351,373</u>	<u>\$ 13,002,394</u>	<u>\$ 14,920,251</u>	<u>\$ 15,732,234</u>
All Other Governmental Funds										
Restricted	\$ 17,824,995	\$ 22,860,797	\$ 26,836,531	\$ 28,742,329	\$ 31,944,567	\$ 33,726,706	\$ 38,442,868	\$ 46,572,425	\$ 50,665,089	\$ 60,516,016
Committed	5,955	6,066	6,194	7,994	6,007	3,121	5,164	6,259	6,097	6,286
Assigned	6,612,462	6,637,001	7,934,432	7,362,439	7,865,834	7,198,956	10,047,394	13,382,461	17,510,191	19,859,853
Total All Other Governmental Funds	<u>\$ 24,443,412</u>	<u>\$ 29,503,864</u>	<u>\$ 34,777,157</u>	<u>\$ 36,112,762</u>	<u>\$ 39,816,408</u>	<u>\$ 40,928,783</u>	<u>\$ 48,495,426</u>	<u>\$ 59,961,145</u>	<u>\$ 68,181,377</u>	<u>\$ 80,382,155</u>

Schedule 4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 19,178,564	\$ 20,021,606	\$ 21,228,237	\$ 22,273,155	\$ 24,271,318	\$ 22,847,169	\$ 25,332,542	\$ 26,618,023	\$ 28,480,812	\$ 32,207,083
Licenses and Permits	568,985	682,161	679,820	592,151	650,985	942,091	1,556,531	845,334	1,033,441	1,050,332
Intergovernmental	3,930,997	4,079,434	4,207,812	4,665,075	4,844,846	4,800,083	4,590,750	5,017,950	7,429,215	12,436,810
Charges for Services	388,582	356,036	351,926	382,336	444,799	559,815	414,576	594,556	614,126	853,704
Fines and Forfeitures	305,076	332,099	259,869	239,465	201,815	250,244	301,027	332,246	347,667	491,076
Interest and Other Revenue	717,985	1,173,919	1,450,768	1,126,585	760,051	2,644,066	2,312,513	386,188	(1,821,537)	3,552,836
Total Revenues	25,090,189	26,645,255	28,178,432	29,278,767	31,173,814	32,043,468	34,507,939	33,794,297	36,083,724	50,591,841
Expenditures										
Current:										
General Government	2,413,022	2,862,341	2,556,750	2,800,432	2,712,795	2,866,277	2,905,661	3,292,935	3,639,400	4,115,433
Public Safety	11,993,522	12,649,752	12,874,674	13,350,078	13,892,257	15,014,400	15,383,041	14,703,460	14,671,947	15,989,584
Physical Environment	13,270	11,417	9,651	81,029	114,600	98,436	70,743	80,264	136,955	104,489
Roads and Streets	1,799,476	2,886,824	1,584,109	1,769,416	1,757,092	2,921,604	1,725,376	2,333,010	1,711,030	2,007,542
Human Services	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	2,419,924	2,739,420	2,783,261	2,900,618	3,109,305	3,297,899	3,203,695	3,318,536	3,725,833	4,043,525
Debt Service:										
Principal	1,865,466	1,545,800	1,581,880	955,000	980,000	490,000	-	-	-	-
Interest	167,258	116,801	74,599	38,722	21,773	4,310	-	-	-	-
Capital Outlay	4,508,926	2,689,003	4,757,047	9,551,371	7,796,984	7,947,720	7,394,715	2,234,402	9,370,859	16,148,877
(Total Expenditures)	(25,180,864)	(25,501,358)	(26,221,971)	(31,446,666)	(30,384,806)	(32,640,646)	(30,683,231)	(25,962,607)	(33,256,024)	(42,409,450)
(Deficiency) of Revenues (Under) Expenditures	(90,675)	1,143,897	1,956,461	(2,167,899)	789,008	(597,178)	3,824,708	7,831,690	2,827,700	8,182,391
Other Financing Sources (Uses)										
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-
Principal - Current Refundings	-	-	-	-	-	-	-	-	-	-
Sale of General Capital Assets	-	-	-	-	-	-	-	-	1,788,000	155,232
Transfers in	6,930,317	7,550,022	7,466,111	7,188,855	7,540,195	6,987,402	8,182,686	8,903,923	10,566,155	11,464,283
Transfers (out)	(3,014,244)	(3,734,254)	(3,310,742)	(3,335,560)	(3,723,966)	(2,939,281)	(3,900,166)	(4,529,366)	(6,281,962)	(7,199,888)
Total Other Financing Sources (Uses)	3,916,073	3,815,768	4,155,369	3,853,295	3,816,229	4,048,121	4,282,520	4,374,557	6,072,193	4,419,627
Net Change in Fund Balance	\$ 3,825,398	\$ 4,959,665	\$ 6,111,830	\$ 1,685,396	\$ 4,605,237	\$ 3,450,943	\$ 8,107,228	\$ 12,206,247	\$ 8,899,893	\$ 12,602,018
Debt Service as a % of Non-Capital Expenditures*	9.9%	7.5%	7.8%	4.6%	4.6%	2.1%	0.0%	0.0%	0.0%	0.0%

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

REVENUE CAPACITY INFORMATION

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

Fiscal Year Ended September 30,	Assessed Taxable Values			Tax-Exempt Property	Estimated Actual Value (1)	Total Direct Tax Rate (2)	Taxable Assessed Value as a % of Actual Value
	Real Property	Personal Property	Total Taxable Assessed Value				
2014	\$ 2,428,035,702	\$ 63,450,619	\$ 2,491,486,321	\$ 865,057,320	\$ 3,356,543,641	4.0947	74.23%
2015	2,600,643,517	66,537,759	2,667,181,276	1,109,561,873	3,776,743,149	3.9947	70.62%
2016	2,814,151,792	80,641,926	2,894,793,718	1,259,519,810	4,154,313,528	3.8947	69.68%
2017	3,027,805,594	96,405,964	3,124,211,558	1,340,803,509	4,465,015,067	3.7947	69.97%
2018	3,249,073,173	99,904,354	3,348,977,527	1,419,311,962	4,768,289,489	3.9947	70.23%
2019	3,498,864,284	108,836,408	3,607,700,692	1,599,153,996	5,206,854,688	3.9947	69.29%
2020	3,713,763,339	109,049,032	3,822,812,371	1,566,454,924	5,389,267,295	3.9947	70.93%
2021	3,925,727,019	112,031,838	4,037,758,857	1,940,839,379	5,978,598,236	3.9947	67.54%
2022	4,121,219,786	127,396,062	4,248,615,848	2,002,908,823	6,251,524,671	3.9947	67.96%
2023	4,649,229,278	130,892,674	4,780,121,952	2,736,047,495	7,516,169,447	3.9947	63.60%

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

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

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

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

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

Fiscal Year September 30,	Direct Rates (1)	Overlapping Rates			Duval County	Total Millage Rate
	City of Jacksonville Beach	Florida Inland Navigation	Water Management District	School District		
2014	4.0947	0.0345	0.3283	7.3880	8.1512	19.9967
2015	3.9947	0.0345	0.3164	7.3050	8.1512	19.8018
2016	3.8947	0.0320	0.3023	7.1170	8.1512	19.4972
2017	3.7947	0.0320	0.2885	6.8020	8.1512	19.0684
2018	3.9947	0.0320	0.2724	6.4850	8.1512	18.9353
2019	3.9947	0.0320	0.2562	6.2930	8.1512	18.7271
2020	3.9947	0.0320	0.2414	6.1500	8.1512	18.5693
2021	3.9947	0.0320	0.2287	5.9050	8.1512	18.3116
2022	3.9947	0.0320	0.2287	5.9050	8.1512	18.3116
2023	3.9947	0.0320	0.1974	5.4840	8.0262	17.7343

Source: Duval County Property Appraiser

(1) Direct rate consists of operating millage only.

Schedule 7
City of Jacksonville Beach, Florida
Principal Property Tax Payers
Fiscal Year 2023 and Nine Years Ago

	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Broadstone Beach House at Jax. Beach	\$ 57,674,800	1	1.24%	\$ 26,546,528	1	1.09%
Margaritaville Beach Hotel	42,161,700	2	0.91%			
Ocean Park (Apartments) Partnership, Ltd.	41,260,184	3	0.89%	19,910,000	2	0.82%
South Beach Regional Shopping Center	34,652,530	4	0.75%	16,231,600	5	0.67%
Courtyard Marriott - Beachfront	34,307,614	5	0.74%	17,075,019	4	0.70%
Hampton Inn Oceanfront	32,352,375	6	0.70%	19,023,700	3	0.78%
Pablo Plaza	22,807,730	7	0.49%	15,338,200	6	0.63%
Bluewater Apartments	21,383,300	8	0.46%			
Beach Marine	18,516,800	9	0.40%	11,758,300	7	0.48%
Four Points by Sheraton - Jax Beachfront	15,333,391	10	0.33%			
South Beach Parkway Shopping Center				10,076,600	9	0.42%
Gordon Bank				10,095,400	8	0.42%
Adventure Landing				9,378,531	10	0.39%
Total	<u>\$ 320,450,424</u>		<u>6.91%</u>	<u>\$ 155,433,878</u>		<u>6.40%</u>
Total Assessed Real Property Valuation from Schedule 5	<u>\$ 4,649,229,278</u>			<u>\$ 2,428,035,702</u>		

Source: Duval County Property Appraiser

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

<u>Fiscal Year September 30,</u>	<u>Taxes Levied for Fiscal Year (1)</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections To-Date</u>	
		<u>Amount Net of Discount (2)</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2014	\$ 7,412,686	\$ 7,017,198	94.66%	\$ 54,624	\$ 7,071,822	95.40%
2015	7,756,009	7,351,558	94.79%	48,357	7,399,915	95.41%
2016	8,292,080	7,845,052	94.61%	66,708	7,911,760	95.41%
2017	8,699,388	8,008,400	92.06%	423,672	8,432,072	96.93%
2018	9,831,502	9,062,838	92.18%	341,173	9,404,011	95.65%
2019	10,654,284	10,101,419	94.81%	237,715	10,339,134	97.04%
2020	11,327,634	10,516,809	92.84%	454,850	10,971,659	96.86%
2021	12,068,826	11,306,880	93.69%	341,287	11,648,167	96.51%
2022	12,675,758	11,917,633	94.02%	351,332	12,268,965	96.79%
2023	14,217,164	13,464,082	94.70%	325,798	13,789,880	96.99%

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

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

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

DEBT CAPACITY INFORMATION

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

Fiscal Year	Governmental Activities				Business-Type Activities					
	Redevelopment Bonds	Sales Tax Bonds	Infrastructure Sales Tax Bonds	Total Governmental	Electric Bonds	Outstanding Debt Per Electric Customer (1)	Water and Sewer Bonds	Outstanding Debt Per Water Customer (1)	Stormwater Bonds	Outstanding Debt Per Stormwater Customer (1)
2014	\$ 1,267,680	-	\$ 4,285,000	\$ 5,552,680	\$ 15,379,185	453	\$ 10,731,486	1,070	-	-
2015	646,880	-	3,360,000	4,006,880	13,151,582	382	9,177,080	885	-	-
2016	-	-	2,425,000	2,425,000	10,874,050	313	7,587,834	732	-	-
2017	-	-	1,470,000	1,470,000	8,550,349	246	5,966,373	574	-	-
2018	-	-	490,000	490,000	6,178,302	177	4,311,174	414	-	-
2019	-	-	-	-	3,752,911	108	2,618,754	252	-	-
2020	-	-	-	-	1,266,350	36	883,650	84	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-

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

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

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

N/A - Not yet available

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

Fiscal Year	Total Business-Type	Total Debt	Percentage of Personal Income (2)	Total Debt Per Capita (2)
2014	\$ 26,110,671	\$ 31,663,351	3.59%	1,430
2015	22,328,662	26,335,542	2.79%	1,155
2016	18,461,884	20,886,884	2.10%	897
2017	14,516,722	15,986,722	1.53%	680
2018	10,489,476	10,979,476	1.01%	467
2019	6,371,665	6,371,665	0.57%	273
2020	2,150,000	2,150,000	0.18%	92
2021	-	-	0.00%	-
2022	-	-	0.00%	-
2023	-	-	0.00%	-

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

Fiscal Year	Governmental Activities							
	Redevelopment Bonds	% of Actual Taxable Value of Property (1)	Sales Tax Bonds	Sales Tax Debt Per Capita	Infrastructure Sales Tax Bonds	Infrastructure Debt Per Capita	Total Government Debt	Total Debt Per Capita
2014	\$ 1,267,680	0.19%	-	-	\$ 4,285,000	194	\$ 5,552,680	251
2015	646,880	0.09%	-	-	3,360,000	147	4,006,880	176
2016	-	0.00%	-	-	2,425,000	104	2,425,000	104
2017	-	0.00%	-	-	1,470,000	63	1,470,000	63
2018	-	0.00%	-	-	490,000	21	490,000	21
2019	-	0.00%	-	-	-	-	-	-
2020	-	0.00%	-	-	-	-	-	-
2021	-	0.00%	-	-	-	-	-	-
2022	-	0.00%	-	-	-	-	-	-
2023	-	0.00%	-	-	-	-	-	-

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

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

Schedule 11
City of Jacksonville Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
(Dollars in Thousands)

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

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

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

Schedule 13
City of Jacksonville Beach, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Electric, Water, and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Debt Service Coverage
				Principal	Interest	
2014	\$ 97,011,949	\$ (78,759,103)	\$ 18,252,846	\$ 3,460,000	\$ 966,588	4.12
2015	93,587,910	(74,744,539)	18,843,371	3,555,000	870,938	4.26
2016	94,555,859	(74,581,123)	19,974,736	3,680,000	745,588	4.51
2017	94,447,252	(76,524,604)	17,922,648	3,800,000	634,688	4.04
2018	97,814,650	(77,018,181)	20,796,469	3,925,000	498,219	4.70
2019	94,462,730	(74,918,074)	19,544,656	4,060,000	366,925	4.41
2020	95,002,766	(72,450,850)	22,551,916	4,210,000	213,100	5.10
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-

(1) Excludes depreciation expense.

Bonds were paid off in FY 2021.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Fiscal Year	Population (1)	Duval County Unemployment Rate (2)	Duval County Per Capita Income (3)	Personal Income
2014	22,136	6.5%	\$ 39,893	\$ 883,071,448
2015	22,805	6.0%	41,339	942,735,895
2016	23,288	4.9%	42,617	992,464,696
2017	23,503	4.6%	44,347	1,042,287,541
2018	23,494	3.6%	46,174	1,084,811,956
2019	23,352	3.4%	47,475	1,108,636,200
2020	23,394	6.0%	51,131	1,196,158,614
2021	23,830	4.6%	54,354	1,295,255,820
2022	23,830	3.0%	56,168	1,338,483,440
2023	23,830	2.8%	N/A	N/A

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

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

(3) **Source:** Bureau of Economic Analysis-U.S. Dept of Commerce

N/A - Not yet available.

Schedule 15
City of Jacksonville Beach, Florida
Principal Employers
Fiscal Year 2023 and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Naval Station Mayport	10,030	1	N/A	15,170	1	N/A
PGA Tour, Inc.	900	2		620	4	
The Players Championship	900					
Baptist Medical Center - Beaches	800	3	N/A	800	2	N/A
Ponte Vedra Inn and Club	530	5	N/A	650	3	N/A
Sawgrass Marriott Golf Resort	450	6	N/A	450	6	N/A
City of Jacksonville Beach (1)	400	7	N/A	400	7	N/A
TPC Sawgrass	320	9	N/A	320	8	N/A
Vicar's Landing	320	10	N/A	320	10	N/A
U.S. Coast Guard	300		N/A	320	9	N/A
Honeywell			N/A	570	5	N/A

Source: Jacksonville Chamber of Commerce

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

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

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

OPERATING INFORMATION

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	13	14	14	14	14	14	16	25	30	22
Finance*	33	38	39	42	41	44	45	40	41	41
Planning and Development	8	9	10	10	10	10	10	10	10	10
Electric	75	75	75	75	75	72	72	72	72	70
Central Services	4	0	0	0	0	0	0	0	0	0
Information Services										12
Redevelopment**	0	1	1	1	0	0	0	1	1	1
Public Works	65	66	66	67	67	68	70	70	71	71
Human Resources	7	7	6	6	6	6	6	6	6	7
Parks and Recreation	98	98	100	100	100	100	99	101	100	102
Grounds and Maintenance	7	7	7	7	7	9	9	9	9	9
Golf Course	25	25	25	25	24	27	27	30	30	32
Police	96	100	100	102	102	103	103	103	103	103
Fire Fighters	31	31	31	31	31	31	31	0	0	0
Total	462	471	474	480	477	484	488	467	473	480

Source: City of Jacksonville Beach Annual Budget

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

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

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

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical Arrests	1,568	1,582	1,470	1,992	1,932	1,980	1,452	1,409	1250	1217
Parking Violations	2,200	2,640	2,016	1,833	1,501	1,231	1,231	987	1345	1838
Law Violations	5,004	2,322	1,845	3,143	3,536	3,092	2,325	2,316	1984	1859
Fire										
Emergency Incidents*	3,040	3,195	3,401	3,643	3,298	3,399	0	0	0	0
Inspections (Total)	1,580	1,852	1,797	1,857	2,442	2,154	1,668	1,794	2,039	2,373
Other Public Works										
Street Resurfacing (Miles)	0.00	7.36	0.00	1.57	1.17	2.82	1.07	4.33	0	1.05
Electric										
Number of Active										
Electric Customers	33,966	34,433	34,711	34,738	34,815	34,900	35,171	35,437	35,481	35,686
Average Residential										
Monthly Consumption										
(Kilowatt Hours)	1,239	1,253	1,246	1,178	1,219	1,231	1,233	1,230	1,225	1,194
Water										
Number of Active										
Water Customers	10,029	10,204	10,369	10,398	10,405	10,399	10,520	10,678	10,689	10,756
Average Residential Monthly										
Consumption (Gallons)	4,038	3,083	3,926	4,146	4,255	4,389	4,191	4,195	4,093	4,644
Wastewater										
Number of Active Wastewater										
Customers	9,872	10,036	10,217	10,246	10,261	10,254	10,375	10,522	10,536	10,630
Storm Mains Cleaned (Feet)	23,530	33,153	34,733	33,791	22,543	17,584	8,078	26,030	17,864	9,031

Source: City of Jacksonville Beach Annual Budget & Department Directors

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

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations (Including Satellite Stations)	2	1	1	1	1	1	1	1	1	1
Patrol Units	51	76	76	79	80	80	83	83	78	75
Fire Stations	2	2	2	2	2	2	0	0	0	0
Other Public Works										
Paved Roads (Miles)	77	89	89	90	90	90	90	93	93	93
Streetlights	5,659	5,493	5,538	5,909	5,582	5,613	5,643	5,649	5,649	5,680
Water										
Water Mains (Miles)	105	109	109	109	109	109	109	126	126	124
Production Wells	6	6	6	6	6	6	6	6	6	6
Fire Hydrants	873	895	895	900	909	909	909	951	951	955
Wastewater										
Sanitary Sewer Mains (Gravity, in Miles)	83	85	85	85	85	85	85	85	85	97
Sanitary Sewer Mains (Force, in Miles)	16	18	18	18	18	18	18	18	18	18
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Lift Stations	34	38	38	38	38	38	38	38	38	38
Treatment Capacity (Millions of Gallons)	5	5	5	5	5	5	5	5	5	5
Parks and Recreation										
Acreage*	86	86	86	86	210	210	210	210	210	210
Parks	11	11	11	11	16	15	15	15	15	15
Golf Course	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8

Source: City of Jacksonville Beach Annual Budget & Department Directors

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

SINGLE AUDIT SECTION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Award Amount</u>	<u>Federal Expenditures</u>
Federal Awards				
U.S. Department of Housing and Urban Development				
Passed Through City of Jacksonville				
Community Development Block Grant	14.218	651340-23	\$ 127,888	\$ 127,888
Total U.S. Department of Housing and Urban Development			<u>127,888</u>	<u>127,888</u>
U.S. Department of Justice				
Bullet Proof Vest Partnership Program	16.607	N/A	11,875	11,550
U.S. Department of Justice				
Passed Through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00241-MUMU	45,773	44,993
Total U.S. Department of Justice			<u>57,648</u>	<u>56,543</u>
U.S. Department of Treasury				
Passed Through Florida Department of Emergency Management:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	COVID-19, 21.027	Y5134	11,834,170	6,280,452
Total U.S. Department of Treasury			<u>11,834,170</u>	<u>6,280,452</u>
Total Federal Awards			<u>\$ 12,019,706</u>	<u>\$ 6,464,883</u>

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

Note 1 - General

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

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

Note 2 - Basis of Accounting

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

Note 3 - De Minimis Indirect Cost Rate Election

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

**SCHEDULE OF EXPENDITURES OF GRANT FUNDS PER THE
CITY OF JACKSONVILLE'S ORDINANCE CODE CHAPTER 118.202(e)
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF JACKSONVILLE BEACH, FLORIDA**

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

City of Jacksonville Beach Fiscal Year 2022-2023 Grant No. 651340-23 - \$127,888

<u>Expenditures</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Spent in Current Year with Prior Year Awards</u>	<u>Carry Forward</u>
CARVER				
Services	\$ 127,888	\$ 127,888	\$ -	\$ -
Total CARVER	<u>127,888</u>	<u>127,888</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 127,888</u>	<u>\$ 127,888</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, Florida (the City) as of and for the year ended September 30, 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 14, 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



February 14, 2024
Tallahassee, Florida

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Jacksonville Beach, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended September 30, 2023. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

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



February 14, 2024
Tallahassee, Florida

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

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major Federal Programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
--	----

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

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters are reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

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

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

We have examined the City of Jacksonville Beach, Florida's (the City's) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

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

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



February 14, 2024
Tallahassee, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Jacksonville Beach, Florida (the City) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 14, 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 14, 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 financial audit report. There were no such findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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MANAGEMENT LETTER

in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida 18623. In addition, the annual financial audit report for the City also includes the accounts and transactions of the entities noted below. The Jacksonville Beach Community Redevelopment Agency is considered a blended component unit and was established pursuant to Chapter 163 of the Florida Statutes. The General Employees', Police Officers', and Firefighters' Pension Plans are considered to be fiduciary component units and were established, and later amended, pursuant to Chapter 27 of the Laws of Florida and Chapters 175 and 185 of the Florida Statutes, respectively.

Financial Condition and Management

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

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not 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. Information for the Southend and Downtown Community Redevelopment Districts (collectively, the CRA) are included in the separately issued financial statements of the CRA.

Additional Matters

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

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

MANAGEMENT LETTER

Purpose of This Letter

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



February 14, 2024
Tallahassee, Florida

