

Comprehensive Annual Financial Report

City of Jacksonville Beach, Florida



Fiscal Year ended September 30, 2020

INTRODUCTORY SECTION

CITY OF JACKSONVILLE BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared by
Department of Finance

**CITY OF JACKSONVILLE BEACH, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page..... i
 Table of Contents..... ii-v
 Letter of Transmittalvi-ix
 Certificate of Achievement for Excellence in Financial Reporting..... x
 Organization Chart.....xi
 City Officialsxii

II. FINANCIAL SECTION

Independent Auditor’s Report 1-3
Management’s Discussion and Analysis 4-17

Basic Financial Statements

Government-Wide Financial Statements:
 Statement of Net Position 18
 Statement of Activities 19
 Fund Financial Statements:
 Balance Sheet – Governmental Funds..... 20
 Reconciliation of the Balance Sheet of Governmental Funds to the
 Statement of Net Position 21
 Statement of Revenues, Expenditures, and Changes in Fund
 Balances – Governmental Funds 22
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities 23
 Statement of Revenues, Expenditures, and Changes in Fund
 Balance – Budget and Actual – General Fund 24
 Statement of Revenues, Expenditures, and Changes in Fund
 Balance – Budget and Actual – Community Redevelopment Fund 25
 Statement of Net Position – Proprietary Funds 26-27
 Statement of Revenues, Expenses, and Changes in Fund Net
 Position – Proprietary Funds 28
 Statement of Cash Flows – Proprietary Funds 29-30
 Statement of Fiduciary Net Position – All Fiduciary
 Funds – Pension Trust Funds..... 31
 Statement of Changes in Fiduciary Net Position – All Fiduciary
 Funds – Pension Trust Funds..... 32
 Notes to Financial Statements 33-71

**CITY OF JACKSONVILLE BEACH, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

TABLE OF CONTENTS

II. FINANCIAL SECTION

Required Supplementary Information

Pension Trust Funds:

Schedule of Changes in Net Pension Liability and Related Ratios Multi-Year – General Employees.....	72
Schedule of Changes in Net Pension Liability and Related Ratios Multi-Year – Police Officers.....	73
Schedule of Changes in Net Pension Liability and Related Ratios Multi-Year – Firefighters.....	74
Schedule of Employer Contributions – General Employees.....	75
Schedule of Employer Contributions – Police Officers.....	76
Schedule of Employer Contributions – Firefighters.....	77
Schedule of Investment Returns	78

Other Postemployment Benefit Plan:

Schedule of Changes in Total Other Postemployment Benefits (OPEB) and Related Ratios	79
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Combining and Individual Non-Major Fund Statements and Other Schedules

Non-Major Governmental Funds:

Combining Balance Sheet	80-82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	83-85

Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Convention Development Tax Fund.....	86
Court Costs Training Fund.....	87
Local Option Gas Tax Fund.....	88
Infrastructure Surtax Fund.....	89
Community Development Block Grant Fund	90
Radio Communication Fund.....	91
J.A.G. Grant Fund	92
Tree Protection Fund	93
Law Enforcement Trust Fund	94
Equitable Sharing Trust Fund	95

**CITY OF JACKSONVILLE BEACH, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

TABLE OF CONTENTS

II. FINANCIAL SECTION

Combining and Individual Non-Major Fund Statements and Other Schedules

Capital Projects Funds:

Schedule of Revenues, Expenditures, and Changes in Fund

Balance – Budget and Actual:

General Capital Projects Fund	96
Infrastructure Tax Capital Projects Fund	97

Non-Major Enterprise Funds:

Combining Statement of Net Position	98-99
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	100
Combining Statement of Cash Flows	101-102

Internal Service Funds:

Combining Statement of Net Position	103
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	104
Combining Statement of Cash Flows	105

Other Schedules:

Schedule of Combining Balance Sheet – Community Redevelopment Funds	106
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Community Redevelopment Funds	107

Bond Covenant Information

Schedule of Revenues and Expenses – Budget and Actual (Budgetary Basis) – Electric, Water, and Sewer Enterprise Funds Only	108
Reconciliation of Net Income – Financial Statement Basis to Budgetary Basis – Electric, Water, and Sewer Enterprise Funds Only	109
Schedules of Additional Information Required Under Utility Revenue Bond Covenants	110

III. STATISTICAL SECTION (UNAUDITED)

Financial Trends Information

Schedule 1 Net Position by Component	111
Schedule 2 Changes in Net Position	112-113
Schedule 3 Fund Balances, Governmental Funds	114
Schedule 4 Changes in Fund Balances, Governmental Funds	115

**CITY OF JACKSONVILLE BEACH, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

TABLE OF CONTENTS

III. STATISTICAL SECTION (UNAUDITED)

Revenue Capacity Information

Schedule 5	Assessed Value and Estimated Actual Value of Taxable Property	116
Schedule 6	Direct and Overlapping Property Tax Rates	117
Schedule 7	Principal Property Tax Payers	118
Schedule 8	Property Tax Levies and Collections	119

Debt Capacity Information

Schedule 9	Ratios of Outstanding Debt by Type	120-121
Schedule 10	Ratios of General Bonded Debt Outstanding.....	122
Schedule 11	Direct and Overlapping Governmental Activities Debt.....	123
Schedule 12	Legal Debt Margin Information.....	123
Schedule 13	Pledged-Revenue Coverage	124

Demographic and Economic Information

Schedule 14	Demographic and Economic Statistics	125
Schedule 15	Principal Employers.....	126

Operating Information

Schedule 16	City Employees by Function/Program.....	127
Schedule 17	Operating Indicators by Function/Program	128
Schedule 18	Capital Asset Statistics by Function/Program	129

IV. SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	130
Notes to Schedule of Expenditures of Federal Awards.....	131
Schedule of Expenditures of Grant Funds Per the City of Jacksonville’s Ordinance Code Chapter 118.202(e)	132

V. GOVERNMENTAL AUDITING SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	133-134
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes	135
Management Letter	136-138
Management Response	139-140

LETTER OF TRANSMITTAL

February 25, 2021

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

City of
Jacksonville Beach

City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904-247-6274

www.jacksonvillebeach.org

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 comprehensive annual financial report for the City of Jacksonville Beach, Florida, for the fiscal year ended September 30, 2020.

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, 2020, 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, 2020, 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. This year, the City did not meet 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 23,000. 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. 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 18. 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 81.

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 nearly fully developed.

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 2020-2024 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 2020-2024 capital improvement plan totaled \$111,816,582.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019. This was the twenty-seventh 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 CAFR 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 CAFR 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.

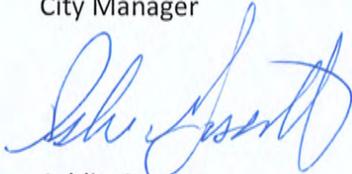
In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient 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,



Michael Staffopoulos
City Manager



Ashlie Gossett
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Jacksonville Beach
Florida**

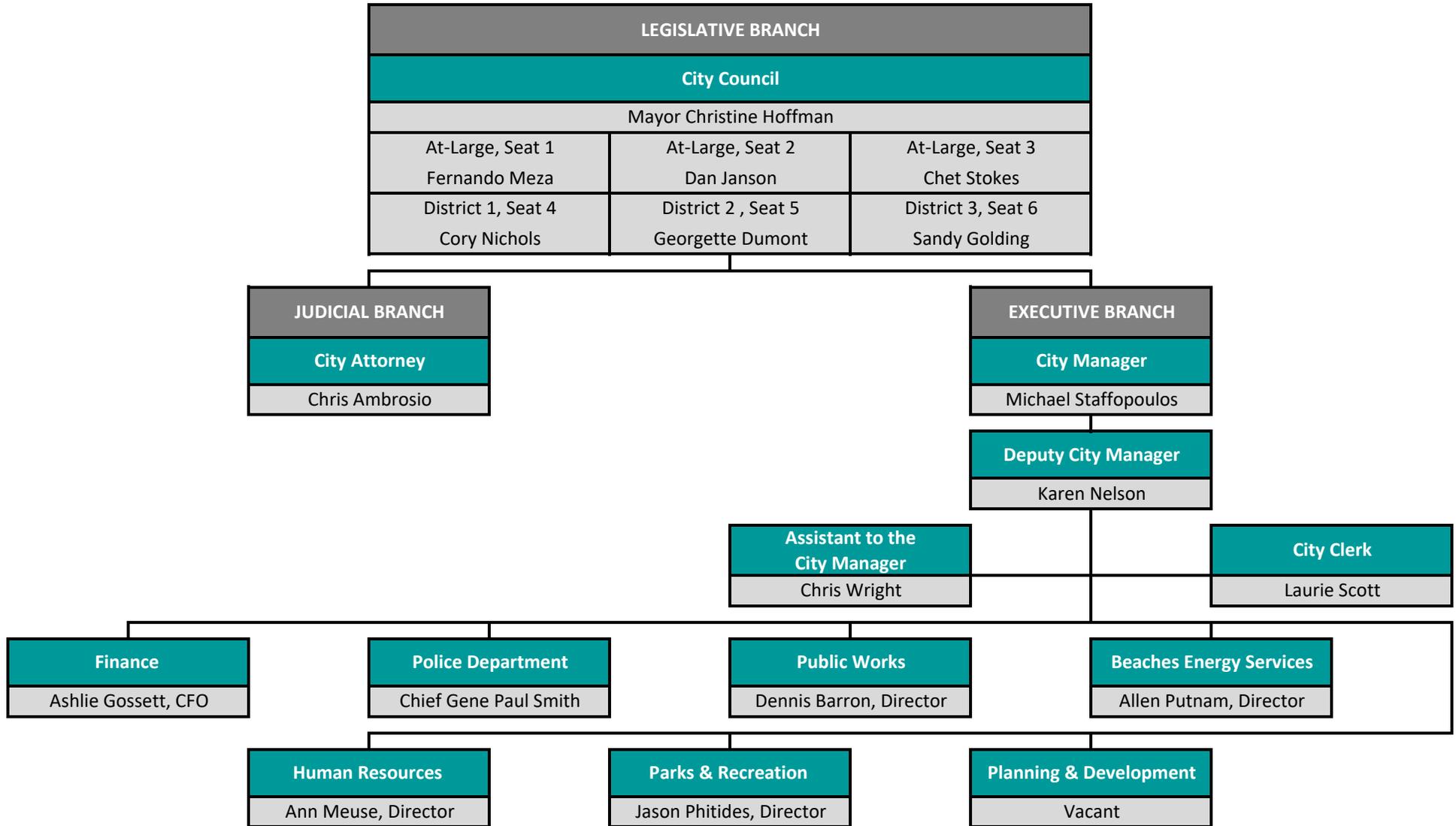
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF JACKSONVILLE BEACH Government Organization



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

LEGISLATIVE BRANCH

City Council:

Mayor	Chris Hoffman
Seat 1, At-Large	Fernando Meza
Seat 2, At-Large	Dan Janson
Seat 3, At-Large	Chet Stokes
Seat 4, District 1	Cory Nichols
Seat 5, District 2	Georgette Dumont
Seat 6, District 3	Sandy Golding

City Attorney

Chris Ambrosio

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	Ann Meuse
Director of Parks & Recreation	Jason Phitides
Director of Planning and Development	Vacant
Director of Public Works	Dennis Barron
City Clerk	Laurie Scott

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 – Code Enforcement
Building and Fire Code Board of Appeals

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

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

INDEPENDENT AUDITOR'S REPORT

Opinions

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, 2020, and the respective changes in financial position, and where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and the community redevelopment fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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.

Other 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 introductory section, combining and individual non-major fund statements and other schedules, bond covenant information, schedule of expenditures of federal awards, schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund statements and other schedules, bond covenant information, and the schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e), and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 statements and other

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

INDEPENDENT AUDITOR'S REPORT

schedules, bond covenant information, schedule of expenditures of grant funds per the City of Jacksonville's Ordinance Code Chapter 118.202(e) and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 23, 2021
Tallahassee, Florida

MANAGEMENT'S DISCUSSION
AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, on pages vi-ix of this report, and the financial statements beginning on page 18.

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 \$442,008,176 (net position). The City's total net position increased by \$25,820,722 or 6.2% over the prior year.
- Unrestricted net position totals \$95,535,974, which 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, to extinguish debt early, or to establish reserves for emergencies or catastrophic events.
- Revenues and net transfers-in for the governmental activities totaled \$37,159,863, an increase of \$2,552,256 or 7.4% for the year. Total expenses were \$27,080,389, a decrease of \$588,556 or 2.1% for the year.
- Revenues in the business-type activities totaled \$109,097,668, a decrease of \$108,843 or 0.1% from the prior year. Total expenses and net transfers out were \$93,356,420, a decrease of \$1,035,316 or 1.1% for the year.
- The City's total outstanding bonded debt decreased by \$4,221,665 or 66.3% from the prior year.

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.

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 18-19 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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 20-25 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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 and the community redevelopment 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 26-30 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 31-32 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 33-71 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information is presented on pages 72-79 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 80.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
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 2020, the City's net position for governmental activities increased by \$10,079,474 or 6.5%. The increase in net position for business-type activities was \$15,741,248 or 6%.

The following condensed comparison shows the City's net position for the two most recent fiscal years. The detailed statement of net position is presented on page 18 of this report.

City of Jacksonville Beach						
Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$75,357,166	\$68,977,067	\$142,841,830	\$140,595,885	\$218,198,996	\$209,572,952
Capital Assets, Net	109,163,923	106,877,097	196,455,179	189,940,886	305,619,102	296,817,983
Total Assets	184,521,089	175,854,164	339,297,009	330,536,771	523,818,098	506,390,935
Total Deferred Outflows of Resources	8,693,864	8,866,113	3,334,754	4,210,547	12,028,618	13,076,660
Current Liabilities	4,575,785	7,163,532	37,016,606	40,075,830	41,592,391	47,239,362
Noncurrent Liabilities	21,160,440	19,956,234	13,958,414	18,194,509	35,118,854	38,150,743
Total Liabilities	25,736,225	27,119,766	50,975,020	58,270,339	76,711,245	85,390,105
Total Deferred Inflows of Resources	2,150,456	2,351,713	14,976,839	15,538,323	17,127,295	17,890,036
Net Position:						
Net Invested in						
Capital Assets	109,163,923	106,877,097	194,305,179	183,588,778	303,469,102	290,465,875
Restricted	38,810,100	34,119,094	4,193,000	4,192,200	43,003,100	38,311,294
Unrestricted	17,354,249	14,252,607	78,181,725	73,157,678	95,535,974	87,410,285
Total Net Position	\$165,328,272	\$155,248,798	\$276,679,904	\$260,938,656	\$442,008,176	\$416,187,454

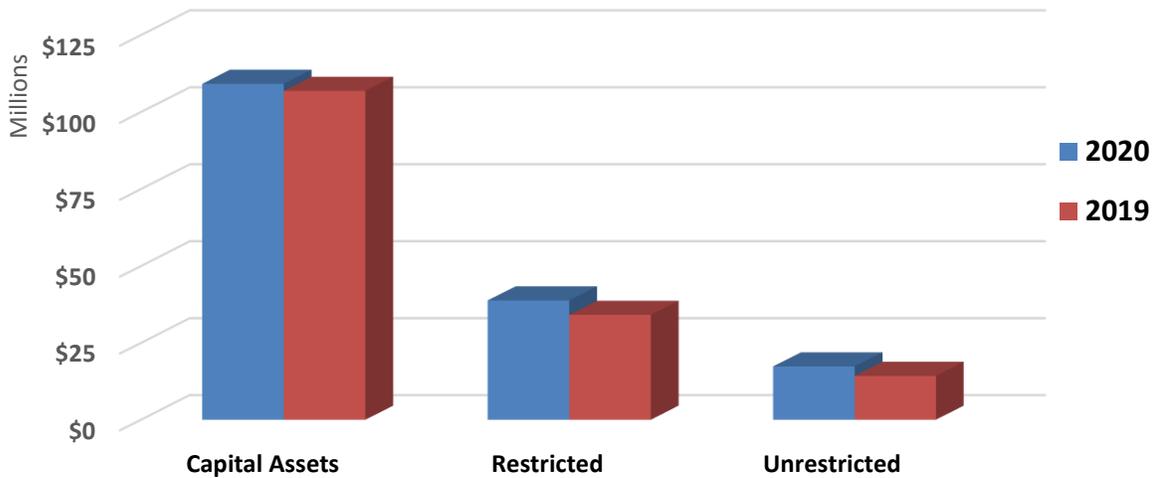
Current and Other Assets increased by \$8,626,044, which is mostly from increased equity in pooled cash and investments. Capital Assets increased by 3% due to investments in long-term assets. Deferred Outflows of resources include the recording of Other Post Employment Benefit related outflows and actuarial changes to pension related outflows. Current Liabilities decreased by \$5,646,971 or 12%, which mainly reflects the scheduled debt payments and reduction in power costs recovered in advance. Non-current Liabilities decreased by \$3,031,889 or 7.9%, largely due to the retirement of the utility system bonds in October 2020. Deferred Inflows decreased by 4.3% due to recording of other post-employment benefits and the actuarial changes to pension related inflows.

By far, the largest portion of the City's net position (68.7%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens and customers; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt

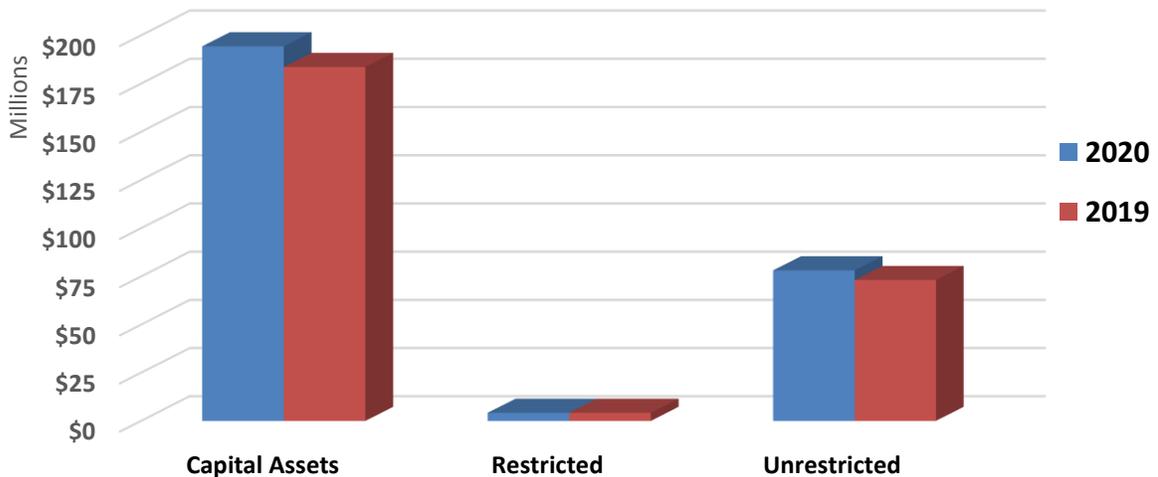
**MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (9.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position (21.6%) 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, 2020
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 19 of this report.

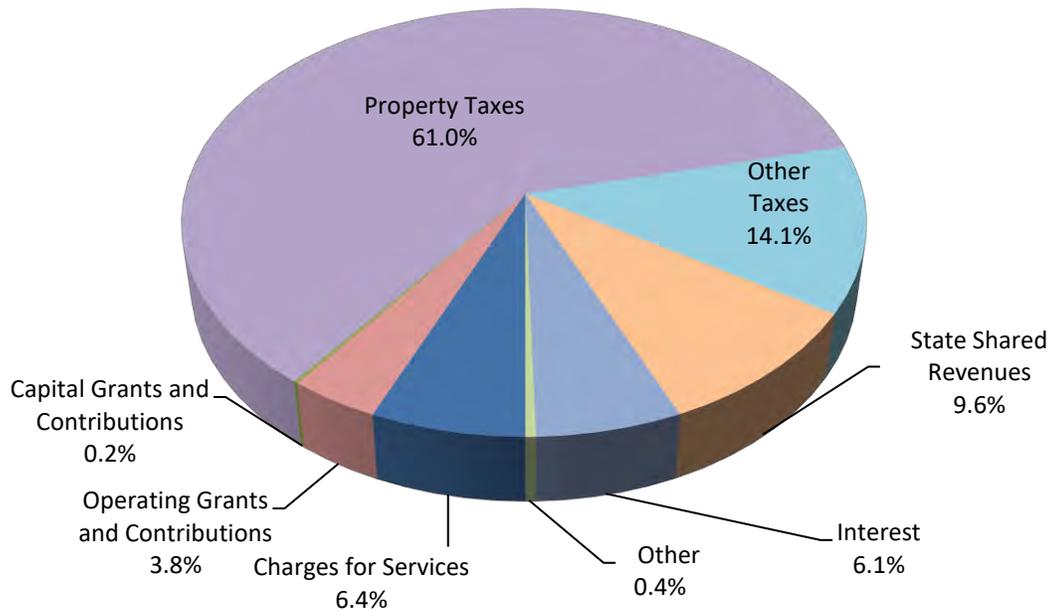
City of Jacksonville Beach Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for Services	\$2,207,172	\$1,725,469	\$104,971,930	\$104,290,683	\$107,179,102	\$106,016,152
Operating Grants and Contributions	1,290,905	1,226,389	55,062	23,204	1,345,967	1,249,593
Capital Grants and Contributions	55,547	58,070	499,544	458,010	555,091	516,080
General Revenues:						
Property Taxes	20,971,159	18,357,738			20,971,159	18,357,738
Other Taxes	4,337,583	4,502,229			4,337,583	4,502,229
State Shared Revenues	3,298,598	3,568,750			3,298,598	3,568,750
Other Intergovernmental Revenues	31,429	33,258			31,429	33,258
Interest	2,090,225	2,405,402	3,570,132	4,413,572	5,660,357	6,818,974
Miscellaneous	118,521	423,946	1,000	21,042	119,521	444,988
Total Revenues	34,401,139	32,301,251	109,097,668	109,206,511	143,498,807	141,507,762
Program Expenses:						
General Government	3,911,667	3,737,267			3,911,667	3,737,267
Law Enforcement	11,300,694	10,562,207			11,300,694	10,562,207
Fire Control	4,342,859	4,766,320			4,342,859	4,766,320
Building Inspections	682,069	631,896			682,069	631,896
Physical Environment	465,506	482,877			465,506	482,877
Road and Street	2,514,183	3,635,996			2,514,183	3,635,996
Parks and Recreation	3,863,411	3,848,072			3,863,411	3,848,072
Interest on Long-Term Debt	-	4,310			-	4,310
Electric			70,910,714	73,644,169	70,910,714	73,644,169
Water and Sewer			10,252,806	9,738,833	10,252,806	9,738,833
Stormwater			1,484,027	1,294,110	1,484,027	1,294,110
Sanitation			3,652,176	3,554,289	3,652,176	3,554,289
Golf Course			2,171,412	1,877,802	2,171,412	1,877,802
Leased Facilities			833,029	383,286	833,029	383,286
Natural Gas			1,293,532	1,592,891	1,293,532	1,592,891
Total Expenses	27,080,389	27,668,945	90,597,696	92,085,380	117,678,085	119,754,325
Change in Net Position						
Before Transfers	7,320,750	4,632,306	18,499,972	17,121,131	25,820,722	21,753,437
Net Transfers	2,758,724	2,306,356	(2,758,724)	(2,306,356)	-	-
Change in Net Position	10,079,474	6,938,662	15,741,248	14,814,775	25,820,722	21,753,437
Net Position-Beginning of Year	155,248,798	148,310,136	260,938,656	246,123,881	416,187,454	394,434,017
Net Position-End of Year	\$ 165,328,272	\$ 155,248,798	\$ 276,679,904	\$ 260,938,656	\$ 442,008,176	\$ 416,187,454

**MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Governmental activities. Governmental activities for fiscal year 2020 increased the City's net position by \$7,320,750 (before transfers). For purposes of this discussion, interfund transfers from business-type funds to governmental funds are not included in revenues from activities.

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

Revenues by Source - Governmental Activities

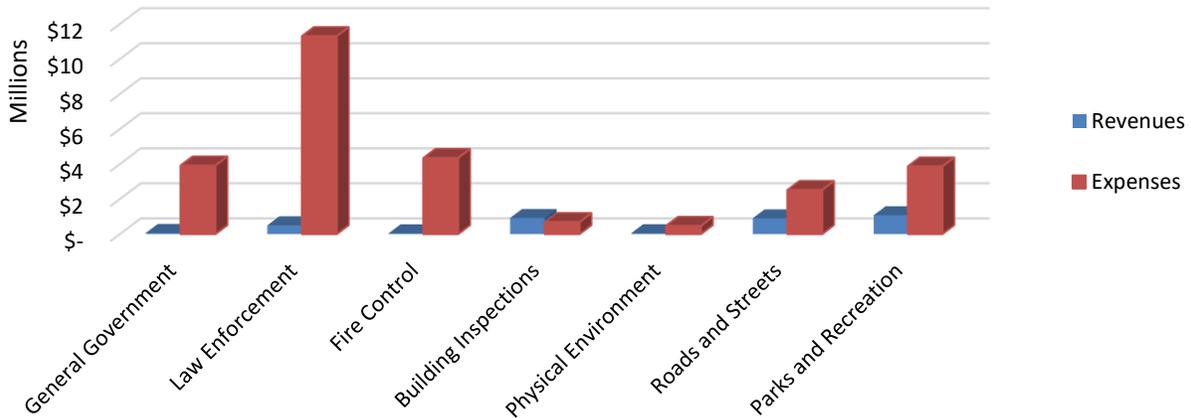


- Property taxes, which provided 61% of governmental revenues, increased by \$2,613,421 or 14.2% in Fiscal year 2020 due to rising property values and a reduction in the amount of Southend tax increment funds returned to the taxing authorities compared to the prior year. Additional information about Tax Increment Funds can be found in Note 15.
- Revenues from other taxes, including infrastructure surtax, communication service tax, convention development tax, and fuel taxes decreased by \$164,646 or 3.7% due primarily to the impact of COVID-19 on consumer spending and business operations.
- Interest revenues decreased by \$315,177 due to the economic uncertainty surrounding COVID-19 and falling interest rates. Investments are reported at fair value. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by an independent professional investment advisor.
- Total expenses for governmental activities decreased by \$588,556 from the prior year. The decrease is primarily attributable to a large roadway milling and paving project in the prior year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

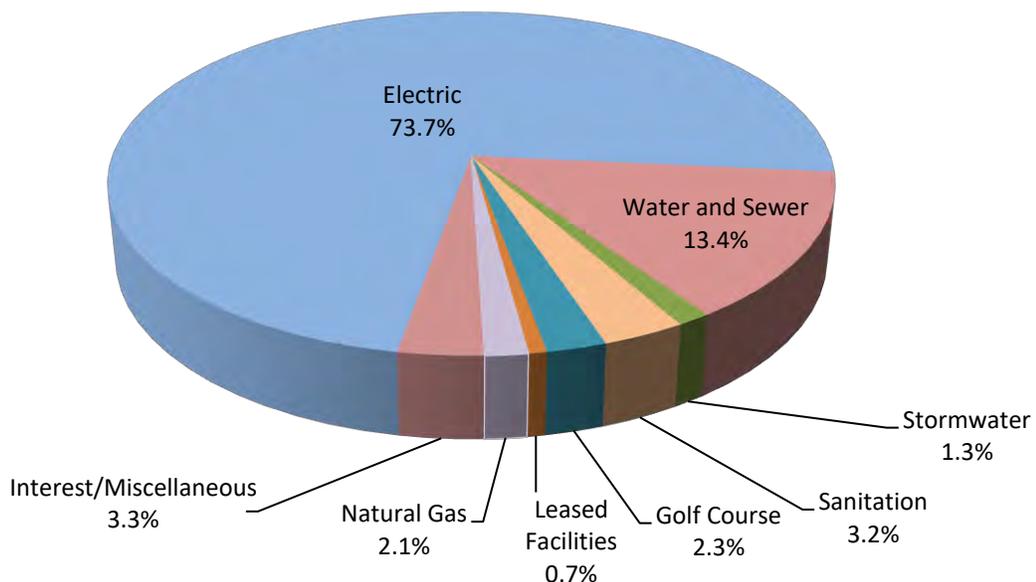
The following chart compares the program revenues from governmental activities to the related expenses. Please note that expenses precede revenues as governments seek to identify the needs of citizens and then raise the resources needed to meet those needs. The excess of expenses over program revenues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

Expenses and Program Revenues - Governmental Activities



Business-type activities. Business-type activities for fiscal year 2020 increased the City's net position by \$18,499,972 (before transfers). On the statement of activities, net revenues are reduced by transfers to the governmental funds of \$2,758,724 to determine the change in net position. The following chart shows the composition of revenues from the City's business-type activities.

Business-Type Revenues by Activity

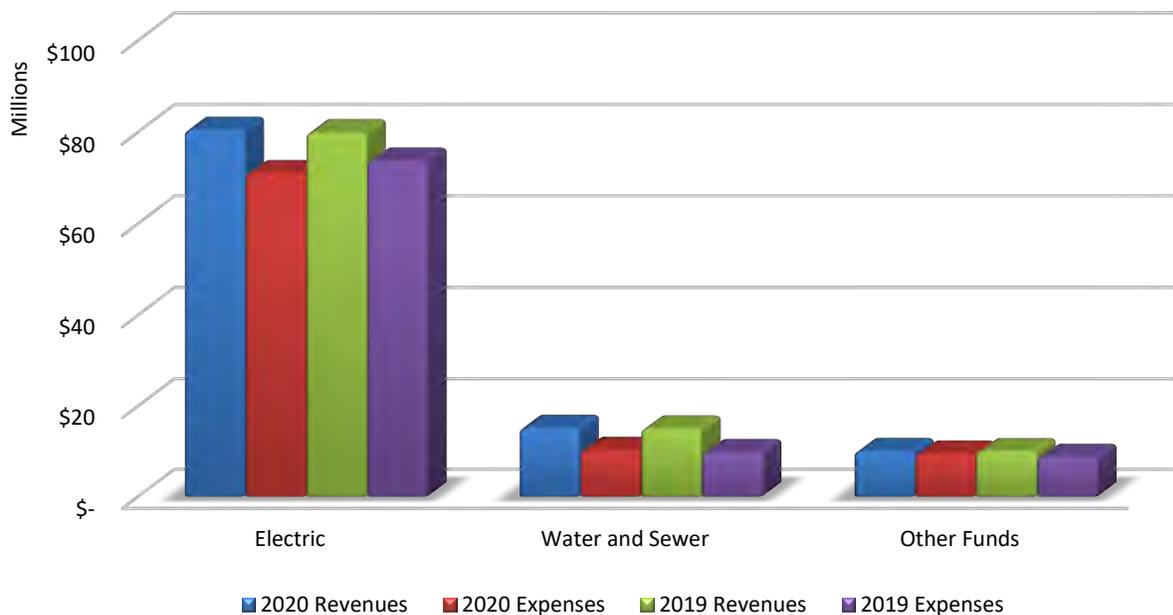


MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

- Charges for services in the business-type activities increased by \$681,247 or 0.7% from the prior year. Of these program revenues, 73.7% comes from electric utility services and 13.9% from the water and sewer utility. Other charges for services include natural gas, sanitation, and golf course fees. The City lowered its electric utility rates charged to customers in November 2019. The cost of power charge decreased by \$3 per thousand kwh and the operations and maintenance charge increased by \$2 per thousand kwh. Additionally, the cost of power charge was suspended in the months of October, April, and May as part of the City’s COVID-19 financial relief program and to pass along energy cost savings. Rates for water and sewer services are adjusted annually in accordance with the Consumer Price Index (CPI). The increases in water and sewer rates are necessary to pay for needed maintenance and improvements to the system.
- Total expenses for the business-type activities decreased by \$1,487,684, due in part to a decrease in the cost of purchased electricity.
- Significant transfers out in business-type activities included a \$3,716,299 transfer from the electric enterprise fund and \$121,021 transfer from the natural gas fund to governmental funds in accordance with the City’s policies on electric and natural gas transfers.

The following chart compares the program revenues from the City’s business-type activities to the related expenses for fiscal years 2020 and 2019. 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.

Expenses and Program Revenues - Business-Type Activities



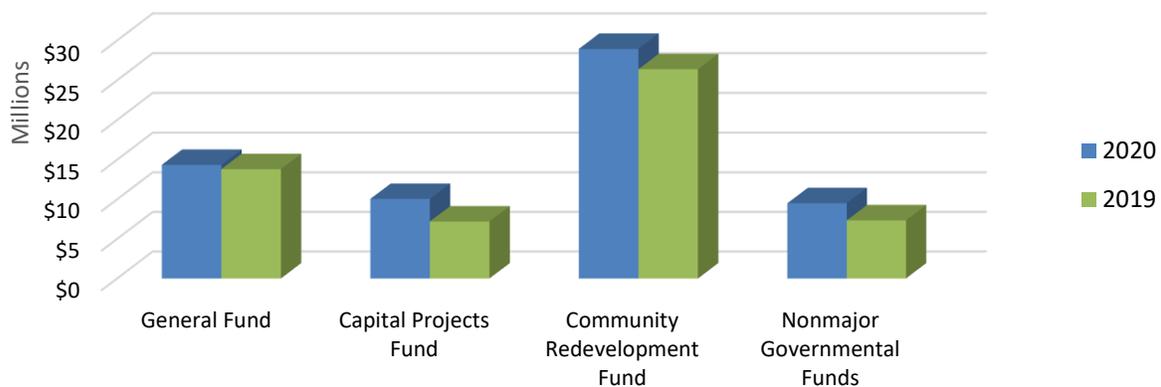
**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

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 2020 the City's governmental funds reported a combined ending fund balance of \$62,846,799, an increase of \$8,107,228 or 14.8% for the year. Of the total fund balance, \$38,521,888 is restricted for specific uses related to redevelopment, tourism, transportation improvements, capital projects, law enforcement, and building permits; \$6,270,927 is committed for revenue stabilization, cemetery improvements, and tree replacement; \$15,995,638 is assigned for capital projects and unanticipated events/emergencies; \$4,714 is non-spendable; and \$2,053,632 is unassigned.

Fund Balances - Governmental Funds



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 \$14,351,373, of which \$6,265,763 was committed for revenue stabilization and cemetery improvements. An additional \$5,948,244 was assigned to an unanticipated events/emergencies reserve account and \$4,714 was reserved for prepaid expenditures. The remaining amount of \$2,053,632 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 67% of general fund expenditures for 2020.

Other major governmental funds. Other major governmental funds include the capital projects fund and the community redevelopment 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, debt, or grants. The fund balance at year-end in the capital projects fund was \$10,047,394. The increase of \$2,848,438, or 39.6%, from the prior year reflects the accumulation of funds for future year projects.

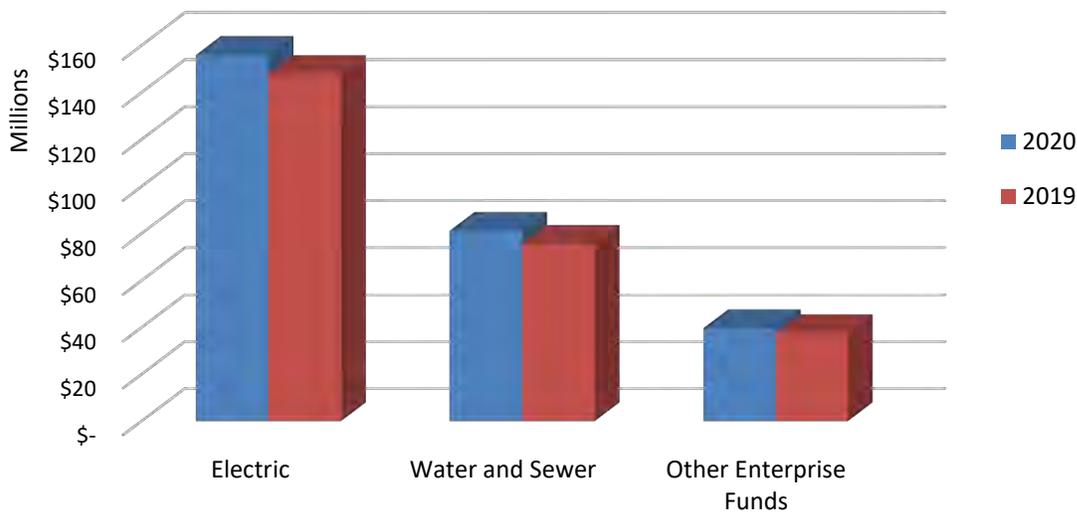
**MANAGEMENT’S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

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 \$28,943,988, an increase of \$2,556,372 for the year. A more detailed summary of the activities in this fund can be found in the notes to the financial statements.

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 2020, the City’s enterprise funds reported a combined ending net position of \$276,679,904, an increase of \$15,741,248 or 6% for the year.

Net Position - Enterprise Funds



GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was an increase in net appropriations of \$290,892 for expenditures and an increase of \$2,535,800 for transfers out. Major amendments are summarized in Note 3 of the notes to the financial statements.

Budget amendments were adopted anticipating using available fund balance or revenues in excess of the original budget projections. In 2020, the total fund balance of the City’s general fund increased by \$540,588. Actual revenues were higher than final budgeted revenues by \$1,202,438 and actual expenditures were under budget by \$2,058,130 or 8.8%. Total expenditures came in under budget because the departments actively managed their individual budgets to ensure compliance with budgetary limits.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

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, 2020, totaled \$305,619,102 (net of accumulated depreciation). Capital assets include land, buildings, equipment, infrastructure, and construction in progress. The City's total investment in capital assets increased by \$8,801,119 or 3%.

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 2020 and 2019:

City of Jacksonville Beach Capital Assets						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 29,656,509	\$ 29,656,509	\$ 4,388,198	\$ 4,388,198	\$ 34,044,707	\$ 34,044,707
Buildings & Improvements	53,186,326	52,129,122	341,122,464	321,064,554	394,308,790	373,193,676
Equipment	17,490,530	17,367,536	11,581,948	10,672,046	29,072,478	28,039,582
Infrastructure	61,145,934	61,145,934	-	-	61,145,934	61,145,934
Construction in Progress	14,378,510	10,045,215	24,634,305	29,457,454	39,012,815	39,502,669
	<u>175,857,809</u>	<u>170,344,316</u>	<u>381,726,915</u>	<u>365,582,252</u>	<u>557,584,724</u>	<u>535,926,568</u>
Less: Accumulated Depreciation	(66,693,886)	(63,467,219)	(185,271,736)	(175,641,366)	(251,965,622)	(239,108,585)
Capital Assets, Net	<u>\$ 109,163,923</u>	<u>\$ 106,877,097</u>	<u>\$ 196,455,179</u>	<u>\$ 189,940,886</u>	<u>\$ 305,619,102</u>	<u>\$ 296,817,983</u>

Long-Term Debt. At September 30, 2020, the City had total bonded debt outstanding of \$2,150,000. Total debt outstanding decreased by \$4,221,665 or 66.3% from the prior fiscal year. The outstanding debt balance reflects the last bond payment which will be made on October 1, 2020.

Outstanding Bonded Debt						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Utility System Bonds			2,150,000	6,360,000	2,150,000	6,360,000
Unamortized Premium			-	11,665	-	11,665
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,150,000</u>	<u>\$ 6,371,665</u>	<u>\$ 2,150,000</u>	<u>\$ 6,371,665</u>

All of the City's long-term bonded debt is secured solely by specified revenue sources. Debt related to business-type activities is paid with operating revenues. The bonds contain mandatory redemption provisions and require premium payments upon early redemption. In addition, the utility revenue bonds require various funds or accounts to be established and maintained within the City's accounting system.

The City maintains excellent bond ratings from the major rating agencies, indicating that the City's bonds have strong investment quality characteristics.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Additional information on the City's long-term debt is presented in Note 7 of the notes to the financial statements. As indicated in the debt information presented, the City will be debt free in the beginning of fiscal year 2021.

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.

The City's economy and demographics reflect statewide and national trends. Both state and local economic outlooks are uncertain as a result of the COVID-19 pandemic. State economists are predicting our growth will continue to slow in FY2021 due to losses in tourism and recreation. While the City of Jacksonville Beach's property values increased by 5.9%, the 2021 budget anticipates reductions in sales, fuel, tourist development taxes and building permit fees.

The 2021 annual budget holds the millage rate steady at 3.9947 mills. The total adopted budget of \$164,824,450 is less than 1% higher than the 2020 budget. The general fund budget is \$23,792,976, a decrease of \$234,431 from the prior fiscal year. Savings realized from contracting out fire services in 2020 have enabled the City to maintain competitive wages and continue to provide the service levels our citizens expect.

The 2021 budget includes continued investment in City resources through infrastructure improvements to our electric, water and sewer, stormwater, roadways, and parks systems. A new Urban Trails project that will provide greenways through developed areas intended to enhance safe pedestrian mobility throughout the City is in development.

Of particular concern to administration the past few years has been the trend of increasing costs for pension benefits for employees. The City successfully negotiated pension reforms with the employee unions and improved the financial sustainability of all three-employee pension plans while maintaining the defined benefit status of those plans. However, the City's required pension contribution has continued to increase due in part to the plan's experience, but mostly due to changes in actuarial assumptions and revised mortality tables mandated by the Florida Legislature.

In the near future, changes in the electric industry due to climate change concerns, and changes in the amount and types of available distributed energy resources, could have a significant financial impact on the City's revenue sources. We have continued to improve and strengthen our electric infrastructure and improve customer service through technology, all of which also impact available revenues. To meet these demands on our resources, management continually monitors electric revenues and makes adjustments periodically while still providing a competitive product to our customers.

Due to concerns about the adequacy of water and sewer rates to pay for improvements needed to maintain the system, the City engaged a rate consultant in 2012 to prepare a revenue sufficiency analysis. At the recommendation of the consultants, the City implemented a series of three annual rate increases for FY 2012 through FY 2014 and a CPI rate increase factor beginning in FY 2015 and every year thereafter. These increases should enable the City to fund most of its capital improvement plan for water and sewer projects over the next few years, barring unforeseen new state and federal mandates.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

We will continue to be judicious about managing the City's resources and cautious about increases in spending and service levels. We are very concerned about continuing to provide the same level of service to our citizens as we have in the past, given the impact of COVID-19 on business operations, employee pension costs, upward pressure on wages, and new federal regulations affecting our utility operations. New spending controls were incorporated into the 2021 budget that will allow administration to respond faster to a changing financial climate.

We feel strongly that with careful planning and due diligence we can overcome the challenges that will affect our financial position and operations while meeting our budget objectives each year. The budget objectives for FY 2021 include the following:

- Maintain sustainable spending patterns in all funds
- Maintain the ability to provide core service levels
- Provide adequate maintenance of City equipment, facilities, and infrastructure
- Fund capital budgets within cash flow projections
- Minimize future debt through long-term financial planning and capital budgeting

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, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 72,227,322	\$ 73,495,722	\$ 145,723,044
Other Cash and Investments	5,225	3,149,300	3,154,525
Accounts Receivable, Net	181,967	15,912,106	16,094,073
Assessments Receivable, Net	24,306	1,046	25,352
Due from Other Governments	1,936,221	433,392	2,369,613
Inventories		2,543,478	2,543,478
Prepaid Items	982,125	82,405	1,064,530
Restricted Assets:			
Equity in Pooled Cash and Investments		47,224,381	47,224,381
Capital Assets:			
Non-Depreciable	44,035,019	29,022,503	73,057,522
Depreciable, Net	65,128,904	167,432,676	232,561,580
Total Assets	184,521,089	339,297,009	523,818,098
Deferred Outflows of Resources			
Pension Related	8,486,492	3,195,333	11,681,825
OPEB Related	207,372	139,421	346,793
Total Deferred Outflows of Resources	8,693,864	3,334,754	12,028,618
Liabilities			
Accounts Payable	789,426	6,410,003	7,199,429
Accrued Interest		46,735	46,735
Other Accrued Liabilities	1,285,573	744,431	2,030,004
Power Costs Recovered in Advance		24,094,473	24,094,473
Due to Other Governments	2,198,197	3,563	2,201,760
Deposits	19,765	5,694,012	5,713,777
Unearned Revenues	154,126	23,389	177,515
Self-Insurance Claims Payable	128,698		128,698
Non-Current Liabilities:			
Due Within One Year	691,338	2,563,410	3,254,748
Due in More Than One Year	20,469,102	11,395,004	31,864,106
Total Liabilities	25,736,225	50,975,020	76,711,245
Deferred Inflows of Resources			
Pension Related	1,546,878	754,885	2,301,763
OPEB Related	603,578	405,800	1,009,378
Rate Stabilization		13,816,154	13,816,154
Total Deferred Inflows of Resources	2,150,456	14,976,839	17,127,295
Net Position			
Net Investment in Capital Assets	109,163,923	194,305,179	303,469,102
Restricted for:			
Redevelopment	28,945,420		28,945,420
Tourism	1,368,854		1,368,854
Transportation Improvements	1,499,187		1,499,187
Capital Projects	6,440,830	2,000,000	8,440,830
Debt Service		2,193,000	2,193,000
Law Enforcement	555,809		555,809
Unrestricted	17,354,249	78,181,725	95,535,974
Total Net Position	\$ 165,328,272	\$ 276,679,904	\$ 442,008,176

See accompanying notes.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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	\$ 3,911,667	\$ 66,255			\$ (3,845,412)		\$ (3,845,412)
Law Enforcement	11,300,694	139,910	\$ 349,181	\$ 8,964	(10,802,639)		(10,802,639)
Fire Control	4,342,859		1,625	45,000	(4,296,234)		(4,296,234)
Building Inspections	682,069	917,441			235,372		235,372
Physical Environment	465,506	24,120	28,434		(412,952)		(412,952)
Roads and Streets	2,514,183	898,622		1,583	(1,613,978)		(1,613,978)
Parks and Recreation	3,863,411	160,824	911,665		(2,790,922)		(2,790,922)
Total Governmental Activities	27,080,389	2,207,172	1,290,905	55,547	(23,526,765)	\$ -	(23,526,765)
Business-Type Activities							
Electric	70,910,714	80,101,098	50,135	265,141		9,505,660	9,505,660
Water and Sewer	10,252,806	14,901,668		234,403		4,883,265	4,883,265
Stormwater	1,484,027	1,406,797				(77,230)	(77,230)
Sanitation	3,652,176	3,490,240	4,927			(157,009)	(157,009)
Golf Course	2,171,412	2,516,520				345,108	345,108
Leased Facilities	833,029	767,195				(65,834)	(65,834)
Natural Gas	1,293,532	1,788,412				494,880	494,880
Total Business-Type Activities	90,597,696	104,971,930	55,062	499,544	-	14,928,840	14,928,840
Total Primary Government	\$ 117,678,085	\$ 107,179,102	\$ 1,345,967	\$ 555,091	(23,526,765)	14,928,840	(8,597,925)
General Revenues							
Taxes:							
					20,971,159		20,971,159
					5,280		5,280
					1,395,678		1,395,678
					1,160,616		1,160,616
					320,451		320,451
					772,754		772,754
					682,804		682,804
					3,298,598		3,298,598
					31,429		31,429
					2,090,225	3,570,132	5,660,357
					118,521	1,000	119,521
					2,758,724	(2,758,724)	-
					33,606,239	812,408	34,418,647
					10,079,474	15,741,248	25,820,722
					155,248,798	260,938,656	416,187,454
					<u>\$ 165,328,272</u>	<u>\$ 276,679,904</u>	<u>\$ 442,008,176</u>

See accompanying notes.

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 14,185,519	\$ 10,480,412	\$ 32,120,457	\$ 9,448,951	\$ 66,235,339
Other Cash and Investments	5,225				5,225
Receivables:					
Accounts, Net	181,738				181,738
Assessments, Net	28		1,432	22,846	24,306
Inter-Fund Receivables	8,964				8,964
Due from Other Governments	1,505,428			430,793	1,936,221
Prepaid Expenditures	4,714				4,714
Total Assets	15,891,616	10,480,412	32,121,889	9,902,590	68,396,507
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	126,245	195,555	342,462	600	664,862
Other Accrued Liabilities	293,152	237,463	642,013	336	1,172,964
Due to Other Governments	6,203		2,191,994		2,198,197
Inter-Fund Payables				8,964	8,964
Deposits	19,765				19,765
Unearned Revenue	154,126				154,126
Total Liabilities	599,491	433,018	3,176,469	9,900	4,218,878
Deferred Inflows of Resources					
Unavailable Revenues	940,752	-	1,432	388,646	1,330,830
Fund Balances					
Non-Spendable:					
Prepaid Expenditures	4,714				4,714
Restricted for:					
Redevelopment			28,943,988		28,943,988
Tourism Expenditures				1,341,454	1,341,454
Transportation Improvements				1,368,587	1,368,587
Capital Projects				6,233,030	6,233,030
Law Enforcement				555,809	555,809
Building Permits	79,020				79,020
Committed for:					
Revenue Stabilization	5,948,244				5,948,244
Cemetery Improvements	317,519				317,519
Tree Replacement				5,164	5,164
Assigned for:					
Unanticipated Events/ Emergencies	5,948,244				5,948,244
Capital Projects		10,047,394			10,047,394
Unassigned	2,053,632				2,053,632
Total Fund Balances	14,351,373	10,047,394	28,943,988	9,504,044	62,846,799
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,891,616	\$ 10,480,412	\$ 32,121,889	\$ 9,902,590	\$ 68,396,507

See accompanying notes.

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

Fund Balance - Total Governmental Funds

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

\$ 62,846,799

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

Capital Assets	\$ 174,753,313	
(Accumulated Depreciation)	<u>(65,806,014)</u>	108,947,299

Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension plan made after the measurement date:

Deferred Outflows Related to Pensions and OPEB	7,435,026	
Deferred Inflows Related to Pensions and OPEB	<u>(1,891,975)</u>	5,543,051

Some revenues have been deferred on the balance sheet because they were not measurable and available at year-end.		1,330,830
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Accrued Other Postemployment Benefits	(1,574,381)	
Net Pension Liability	(12,974,966)	
Compensated Absences	<u>(2,634,259)</u>	(17,183,606)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities.		<u>3,843,899</u>
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Net Position of Governmental Activities		<u><u>\$ 165,328,272</u></u>
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See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 13,539,890		\$ 9,278,569	\$ 2,514,083	\$ 25,332,542
Licenses and Permits	1,556,531				1,556,531
Intergovernmental	4,438,448			152,302	4,590,750
Charges for Services	414,576				414,576
Fines and Forfeitures	203,145			97,882	301,027
Interest and Other Revenue	832,281	\$ 204,717	1,049,143	226,372	2,312,513
Total Revenues	<u>20,984,871</u>	<u>204,717</u>	<u>10,327,712</u>	<u>2,990,639</u>	<u>34,507,939</u>
Expenditures					
Current:					
General Government	2,148,694	56,019	695,731	5,217	2,905,661
Public Safety	14,380,815		962,044	40,182	15,383,041
Physical Environment	66,494			4,249	70,743
Roads and Streets	1,625,627			99,749	1,725,376
Parks and Recreation	3,188,539			15,156	3,203,695
Capital Outlay		1,131,260	6,113,565	149,890	7,394,715
(Total Expenditures)	<u>(21,410,169)</u>	<u>(1,187,279)</u>	<u>(7,771,340)</u>	<u>(314,443)</u>	<u>(30,683,231)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(425,298)</u>	<u>(982,562)</u>	<u>2,556,372</u>	<u>2,676,196</u>	<u>3,824,708</u>
Other Financing Sources (Uses)					
Transfers in	4,351,686	3,831,000			8,182,686
Transfers (out)	(3,385,800)			(514,366)	(3,900,166)
Total Other Financing Sources (Uses)	<u>965,886</u>	<u>3,831,000</u>	<u>-</u>	<u>(514,366)</u>	<u>4,282,520</u>
Net Change in Fund Balances	540,588	2,848,438	2,556,372	2,161,830	8,107,228
Fund Balances, Beginning of Year	<u>13,810,785</u>	<u>7,198,956</u>	<u>26,387,616</u>	<u>7,342,214</u>	<u>54,739,571</u>
Fund Balances, End of Year	<u>\$ 14,351,373</u>	<u>\$ 10,047,394</u>	<u>\$ 28,943,988</u>	<u>\$ 9,504,044</u>	<u>\$ 62,846,799</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, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

Net Change in Fund Balance - Total Governmental Funds

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

\$ 8,107,228

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	\$ 7,926,849	
Transfers of Capital Assets	(1,453,796)	
(Current Year Depreciation)	<u>(4,232,619)</u>	2,240,434

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	136,994	
Change in Net Pension Liability and Deferred Inflows and Outflows Related to Pensions	(940,954)	
Change in Other Postemployment Benefits and Deferred Inflows and Outflows Related to Pensions	<u>2,333</u>	(801,627)

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.

(207,392)

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.

740,831

Change in Net Position of Governmental Activities

\$ 10,079,474

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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	\$ 13,638,446	\$ 13,638,446	\$ 13,539,890	\$ (98,556)
Licenses and Permits	599,900	604,100	1,556,531	952,431
Intergovernmental	4,480,715	4,525,714	4,438,448	(87,266)
Charges for Services	399,000	399,000	414,576	15,576
Fines and Forfeitures	160,500	160,500	203,145	42,645
Interest and Other Revenue	397,526	454,673	832,281	377,608
Total Revenues	<u>19,676,087</u>	<u>19,782,433</u>	<u>20,984,871</u>	<u>1,202,438</u>
Expenditures				
Executive and Legislative	895,969	975,339	943,418	31,921
Finance	428,703	432,856	386,352	46,504
Planning and Development	997,452	1,163,575	1,038,381	125,194
Parks and Recreation	3,482,070	3,620,880	3,255,039	365,841
Public Works	1,744,188	1,748,205	1,625,626	122,579
Police	9,812,557	10,063,386	9,406,976	656,410
Fire	4,631,418	4,392,794	4,280,665	112,129
Non-Departmental	2,035,050	1,071,264	473,712	597,552
(Total Expenditures)	<u>(24,027,407)</u>	<u>(23,468,299)</u>	<u>(21,410,169)</u>	<u>2,058,130</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,351,320)</u>	<u>(3,685,866)</u>	<u>(425,298)</u>	<u>3,260,568</u>
Other Financing Sources (Uses)				
Transfers in	4,351,320	4,351,320	4,351,686	366
Transfers (out)	<u>(3,385,800)</u>	<u>(3,385,800)</u>	<u>(3,385,800)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,351,320</u>	<u>965,520</u>	<u>965,886</u>	<u>366</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (2,720,346)</u>	<u>\$ 540,588</u>	<u>\$ 3,260,934</u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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	\$ 9,260,128	\$ 9,260,128	\$ 9,278,569	\$ 18,441
Interest and Other Revenue	247,109	248,191	1,049,143	800,952
Total Revenues	<u>9,507,237</u>	<u>9,508,319</u>	<u>10,327,712</u>	<u>819,393</u>
Expenditures				
Current:				
General Government	950,842	1,075,588	695,731	379,857
Public Safety	1,184,593	1,237,194	962,044	275,150
Capital Outlay	101,300	8,169,028	6,113,565	2,055,463
(Total Expenditures)	<u>(2,236,735)</u>	<u>(10,481,810)</u>	<u>(7,771,340)</u>	<u>2,710,470</u>
Net Change in Fund Balance	<u>\$ 7,270,502</u>	<u>\$ (973,491)</u>	<u>\$ 2,556,372</u>	<u>\$ 3,529,863</u>

See accompanying notes.

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2020
 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	\$ 28,552,027	\$ 28,574,378	\$ 16,369,317	\$ 73,495,722	\$ 5,991,983
Other Operating Cash			1,300	1,300	
Other Investments	1,888,800	1,259,200		3,148,000	
Receivables:					
Accounts, Net	13,151,873	1,876,115	884,118	15,912,106	229
Assessments, Net		1,046		1,046	
Due from Other Governments	433,392			433,392	
Inventories	2,499,968		43,510	2,543,478	
Prepaid Expenses	75,624		6,781	82,405	977,411
Restricted Assets:					
Equity in Pooled Cash and Investments	45,823,058	1,401,323		47,224,381	
Total Current Assets	92,424,742	33,112,062	17,305,026	142,841,830	6,969,623
Non-Current Assets:					
Capital Assets:					
Land	2,551,256	361,970	1,474,972	4,388,198	
Buildings and Improvements	209,351,370	94,588,760	37,182,335	341,122,465	36,194
Equipment	6,850,792	2,828,893	1,902,263	11,581,948	1,068,302
Construction in Progress	20,110,237	3,405,179	1,118,889	24,634,305	
	238,863,655	101,184,802	41,678,459	381,726,916	1,104,496
(Accumulated Depreciation)	(118,915,984)	(49,131,563)	(17,224,190)	(185,271,737)	(887,872)
Total Capital Assets, Net of Accumulated Depreciation	119,947,671	52,053,239	24,454,269	196,455,179	216,624
Total Non-Current Assets	119,947,671	52,053,239	24,454,269	196,455,179	216,624
Total Assets	212,372,413	85,165,301	41,759,295	339,297,009	7,186,247
Deferred Outflows of Resources					
Pension Related	1,993,864	930,867	270,602	3,195,333	1,258,838
OPEB Related	82,013	42,177	15,231	139,421	
Total Deferred Outflows of Resources	2,075,877	973,044	285,833	3,334,754	1,258,838

See accompanying notes.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020
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	\$ 5,636,027	\$ 281,673	\$ 492,303	\$ 6,410,003	\$ 124,564
Power Costs Recovered in Advance	23,521,215		573,258	24,094,473	
Other Accrued Liabilities	527,354	149,987	67,090	744,431	112,609
Due to Other Governments			3,563	3,563	
Unearned Revenue			23,389	23,389	
Estimated Liability for Self-Insured Losses				-	128,698
Current Portion of Long-Term Debt:					
Compensated Absences	277,671	115,897	19,842	413,410	164,485
Current Liabilities Payable from Restricted Assets:					
Bonds Payable, Current Portion	1,266,350	883,650		2,150,000	
Accrued Interest	27,568	19,167		46,735	
Customer Deposits	5,694,012			5,694,012	
Total Current Liabilities	<u>36,950,197</u>	<u>1,450,374</u>	<u>1,179,445</u>	<u>39,580,016</u>	<u>530,356</u>
Non-Current Liabilities:					
Accrued Compensated Absences	1,110,685	463,586	79,368	1,653,639	657,945
Other Postemployment Benefits	622,649	320,210	115,636	1,058,495	
Net Pension Liability	5,340,503	2,448,685	893,682	8,682,870	3,154,404
Total Non-Current Liabilities	<u>7,073,837</u>	<u>3,232,481</u>	<u>1,088,686</u>	<u>11,395,004</u>	<u>3,812,349</u>
Total Liabilities	<u>44,024,034</u>	<u>4,682,855</u>	<u>2,268,131</u>	<u>50,975,020</u>	<u>4,342,705</u>
Deferred Inflows of Resources					
Pension Related	457,610	220,170	77,105	754,885	258,481
OPEB Related	238,708	122,761	44,331	405,800	
Rate Stabilization	13,816,154			13,816,154	
Total Deferred Inflows of Resources	<u>14,512,472</u>	<u>342,931</u>	<u>121,436</u>	<u>14,976,839</u>	<u>258,481</u>
Net Position					
Net Investment in Capital Assets	118,681,321	51,169,589	24,454,269	194,305,179	216,624
Restricted for:					
Renewal and Replacement	1,500,000	500,000		2,000,000	
Debt Service	1,291,677	901,323		2,193,000	
Unrestricted	34,438,786	28,541,647	15,201,292	78,181,725	3,627,275
Total Net Position	<u>\$ 155,911,784</u>	<u>\$ 81,112,559</u>	<u>\$ 39,655,561</u>	<u>\$ 276,679,904</u>	<u>\$ 3,843,899</u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Business-Type Activities - Enterprise Funds				Governmental
	Water and		Other	Totals	Activities -
	Electric	Sewer	Funds		Internal
					Service Funds
Operating Revenues					
Charges for Services	\$ 79,999,053	\$ 14,836,034	\$ 9,087,155	\$ 103,922,242	\$ 12,661,855
Other	102,045	65,634	882,009	1,049,688	34,809
Total Operating Revenues	<u>80,101,098</u>	<u>14,901,668</u>	<u>9,969,164</u>	<u>104,971,930</u>	<u>12,696,664</u>
Operating Expenses					
Purchased Power	51,517,039		789,792	52,306,831	
Personal Services	5,903,021	3,528,997	1,681,795	11,113,813	4,865,856
Purchased Services	1,641,866	420,468	3,715,006	5,777,340	1,088,826
Repairs and Maintenance	530,186	810,738	718,360	2,059,284	358,719
Depreciation	5,645,786	2,874,459	1,274,980	9,795,225	69,490
Materials and Supplies	474,453	308,532	333,467	1,116,452	131,647
Other Expenses	5,061,408	2,254,142	920,776	8,236,326	5,471,887
(Total Operating Expenses)	<u>(70,773,759)</u>	<u>(10,197,336)</u>	<u>(9,434,176)</u>	<u>(90,405,271)</u>	<u>(11,986,425)</u>
Operating Income	<u>9,327,339</u>	<u>4,704,332</u>	<u>534,988</u>	<u>14,566,659</u>	<u>710,239</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	2,332,793	785,161	452,178	3,570,132	100,592
Interest Expense	(82,072)	(55,470)		(137,542)	
Intergovernmental Revenue	50,135		4,927	55,062	
(Loss) Gain on Disposal of Capital Assets	(54,883)	1,000		(53,883)	
Total Non-Operating Revenues (Expenses)	<u>2,245,973</u>	<u>730,691</u>	<u>457,105</u>	<u>3,433,769</u>	<u>100,592</u>
Income Before Contributions and Transfers	<u>11,573,312</u>	<u>5,435,023</u>	<u>992,093</u>	<u>18,000,428</u>	<u>810,831</u>
Capital Contributions					
Connection Fees	265,141	234,403		499,544	
Developer Contributions			1,453,796	1,453,796	
Total Capital Contributions	<u>265,141</u>	<u>234,403</u>	<u>1,453,796</u>	<u>1,953,340</u>	<u>-</u>
Transfers					
Transfers in	162,097		35,800	197,897	
Transfers (out)	(3,899,299)	(126,000)	(385,118)	(4,410,417)	(70,000)
Total Transfers	<u>(3,737,202)</u>	<u>(126,000)</u>	<u>(349,318)</u>	<u>(4,212,520)</u>	<u>(70,000)</u>
Change in Net Position	8,101,251	5,543,426	2,096,571	15,741,248	740,831
Total Net Position, Beginning of Year	<u>147,810,533</u>	<u>75,569,133</u>	<u>37,558,990</u>	<u>260,938,656</u>	<u>3,103,068</u>
Total Net Position, End of Year	<u>\$ 155,911,784</u>	<u>\$ 81,112,559</u>	<u>\$ 39,655,561</u>	<u>\$ 276,679,904</u>	<u>\$ 3,843,899</u>

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

	Business-Type Activities - Enterprise Funds			Governmental	
	Electric	Water and Sewer	Other Funds	Activities - Internal Service Funds	
Cash Flows from Operating Activities					
Cash Received from Customers and Users	\$ 75,579,601	\$ 14,863,018	\$ 10,176,904	\$ 100,619,523	\$ 12,696,664
Cash Payments to Vendors for Goods and Services	(58,842,111)	(3,787,949)	(6,755,679)	(69,385,739)	(7,085,910)
Cash Payments to Employees for Services	(5,435,257)	(3,380,651)	(1,527,544)	(10,343,452)	(4,492,285)
Claims Paid				-	(62,150)
Net Cash Provided by (Used in) Operating Activities	11,302,233	7,694,418	1,893,681	20,890,332	1,056,319
Cash Flows from Non-Capital Financing Activities					
Transfers in	162,097		35,800	197,897	
Intergovernmental Revenue	235,907		2,035	237,942	
Transfers (out)	(3,899,299)	(126,000)	(385,118)	(4,410,417)	(70,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(3,501,295)	(126,000)	(347,283)	(3,974,578)	(70,000)
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(12,519,405)	(1,680,650)	(709,552)	(14,909,607)	(115,882)
Principal Paid on Revenue Bonds	(2,479,690)	(1,730,310)		(4,210,000)	
Interest Paid and Fiscal Charges	(125,958)	(87,892)		(213,850)	
Connection Fees	265,141	234,403		499,544	
Net Cash Provided by (Used in) Capital and Related Financing Activities	(14,859,912)	(3,264,449)	(709,552)	(18,833,913)	(115,882)
Cash Flows from Investing Activities					
Interest Received on Investments	2,321,536	777,656	452,180	3,551,372	100,592
Net (Decrease) Increase in Cash and Cash Equivalents	(4,737,438)	5,081,625	1,289,026	1,633,213	971,029
Cash and Cash Equivalents, Beginning of Year	79,112,523	24,894,076	15,081,591	119,088,190	5,020,954
Cash and Cash Equivalents, End of Year	\$ 74,375,085	\$ 29,975,701	\$ 16,370,617	\$ 120,721,403	\$ 5,991,983

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Other Funds</u>	<u>Totals</u>	Activities - Internal Service Funds
<u>Included on the Accompanying Balance Sheet Under the Following Captions</u>					
Current Assets					
Equity in Pooled Cash and Investments	\$ 28,552,027	\$ 28,574,378	\$ 16,369,317	\$ 73,495,722	\$ 5,991,983
Other Operating Cash			1,300	1,300	
Restricted Assets					
Equity in Pooled Cash and Investments	45,823,058	1,401,323		47,224,381	
Total	<u>\$ 74,375,085</u>	<u>\$ 29,975,701</u>	<u>\$ 16,370,617</u>	<u>\$ 120,721,403</u>	<u>\$ 5,991,983</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>					
Operating Income (Loss)	\$ 9,327,339	\$ 4,704,332	\$ 534,988	\$ 14,566,659	\$ 710,239
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	5,645,786	2,874,459	1,274,980	9,795,225	69,490
Power Costs Recovered in Advance (Returned)	(4,122,352)		216,867	(3,905,485)	
Change in Estimated Liability for Self-Insured Losses				-	(117,474)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):					
Accounts Receivable and Unbilled Revenue	(506,556)	(40,545)	(18,675)	(565,776)	
Assessments Receivable		1,895		1,895	
Inventories	(196,441)		(20,706)	(217,147)	
Prepaid Expenses	9,166		(4,998)	4,168	(26,852)
Accounts Payable and Other Accrued Liabilities	570,116	5,931	(252,584)	323,463	47,345
Unearned Revenues	(198,434)		9,548	(188,886)	
Customer Deposits	305,845			305,845	
Accrued Compensated Absences	12,979	(40,349)	50,166	22,796	91,943
Other Postemployment Benefits and Related Deferred Inflows and Outflows	(922)	(475)	(171)	(1,568)	
Net Pension Liability and Pension Related Deferred Inflows and Outflows	455,707	189,170	104,256	749,133	281,628
Net Cash Provided by (Used in) Operating Activities	<u>\$ 11,302,233</u>	<u>\$ 7,694,418</u>	<u>\$ 1,893,671</u>	<u>\$ 20,890,322</u>	<u>\$ 1,056,319</u>
<u>Supplemental Disclosure of Non-Cash Activities</u>					
Change in Fair Value of Investments	\$ 11,257	\$ 7,505		\$ 18,762	
Amortization of Bond Discount (Premium)	(6,871)	(4,794)		(11,665)	
Amortization of Loss on Refunding	12,579	6,978		19,557	
Transfer of Capital Assets			\$ 1,453,796	1,453,796	

See accompanying notes.

**STATEMENT OF FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

Assets

Cash and Cash Equivalents	\$ 1,940,300
Accrued Interest	120,832
Due from Other Governments	251,023
Investments:	
Equities, Including Mutual Funds	67,895,430
Corporate Bonds	10,336,043
U.S. Government Obligations/Agencies	17,050,813
Real Estate	5,119,774
Total Investments	<u>100,402,060</u>
Total Assets	<u><u>102,714,215</u></u>

Liabilities

Accounts Payable	9,849
Other Accrued Liabilities	1,664
Total Liabilities	<u><u>11,513</u></u>

Net Position

Restricted for Pensions	<u><u>\$ 102,702,702</u></u>
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See accompanying notes.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Additions

Contributions:	
Employee	\$ 1,655,254
Employer	3,917,310
State of Florida	418,343
Total Contributions	<u>5,990,907</u>
Investment Income:	
Investment Earnings	9,566,890
(Investment Expenses)	(173,381)
Net Investment Income	<u>9,393,509</u>
Total Additions	<u>15,384,416</u>
Deductions	
Benefits	7,301,696
Refunds of Contributions	605,317
Administrative Expense	263,615
	<u>8,170,628</u>
(Total Deductions)	<u>(8,170,628)</u>
Change in Net Position	7,213,788
Net Position, Beginning of Year	<u>95,488,914</u>
Net Position, End of Year	<u>\$ 102,702,702</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

This report includes the accounts and transactions of the following entities, which do not satisfy the definition of component units because they are not legally separate from the City.

- City of Jacksonville Beach General Employees' Retirement System
- City of Jacksonville Beach Police Officers' Retirement System
- City of Jacksonville Beach Firefighters' Retirement System

B. Government-Wide and Fund Financial Statements

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

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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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, and the golf course, or from interfund charges (internal service funds). Operating expenses for these operations include all costs related to providing the service or product. These costs include purchased power, personal and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. 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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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

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

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

The City reports the following major governmental funds:

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

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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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 self-insurance. The internal service funds are included in governmental activities for government-wide reporting purposes, and the excess revenue or expenses for the funds are allocated to the appropriate functional activity.
- **Pension Trust Funds**—account for the activities of the general employees’ pension, police officers’ pension and firefighters’ pension plans, which accumulate resources for defined benefit payments to qualified employees.

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

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

D. Assets and Liabilities

■ **Cash and Investments**

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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, 2020, is \$232,536. In the fund financial statements, recognition of governmental fund type revenues is deferred until they become measurable and available, in accordance with the modified accrual basis of accounting. 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, 2020, are unbilled amounts totaling \$7,700,013. 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, construct assets, and service debt. To the extent that certain transactions between funds were not paid for or received as of September 30, 2020, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year, if any, are recorded as advances to and advances from other funds. Balances of advances to other funds are offset by non-spendable fund balances in the respective funds, since these receivables are not available for appropriation. Short-term interfund loans to eliminate cash deficits are classified as “interfund receivables/payable.”

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

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

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

- **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 \$1,000. 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 on revenue bonds, the proceeds of which are used to finance the construction of certain assets, is capitalized during the construction period, net of interest earned on the investment of unexpended bond proceeds. No net interest cost was capitalized in the enterprise funds or the government-wide financial statements in 2020.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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

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

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

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

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

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

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

The employee must:

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

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

- **Deferred Inflows/Outflows of Resources**—Deferred outflows of resources represent the consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets. Deferred inflows of resources represent the acquisition of net position that is applicable to a future reporting period. 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 three pension plans and additions to/deductions from pension plan net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. Fund Balances

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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

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

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

- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the general fund that are not restricted, committed, or assigned. There are no unassigned fund balances as of September 30, 2020.

■ **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.

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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Details of the tax calendar are presented below:

Lien Date	January 1, 2019
Levy Date	October 1, 2019
Installment Payments	
First Installment	No Later Than June 30, 2019
Second Installment	No Later Than September 30, 2019
Third Installment	No Later Than December 31, 2019
Fourth Installment	No Later Than March 31, 2020
Regular Payments	
Discount Periods	November 2019 Through February 2020
No Discount Period	After March 1, 2020
Delinquent Date	April 1, 2020

Note 3 - Stewardship, Compliance, and Accountability

Budgets

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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 Budget</u>	<u>Encumbrances Rolled Forward</u>	<u>Supplemental Appropriations</u>	<u>Amended Budget</u>
General Fund	\$ 24,027,407	\$ 250,958	\$ 2,575,734	\$ 26,854,099
Special Revenue Funds	3,639,795	8,212,718	181,700	12,034,213

Supplementary budgetary appropriations for the general fund include the following:

- \$11,000 in contributions from the Jacksonville Track Club for installation of water fountains.
- \$4,200 for fees collected from short-term vacation rentals. Will be used to offset cost of \$19,459 "Host Compliance" vendor cost.
- \$45,000 grant received from FDEP for Resilient Coastlines Program
- \$1,393 for vehicle repair costs offset by insurance proceeds
- \$30,000 from Duval County to pay for half the cost of replacing the work stations for the Police Department Communications Center
- \$750 for additional overtime for the Fire Department offset by donations
- \$14,750 in additional funding needed for recently established City Attorney's Office
- \$44,925 for resurfacing of seven tennis courts
- \$19,459 - \$4,200 = \$15,259 for "Host Compliance" vendor cost for short-term vacation rentals
- \$75,000 for commercial building inspection services to supplement the Building Inspection Division
- \$30,000 for City of Jacksonville Beach portion of the cost of replacing the work stations for the Police Department Communications Center
- (\$249,979) net reduction to Fire Department budget after executing Fire Services Agreement with Duval County
- (\$82,698) for reduction in unanticipated budget to offset mid-year budget adjustments
- \$33,712 for two new workstations
- \$14,003 for vehicle repair costs offset by insurance proceeds
- \$3,000 additional funding provided to "Dial-A-Ride"
- \$52,620 in additional funding needed for recently established City Attorney's Office
- \$61,800 for relocation of Veteran Memorial
- (\$64,800) for reduction in unanticipated budget to offset year-end budget adjustments
- \$2,500,000 in transfers to the General Capital Projects Fund for the following: police vehicle replacement, replacement of dune walkovers outside the CRA boundaries, sidewalk maintenance and new sidewalk construction, city-wide road repaving, city-wide parks maintenance and improvements, additional funding for building maintenance reserves, and city-wide facility improvements
- \$35,800 was a transfer to the Leased Facilities fund to pay for an external assessment of our ERP implementation

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

- \$28,132 Ocean Terrace Drainage Improvements design
- \$668 for vehicle repair costs offset by insurance proceeds
- \$1,082 for vehicle repair costs offset by insurance proceeds
- \$32,000 for CRA legal services for Downtown CRA plan consolidation
- \$51,653 for enhancements to Downtown CRA camera system
- \$8,672 for additional design services for drainage improvements on Jacksonville Drive
- \$9,108 JAG-D grant funds for equipment purchases
- \$50,385 JAG-C grant funds for equipment purchases

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Other Disclosures

There was a deficit in net position in the Other Internal Service fund totaling (\$410,833). This deficit primarily resulted from the recording of the Net Pension Liability described in Note 11.

Note 4 - Deposits and Investments

Equity in Pooled Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled cash and investments is allocated to each fund based on the average equity balance. The balance in pooled cash and investments was \$192,914,915 in governmental and business-type funds and \$1,290,061 in the pension funds. In addition, certain cash and investments are held separately and not available for use by all funds, including \$6,525 in petty cash and \$3,148,000 in bank deposits and money market 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. At September 30, 2020, the carrying amount of the City's deposits held in QPDs was \$18,546,906 and the bank balance was \$19,088,866.

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 \$6,739,112 and the amount of deposits held in the pension trust funds was \$650,239.

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	\$ 18,546,906
Petty Cash	6,525
Investments	172,099,468
Deposits Held in Trust	6,739,112
Less Pooled Cash Held in Pension Trust Funds	<u>(1,290,061)</u>
Total	<u>\$ 196,101,950</u>

As presented in the accompanying Statement of Net Position:

Equity in Pooled Cash and Investments	\$ 145,723,044
Other Cash and Investments	3,154,525
Restricted Equity in Pooled Cash and Investments	<u>47,224,381</u>
Total	<u>\$ 196,101,950</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Investments

Following are the investments held in the pooled cash fund, credit ratings, and maturities of the City's governmental and business-type activities at September 30, 2020:

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+	\$ 44,889,087	\$ 13,338,621	\$ 26,589,260	\$ 4,961,206	
Federal Agency Securities:						
Federal Home Loan Mortgage Corporation	AA+	2,148,669	8,748	270,601	509,291	\$ 1,360,029
Federal National Mortgage Association	AA+	5,643,339	148,524	1,711,480	438,503	3,344,832
Government National Mortgage Association	AA+	56,044				56,044
Corporate ABSs	AAA	7,100,053	31,397	6,725,992	272,084	70,580
Corporate ABSs	AA+	183,265				183,265
Corporate ABSs	Aaa (Moody's)	2,438,939		2,363,147		75,792
Corporate Bonds	AAA	137,996		137,996		
Corporate Bonds	AA+	3,996,491	1,089,267	2,391,104	516,120	
Corporate Bonds	AA	1,797,879		1,797,879		
Corporate Bonds	AA-	3,559,415	1,006,330	2,172,040	381,045	
Corporate Bonds	A+	3,269,669	445,697	2,823,972		
Corporate Bonds	A	11,868,983	373,605	11,361,958	133,420	
Corporate Bonds	A-	17,447,199	1,185,068	14,212,044	2,009,187	40,900
Corporate Bonds	BBB+	15,954,638	41,154	10,684,048	5,229,436	
Corporate Bonds	Aaa (Moody's)	106,441	106,441			
Corporate Bonds	A2 (Moody's)					
Municipal Bonds	AAA	804,127	358,944	415,845	29,338	
Municipal Bonds	AA+	1,137,918	111,528	788,517		237,873
Municipal Bonds	AA	289,082		289,082		
Municipal Bonds	AA-					
Municipal Bonds	Aaa (Moody's)	215,940		215,940		
Municipal Bonds	Aa1 (Moody's)	121,285		79,957		41,328
Municipal Bonds	Aa2 (Moody's)	51,312		51,312		
Florida State Board of Administration:						
Florida PRIME	AAAm	17,122,886	17,122,886			
Florida Trust - Day to Day Fund	AAAmmf (Fitch)	19,078,497	19,078,497			
Florida Municipal Investment Trust:						
Short-Term Bond Portfolio (0-2 Years)	AAA (Fitch)	12,680,314	12,680,314			
Total		<u>\$ 172,099,468</u>	<u>\$ 67,127,021</u>	<u>\$ 85,082,174</u>	<u>\$ 14,479,630</u>	<u>\$ 5,410,643</u>

Listed below are the investments and maturities in the City's pension trust funds at September 30, 2020:

Investment Type	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Equities	\$ 67,895,430	\$ 67,895,430			
U.S. Government Securities	3,908,099		\$ 642,745	\$ 1,493,690	\$ 1,771,664
Federal Agency Securities:					
Federal Home Loan Bank	815,466			815,466	
Federal Home Loan Mortgage Corporation	4,366,814		5,193		4,361,621
Federal National Mortgage Association	7,960,434		63,692	881,789	7,014,953
Corporate Bonds	10,336,043		1,331,821	5,644,810	3,359,412
Real Estate	<u>5,119,774</u>	<u>5,119,774</u>			
Total	<u>\$ 100,402,060</u>	<u>\$ 73,015,204</u>	<u>\$ 2,043,451</u>	<u>\$ 8,835,755</u>	<u>\$ 16,507,650</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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	3.89%
Federal Agency Securities	Aaa	13.09%
Corporate Bonds	A1	1.13%
Corporate Bonds	A2	3.17%
Corporate Bonds	A3	3.12%
Corporate Bonds	Aa1	0.25%
Corporate Bonds	Aa3	0.64%
Corporate Bonds	Aaa	0.33%
Corporate Bonds	Baa1	0.48%
Municipal Bonds	Aa1	0.38%
Municipal Bonds	Aaa	0.80%

Authorized Investments

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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

Risk Disclosure

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

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

Fair Value Measurements

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

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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, 2020:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Obligations	\$ 44,889,087	\$ 26,707,939	\$ 18,181,148	
Federal Agency Securities:				
Federal Home Loan Mortgage Corporation	2,148,669		2,148,669	
Federal National Mortgage Association	5,643,340		5,643,340	
Government National Mortgage Association	56,044		56,044	
Corporate ABSs	9,722,258		9,722,258	
Corporate Bonds	58,138,711	432,855	57,705,856	
Municipal Bonds	2,619,663		2,619,663	
Total Investments by Fair Value Level	\$ 123,217,772	\$ 27,140,794	\$ 96,076,978	\$ -
Investments Measured at Amortized Cost	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Florida State Board of Administration:				
Florida PRIME	\$ 17,122,885		None	Daily
Florida Trust - Day to Day Fund	19,078,497		None	Daily
Florida Municipal Investment Trust:				
Short-Term Bond Portfolio (0-2 Years)	12,680,314		None	Daily
Total Investments Measured at Amortized Cost	\$ 48,881,696			
Total Investments	\$ 172,099,468			

The fair value measurements for the City's pension trust fund investments are as follows at September 30, 2020:

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	\$ 67,895,430	\$ 67,895,430		
U.S. Government Securities	3,908,099	1,702,387	\$ 2,205,712	
Federal Agency Securities:				
Federal Home Loan Bank	815,466	815,466		
Federal Home Loan Mortgage Corporation	4,366,814		4,366,814	
Federal National Mortgage Association	7,960,434		7,960,434	
Corporate Bonds	10,336,043		10,336,043	
Total Investments Measured at Fair Value	\$ 95,282,286	\$ 70,413,283	\$ 24,869,003	\$ -
Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 5,119,774		Quarterly	45 days
Total Investments	\$ 100,402,060			

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

U.S. Government Obligations are valued based on prices quoted in active markets and are categorized as Level 1 in the fair value hierarchy. Federal Agency Securities 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, 2020, the balance in these accounts consists of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 8,964	
J.A.G. Grant		\$ 8,964
Total Restricted Assets	\$ 8,964	\$ 8,964

Interfund transfers during the year ended September 30, 2020, consisted of the following:

	<u>Transfers In</u>				
	<u>General Fund</u>	<u>General Capital Projects</u>	<u>Electric</u>	<u>Other Enterprise</u>	
Transfers Out					
General Fund		\$ 3,350,000 (1)		\$ 35,800 (1)	\$ 3,385,800
Other Governmental	\$ 514,366 (2)				514,366
Electric Fund	3,716,299 (3)	183,000 (1)			3,899,299
Water and Sewer		126,000 (1)			126,000
Other Enterprise	121,021 (3)	102,000 (1)	\$ 162,097 (4)		385,118
Internal Service		70,000 (1)			70,000
Total Transfers Out	\$ 4,351,686	\$ 3,831,000	\$ 162,097	\$ 35,800	\$ 8,380,583

Transfer Purpose

- (1) Capital Projects Funding
- (2) Reimburse Fund for Expenditures/Expenses Incurred on its Behalf
- (3) Return on Investment
- (4) Repayment of Construction Advance

In addition, transfers at the government-wide level include \$1,453,796 in capital asset transfers from the governmental activities to the Stormwater fund.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 29,656,509			\$ 29,656,509
Construction in Progress	<u>10,045,215</u>	<u>\$ 6,238,630</u>	<u>\$ (1,905,335)</u>	<u>14,378,510</u>
Total Capital Assets Not Being Depreciated	<u>39,701,724</u>	<u>6,238,630</u>	<u>(1,905,335)</u>	<u>44,035,019</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	52,129,122	1,057,204		53,186,326
Equipment	17,367,536	1,198,436	(1,075,442)	17,490,530
Road Network	32,881,354			32,881,354
Other Infrastructure Networks	<u>28,264,580</u>			<u>28,264,580</u>
Total Capital Assets Being Depreciated	<u>130,642,592</u>	<u>2,255,640</u>	<u>(1,075,442)</u>	<u>131,822,790</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(18,222,074)	(1,730,154)		(19,952,228)
Equipment	(12,036,330)	(1,411,607)	1,075,442	(12,372,495)
Road Network	(12,375,131)	(416,056)		(12,791,187)
Other Infrastructure Networks	<u>(20,833,684)</u>	<u>(744,292)</u>		<u>(21,577,976)</u>
Total Accumulated Depreciation	<u>(63,467,219)</u>	<u>(4,302,109)</u>	<u>1,075,442</u>	<u>(66,693,886)</u>
Total Being Depreciated, Net	<u>67,175,373</u>	<u>(2,046,469)</u>		<u>65,128,904</u>
Governmental Activities Capital Assets, Net	<u>\$ 106,877,097</u>	<u>\$ 4,192,161</u>	<u>\$ (1,905,335)</u>	<u>\$ 109,163,923</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 4,388,198			\$ 4,388,198
Construction in Progress	<u>29,457,454</u>	<u>\$ 12,538,655</u>	<u>\$ (17,361,804)</u>	<u>24,634,305</u>
Total Capital Assets Not Being Depreciated	<u>33,845,652</u>	<u>12,538,655</u>	<u>(17,361,804)</u>	<u>29,022,503</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	321,064,555	20,057,910		341,122,465
Equipment	<u>10,672,045</u>	<u>1,035,895</u>	<u>(125,992)</u>	<u>11,581,948</u>
Total Capital Assets Being Depreciated	<u>331,736,600</u>	<u>21,093,805</u>	<u>(125,992)</u>	<u>352,704,413</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(168,134,241)	(9,008,368)	38,867	(177,103,742)
Equipment	<u>(7,507,125)</u>	<u>(786,856)</u>	<u>125,986</u>	<u>(8,167,995)</u>
Total Accumulated Depreciation	<u>(175,641,366)</u>	<u>(9,795,224)</u>	<u>164,853</u>	<u>(185,271,737)</u>
Total Being Depreciated, Net	<u>156,095,234</u>	<u>11,298,581</u>	<u>38,861</u>	<u>167,432,676</u>
Business-Type Activities Capital Assets, Net	<u>\$ 189,940,886</u>	<u>\$ 23,837,236</u>	<u>\$ (17,322,943)</u>	<u>\$ 196,455,179</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities	
General Government	\$ 1,400,370
Law Enforcement	604,400
Fire Control	132,066
Building Inspections	3,975
Physical Environment	394,763
Roads and Streets	847,049
Parks and Recreation	849,996
Internal Service Funds	<u>69,490</u>
Total Depreciation Expense - Governmental Activities	\$ <u>4,302,109</u>
Business-Type Activities	
Electric	\$ 5,645,786
Water and Sewer	2,874,459
Stormwater	840,128
Sanitation	36,712
Golf Course	224,481
Leased Facilities	19,317
Natural Gas	<u>154,341</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>9,795,224</u>

Note 7 - Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2020:

	Balance September 30, 2019	Additions	Other Reductions	Balance September 30, 2020	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	\$ 3,501,740	\$ 1,261,350	\$ (1,306,401)	\$ 3,456,689	\$ 691,338
Accrued Other Postemployment Benefits	1,358,296	216,085		1,574,381	
Net Pension Liability	15,096,198	1,033,172		16,129,370	
Total Governmental Activities	<u>19,956,234</u>	<u>2,510,607</u>	<u>(1,306,401)</u>	<u>21,160,440</u>	<u>691,338</u>
Business-Type Activities					
Revenue Bonds - Par	6,360,000		(4,210,000)	2,150,000	2,150,000
Unamortized Premium	11,665		(11,665)	-	
Revenue Bonds, Net	6,371,665	-	(4,221,665)	2,150,000	2,150,000
Accrued Compensated Absences	2,044,253	794,670	(771,874)	2,067,049	413,410
Accrued Other Postemployment Benefits	913,214	145,281		1,058,495	
Net Pension Liability	8,865,377		(182,507)	8,682,870	
Total Business-Type Activities	<u>18,194,509</u>	<u>939,951</u>	<u>(5,176,046)</u>	<u>13,958,414</u>	<u>2,563,410</u>
Total Long-Term Obligations	<u>\$ 38,150,743</u>	<u>\$ 3,450,558</u>	<u>\$ (6,482,447)</u>	<u>\$ 35,118,854</u>	<u>\$ 3,254,748</u>

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Bonds outstanding at September 30, 2020, consist of the following for business-type activities:

Business-Type Activities	<u>Note</u>	<u>Maturity</u>	<u>Originally Issued</u>	<u>Outstanding Amount</u>	<u>Interest Rate</u>
Revenue Bonds:					
2010 Series, Utility Revenue:					
Electric Fund	1	2020	\$ 21,960,865	\$ 1,266,350	2.0-4.0%
Water and Sewer Fund	1	2020	<u>15,324,135</u>	<u>883,650</u>	2.0-4.0%
Total Business-Type Activities			<u>\$ 37,285,000</u>	<u>\$ 2,150,000</u>	

1. Refunded remaining 2002 Utility Revenue Bonds (originally for electric, water, and wastewater improvements).

The City has no direct placement debt. The bonds listed above are secured by a pledge of the revenue source listed in the bond name. Most of the bonds contain mandatory redemption provisions and require premium payments upon early redemption. In addition, the Utility Revenue Bonds, Series 2010, require the establishment and maintenance of various "funds" or accounts on the books of the City, as follows:

**Electric and Water and Sewer
Funds**

To receive the gross revenues of the electric and sewer systems (the systems) from which monies can be spent for operations and maintenance, debt service payments, required transfers to the reserve accounts, and the costs of extensions, enlargements, additions, or replacement of capital assets.

**Electric and Water and Sewer
Reserve Accounts**

To receive and maintain an amount equivalent to the lesser of the maximum annual debt service requirement or an amount equivalent to 1.25 times the average annual debt service requirement, but in no event more than 10% of the principal amount of the bonds. In lieu of this reserve, the City may establish a reserve account credit facility which is an insurance policy that may be drawn on to make debt service payments when a deficiency of gross revenues exists. If such a withdrawal is made, the City is required to reinstate the reserve account credit facility.

**Renewal and Replacement
Accounts**

To accumulate and disburse funds only for repair and replacement of the systems following damage by hurricane or other unforeseen emergency or catastrophe.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Annual debt service requirements as of September 30, 2020, are as follows:

Fiscal Year	Business-Type Activities		
	Revenue Bonds		Total
	Principal	Interest	
2021	\$ 2,150,000	\$ 43,000	\$ 2,193,000

Interest costs incurred in the business-type activities (excluding amortization) totaled \$128,900 for the year ended September 30, 2020.

For the governmental activities, compensated absences, pension, and other postemployment benefits are generally liquidated by the general fund.

Pledged Revenue

Pledged revenues on the City's outstanding debt for the year ended September 30, 2020, were as follows:

Description of Bond	Pledged Revenue	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Business-Type Activities						
Series 2010, Utility Revenue Bonds	Net Electric Utility Revenue	\$ 17,305,918	\$ 2,605,206	15.05%	\$ 1,291,677	2021
Series 2010, Utility Revenue Bonds	Net Water and Sewer Utility Revenue	8,363,952	1,817,894	21.73%	901,323	2021

Note 8 - Restricted Assets

The following table indicates the balances at September 30, 2020, for all restricted assets in the proprietary fund types:

	Electric Fund	Water and Sewer Fund	Total Enterprise
Sinking Funds:			
Principal	\$ 1,266,350	\$ 883,650	\$ 2,150,000
Interest	25,327	17,673	43,000
Renewal and Replacement	1,500,000	500,000	2,000,000
Power Costs Recovered In Advance	23,521,215		23,521,215
Rate Stabilization	13,816,154		13,816,154
Customer Deposits	<u>5,694,012</u>		<u>5,694,012</u>
Total Restricted Assets	<u>\$ 45,823,058</u>	<u>\$ 1,401,323</u>	<u>\$ 47,224,381</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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

The St. Lucie Project

On May 12, 1983, FMPA acquired an 8.806% undivided ownership interest in the St. Lucie Unit 2, an 838 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 2020 under this contract was \$3,439,328. 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.

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 2020 was in June 2020, at 163.925 MW. Total expense to the City under the All Requirements Project for 2020 was \$47,946,389.

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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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 2020, under this contract was \$70,835, which is net of the FMPA contribution of \$35,181.

Note 10 - Power Costs Recovered in Advance

The City uses a power true-up recomputed monthly in its electric rates. At September 30, 2020, the City was over-recovered from customers by \$23,521,215. 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, 2020, the rate stabilization reserve totaled \$13,816,154. This amount is included as a Deferred Inflow of Resources in the accompanying financial statements.

The City also uses a cost of gas true-up recomputed monthly in its natural gas rates. At September 30, 2020, the City was over-recovered from customers by \$573,258. 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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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 part (reporting as pension trust funds) of the City's financial reporting entity since they are not "legally separate." The plans issue publicly available financial reports that include financial statements and required supplementary information. 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, 2019, employee membership data related to the pension plans were:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
Inactive Plan Members or Their Beneficiaries				
Currently Receiving Benefits (Including DROP Participants)	192	40	27	259
Inactive Plan Members Entitled to Benefits, But Not Yet Receiving Them	11	4	1	16
Active Plan Members	<u>237</u>	<u>66</u>	<u>24</u>	<u>327</u>
Total	<u><u>440</u></u>	<u><u>110</u></u>	<u><u>52</u></u>	<u><u>602</u></u>

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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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

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

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

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, 2020, 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.

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' and Firefighters' pension plans receive a distribution of casualty premium tax monies from the State of Florida pursuant to Chapters 175 and 185, Florida Statutes. The on-behalf payments received from the State of Florida totaling \$418,343 were received for the period ending September 30, 2020, and were recognized as revenues and expenses in the General Fund and were used to reduce the City's contribution to the Police Officers' and Firefighters' pension plans.

For the period ended September 30, 2020, the actuarially determined contribution amount was to be \$3,915,740, including estimated contributions from the State of Florida. The City's actual contribution was \$4,335,653, including actual contributions from the State of Florida. These contributions were determined pursuant to an actuarial valuation dated October 1, 2018.

There were no contributions due to the plans by the City at September 30, 2020.

Investment Policy

The following are the three Boards' adopted asset allocation policy as of September 30, 2020:

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Concentration

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

Rate of Return

For the years ended September 30, 2020 and 2019, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 10.02% and 5.61%, 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.

Schedule of Pension Plan Net Position as of September 30, 2020

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Totals</u>
Assets				
Cash and Cash Equivalents	\$ 1,045,476	\$ 354,084	\$ 540,740	\$ 1,940,300
Due from Other Governments		251,023		251,023
Accrued Interest	72,338	30,952	17,542	120,832
Investments:				
Equities, Including Mutual Funds	40,126,321	17,811,204	9,957,905	67,895,430
Corporate Bonds	6,180,873	2,652,090	1,503,080	10,336,043
U.S. Government Obligations/Agencies	10,095,752	4,439,156	2,515,905	17,050,813
Real Estate Fund	3,061,585	1,313,665	744,524	5,119,774
Total Investments	<u>59,464,531</u>	<u>26,216,115</u>	<u>14,721,414</u>	<u>100,402,060</u>
Total Assets	<u>60,582,345</u>	<u>26,852,174</u>	<u>15,279,696</u>	<u>102,714,215</u>
Liabilities				
Accounts Payable	3,283	3,283	3,283	9,849
Other Accrued Liabilities	1,048	372	244	1,664
Total Liabilities	<u>4,331</u>	<u>3,655</u>	<u>3,527</u>	<u>11,513</u>
Net Position Restricted for Pensions	<u>\$ 60,578,014</u>	<u>\$ 26,848,519</u>	<u>\$ 15,276,169</u>	<u>\$ 102,702,702</u>

Schedule of the Change in Pension Plan Net Position as of September 30, 2020

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Totals</u>
Additions				
Contributions				
Employee	\$ 1,110,267	\$ 399,342	\$ 145,645	\$ 1,655,254
Employer	2,324,624	658,426	934,260	3,917,310
State of Florida		251,023	167,320	418,343
Total Contributions	<u>3,434,891</u>	<u>1,308,791</u>	<u>1,247,225</u>	<u>5,990,907</u>
Investment Income				
Investment Earnings	5,713,222	2,455,943	1,397,725	9,566,890
(Investment Expenses)	(103,183)	(44,704)	(25,494)	(173,381)
Net Investment Income	<u>5,610,039</u>	<u>2,411,239</u>	<u>1,372,231</u>	<u>9,393,509</u>
Total Additions	<u>9,044,930</u>	<u>3,720,030</u>	<u>2,619,456</u>	<u>15,384,416</u>
Deductions				
Benefits	4,908,805	1,276,474	1,116,417	7,301,696
Refunds of Contributions	557,035	15,301	32,981	605,317
Administrative Expense	102,704	80,908	80,003	263,615
(Total Deductions)	<u>(5,568,544)</u>	<u>(1,372,683)</u>	<u>(1,229,401)</u>	<u>(8,170,628)</u>
Change in Net Position	<u>3,476,386</u>	<u>2,347,347</u>	<u>1,390,055</u>	<u>7,213,788</u>
Net Position, Beginning of Year	<u>57,101,628</u>	<u>24,501,172</u>	<u>13,886,114</u>	<u>95,488,914</u>
Net Position, End of Year	<u>\$ 60,578,014</u>	<u>\$ 26,848,519</u>	<u>\$ 15,276,169</u>	<u>\$ 102,702,702</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Basis of Accounting – Pension Trust Funds

The Pension Trust Fund statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized as revenue in the period in which employees provide services to the City. Interest and dividend income is recognized when earned by the pension plan. Realized gains and losses on the sale of investments held by the pension plan are recognized when incurred. Net appreciation in the fair value of investments held by the pension plan is recorded as an 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, 2019, one year prior to the reporting date.

Net Pension Liability

The components of the net pension liability for each plan as of September 30, 2019, (measurement date) 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	\$ 72,135,149	\$ 55,646,916	\$ 16,488,233
Service Cost	1,503,973		1,503,973
Interest	5,292,226		5,292,226
Differences Between Expected and Actual Experience	(1,027,446)		(1,027,446)
Changes of Assumptions			-
Contributions - Employer		2,100,105	(2,100,105)
Contributions - Employee		1,036,998	(1,036,998)
Net Investment Income		3,062,326	(3,062,326)
Benefit Payments Including Refunds of Employee Contributions	(4,648,241)	(4,648,241)	-
Administrative Expenses		(96,476)	96,476
Net Changes	<u>1,120,512</u>	<u>1,454,712</u>	<u>(334,200)</u>
Balance, End of Year	<u>\$ 73,255,661</u>	<u>\$ 57,101,628</u>	<u>\$ 16,154,033</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Police Officers' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	\$ 27,274,187	\$ 23,778,932	\$ 3,495,255
Service Cost	724,675		724,675
Interest	2,008,899		2,008,899
Differences Between Expected and Actual Experience	(521,988)		(521,988)
Changes of Assumptions			-
Contributions - Employer and State		802,241	(802,241)
Contributions - Employee		383,822	(383,822)
Net Investment Income		1,316,052	(1,316,052)
Benefit Payments Including Refunds of Employee Contributions	(1,702,415)	(1,702,415)	-
Administrative Expenses		(77,460)	77,460
Net Changes	509,171	722,240	(213,069)
Balance, End of Year	<u>\$ 27,783,358</u>	<u>\$ 24,501,172</u>	<u>\$ 3,282,186</u>

Firefighters' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	\$ 17,322,288	\$ 13,344,201	\$ 3,978,087
Service Cost	377,972		377,972
Interest	1,277,049		1,277,049
Differences Between Expected and Actual Experience	92,116		92,116
Changes of Assumptions	1,160,627		1,160,627
Contributions - Employer and State		657,730	(657,730)
Contributions - Employee		178,437	(178,437)
Net Investment Income		743,303	(743,303)
Benefit Payments Including Refunds of Employee Contributions	(967,917)	(967,917)	-
Administrative Expenses		(69,640)	69,640
Net Changes	1,939,847	541,913	1,397,934
Balance, End of Year	<u>\$ 19,262,135</u>	<u>\$ 13,886,114</u>	<u>\$ 5,376,021</u>

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

Actuarial Assumptions

The total pension liability was based on an actuarial valuation as of October 1, 2018, and a measurement date of September 30, 2019, 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'
Investment Rate of Return	7.0% - Firefighters'

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

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

<u>Asset Class</u>	<u>Long-term Expected Rate of Return (Excluding Inflation)</u>
Domestic Equity	10.0%
International Equity	11.0%
Domestic Bonds	5.0%
International Bonds	6.0%
Real Estate	7.0%
Cash	0.0%

Discount Rate

The discount rate used to measure the total pension liability for the General Employees' and Police Officers' Plan was 7.5%. The discount rate used to measure the total pension liability for the Firefighters' Plan was 7.0%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The single discount rate reflects the long-term expected rate of return on pension plan investments including inflation.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
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
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
General Employees' Pension Plan:	\$ 24,431,738	\$ 16,154,033	\$ 9,174,725
Police Officers' Pension Plan:	\$ 6,745,611	\$ 3,282,186	\$ 381,839
	1% Decrease	Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Firefighters' Pension Plan:	\$ 8,067,335	\$ 5,376,021	\$ 3,160,024

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

For the year ended September 30, 2020, the City recognized pension expense as follows:

General Employees' Pension Plan	\$ 3,696,412
Police Officers' Pension Plan	1,124,841
Firefighters' Pension Plan	<u>1,486,115</u>
Total	<u>\$ 6,307,368</u>

At September 30, 2020, 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'	Firefighters'	Total
Contributions Made After the Measurement Date	\$ 2,324,624	\$ 909,449	\$ 1,101,581	\$ 4,335,654
Differences Between Expected and Actual				
Experience	779,483	115,997	289,447	1,184,927
Changes in Assumptions	<u>2,894,894</u>	<u>1,358,175</u>	<u>1,908,176</u>	<u>6,161,245</u>
Total	<u>\$ 5,999,001</u>	<u>\$ 2,383,621</u>	<u>\$ 3,299,204</u>	<u>\$ 11,681,826</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Deferred Inflows of Resources

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>	<u>Total</u>
Differences Between Expected and Actual Experience	\$ 995,831	\$ 767,568		\$ 1,763,399
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	368,537	114,697	\$ 55,131	538,365
Total	<u>\$ 1,364,368</u>	<u>\$ 882,265</u>	<u>\$ 55,131</u>	<u>\$ 2,301,764</u>

Contributions made after the measurement date (shown above) will be recognized in the fiscal year ending September 30, 2021.

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>Firefighters'</u>	<u>Total</u>
2021	\$ 1,040,952	\$ 134,834	\$ 709,091	\$ 1,884,877
2022	661,564	134,929	569,683	1,366,176
2023	582,500	213,443	535,860	1,331,803
2024	24,993	140,429	327,858	493,280
2025		(31,728)		(31,728)
Thereafter				-
Total	<u>\$ 2,310,009</u>	<u>\$ 591,907</u>	<u>\$ 2,142,492</u>	<u>\$ 5,044,408</u>

Effective November 19, 2019 (subsequent to the plan measurement date), 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 sponsor and is responsible for the unfunded actuarial accrued liability as determined by the plan actuary as of November 22, 2019. The City has agreed to pay the unfunded liability at that time totaling \$5,318,174 into the Plan over a 10 year period. Annual contributions towards the unfunded liability are \$707,653. The City of Jacksonville is responsible for paying the total required contribution to the Jacksonville Beach Firefighters' Retirement Plan and estimated annual employee contributions attributable to services rendered after November 23, 2019.

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

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:

	Atlantic Beach Tie-in to Discharge Point	Neptune Beach Tie-in to Atlantic Beach Tie-in
Atlantic Beach, Florida	45.0%	0.0%
Jacksonville Beach, Florida	41.3%	75.0%
Neptune Beach, Florida	13.7%	25.0%
Total	100.0%	100.0%

The City contributed \$0 to the interlocal agreement during 2020. As of September 30, 2020, 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.

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, 2020, the City had the following commitments related to significant unfinished capital projects:

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

<u>Project</u>	<u>Expended as of September 30, 2020</u>	<u>Remaining Commitment</u>
A1A Water Main Replacement	\$ 1,451,351	\$ 418,875
ADA Dune Walkovers Design and Construction	127,210	22,893
Downtown Redevelopment District Infrastructure Improvements, Phase III, Project 2	6,444,207	5,233,082
Ocean Terrace Drainage Improvements	156,090	72,833
Penman Road Improvements - Design	101,127	5,926
Downtown Action Plan Implementation Phase 2	351,599	48,401
Install Fiber between Sampson and Diego Substations	293,335	33,328
Guana Substation 50 MVA Transformer	2,449,755	195,791
Sampson Subs 244 MVA Transformer Replace	2,730,413	253,889
Butler Substation Modification	230,651	44,645
Natural Gas Distribution System	139,582	30,418
4 th Street Sewer and Water Main Improvements	178,382	26,838
SW Channel Improvements – JTB to Marsh Landing	<u>1,467,660</u>	<u>70,466</u>
Total	<u>\$ 16,121,362</u>	<u>\$ 6,457,385</u>

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		\$ 92,825
General Capital Projects Fund	\$ 2,589,808	
Community Redevelopment Fund	9,451,963	
Other Governmental Funds	<u>241,575</u>	
Total	<u>\$ 12,283,346</u>	<u>\$ 92,825</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

**NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

During 2020, the City purchased commercial insurance against losses for the following types of risk:

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

Substantially all risk management activities are accounted for by the City within its internal service fund. Total expenses for risk management services (including claims and commercial insurance) were \$3,666,972 in 2020, and \$4,193,201 in 2019.

The City is self-insured for six remaining workers' compensation claims with the Florida League of Cities, Inc. providing aggregate excess coverage. Beginning in fiscal year 2020, the City is 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 2020, interdepartmental charges and other earnings were more than actual costs by \$466,019. For 2019, interdepartmental charges and other earnings were more than actual costs by \$179,182. The self-insurance fund has unrestricted net position of \$4,254,732 at September 30, 2020.

There were no significant reductions in insurance coverage from 2019 to 2020.

The estimated liability for self-insured losses of \$128,698 accrued in the self-insurance fund at September 30, 2020, 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. Changes in the self-insurance fund's estimated liability were as follows for September 30:

	2020	2019
Beginning Balance	\$ 246,172	\$ 342,611
Current Year Claims and Changes in Estimates	(55,324)	260,339
(Claim Payments)	(62,150)	(356,778)
Ending Balance	\$ 128,698	\$ 246,172

Note 15 - Community Redevelopment Agency

The five-member Jacksonville Beach Community Redevelopment Agency (CRA) was established in 1978, pursuant to Chapter 163, Part III of the Florida Statutes. The CRA was created to carry out a community redevelopment program for the City. The Jacksonville Beach program consists of a variety of redevelopment activities in two districts: Downtown and Southend.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Downtown Redevelopment District

The initial focus of the CRA was the rejuvenation of the Downtown District. The original plan for the redevelopment of the Downtown District was adopted in June 1987, following the creation of the tax increment district in 1984. The plan was amended in 2007 to incorporate the Downtown Vision Plan, and in 2014 to create a Downtown Community Assisted Policing Effort (CAPE), in an effort to making the downtown a safer and more inviting area. The most recent amendment to the downtown plan came via the adoption of the 2015 Downtown Action Plan, a collection of projects and programs to address community redevelopment concerns in the areas of public spaces, transportation, public safety, and overall quality of life in the downtown community redevelopment district.

Phase I of the Downtown Vision Plan involved the reconstruction of 3rd Street (SR A1A) between 2nd Avenue South and 6th Avenue North with landscaped medians, traffic signal relocation, and new lighting. The cost to complete Phase I was \$2.5 million. In 2011, the CRA approved funding for Phase II of the Downtown Vision Plan to include the reconstruction of Beach Boulevard, reconstruction of 1st Street from Beach Boulevard to 6th Avenue North and construction of new restroom facilities in the 2nd Avenue North street end. Phase II was completed in Fiscal Year 2015 with a total cost of \$5.6 million.

Phase III of the Downtown Vision Plan is divided into sub-phases A, B, and C. Phase III-A included the reconstruction of North 1st Street between 4th Avenue North and 6th Avenue North; and 5th Avenue North between 1st Street and 3rd Street. Phases III-B and III-C are currently underway and include major reconstruction of the water, sewer, and storm drainage systems as well as street and alleyway improvements from Beach Boulevard to 13th Avenue South. Project 2 of Phase III-C, providing street and infrastructure improvements between 11th and 13th Avenues South, is currently underway, with a construction cost of approximately \$11 million. That project is expected to be completed in the summer of 2020. It is anticipated that in fiscal year 2020 a consultant will be selected for the design and construction document production for: (1) one or more of the remaining project phases of the Phase III-C infrastructure and roadway work, and (2) for downstream stormwater discharge channel improvements.

In 2018, consultants to the CRA completed a *Downtown Action Plan – Implementation and Management Plan*, in an effort to address various livability issues identified in the 2015 Downtown Action Plan. In 2019, that consulting team then prepared Public Art, Bike Parking, Wayfinding Signage, Lighting, and Pier Entryway Enhancement elements identified in the Implementation and Management Plan and CRA funding is proposed in fiscal year 2020 for the implementation/installation/construction of those elements, except for the Pier Reconstruction Project is completed. The Pier Reconstruction Project began in January 2020 and has an estimated two year construction schedule.

Three ADA compliant dune walkovers were completed in the Downtown District in 2020, and design of 25 non-ADA dune walkovers and associated back-up stormwater outfall extensions will be completed in 2021, with construction scheduled over the following three years (FY2021-2023).

Southend Redevelopment District

In November 1985, the Southend district was designated for redevelopment. A plan for the redevelopment of the area was adopted and a tax increment trust fund was established in 1987. Since the adoption of the Southend Redevelopment Plan, six major public-private projects have been completed. The completed projects are Riptide, South Beach Regional Shopping Center, South Beach Parkway Shopping Center, Ocean Cay, Paradise Key, and the South Beach Mixed Use Development.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

A downstream stormwater system component of Phase II of the South Beach Capital Improvements Program, the construction twin poured-in-place box culverts to replace an open ditch along the south side of Butler Boulevard, was completed in October 2020. The replacement of the retaining walls of the retention pond in the South Beach Parkway Shopping Center, also part of the same downstream system, is also due to be let out for construction bids in FY2021.

In 2018, consultants to the CRA completed a drainage improvements study for the historically platted *Ocean Terrace* area of the Southend Redevelopment District, which consists of the developed residential neighborhoods along the north and south sides of Jacksonville Drive, west of South Beach Parkway. The design of the recommended alternative from that study should be substantially completed in FY2021, and it is proposed that funding will also be provided in FY2021 for the construction of those drainage improvements.

In FY2020, comprehensive maintenance of grounds and facilities continued within the popular South Beach Park, and a shade structure was installed over the toddler area of the park's Splash Pad water feature. A Park Lighting Replacement project is currently scheduled for FY2021, and is to be implemented over a three year period, ending in FY2023.

The FY2020 budget anticipated a reduction in the Southend Tax Increment Funding collection rate from 95% to 50%. Accordingly, the Southend Redevelopment District FY2020 yearend fund balance appropriation adopted by the CRA on October 26, 2020 (CRA Res. No. 2020-07) identified \$2,191,994 to be returned to the taxing authorities; The City of Jacksonville (\$1,471,063) and The City of Jacksonville Beach (\$720,931).

The following schedule summarizes revenue and expenditure activity for the two districts in 2020:

	<u>Downtown</u>	<u>Southend</u>	<u>Total</u>
Revenues and Transfers in			
Ad Valorem Taxes	\$ 6,843,019	\$ 4,627,544	\$ 11,470,563
Ad Valorem Taxes to Return to Taxing Authorities		(2,191,994)	(2,191,994)
Interest and Other	596,661	452,481	1,049,142
Total Revenues and Transfers in	<u>7,439,680</u>	<u>2,888,031</u>	<u>10,327,711</u>
Expenditures			
General Government	514,439	181,292	695,731
Public Safety	962,044		962,044
Capital Projects:			
Downtown Infrastructure Improvements	4,613,090		4,613,090
Southend Infrastructure Improvements		1,500,474	1,500,474
(Total Expenditures)	<u>(6,089,573)</u>	<u>(1,681,766)</u>	<u>(7,771,339)</u>
Excess (Deficiency) of Revenues and Transfers in Over (Under) Expenditures	<u>\$ 1,350,107</u>	<u>\$ 1,206,265</u>	<u>\$ 2,556,372</u>

Note 16 - Lease Revenue

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Industrial Park, the cell tower, and the Marina building are generally three to five-year leases, with the option for either party to cancel the lease given 90 days' notice. Charges for space at the Community Services Center, the Industrial Park, and the Marina building are based on the size of the area leased; cell tower charges are a flat rate. There are no contingent rentals or subleases at any of the facilities. Cost, accumulated depreciation, and carrying value on the leased assets are:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
Buildings	\$ 632,274	\$ 488,902	\$ 143,372
Improvements	34,216	32,115	2,101
Total	<u>\$ 666,490</u>	<u>\$ 521,017</u>	<u>\$ 145,473</u>

Note 17 - 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, 2018 (the latest actuarial valuation):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	17
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>296</u>
Total Plan Members	<u>313</u>

Funding Policy

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Total OPEB Liability

The City's total OPEB liability of \$2,632,876 was measured as of September 30, 2019, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2018.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	<u>\$ 2,271,510</u>
Service Cost	119,289
Interest on Total OPEB Liability	89,149
Differences Between Expected and Actual Experience	
Changes of Assumptions and Other Inputs	279,237
Benefit Payments	<u>(126,309)</u>
Net change in Total OPEB Liability	<u>361,366</u>
Total OPEB Obligation, End of Year	<u>\$ 2,632,876</u>

Changes of assumptions and other inputs include an decrease of the discount rate from 3.83% as of the beginning of the measurement period to 2.75% 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:

	<u>1% Decrease</u> <u>1.75%</u>	<u>Current</u> <u>Discount Rate</u> <u>2.75%</u>	<u>1% Increase</u> <u>3.75%</u>
Total OPEB Liability	\$ 2,933,509	\$ 2,632,876	\$ 2,372,949

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:

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,281,231	\$ 2,632,876	\$ 3,065,167

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

For the fiscal year ended September 30, 2020, the City recognized OPEB expense of \$94,434. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Benefits Paid after Measurement Date	\$ 98,241	
Differences between Expected and Actual Experience		\$ 203,622
Changes in Assumptions and Other Inputs	<u>248,552</u>	<u>805,756</u>
Total	<u>\$ 346,793</u>	<u>\$ 1,009,378</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA

Of the total amount reported as deferred outflows of resources related to OPEB, \$98,241 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2021	\$ (114,095)
2022	(114,095)
2023	(114,095)
2024	(114,095)
2025	(114,095)
Thereafter	<u>(190,351)</u>
Total	<u>\$ (760,826)</u>

Actuarial Methods and Assumptions

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

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2018
Measurement Date:	September 30, 2019
Reporting Date:	September 30, 2020
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.50%
Discount Rate:	2.75%
Projected Salary Increases:	Salary increase rates used for General, Firefighters, and Police Officers in the applicable pension actuarial valuation: 4.5% - 12.1% including inflation.
Retirement Age:	Retirement rates are based on the applicable pension actuarial valuation.
Mortality:	Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2017 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering period 2008 through 2013.
Healthcare Cost Trend Rate:	Based on the Getzen Model, with trend starting at 2.64% for 2019, followed by 6.50% for 2020 and gradually trending to an ultimate trend rate of 4.24% plus 0.28% increase for excise tax.
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:	2020	2019	2018	2017	2016	2015
Measurement Date - September 30:	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 1,503,973	\$ 1,376,901	\$ 1,391,483	\$ 1,207,176	\$ 1,111,657	\$ 1,129,366
Interest on the Total Pension Liability	5,292,226	5,106,511	4,852,273	4,606,558	4,557,077	4,443,924
Difference Between Expected and Actual Experience	(1,027,446)	1,126,397	325,573	(1,228,033)	(891,893)	
Assumption Changes (1), (2), (3)		2,931,687	2,129,976	2,784,150		
Benefit Payments	(4,648,241)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds		(158,889)	(97,989)	(153,923)	(276,366)	(301,455)
Net Change in Total Pension Liability	1,120,512	5,826,951	4,001,742	3,286,294	448,212	1,601,868
Total Pension Liability-Beginning	72,135,149	66,308,198	62,306,456	59,020,162	58,571,950	56,970,082
Total Pension Liability-Ending (a)	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	2,100,105	1,898,689	1,591,545	1,321,320	1,387,165	1,216,994
Employee Contributions	1,036,998	1,029,762	1,018,627	927,251	853,057	771,553
Pension Plan Net Investment Income	3,062,326	4,761,584	5,827,579	3,782,591	(153,496)	4,697,264
Benefit Payments	(4,648,241)	(4,555,656)	(4,599,574)	(3,929,634)	(4,052,263)	(3,669,967)
Refunds		(158,889)	(97,989)	(153,923)	(276,366)	(301,456)
Pension Plan Administrative Expense	(96,476)	(100,429)	(105,804)	(111,995)	(92,050)	(102,358)
Net Change in Plan Fiduciary Net Position	1,454,712	2,875,061	3,634,384	1,835,610	(2,333,953)	2,612,030
Plan Fiduciary Net Position-Beginning	55,646,916	52,771,855	49,137,471	47,301,861	49,635,814	47,023,784
Plan Fiduciary Net Position-Ending (b)	57,101,628	55,646,916	52,771,855	49,137,471	47,301,861	49,635,814
Net Pension Liability-Ending (a) – (b)	\$ 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	77.95%	77.14%	79.59%	78.86%	80.15%	84.74%
Covered Payroll	\$ 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	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%.

**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:	2020	2019	2018	2017	2016	2015
Measurement Date - September 30:	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 724,675	\$ 625,887	\$ 633,232	\$ 608,970	\$ 583,329	\$ 517,788
Interest on the Total Pension Liability	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	(521,988)	177,596	(458,370)	(393,421)		54,979
Assumption Changes (2), (3), (4)		1,221,310	675,123	776,974		
Benefit Payments	(1,702,415)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds		(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Net Change in Total Pension Liability	509,171	2,715,205	1,405,922	1,484,329	889,971	(1,874,670)
Total Pension Liability-Beginning	27,274,187	24,558,982	23,153,060	21,668,731	20,778,760	22,653,430
Total Pension Liability-Ending (a)	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	802,241	691,323	705,983	662,694	562,835	530,453
Employee Contributions	383,822	362,140	353,277	343,112	328,665	263,978
Pension Plan Net Investment Income	1,316,052	1,991,673	2,367,943	1,498,725	(59,565)	1,819,901
Benefit Payments	(1,702,415)	(1,161,010)	(1,176,786)	(1,211,452)	(1,263,089)	(1,275,228)
Refunds		(65,031)	(94,019)	(5,905)	(62,865)	(150,660)
Pension Plan Administrative Expense	(77,460)	(88,504)	(80,293)	(66,704)	(71,518)	(81,366)
Net Change in Plan Fiduciary Net Position	722,240	1,730,591	2,076,105	1,220,470	(565,537)	1,107,078
Plan Fiduciary Net Position-Beginning	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303	18,210,225
Plan Fiduciary Net Position-Ending (b)	24,501,172	23,778,932	22,048,341	19,972,236	18,751,766	19,317,303
Net Pension Liability-Ending (a) – (b)	\$ 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	88.19%	87.18%	89.78%	86.26%	86.54%	92.97%
Covered Payroll	\$ 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	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%.

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

Reporting Date - September 30:	2020	2019	2018	2017	2016	2015
Measurement Date - September 30:	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 377,972	\$ 306,120	\$ 302,339	\$ 281,750	\$ 245,288	\$ 246,636
Interest on the Total Pension Liability	1,277,049	1,207,186	1,096,691	993,524	951,607	912,823
Benefit Changes (1)						(1,652,165)
Difference Between Expected and Actual Experience	92,116	188,875	216,068	33,751	117,343	
Assumption Changes (2), (3), (4), (5)	1,160,627	879,444	717,489	812,177		
Benefit Payments	(967,917)	(774,227)	(750,335)	(933,482)	(683,521)	(664,459)
Net Change in Total Pension Liability	<u>1,939,847</u>	<u>1,807,398</u>	<u>1,582,252</u>	<u>1,187,720</u>	<u>630,717</u>	<u>(1,157,165)</u>
Total Pension Liability-Beginning	<u>17,322,288</u>	<u>15,514,890</u>	<u>13,932,638</u>	<u>12,744,918</u>	<u>12,114,201</u>	<u>13,271,366</u>
Total Pension Liability-Ending (a)	<u>19,262,135</u>	<u>17,322,288</u>	<u>15,514,890</u>	<u>13,932,638</u>	<u>12,744,918</u>	<u>12,114,201</u>
Plan Fiduciary Net Position						
Employer and State Contributions	657,730	608,384	501,375	422,041	389,997	457,932
Employee Contributions	178,437	161,383	168,792	160,567	146,951	122,590
Pension Plan Net Investment Income	743,303	1,112,333	1,322,095	855,178	(33,549)	1,010,160
Benefit Payments	(967,917)	(774,227)	(750,335)	(933,482)	(683,521)	(664,459)
Pension Plan Administrative Expense	(69,640)	(75,780)	(71,311)	(62,635)	(66,361)	(77,810)
Net Change in Plan Fiduciary Net Position	<u>541,913</u>	<u>1,032,093</u>	<u>1,170,616</u>	<u>441,669</u>	<u>(246,483)</u>	<u>848,413</u>
Plan Fiduciary Net Position-Beginning	<u>13,344,201</u>	<u>12,312,108</u>	<u>11,141,492</u>	<u>10,699,823</u>	<u>10,946,306</u>	<u>10,097,893</u>
Plan Fiduciary Net Position-Ending (b)	<u>13,886,114</u>	<u>13,344,201</u>	<u>12,312,108</u>	<u>11,141,492</u>	<u>10,699,823</u>	<u>10,946,306</u>
Net Pension Liability-Ending (a) – (b)	<u>\$ 5,376,021</u>	<u>\$ 3,978,087</u>	<u>\$ 3,202,782</u>	<u>\$ 2,791,146</u>	<u>\$ 2,045,095</u>	<u>\$ 1,167,895</u>
Plan Fiduciary Net Position as Percentage of Total Pension Liability	72.09%	77.03%	79.36%	79.97%	83.95%	90.36%
Covered Payroll	\$ 2,244,491	\$ 2,029,975	\$ 2,123,170	\$ 2,019,711	\$ 1,848,440	\$ 1,867,968
Net Pension Liability as a Percentage of Covered Payroll	239.52%	195.97%	150.85%	138.20%	110.64%	62.52%

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 Firefighters' Plan during 2014 to include longer vesting periods, changes in the benefit formula, changes in the COLA, 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 9/30/19 measurement date include lowering the investment rate of return from 7.5% to 7.0%.

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

September 30:	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 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	<u>2,324,624</u>	<u>2,100,105</u>	<u>1,898,689</u>	<u>1,591,545</u>	<u>1,321,320</u>	<u>1,387,165</u>	<u>1,216,994</u>
Contribution Deficiency (Excess)	<u>\$ (1,834)</u>	<u>\$ (2,317)</u>	<u>\$ (5,982)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,238)</u>
 Covered Payroll	 \$ 13,915,132	 \$ 13,044,000	 \$ 12,952,981	 \$ 12,812,918	 \$ 11,663,535	 \$ 10,730,277	 \$ 10,622,900
Contributions as a Percentage of Covered Payroll	16.71%	16.10%	14.66%	12.42%	11.33%	12.93%	11.46%

Notes to Schedule of Contributions

Valuation Date	October 1, 2018 for period ended September 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	4 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	7.75%
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 (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

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

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

September 30:	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 844,401	\$ 770,582	\$ 691,323	\$ 678,304	\$ 633,555	\$ 511,049	\$ 490,666
Contributions in Relation to the Actuarially Determined Contribution	<u>909,449</u>	<u>802,241</u>	<u>691,323</u>	<u>705,983</u>	<u>662,694</u>	<u>562,835</u>	<u>530,453</u>
Contribution Deficiency (Excess)	<u>\$ (65,048)</u>	<u>\$ (31,659)</u>	<u>\$ -</u>	<u>\$ (27,679)</u>	<u>\$ (29,139)</u>	<u>\$ (51,786)</u>	<u>\$ (39,787)</u>
Covered Payroll	\$ 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	18.11%	16.62%	15.18%	15.89%	15.35%	13.61%	13.44%

Notes to Schedule of Contributions

Valuation Date	October 1, 2018 for period ended September 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	4 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	7.75%
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 (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

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

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

September 30:	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 1,067,242	\$ 657,730	\$ 608,384	\$ 501,375	\$ 422,041	\$ 368,361	\$ 408,279
Contributions in Relation to the Actuarially Determined Contribution	<u>1,101,580</u>	<u>657,730</u>	<u>608,384</u>	<u>501,375</u>	<u>422,041</u>	<u>389,997</u>	<u>457,932</u>
Contribution Deficiency (Excess)	<u>\$ (34,338)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,636)</u>	<u>\$ (49,653)</u>
Covered Payroll	\$ 1,832,026	\$ 2,444,491	\$ 2,029,975	\$ 2,123,170	\$ 2,019,711	\$ 1,848,440	\$ 1,867,968
Contributions as a Percentage of Covered Payroll	60.13%	26.91%	29.97%	23.61%	20.90%	21.10%	24.51%

Notes to Schedule of Contributions

Valuation Date	October 1, 2018 for period ended September 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	10 Years
Asset Valuation Method	4-Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.5% wage inflation, 2.5% price inflation
Investment Rate of Return	7.0%
Projected Salary Increases	2.7% 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 (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Other Information	The employer contribution for September 30, 2020 was recalculated in the October 1, 2019 actuarial valuation report dated February 14, 2020 in accordance with the Interlocal Agreement with the City of Jacksonville.

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

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

**Annual Money-Weighted Rate of Return
Net of Investment Expense**

Fiscal Year Ended September 30,	General Employees	Police Officers	Firefighters
2020	10.02%	10.02%	10.02%
2019	5.61%	5.61%	5.61%
2018	9.22%	9.22%	9.22%
2017	12.11%	12.11%	12.11%
2016	8.15%	8.15%	8.15%
2015	-0.35%	-0.35%	-0.35%
2014	10.22%	10.22%	10.22%
2013	11.97%	11.97%	11.97%
2012	16.52%	16.52%	16.52%
2011	-0.17%	-0.17%	-0.17%

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

Reporting Date:	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability			
Service Cost	\$ 119,289	\$ 178,369	\$ 173,214
Interest on the Total OPEB Liability	89,149	119,333	106,001
Difference between Expected and Actual Experience of the Total OPEB Liability		(260,980)	
Changes in Assumptions and Other Inputs	279,237	(915,785)	(137,638)
Benefit Payments	(126,309)	(161,121)	(152,098)
Net Change in Total OPEB Liability	<u>361,366</u>	<u>(1,040,184)</u>	<u>(10,521)</u>
Total OPEB Liability - Beginning of Year	<u>2,271,510</u>	<u>3,311,694</u>	<u>3,322,215</u>
Total OPEB Liability - End of Year	<u><u>\$ 2,632,876</u></u>	<u><u>\$ 2,271,510</u></u>	<u><u>\$ 3,311,694</u></u>
 Estimated Covered-Employee Payroll	 \$ 20,116,441	 \$ 17,880,928	 \$ 14,491,777
 Total OPEB Liability as a percentage of Covered-Employee Payroll	 13.09%	 12.70%	 22.85%

Notes:

Covered-employee payroll presented above is an estimate based on data submitted. GASB Statement 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.

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

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

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020
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	\$ 1,285,425	\$ 2,485	\$ 1,368,923	\$ 3,420,112
Special Assessments Receivable			22,846	
Due from Other Governments	83,429		130,600	207,800
Total Assets	<u>1,368,854</u>	<u>2,485</u>	<u>1,522,369</u>	<u>3,627,912</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable				
Other Accrued Liabilities			336	
Interfund Payables				
Total Liabilities	<u>-</u>	<u>-</u>	<u>336</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenues	27,400	-	153,446	207,800
Fund Balances				
Restricted for:				
Tourism Expenditures	1,341,454			
Transportation Improvements			1,368,587	
Capital Projects				3,420,112
Law Enforcement		2,485		
Committed for:				
Tree Replacement				
Total Fund Balances	<u>1,341,454</u>	<u>2,485</u>	<u>1,368,587</u>	<u>3,420,112</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,368,854</u>	<u>\$ 2,485</u>	<u>\$ 1,522,369</u>	<u>\$ 3,627,912</u>

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020
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		\$ 290,018		\$ 5,164
Special Assessments Receivable			\$ 8,964	
Due from Other Governments				
Total Assets	<u>\$ -</u>	<u>290,018</u>	<u>8,964</u>	<u>5,164</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable				
Other Accrued Liabilities				
Interfund Payables			8,964	
Total Liabilities	<u>-</u>	<u>-</u>	<u>8,964</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenues	-	-	-	-
Fund Balances				
Restricted for:				
Tourism Expenditures				
Transportation Improvements				
Capital Projects				
Law Enforcement		290,018		
Committed for:				
Tree Replacement				5,164
Total Fund Balances	<u>-</u>	<u>290,018</u>	<u>-</u>	<u>5,164</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 290,018</u>	<u>\$ 8,964</u>	<u>\$ 5,164</u>

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Law Enforcement Trust Fund</u>	<u>Equitable Sharing Trust Fund</u>	<u>Infrastructure Tax Capital Projects Fund</u>	
Assets				
Equity in Pooled Cash and Investments	\$ 16,557	\$ 247,282	\$ 2,812,985	\$ 9,448,951
Special Assessments Receivable				22,846
Due from Other Governments				430,793
Total Assets	<u>16,557</u>	<u>247,282</u>	<u>2,812,985</u>	<u>9,902,590</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	533		67	600
Other Accrued Liabilities				336
Interfund Payables				8,964
Total Liabilities	<u>533</u>	<u>-</u>	<u>67</u>	<u>9,900</u>
Deferred Inflows of Resources				
Unavailable Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>388,646</u>
Fund Balances				
Restricted for:				
Tourism Expenditures				1,341,454
Transportation Improvements				1,368,587
Capital Projects			2,812,918	6,233,030
Law Enforcement	16,024	247,282		555,809
Committed for:				
Tree Replacement				5,164
Total Fund Balances	<u>16,024</u>	<u>247,282</u>	<u>2,812,918</u>	<u>9,504,044</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,557</u>	<u>\$ 247,282</u>	<u>\$ 2,812,985</u>	<u>\$ 9,902,590</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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	\$ 328,251		\$ 783,954	\$ 1,401,878
Intergovernmental				
Fines and Forfeitures		\$ 7,394		
Other Revenue	31,168	34	34,710	75,013
Total Revenues	<u>359,419</u>	<u>7,428</u>	<u>818,664</u>	<u>1,476,891</u>
Expenditures				
Current:				
General Government				5,217
Public Safety		10,351		
Physical Environment				
Roads and Streets			99,749	
Parks and Recreation	15,156			
Capital Outlay				
(Total Expenditures)	<u>(15,156)</u>	<u>(10,351)</u>	<u>(99,749)</u>	<u>(5,217)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>344,263</u>	<u>(2,923)</u>	<u>718,915</u>	<u>1,471,674</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	344,263	(2,923)	346,915	1,471,674
Fund Balances, Beginning of Year	<u>997,191</u>	<u>5,408</u>	<u>1,021,672</u>	<u>1,948,438</u>
Fund Balances, End of Year	<u>\$ 1,341,454</u>	<u>\$ 2,485</u>	<u>\$ 1,368,587</u>	<u>\$ 3,420,112</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA
(Continued)**

	Special Revenue Funds			
	Radio Communications Fund	J.A.G. Grant Fund	Tree Protection Fund	Community Development Block Grant Fund
Revenues				
Taxes				
Intergovernmental	\$ 972	\$ 8,964		\$ 142,366
Fines and Forfeitures	25,526			
Other Revenue	7,824		\$ 2,051	
Total Revenues	<u>34,322</u>	<u>8,964</u>	<u>2,051</u>	<u>142,366</u>
Expenditures				
Current:				
General Government				
Public Safety	533			
Physical Environment			8	
Roads and Streets				
Parks and Recreation				
Capital Outlay		8,964		
(Total Expenditures)	<u>(533)</u>	<u>(8,964)</u>	<u>(8)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,789</u>	<u>-</u>	<u>2,043</u>	<u>142,366</u>
Other Financing Sources (Uses)				
Transfers (out)				(142,366)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,366)</u>
Net Change in Fund Balance	33,789	-	2,043	-
Fund Balances, Beginning of Year	<u>256,229</u>		<u>3,121</u>	
Fund Balances, End of Year	<u>\$ 290,018</u>	<u>\$ -</u>	<u>\$ 5,164</u>	<u>\$ -</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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				\$ 2,514,083
Intergovernmental				152,302
Fines and Forfeitures	\$ 10,310	\$ 54,652		97,882
Other Revenue	4,595	7,400	\$ 63,577	226,372
Total Revenues	<u>14,905</u>	<u>62,052</u>	<u>63,577</u>	<u>2,990,639</u>
Expenditures				
Current:				
General Government				5,217
Public Safety	23,763	5,535		40,182
Physical Environment			4,241	4,249
Roads and Streets				99,749
Parks and Recreation				15,156
Capital Outlay			140,926	149,890
(Total Expenditures)	<u>(23,763)</u>	<u>(5,535)</u>	<u>(145,167)</u>	<u>(314,443)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,858)</u>	<u>56,517</u>	<u>(81,590)</u>	<u>2,676,196</u>
Other Financing Sources (Uses)				
Transfers (out)				(514,366)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(514,366)</u>
Net Change in Fund Balance	(8,858)	56,517	(81,590)	2,161,830
Fund Balances, Beginning of Year	<u>24,882</u>	<u>190,765</u>	<u>2,894,508</u>	<u>7,342,214</u>
Fund Balances, End of Year	<u>\$ 16,024</u>	<u>\$ 247,282</u>	<u>\$ 2,812,918</u>	<u>\$ 9,504,044</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, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 390,098	\$ 390,098	\$ 328,251	\$ (61,847)
Other Revenue	7,398	7,398	31,168	23,770
Total Revenues	397,496	397,496	359,419	(38,077)
Expenditures				
Current:				
Parks and Recreation	121,028	121,028	15,156	105,872
(Total Expenditures)	(121,028)	(121,028)	(15,156)	105,872
Net Change in Fund Balance	\$ 276,468	\$ 276,468	\$ 344,263	\$ 67,795

**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, 2020
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	\$ 12,000	\$ 12,000	\$ 7,394	\$ (4,606)
Other Revenue	87	87	34	(53)
Total Revenues	<u>12,087</u>	<u>12,087</u>	<u>7,428</u>	<u>(4,659)</u>
Expenditures				
Current:				
Public Safety	12,200	12,200	10,351	1,849
(Total Expenditures)	<u>(12,200)</u>	<u>(12,200)</u>	<u>(10,351)</u>	<u>1,849</u>
Net Change in Fund Balance	<u>\$ (113)</u>	<u>\$ (113)</u>	<u>\$ (2,923)</u>	<u>\$ (2,810)</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, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 815,387	\$ 815,387	\$ 783,954	\$ (31,433)
Other Revenue	7,836	7,836	34,710	26,874
Total Revenues	823,223	823,223	818,664	(4,559)
Expenditures				
Current:				
Roads and Streets	357,090	425,306	99,749	325,557
(Total Expenditures)	(357,090)	(425,306)	(99,749)	325,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	466,133	397,917	718,915	320,998
Other Financing Sources (Uses)				
Transfers (out)	(372,000)	(372,000)	(372,000)	-
Net Change in Fund Balance	\$ 94,133	\$ 25,917	\$ 346,915	\$ 320,998

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,370,155	\$ 1,370,155	\$ 1,401,878	\$ 31,723
Other Revenue	8,653	8,653	75,013	66,360
Total Revenues	<u>1,378,808</u>	<u>1,378,808</u>	<u>1,476,891</u>	<u>98,083</u>
Expenditures				
Current:				
General Government	1,500	1,500	5,217	(3,717)
Roads and Streets	250,000	250,000		250,000
Capital Outlay	70,000	80,806		80,806
(Total Expenditures)	<u>(321,500)</u>	<u>(332,306)</u>	<u>(5,217)</u>	<u>327,089</u>
Net Change in Fund Balance	<u>\$ 1,057,308</u>	<u>\$ 1,046,502</u>	<u>\$ 1,471,674</u>	<u>\$ 425,172</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2020
 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	\$ 138,000	\$ 138,000	\$ 142,366	\$ 4,366
Total Revenues	<u>138,000</u>	<u>138,000</u>	<u>142,366</u>	<u>4,366</u>
Expenditures				
(Total Expenditures)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	138,000	138,000	142,366	4,366
Other Financing Sources (Uses)				
Transfers (out)	<u>(142,000)</u>	<u>(142,000)</u>	<u>(142,366)</u>	<u>(366)</u>
Net Change in Fund Balance	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>	<u>\$ -</u>	<u>\$ 4,000</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, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenue			\$ 972	\$ 972
Fines and Forfeitures	\$ 25,000	\$ 25,000	25,526	526
Other Revenue	1,500	1,500	7,824	6,324
Total Revenues	26,500	26,500	34,322	7,822
Expenditures				
Current:				
Public Safety	10,000	10,000	533	9,467
(Total Expenditures)	(10,000)	(10,000)	(533)	9,467
Net Change in Fund Balance	\$ 16,500	\$ 16,500	\$ 33,789	\$ 17,289

**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, 2020
 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		\$ 59,493	\$ 8,964	\$ (50,529)
Total Revenues	\$ -	59,493	8,964	(50,529)
Expenditures				
Current:				
Public Safety	-	59,493	8,964	50,529
(Total Expenditures)	-	(59,493)	(8,964)	50,529
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TREE PROTECTION FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Revenue	\$ 100	\$ 100	\$ 2,051	\$ 1,951
Total Revenues	<u>100</u>	<u>100</u>	<u>2,051</u>	<u>1,951</u>
Expenditures				
Current:				
Physical Environment	3,000	3,000	8	2,992
(Total Expenditures)	<u>(3,000)</u>	<u>(3,000)</u>	<u>(8)</u>	<u>2,992</u>
 Net Change in Fund Balance	 <u>\$ (2,900)</u>	 <u>\$ (2,900)</u>	 <u>\$ 2,043</u>	 <u>\$ 4,943</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, 2020
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	\$ 15,000	\$ 15,000	\$ 10,310	\$ (4,690)
Other Revenue	5,200	5,200	4,595	(605)
Total Revenues	<u>20,200</u>	<u>20,200</u>	<u>14,905</u>	<u>(5,295)</u>
Expenditures				
Current:				
Public Safety	38,242	38,242	23,763	14,479
(Total Expenditures)	<u>(38,242)</u>	<u>(38,242)</u>	<u>(23,763)</u>	<u>14,479</u>
Net Change in Fund Balance	<u>\$ (18,042)</u>	<u>\$ (18,042)</u>	<u>\$ (8,858)</u>	<u>\$ 9,184</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, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 54,652	\$ 44,652
Other Revenue	1,500	2,168	7,400	5,232
Total Revenues	11,500	12,168	62,052	49,884
Expenditures				
Current:				
Public Safety	26,000	26,668	5,535	21,133
Capital Outlay		10,160		10,160
(Total Expenditures)	(26,000)	(36,828)	(5,535)	31,293
Net Change in Fund Balance	\$ (14,500)	\$ (24,660)	\$ 56,517	\$ 81,177

**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, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Revenues	\$ 70,000	\$ 70,000	\$ 204,717	\$ 134,717
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>204,717</u>	<u>134,717</u>
Expenditures				
Current:				
General Government	157,000	153,500	56,019	97,481
Capital Outlay	1,940,194	3,352,955	1,131,260	2,221,695
(Total Expenditures)	<u>(2,097,194)</u>	<u>(3,506,455)</u>	<u>(1,187,279)</u>	<u>2,319,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,027,194)	(3,436,455)	(982,562)	2,453,893
Other Financing Sources (Uses)				
Transfers in	1,331,000	3,831,000	3,831,000	-
Net Change in Fund Balance	<u>\$ (696,194)</u>	<u>\$ 394,545</u>	<u>\$ 2,848,438</u>	<u>\$ 2,453,893</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, 2020
 CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other Revenues	\$ 28,462	\$ 28,462	\$ 63,577	\$ 35,115
Total Revenues	<u>28,462</u>	<u>28,462</u>	<u>63,577</u>	<u>35,115</u>
Expenditures				
Current:				
Physical Environment			4,241	(4,241)
Capital Outlay	450,000	618,437	140,926	477,511
(Total Expenditures)	<u>(450,000)</u>	<u>(618,437)</u>	<u>(145,167)</u>	<u>473,270</u>
Net Change in Fund Balance	<u>\$ (421,538)</u>	<u>\$ (589,975)</u>	<u>\$ (81,590)</u>	<u>\$ 508,385</u>

**COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
Assets						
Current Assets						
Equity in Pooled Cash and Investments	\$ 6,211,102	\$ 4,639,779	\$ 1,153,606	\$ 993,198	\$ 3,371,632	\$ 16,369,317
Other Operating Cash			1,300			1,300
Receivables:						
Accounts, Net	202,733	428,177	4,156	54,047	195,005	884,118
Inventory			43,510			43,510
Prepaid Expenses			5,474	1,307		6,781
Total Current Assets	<u>6,413,835</u>	<u>5,067,956</u>	<u>1,208,046</u>	<u>1,048,552</u>	<u>3,566,637</u>	<u>17,305,026</u>
Non-Current Assets						
Capital Assets:						
Land	1,057,992		388,980	28,000		1,474,972
Buildings and Improvements	26,615,282		4,305,138	813,838	5,448,077	37,182,335
Equipment	163,168	617,110	355,324	766,661		1,902,263
Construction in Progress	384,091				734,798	1,118,889
	<u>28,220,533</u>	<u>617,110</u>	<u>5,049,442</u>	<u>1,608,499</u>	<u>6,182,875</u>	<u>41,678,459</u>
(Accumulated Depreciation)	<u>(12,528,279)</u>	<u>(330,345)</u>	<u>(1,847,790)</u>	<u>(1,338,764)</u>	<u>(1,179,012)</u>	<u>(17,224,190)</u>
Total Non-Current Assets	<u>15,692,254</u>	<u>286,765</u>	<u>3,201,652</u>	<u>269,735</u>	<u>5,003,863</u>	<u>24,454,269</u>
Total Assets	<u>22,106,089</u>	<u>5,354,721</u>	<u>4,409,698</u>	<u>1,318,287</u>	<u>8,570,500</u>	<u>41,759,295</u>
Deferred Outflows of Resources						
Pension Related	17,126	57,454	196,022			270,602
OPEB Related	2,344		12,887			15,231
Total Deferred Outflows of Resources	<u>19,470</u>	<u>57,454</u>	<u>208,909</u>	<u>-</u>	<u>-</u>	<u>285,833</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2020
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	\$ 12,880	\$ 230,831	\$ 18,905	\$ 101,851	\$ 127,836	\$ 492,303
Power Costs Recovered in Advance					573,258	573,258
Other Accrued Liabilities	6,379	8,310	40,106	1,699	10,596	67,090
Due to Other Governments		3,563				3,563
Unearned Revenues			23,389			23,389
Current Portion of Long-Term Debt:						
Compensated Absences		5,545	14,297			19,842
Total Current Liabilities	<u>19,259</u>	<u>248,249</u>	<u>96,697</u>	<u>103,550</u>	<u>711,690</u>	<u>1,179,445</u>
Non-Current Liabilities						
Accrued Compensated Absences		22,181	57,187			79,368
Other Postemployment Benefits	17,798		97,838			115,636
Net Pension Liability	152,575	190,383	550,724			893,682
Total Non-Current Liabilities	<u>170,373</u>	<u>212,564</u>	<u>705,749</u>	<u>-</u>	<u>-</u>	<u>1,088,686</u>
Total Liabilities	<u>189,632</u>	<u>460,813</u>	<u>802,446</u>	<u>103,550</u>	<u>711,690</u>	<u>2,268,131</u>
Deferred Inflows of Resources						
Pension Related	12,575	19,656	44,874			77,105
OPEB Related	6,823		37,508			44,331
Total Deferred Inflows of Resources	<u>19,398</u>	<u>19,656</u>	<u>82,382</u>	<u>-</u>	<u>-</u>	<u>121,436</u>
Net Position						
Net Investment in Capital Assets	15,692,254	286,765	3,201,652	269,735	5,003,863	24,454,269
Unrestricted	6,224,275	4,644,941	532,127	945,002	2,854,947	15,201,292
Total Net Position	<u>\$ 21,916,529</u>	<u>\$ 4,931,706</u>	<u>\$ 3,733,779</u>	<u>\$ 1,214,737</u>	<u>\$ 7,858,810</u>	<u>\$ 39,655,561</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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	\$ 1,406,797	\$ 3,490,240	\$ 2,515,378		\$ 1,674,740	\$ 9,087,155
Other			1,142	\$ 767,195	113,672	882,009
Total Operating Revenues	<u>1,406,797</u>	<u>3,490,240</u>	<u>2,516,520</u>	<u>767,195</u>	<u>1,788,412</u>	<u>9,969,164</u>
Operating Expenses						
Purchased Power					789,792	789,792
Personal Services	274,281	317,142	1,025,399	64,973		1,681,795
Purchased Services	96,825	3,110,862	119,128	150,272	237,919	3,715,006
Repairs and Maintenance	76,814	10,276	47,788	583,482		718,360
Depreciation	840,128	36,713	224,481	19,317	154,341	1,274,980
Materials and Supplies	6,542	13,618	311,122		2,185	333,467
Other Expenses	189,437	163,565	443,494	14,985	109,295	920,776
(Total Operating Expenses)	<u>(1,484,027)</u>	<u>(3,652,176)</u>	<u>(2,171,412)</u>	<u>(833,029)</u>	<u>(1,293,532)</u>	<u>(9,434,176)</u>
Operating Income (Loss)	<u>(77,230)</u>	<u>(161,936)</u>	<u>345,108</u>	<u>(65,834)</u>	<u>494,880</u>	<u>534,988</u>
Non-Operating Revenues (Expenses)						
Investment Earnings	165,348	137,704	26,942	31,464	90,720	452,178
Intergovernmental Revenue		4,927				4,927
Total Non-Operating Revenues (Expense)	<u>165,348</u>	<u>142,631</u>	<u>26,942</u>	<u>31,464</u>	<u>90,720</u>	<u>457,105</u>
Income (Loss) Before Contributions and Transfers	<u>88,118</u>	<u>(19,305)</u>	<u>372,050</u>	<u>(34,370)</u>	<u>585,600</u>	<u>992,093</u>
Capital Contributions						
Contributions from Other Funds	1,453,796					1,453,796
Total Capital Contributions	<u>1,453,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,453,796</u>
Transfers						
Transfers in				35,800		35,800
Transfers (out)				(102,000)	(283,118)	(385,118)
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,200)</u>	<u>(283,118)</u>	<u>(349,318)</u>
Change in Net Position	1,541,914	(19,305)	372,050	(100,570)	302,482	2,096,571
Total Net Position, Beginning of Year	20,374,615	4,951,011	3,361,729	1,315,307	7,556,328	37,558,990
Total Net Position, End of Year	<u>\$ 21,916,529</u>	<u>\$ 4,931,706</u>	<u>\$ 3,733,779</u>	<u>\$ 1,214,737</u>	<u>\$ 7,858,810</u>	<u>\$ 39,655,561</u>

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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	\$ 1,389,337	\$ 3,487,034	\$ 2,540,331	\$ 725,479	\$ 2,034,723	\$ 10,176,904
Cash Payments to Vendors for Goods and Services	(362,989)	(3,318,483)	(955,481)	(649,387)	(1,469,339)	(6,755,679)
Cash Payments to Employees for Services	(227,117)	(285,182)	(950,272)	(64,973)		(1,527,544)
Net Cash Provided by (Used in) Operating Activities	<u>799,231</u>	<u>(116,631)</u>	<u>634,578</u>	<u>11,119</u>	<u>565,384</u>	<u>1,893,681</u>
Cash Flows from Non-Capital Financing Activities						
Transfers in				35,800		35,800
Intergovernmental Revenue		2,035				2,035
Transfers (out)				(102,000)	(283,118)	(385,118)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>-</u>	<u>2,035</u>	<u>-</u>	<u>(66,200)</u>	<u>(283,118)</u>	<u>(347,283)</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of Capital Assets	(137,631)	(243,279)	(189,057)	(2)	(139,583)	(709,552)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(137,631)</u>	<u>(243,279)</u>	<u>(189,057)</u>	<u>(2)</u>	<u>(139,583)</u>	<u>(709,552)</u>
Cash Flows from Investing Activities						
Interest Received on Investments	165,348	137,704	26,942	31,466	90,720	452,180
Net Increase (Decrease) in Cash and Cash Equivalents	826,948	(220,171)	472,463	(23,617)	233,403	1,289,026
Cash and Cash Equivalents, Beginning of Year	5,384,154	4,859,950	682,443	1,016,815	3,138,229	15,081,591
Cash and Cash Equivalents, End of Year	<u>\$ 6,211,102</u>	<u>\$ 4,639,779</u>	<u>\$ 1,154,906</u>	<u>\$ 993,198</u>	<u>\$ 3,371,632</u>	<u>\$ 16,370,617</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	<u>Stormwater</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Leased Facilities</u>	<u>Natural Gas</u>	<u>Totals</u>
<u>Included on the Accompanying Balance Sheet</u>						
<u>Under the Following Captions</u>						
Current Assets						
Equity in Pooled Cash and Investments	\$ 6,211,102	\$ 4,639,779	\$ 1,153,606	\$ 993,198	\$ 3,371,632	\$ 16,369,317
Other Operating Cash			1,300			1,300
Total	<u>\$ 6,211,102</u>	<u>\$ 4,639,779</u>	<u>\$ 1,154,906</u>	<u>\$ 993,198</u>	<u>\$ 3,371,632</u>	<u>\$ 16,370,617</u>
<u>Reconciliation of Operating Income (Loss) to Net</u>						
<u>Cash Provided by (Used in) Operating Activities</u>						
Operating Income (Loss)	\$ (77,230)	\$ (161,936)	\$ 345,108	\$ (65,834)	\$ 494,880	\$ 534,988
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	840,128	36,713	224,481	19,317	154,341	1,274,980
Power Costs Recovered in Advance (Returned)					216,867	216,867
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):						
Accounts Receivable and Unbilled Revenue	(17,460)	(3,206)	11,966	(41,716)	31,741	(18,675)
Inventories			(20,706)			(20,706)
Prepaid Expenses			(4,511)	(477)		(4,988)
Accounts Payable and Other Accrued Liabilities	6,629	(20,162)	(8,732)	99,829	(330,148)	(252,584)
Unearned Revenues			11,845		(2,297)	9,548
Accrued Compensated Absences		19,477	30,689			50,166
Other Postemployment Benefits	(26)		(145)			(171)
Net Pension Liability and Pension Related Deferred Inflows and Outflows	47,190	12,483	44,583			104,256
Net Cash Provided by (Used in) Operating Activities	<u>\$ 799,231</u>	<u>\$ (116,631)</u>	<u>\$ 634,578</u>	<u>\$ 11,119</u>	<u>\$ 565,384</u>	<u>\$ 1,893,681</u>

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020
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	\$ 3,448,634	\$ 2,543,349	\$ 5,991,983
Accounts Receivable, Net	229		229
Prepaid Expenses	942,496	34,915	977,411
Total Current Assets	<u>4,391,359</u>	<u>2,578,264</u>	<u>6,969,623</u>
Non-Current Assets			
Capital Assets:			
Buildings and Improvements		36,194	36,194
Equipment		1,068,302	1,068,302
	-	1,104,496	1,104,496
(Accumulated Depreciation)		(887,872)	(887,872)
Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>216,624</u>	<u>216,624</u>
Total Assets	<u>4,391,359</u>	<u>2,794,888</u>	<u>7,186,247</u>
Deferred Outflows of Resources			
Pension-Related	-	1,258,838	1,258,838
Liabilities			
Current Liabilities			
Accounts Payable	6,120	118,444	124,564
Other Accrued Liabilities	1,809	110,800	112,609
Estimated Liability for Self-Insured Losses	128,698		128,698
Current Portion of Long-Term Debt:			
Compensated Absences		164,485	164,485
Total Current Liabilities	<u>136,627</u>	<u>393,729</u>	<u>530,356</u>
Non-Current Liabilities			
Accrued Compensated Absences		657,945	657,945
Net Pension Liability		3,154,404	3,154,404
Total Non-Current Liabilities	<u>-</u>	<u>3,812,349</u>	<u>3,812,349</u>
Total Liabilities	<u>136,627</u>	<u>4,206,078</u>	<u>4,342,705</u>
Deferred Inflows of Resources			
Pension-Related	-	258,481	258,481
Net Position			
Net Investment in Capital Assets		216,624	216,624
Unrestricted	4,254,732	(627,457)	3,627,275
Total Net Position (Deficit)	<u>\$ 4,254,732</u>	<u>\$ (410,833)</u>	<u>\$ 3,843,899</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Self-Insurance Funds	Other Internal Service Funds	Totals
Operating Revenues			
Charges for Services	\$ 4,098,088	\$ 8,563,767	\$ 12,661,855
Other Revenue	34,903	(94)	34,809
Total Operating Revenues	<u>4,132,991</u>	<u>8,563,673</u>	<u>12,696,664</u>
Operating Expenses			
Personal Services	29,629	4,836,227	4,865,856
Purchased Services	125,769	963,057	1,088,826
Repairs and Maintenance		358,719	358,719
Depreciation		69,490	69,490
Materials and Supplies		131,647	131,647
Other Expenses	3,511,574	1,960,313	5,471,887
(Total Operating Expenses)	<u>(3,666,972)</u>	<u>(8,319,453)</u>	<u>(11,986,425)</u>
Operating Income (Loss)	<u>466,019</u>	<u>244,220</u>	<u>710,239</u>
Non-Operating Income (Expense)			
Investment Earnings	100,592		100,592
Total Non-Operating Income (Expense)	<u>100,592</u>	<u>-</u>	<u>100,592</u>
Income Before Transfers	<u>566,611</u>	<u>244,220</u>	<u>810,831</u>
Transfers			
Transfers (out)		(70,000)	(70,000)
Total Transfers	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Change in Net Position	566,611	174,220	740,831
Total Net Position (Deficit), Beginning of Year	<u>3,688,121</u>	<u>(585,053)</u>	<u>3,103,068</u>
Total Net Position (Deficit), End of Year	<u>\$ 4,254,732</u>	<u>\$ (410,833)</u>	<u>\$ 3,843,899</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
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	\$ 4,132,991	\$ 8,563,673	\$ 12,696,664
Cash Payments to Vendors for Goods and Services	(3,695,951)	(3,389,959)	(7,085,910)
Cash Payments to Employees for Services	(29,629)	(4,462,656)	(4,492,285)
Claims Paid	(62,150)		(62,150)
Net Cash Provided by (Used in) Operating Activities	<u>345,261</u>	<u>711,058</u>	<u>1,056,319</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	-	(115,882)	(115,882)
Cash Flows from Investing Activities			
Interest Received on Investments	100,592	-	100,592
Net Increase (Decrease) in Cash and Cash Equivalents	445,853	525,176	971,029
Cash and Cash Equivalents, Beginning of Year	3,002,781	2,018,173	5,020,954
Cash and Cash Equivalents, End of Year	<u>\$ 3,448,634</u>	<u>\$ 2,543,349</u>	<u>\$ 5,991,983</u>
<u>Included on the Accompanying Balance Sheet Under the Following Captions</u>			
Current Assets			
Equity in Pooled Cash and Investments	<u>\$ 3,448,634</u>	<u>\$ 2,543,349</u>	<u>\$ 5,991,983</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ 466,019	\$ 244,220	\$ 710,239
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation		69,490	69,490
Change in Estimated Liability for Self-Insured Losses	(117,474)		(117,474)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):			
Prepaid Expenses	(246)	(26,606)	(26,852)
Accounts Payable and Other Accrued Liabilities	(3,038)	50,383	47,345
Accrued Compensated Absences		91,943	91,943
Net Pension Liability and Pension Related Deferred Inflows and Outflows		281,628	281,628
Net Cash Provided by (Used in) Operating Activities	<u>\$ 345,261</u>	<u>\$ 711,058</u>	<u>\$ 1,056,319</u>

**SCHEDULE OF COMBINING BALANCE SHEET
COMMUNITY REDEVELOPMENT FUNDS
SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Downtown Redevelopment District Fund</u>	<u>Southend Redevelopment District Fund</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Investments	\$ 18,791,028	\$ 13,329,429	\$ 32,120,457
Assessments, Net		1,432	1,432
Total Assets	<u>18,791,028</u>	<u>13,330,861</u>	<u>32,121,889</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable	285,134	57,328	342,462
Other Accrued Liabilities	568,078	73,935	642,013
Due to Other Governments		2,191,994	2,191,994
Total Liabilities	<u>853,212</u>	<u>2,323,257</u>	<u>3,176,469</u>
Deferred Inflows of Resources			
Unavailable Revenues	-	1,432	1,432
Fund Balances			
Restricted for:			
Redevelopment	17,937,816	11,006,172	28,943,988
Total Fund Balances	<u>17,937,816</u>	<u>11,006,172</u>	<u>28,943,988</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,791,028</u>	<u>\$ 13,330,861</u>	<u>\$ 32,121,889</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Downtown Redevelopment District Fund</u>	<u>Southend Redevelopment District Fund</u>	<u>Totals</u>
Revenues			
Taxes	\$ 6,843,019	\$ 2,435,550	\$ 9,278,569
Interest and Other Revenue	596,661	452,482	1,049,143
Total Revenues	<u>7,439,680</u>	<u>2,888,032</u>	<u>10,327,712</u>
Expenditures			
Current:			
General Government	514,439	181,292	695,731
Public Safety	962,044		962,044
Capital Outlay	4,613,090	1,500,475	6,113,565
(Total Expenditures)	<u>(6,089,573)</u>	<u>(1,681,767)</u>	<u>(7,771,340)</u>
Net Change in Fund Balances	1,350,107	1,206,265	2,556,372
Fund Balances, Beginning of Year	<u>16,587,709</u>	<u>9,799,907</u>	<u>26,387,616</u>
Fund Balances, End of Year	<u>\$ 17,937,816</u>	<u>\$ 11,006,172</u>	<u>\$ 28,943,988</u>

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
(BUDGETARY BASIS)
ELECTRIC, WATER, AND SEWER ENTERPRISE FUNDS ONLY
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Charges for Services	\$ 95,355,328	\$ 94,835,087	\$ (520,241)
Other	235,942	167,679	(68,263)
Total Operating Revenues	<u>95,591,270</u>	<u>95,002,766</u>	<u>(588,504)</u>
Operating Expenses			
Purchased Power	59,208,707	51,517,039	7,691,668
Personal Services	9,998,029	9,432,018	566,011
Purchased Services	2,837,837	2,062,334	775,503
Repairs and Maintenance	1,897,726	1,340,924	556,802
Materials and Supplies	1,113,273	782,985	330,288
Other Expenses	7,887,514	7,315,550	571,964
(Total Operating Expenses)	<u>(82,943,086)</u>	<u>(72,450,850)</u>	<u>10,492,236</u>
Operating Income	<u>12,648,184</u>	<u>22,551,916</u>	<u>9,903,732</u>
Non-Operating Income (Expense)			
Investment Earnings	746,316	3,117,954	2,371,638
Interest Expense	(240,100)	(129,650)	110,450
Connection Fees	210,000	499,544	289,544
Intergovernmental Revenue		50,135	50,135
Gain on Disposal of Capital Assets	40,000	(53,883)	(93,883)
Capital Outlay	(23,617,079)	(14,200,055)	9,417,024
Debt Service Principal	(4,213,000)	(4,210,000)	3,000
Developer Contributions	86,000		(86,000)
Total Non-Operating Income (Expense)	<u>(26,987,863)</u>	<u>(14,925,955)</u>	<u>12,061,908</u>
Income Before Operating Transfers	<u>(14,339,679)</u>	<u>7,625,961</u>	<u>21,965,640</u>
Other Financing Sources (Uses)			
Transfers in	162,097	162,097	-
Transfers (out)	(4,025,299)	(4,025,299)	-
Total Other Financing Sources (Uses)	<u>(3,863,202)</u>	<u>(3,863,202)</u>	<u>-</u>
Net Income	<u>\$ (18,202,881)</u>	<u>\$ 3,762,759</u>	<u>\$ 21,965,640</u>

**RECONCILIATION OF NET INCOME - FINANCIAL STATEMENT BASIS
TO BUDGETARY BASIS
ELECTRIC, WATER, AND SEWER ENTERPRISE FUNDS ONLY
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

Net Income - Financial Statement Basis	<u>\$ 13,644,677</u>
Adjustments	
Depreciation	8,520,245
Capital Outlay, Purchased	(14,200,055)
Debt Service, Principal	(4,210,000)
Amortization:	
Bond Premium	(11,665)
Loss on Refunding	19,557
(Total Adjustments)	<u>(9,881,918)</u>
Net Income - Budgetary Basis	<u><u>\$ 3,762,759</u></u>

**SCHEDULES OF ADDITIONAL INFORMATION REQUIRED
UNDER UTILITY REVENUE BOND COVENANTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
CITY OF JACKSONVILLE BEACH, FLORIDA**

Utility Customers Connected and Active

	<u>2020</u>	<u>2019</u>
Electrical Customers		
Jacksonville Beach	14,814	14,642
Neptune Beach	3,973	3,979
Other	16,384	16,279
Total Electrical Customers	<u>35,171</u>	<u>34,900</u>
Water and Wastewater Customers		
Water	10,520	10,412
Wastewater	10,375	10,260
Total Water and Wastewater Customers	<u>20,895</u>	<u>20,672</u>

Insurance in Existence

Electrical Department

Buildings, Equipment, Transformers,
Regulators, Substations, and Equipment

\$	53,491,483	\$	57,675,452
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Water Department

Buildings and Equipment

\$	45,959,934	\$	46,366,992
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General Liability

\$	2,000,000	\$	2,000,000
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Automobile Liability

\$	1,000,000	\$	1,000,000
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Statistical Section (Unaudited)

This part of the City of Jacksonville Beach, Florida's (the City) Comprehensive Annual 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.	111
Revenue Capacity Information These schedules contain information to help the reader assess the City's local revenue source.	116
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.	120
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.	125
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.	127

Sources: Unless otherwise noted, the information in these schedules were obtained from the Comprehensive Annual 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 74,132,348	\$ 78,634,891	\$ 80,880,510	\$ 85,081,323	\$ 86,383,735	\$ 91,291,193	\$ 97,360,044	\$ 103,211,819	\$ 106,877,097	\$ 109,163,923
Restricted	11,180,126	12,516,772	15,266,981	18,203,910	23,230,058	27,183,762	29,102,410	31,711,520	34,119,094	38,810,100
Unrestricted	13,566,703	13,523,810	14,624,127	15,803,521	9,601,684	12,564,372	11,440,106	13,386,797	14,252,607	17,354,249
Total Governmental Activities Net Position	98,879,177	104,675,473	110,771,618	119,088,754	119,215,477	131,039,327	137,902,560	148,310,136	155,248,798	165,328,272
Business-type Activities										
Net Investment in Capital Assets	139,702,686	142,057,214	145,354,194	151,886,547	155,027,489	157,675,660	168,296,227	175,128,349	183,588,778	194,305,179
Restricted	2,751,550	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	4,193,000
Unrestricted	54,673,702	57,678,739	58,458,710	61,548,916	62,652,866	68,166,503	65,451,820	68,995,532	75,349,878	78,181,725
Total Business-type Activities Net Position	197,127,938	201,735,953	205,812,904	215,435,463	219,680,355	227,842,163	235,748,047	246,123,881	260,938,656	276,679,904
Primary Government										
Net Investment in Capital Assets	213,835,034	220,692,105	226,234,704	236,967,870	241,411,224	248,966,853	265,656,271	278,340,168	290,465,875	303,469,102
Restricted	13,931,676	14,516,772	17,266,981	20,203,910	25,230,058	29,183,762	31,102,410	33,711,520	36,119,094	43,003,100
Unrestricted	68,240,405	71,202,549	73,082,837	77,352,437	72,254,550	80,730,875	76,891,926	82,382,329	89,602,485	95,535,974
Total Primary Government Net Position	\$ 296,007,115	\$ 306,411,426	\$ 316,584,522	\$ 334,524,217	\$ 338,895,832	\$ 358,881,490	\$ 373,650,607	\$ 394,434,017	\$ 416,187,454	\$ 442,008,176

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$ 2,851,860	\$ 2,141,571	\$ 2,695,018	\$ 2,481,148	\$ 3,327,768	\$ 2,493,191	\$ 3,284,283	\$ 3,202,655	\$ 3,737,267	3,911,667
Law Enforcement	8,527,985	8,604,107	8,597,705	8,644,124	6,158,188	9,020,136	10,008,845	9,757,732	10,562,207	11,300,694
Fire Control	3,612,558	3,796,759	3,788,360	3,697,834	1,972,069	3,827,130	4,183,046	4,123,060	4,766,320	4,342,859
Building Inspections	459,024	427,941	440,927	436,897	498,870	510,092	531,696	574,436	631,896	682,069
Physical Environment	365,433	380,328	355,032	356,947	356,095	356,268	446,496	506,348	482,877	465,506
Roads and Streets	2,644,514	3,548,624	3,073,673	2,937,071	3,936,380	2,713,668	2,794,320	2,643,431	3,635,996	2,514,183
Human Services	20,000	20,000	10,296	-	-	-	-	-	-	-
Parks and Recreation	2,963,644	2,945,435	2,645,363	2,840,920	3,141,474	3,134,179	3,502,497	3,607,934	3,848,072	3,863,411
Interest on Long-term Debt	535,930	393,170	224,307	167,258	116,801	74,599	38,722	21,773	4,310	-
Total Governmental Activities Expenses	21,980,948	22,257,935	21,830,681	21,562,199	19,507,645	22,129,263	24,789,905	24,437,369	27,668,945	27,080,389
Business-type Activities:										
Electric	79,898,012	75,056,538	79,640,256	78,915,218	74,983,356	74,126,043	76,095,735	75,833,677	73,644,169	70,910,714
Water and Sewer	8,662,357	8,327,251	10,267,198	8,919,844	8,835,376	9,008,417	9,358,111	9,782,478	9,738,833	10,252,806
Stormwater	1,293,782	1,291,954	1,376,128	1,307,367	1,190,742	1,290,008	1,507,348	1,573,499	1,294,110	1,484,027
Sanitation	3,011,321	3,150,288	3,197,294	3,201,492	3,320,470	3,362,128	5,203,263	3,970,986	3,554,289	3,652,176
Golf Course	1,537,817	1,391,476	1,381,008	1,346,173	1,471,132	1,268,556	1,309,024	962,855	1,877,802	2,171,412
Leased Facilities	376,748	271,007	280,629	267,406	265,349	278,923	424,898	541,874	383,286	833,029
Natural Gas	897,732	1,187,673	1,359,485	1,529,129	1,350,599	1,201,664	1,506,490	1,611,079	1,592,891	1,293,532
Total Business-type Activities Expenses	95,677,769	90,676,187	97,501,998	95,486,629	91,417,024	90,535,739	95,404,869	94,276,448	92,085,380	90,597,696
Total Primary Government Expenses	117,658,717	112,934,122	119,332,679	117,048,828	110,924,669	112,665,002	120,194,774	118,713,817	119,754,325	117,678,085
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	54,617	53,182	66,802	74,677	77,737	73,132	65,947	64,540	67,387	66,255
Law Enforcement	145,164	156,311	163,486	169,424	187,102	187,762	131,667	127,957	203,998	139,910
Building Inspections	257,693	267,879	372,025	563,934	656,045	683,556	604,421	666,973	938,103	917,441
Physical Environment	23,866	14,791	8,619	3,758	15,238	12,371	15,185	11,260	29,169	24,120
Roads and Streets	129,850	229,084	217,998	177,144	200,975	170,746	163,799	175,360	275,640	898,622
Parks and Recreation	104,251	107,867	107,199	126,804	125,443	121,342	160,132	213,789	211,172	160,824
Operating Grants and Contributions	1,403,135	1,022,748	1,553,819	1,165,743	1,149,520	1,105,992	1,424,306	1,472,822	1,226,389	1,290,905
Capital Grants and Contributions	1,901,182	1,344,895	142,918	863,473	328,049	53,564	52,233	28,223	58,070	55,547
Total Governmental Activities	4,019,758	3,196,757	2,632,866	3,144,957	2,740,109	2,408,465	2,617,690	2,760,924	3,009,928	3,553,624
Program Revenues	4,019,758	3,196,757	2,632,866	3,144,957	2,740,109	2,408,465	2,617,690	2,760,924	3,009,928	3,553,624

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues (Concluded)										
Business-type Activities:										
Charges for Services:										
Electric	\$ 87,488,045	\$ 79,918,545	\$ 87,349,935	\$ 86,218,701	\$ 81,912,342	\$ 82,096,562	\$ 81,444,806	\$ 83,457,490	\$ 79,637,252	\$ 80,101,098
Water and Sewer	9,025,798	9,285,736	10,167,014	10,793,248	11,675,568	12,459,297	13,002,446	14,357,160	14,825,478	14,901,668
Stormwater	1,232,483	1,249,882	1,262,661	1,273,921	1,294,802	1,314,783	1,337,248	1,382,348	1,408,750	1,406,797
Sanitation	3,091,891	3,116,899	3,177,369	3,218,670	3,235,626	3,333,899	3,447,674	3,515,142	3,579,173	3,490,240
Golf Course	1,359,474	1,388,195	1,314,521	1,271,338	1,140,725	984,317	954,162	278,686	2,013,103	2,516,520
Leased Facilities	570,920	551,647	611,679	621,022	476,548	528,391	588,606	653,191	664,195	767,195
Natural Gas	1,114,296	1,579,134	1,729,246	2,100,135	2,017,973	1,869,071	2,068,186	2,221,745	2,162,732	1,788,412
Operating Grants and Contributions	-	196,737	6,713	-	-	-	1,518,177	1,459,055	23,204	55,062
Capital Grants and Contributions	1,888,820	996,393	620,087	3,154,807	861,845	489,894	661,152	349,628	458,010	499,544
Total Business-type Activities	105,771,727	98,283,168	106,239,225	108,651,842	102,615,429	103,076,214	105,022,457	107,674,445	104,771,897	105,526,536
Total Primary Government Program Revenues	109,791,485	101,479,925	108,872,091	111,796,799	105,355,538	105,484,679	107,640,147	110,435,369	107,781,825	109,080,160
Net (Expense) Revenue										
Governmental Activities	(17,961,190)	(19,061,178)	(19,197,815)	(18,417,242)	(16,767,536)	(19,720,798)	(22,172,215)	(21,676,445)	(24,659,017)	(23,526,765)
Business-type Activities	10,093,958	7,606,981	8,737,227	13,165,213	11,198,405	12,540,475	9,617,588	13,397,997	12,686,517	14,928,840
Total Primary Government Net Expense	(7,867,232)	(11,454,197)	(10,460,588)	(5,252,029)	(5,569,131)	(7,180,323)	(12,554,627)	(8,278,448)	(11,972,500)	(8,597,925)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	15,969,619	14,412,386	14,029,971	15,137,151	15,906,918	16,942,109	18,050,950	19,884,929	18,357,738	20,971,159
Franchise Taxes	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280
Infrastructure Surtax	975,611	997,077	1,055,321	1,112,859	1,195,504	1,242,584	1,300,026	1,384,739	1,436,666	1,395,678
Communication Service Tax	1,074,935	1,221,709	1,472,566	1,158,559	1,109,765	1,168,470	1,080,151	1,161,638	1,151,317	1,160,616
Convention Development Tax	221,509	224,402	283,358	298,019	344,940	363,370	372,921	414,030	423,275	320,451
Fuel Taxes	742,603	708,396	709,816	719,143	765,325	797,149	806,576	837,087	853,266	772,754
Other Taxes	252,578	611,181	628,673	718,854	702,174	728,276	653,051	618,215	632,425	682,804
State-shared Revenues	2,535,819	2,537,879	2,697,673	2,830,039	3,022,878	3,120,537	3,290,116	3,475,563	3,568,750	3,298,598
Other Intergovernmental Revenues	33,681	33,504	-	64,142	32,343	31,883	41,756	38,603	33,258	31,429
Interest	373,674	656,852	152,872	511,269	947,694	1,344,885	805,131	363,329	2,405,402	2,090,225
Miscellaneous	185,037	254,892	217,694	148,707	245,617	146,118	326,364	363,393	423,946	118,521
Net Transfers	(930,957)	3,757,807	4,355,039	4,030,356	3,236,898	5,653,987	2,303,126	3,766,229	2,306,356	2,758,724
Total Governmental Activities	21,439,389	25,421,365	25,608,263	26,734,378	27,515,336	31,544,648	29,035,448	32,313,035	31,597,679	33,606,239
Business-type Activities:										
Interest	610,607	758,841	55,453	487,702	1,019,905	1,275,320	591,422	828,004	4,413,572	3,570,132
Miscellaneous	-	-	-	-	-	-	-	68,325	21,042	1,000
Net Transfers	930,957	(3,757,807)	(4,355,039)	(4,030,356)	(3,236,898)	(5,653,987)	(2,303,126)	(3,766,229)	(2,306,356)	(2,758,724)
Total Business-type Activities	1,541,564	(2,998,966)	(4,299,586)	(3,542,654)	(2,216,993)	(4,378,667)	(1,711,704)	(2,869,900)	2,128,258	812,408
Total Primary Government	22,980,953	22,422,399	21,308,677	23,191,724	25,298,343	27,165,981	27,323,744	29,443,135	33,725,937	34,418,647
Change in Net Position										
Governmental Activities	3,478,199	5,796,296	6,410,448	8,317,136	10,747,800	11,823,850	6,863,233	10,636,590	6,938,662	10,079,474
Business-type Activities	11,635,522	4,608,015	4,437,641	9,622,559	8,981,412	8,161,808	7,905,884	10,528,097	14,814,775	15,741,248
Total Primary Government	\$ 15,113,721	\$ 10,404,311	\$ 10,848,089	\$ 17,939,695	\$ 19,729,212	\$ 19,985,658	\$ 14,769,117	\$ 21,164,687	\$ 21,753,437	\$ 25,820,722

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 18,000	\$ 41,640	\$ 41,640	\$ -	\$ -	\$ 1,807	\$ 77	\$ 1,193	\$ 2,291	\$ 4,714
Restricted										79,020
Committed	4,529,922	4,447,636	4,755,631	4,922,833	5,069,431	5,168,956	5,540,793	5,758,237	6,271,451	6,265,763
Assigned	3,723,744	4,607,248	4,243,808	4,560,255	4,312,870	5,050,075	5,029,759	5,712,790	7,537,043	8,001,876
Total General Fund	<u>\$ 8,271,666</u>	<u>\$ 9,096,524</u>	<u>\$ 9,041,079</u>	<u>\$ 9,483,088</u>	<u>\$ 9,382,301</u>	<u>\$ 10,220,838</u>	<u>\$ 10,570,629</u>	<u>\$ 11,472,220</u>	<u>\$ 13,810,785</u>	<u>\$ 14,351,373</u>
All Other Governmental Funds										
Restricted	\$ 14,163,932	\$ 15,417,977	\$ 14,965,981	\$ 17,824,995	\$ 22,860,797	\$ 26,836,531	\$ 28,742,329	\$ 31,944,567	\$ 33,726,706	\$ 38,442,868
Committed	12,756	6,548	6,549	5,955	6,066	6,194	7,994	6,007	3,121	5,164
Assigned	5,850,337	4,737,290	6,087,493	6,612,462	6,637,001	7,934,432	7,362,439	7,865,834	7,198,956	10,047,394
Total All Other Governmental Funds	<u>\$ 20,027,025</u>	<u>\$ 20,161,815</u>	<u>\$ 21,060,023</u>	<u>\$ 24,443,412</u>	<u>\$ 29,503,864</u>	<u>\$ 34,777,157</u>	<u>\$ 36,112,762</u>	<u>\$ 39,816,408</u>	<u>\$ 40,928,783</u>	<u>\$ 48,495,426</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 19,241,635	\$ 18,192,431	\$ 18,144,485	\$ 19,178,564	\$ 20,021,606	\$ 21,228,237	\$ 22,273,155	\$ 24,271,318	\$ 22,847,169	\$ 25,332,542
Licenses and Permits	261,309	367,855	559,485	568,985	682,161	679,820	592,151	650,985	942,091	1,556,531
Intergovernmental	3,970,159	3,719,817	3,808,754	3,930,997	4,079,434	4,207,812	4,665,075	4,844,846	4,800,083	4,590,750
Charges for Services	763,837	696,313	465,176	388,582	356,036	351,926	382,336	444,799	559,815	414,576
Fines and Forfeitures	234,427	701,853	277,193	305,076	332,099	259,869	239,465	201,815	250,244	301,027
Interest and Other Revenue	479,251	891,669	411,091	717,985	1,173,919	1,450,768	1,126,585	760,051	2,644,066	2,312,513
Total Revenues	24,950,618	24,569,938	23,666,184	25,090,189	26,645,255	28,178,432	29,278,767	31,173,814	32,043,468	34,507,939
Expenditures										
Current:										
General Government	2,294,556	2,141,672	2,078,157	2,413,022	2,862,341	2,556,750	2,800,432	2,712,795	2,866,277	2,905,661
Public Safety	12,232,634	12,397,347	12,431,333	11,993,522	12,649,752	12,874,674	13,350,078	13,892,257	15,014,400	15,383,041
Physical Environment	21,756	36,651	11,355	13,270	11,417	9,651	81,029	114,600	98,436	70,743
Roads and Streets	1,879,617	2,640,093	1,855,298	1,799,476	2,886,824	1,584,109	1,769,416	1,757,092	2,921,604	1,725,376
Human Services	20,000	20,000	10,296	-	-	-	-	-	-	-
Parks and Recreation	2,541,479	2,436,193	2,461,887	2,419,924	2,739,420	2,783,261	2,900,618	3,109,305	3,297,899	3,203,695
Debt Service:										
Principal	2,665,155	2,484,674	2,243,579	1,865,466	1,545,800	1,581,880	955,000	980,000	490,000	-
Interest	535,930	393,170	224,307	167,258	116,801	74,599	38,722	21,773	4,310	-
Capital Outlay	3,527,703	4,797,283	5,953,542	4,508,926	2,689,003	4,757,047	9,551,371	7,796,984	7,947,720	7,394,715
(Total Expenditures)	(25,718,830)	(27,347,083)	(27,269,754)	(25,180,864)	(25,501,358)	(26,221,971)	(31,446,666)	(30,384,806)	(32,640,646)	(30,683,231)
(Deficiency) of Revenues										
(Under) Expenditures	(768,212)	(2,777,145)	(3,603,570)	(90,675)	1,143,897	1,956,461	(2,167,899)	789,008	(597,178)	3,824,708
Other Financing Sources (Uses)										
Proceeds from Borrowing	-	6,495,000	-	-	-	-	-	-	-	-
Principal - Current Refundings	-	(6,495,000)	-	-	-	-	-	-	-	-
Transfers in	6,898,043	5,730,018	6,948,406	6,930,317	7,550,022	7,466,111	7,188,855	7,540,195	6,987,402	8,182,686
Transfers (out)	(6,795,851)	(1,993,225)	(2,502,073)	(3,014,244)	(3,734,254)	(3,310,742)	(3,335,560)	(3,723,966)	(2,939,281)	(3,900,166)
Total Other Financing Sources (Uses)	102,192	3,736,793	4,446,333	3,916,073	3,815,768	4,155,369	3,853,295	3,816,229	4,048,121	4,282,520
Net Change in Fund Balance	\$ (666,020)	\$ 959,648	\$ 842,763	\$ 3,825,398	\$ 4,959,665	\$ 6,111,830	\$ 1,685,396	\$ 4,605,237	\$ 3,450,943	\$ 8,107,228
Debt Service as a % of Noncapital Expenditures*	14.9%	13.0%	11.9%	9.9%	7.5%	7.8%	4.6%	4.6%	2.1%	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

FY 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				
2011	2,729,906,452	70,349,911	2,800,256,363	1,072,136,657	3,872,393,020	4.0947	72.31%
2012	2,466,653,081	61,937,314	2,528,590,395	909,443,385	3,438,033,780	4.0947	73.55%
2013	2,403,105,199	64,283,151	2,467,388,350	862,135,188	3,329,523,538	4.0947	74.11%
2014	2,428,035,702	63,450,619	2,491,486,321	865,057,320	3,356,543,641	4.0947	74.23%
2015	2,600,643,517	66,537,759	2,667,181,276	1,109,561,873	3,776,743,149	3.9947	70.62%
2016	2,814,151,792	80,641,926	2,894,793,718	1,259,519,810	4,154,313,528	3.8947	69.68%
2017	3,027,805,594	96,405,964	3,124,211,558	1,340,803,509	4,465,015,067	3.7947	69.97%
2018	3,249,073,173	99,904,354	3,348,977,527	1,419,311,962	4,768,289,489	3.9947	70.23%
2019	3,498,864,284	108,836,408	3,607,700,692	1,599,153,996	5,206,854,688	3.9947	69.29%
2020	3,713,763,339	109,049,032	3,822,812,371	1,566,454,924	5,389,267,295	3.9947	70.93%

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		
2011	4.0947	0.0345	0.4158	7.8440	6.7446	19.1336
2012	4.0947	0.0345	0.3313	7.5530	6.7446	18.7581
2013	4.0947	0.0345	0.3313	7.6000	6.7446	18.8051
2014	4.0947	0.0345	0.3283	7.3880	8.1512	19.9967
2015	3.9947	0.0345	0.3164	7.3050	8.1512	19.8018
2016	3.8947	0.0320	0.3023	7.1170	8.1512	19.4972
2017	3.7947	0.0320	0.2885	6.8020	8.1512	19.0684
2018	3.9947	0.0320	0.2724	6.4850	8.1512	18.9353
2019	3.9947	0.0320	0.2562	6.2930	8.1512	18.7271
2020	3.9947	0.0320	0.2414	6.1500	8.1512	18.5693

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 2019 and Nine Years Ago

	2020			2011		
	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	\$ 40,450,700	1	1.09%	\$ 20,913,970	1	0.77%
Hampton Inn Oceanfront	34,237,400	2	0.92%			0.00%
Courtyard Marriott- Beachfront	32,005,900	3	0.86%	12,828,716	5	0.47%
Ocean Park Partnership, Ltd.	30,999,389	4	0.83%	15,566,100	4	
South Beach Regional Shopping Center	28,982,000	5	0.78%	16,303,300	2	0.60%
Pablo Plaza	18,307,200	6	0.49%	15,713,000	3	0.58%
Beach Marine	16,092,381	7	0.43%	12,317,100	6	0.45%
Marsh Landing Plaza	13,516,100	8	0.36%			
South Beach Parkway Shopping Center	12,962,900	9	0.35%	9,496,500	7	0.35%
Hampton Inn Ponte Vedra A1A & JT B	12,111,800	10	0.0033			
Comfort Inn				9,032,922	8	0.33%
Gordon Bank				8,996,700	9	0.33%
Adventure Landing				8,980,203	10	0.33%
Total	<u>\$ 239,665,770</u>		<u>6.44%</u>	<u>\$ 130,148,511</u>		<u>4.21%</u>
Total Assessed Real Property Valuation from Schedule 5	<u>\$ 3,713,763,339</u>			<u>\$ 2,729,906,452</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>
2011	8,226,648	7,614,044	92.55%	46,735	7,660,779	93.12%
2012	7,494,073	7,008,399	93.52%	54,150	7,062,549	94.24%
2013	7,365,825	6,886,688	93.50%	88,106	6,974,794	94.69%
2014	7,412,686	7,017,198	94.66%	54,624	7,071,822	95.40%
2015	7,756,009	7,351,558	94.79%	48,357	7,399,915	95.41%
2016	8,292,080	7,845,052	94.61%	66,708	7,911,760	95.41%
2017	8,699,388	8,008,400	92.06%	423,672	8,432,072	96.93%
2018	9,831,502	9,062,838	92.18%	341,173	9,404,011	95.65%
2019	10,654,284	10,101,419	94.81%	237,715	10,339,134	97.04%
2020	11,327,634	10,516,809	92.84%	454,850	10,971,659	96.86%

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)	
2011	\$ 5,256,399	\$ -	\$ 6,890,000	\$ 12,146,399	\$ 20,956,620	\$ 632	\$ 14,623,380	\$ 1,517	\$ 451,040	\$ 47	
2012	3,601,725	-	6,060,000	9,661,725	18,971,690	570	13,238,310	1,363	-	-	
2013	2,233,146	-	5,185,000	7,418,146	17,573,746	524	12,262,835	1,243	-	-	
2014	1,267,680	-	4,285,000	5,552,680	15,379,185	453	10,731,486	1,070	-	-	
2015	646,880	-	3,360,000	4,006,880	13,151,582	382	9,177,080	885	-	-	
2016	-	-	2,425,000	2,425,000	10,874,050	313	7,587,834	732	-	-	
2017	-	-	1,470,000	1,470,000	8,550,349	246	5,966,373	574	-	-	
2018	-	-	490,000	490,000	6,178,302	177	4,311,174	414	-	-	
2019	-	-	-	-	3,752,911	108	2,618,754	252	-	-	
2020	-	-	-	-	1,266,350	36	883,650	84	-	-	

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)
2011	\$ 36,031,040	\$ 48,177,439	5.64%	\$ 2,247
2012	32,210,000	41,871,725	4.74%	1,937
2013	29,836,581	37,254,727	4.42%	1,716
2014	26,110,671	31,663,351	3.59%	1,430
2015	22,328,662	26,335,542	2.79%	1,155
2016	18,461,884	20,886,884	2.10%	897
2017	14,516,722	15,986,722	1.53%	680
2018	10,489,476	10,979,476	1.01%	467
2019	6,371,665	6,371,665	0.57%	273
2020	2,150,000	2,150,000	N/A	92

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
2011	\$ 5,256,399	0.66%	\$ -	\$ -	\$ 6,890,000	\$ 321	\$ 12,146,399	\$ 567
2012	3,601,725	0.52%	-	-	6,060,000	280	9,661,725	447
2013	2,233,146	0.33%	-	-	5,185,000	239	7,418,146	342
2014	1,267,680	0.19%	-	-	4,285,000	194	5,552,680	251
2015	646,880	0.09%	-	-	3,360,000	147	4,006,880	176
2016	-	0.00%	-	-	2,425,000	104	2,425,000	104
2017	-	0.00%	-	-	1,470,000	63	1,470,000	63
2018	-	0.00%	-	-	490,000	21	490,000	21
2019	-	0.00%	-	-	-	-	-	-
2020	-	0.00%	-	-	-	-	-	-

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, 2020
(Dollars in Thousands)

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

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

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

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

Fiscal Year	Electric, Water, and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Debt Service Coverage
				Principal	Interest	
2011	\$ 96,513,843	\$ (80,364,222)	\$ 16,149,621	\$ 3,285,000	\$ 1,465,407	3.40
2012	89,204,281	(75,143,438)	14,060,843	3,370,000	1,126,637	3.13
2013	97,516,949	(79,894,096)	17,622,853	3,370,000	1,051,313	3.99
2014	97,011,949	(78,759,103)	18,252,846	3,460,000	966,588	4.12
2015	93,587,910	(74,744,539)	18,843,371	3,555,000	870,938	4.26
2016	94,555,859	(74,581,123)	19,974,736	3,680,000	745,588	4.51
2017	94,447,252	(76,524,604)	17,922,648	3,800,000	634,688	4.04
2018	97,814,650	(77,018,181)	20,796,469	3,925,000	498,219	4.70
2019	97,814,650	(77,018,181)	20,796,469	4,060,000	366,925	4.70
2020	95,002,766	(72,450,850)	22,551,916	4,210,000	213,100	5.10

(1) Excludes depreciation expense.

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
2011	21,441	10.3%	\$ 39,858	\$ 854,595,378
2012	21,615	9.3%	40,905	884,161,575
2013	21,713	7.5%	38,805	842,572,965
2014	22,136	6.5%	39,893	883,071,448
2015	22,805	6.0%	41,339	942,735,895
2016	23,288	4.9%	42,617	992,464,696
2017	23,503	4.6%	44,347	1,042,287,541
2018	23,494	3.6%	46,174	1,084,811,956
2019	23,352	3.4%	47,475	1,108,636,200
2020	23,394	6.0%	N/A	N/A

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

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

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

N/A - Not yet available

Schedule 15
City of Jacksonville Beach, Florida
Principal Employers
Fiscal Year 2020 and Nine Years Ago

Employer	2020			2011		
	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
Marine Corp Support Facility	1,500	2	N/A			
Baptist Medical Center - Beaches	800	3	N/A	800	2	N/A
Honeywell Technology Solutions	570	4	N/A	570	5	N/A
City of Jacksonville Beach (1)	400	5	N/A	400	7	N/A
Optimum Healthcare IT	385	6	N/A			
U.S. Coast Guard	300	7	N/A	320	8	N/A
Fleet Landing	280	8	N/A			
St. Johns River Power Park	270	9	N/A			
Avante at Jax Beach	250	10	N/A			
Ponte Vedra Inn and Club				650	3	N/A
PGA Tour, Inc.				620	4	N/A
Sawgrass Marriott				450	6	N/A
Vicars's Landing				320	9	N/A
TPC Sawgrass				320	10	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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	15	14	13	13	14	14	14	14	14	16
Finance*	33	33	33	33	38	39	42	41	44	45
Planning and Development	8	8	8	8	9	10	10	10	10	10
Electric	76	78	77	75	75	75	75	75	72	72
Central Services	4	4	4	4	0	0	0	0	0	0
Redevelopment**	0	0	0	0	1	1	1	0	0	0
Public Works	65	65	65	65	66	66	67	67	68	70
Human Resources	7	8	7	7	7	6	6	6	6	6
Parks and Recreation***	100	99	98	98	98	100	100	100	100	99
Grounds and Maintenance	9	8	8	7	7	7	7	7	9	9
Golf Course	27	26	26	25	25	25	25	24	27	27
Police	94	95	95	96	100	100	102	102	103	103
Fire Fighters	31	31	31	31	31	31	31	31	31	31
Total	469	469	465	462	471	474	480	477	484	488

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.

*** Beginning in 2010, the number of lifeguards increased due to the use of part-time employees. The total budgeted dollars remained unchanged.

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Physical Arrests	1,192	1,573	1,398	1,568	1,582	1,470	1,992	1,932	1,980	1,452
Parking Violations	3,085	3,267	2,331	2,200	2,640	2,016	1,833	1,501	1,231	1,231
Law Violations	3,520	2,292	3,152	5,004	2,322	1,845	3,143	3,536	3,092	2,325
Fire										
Emergency Incidents	3,161	3,063	3,104	3,040	3,195	3,401	3,643	3,298	3,399	0
Inspections (Total)	2,169	2,275	1,839	1,580	1,852	1,797	1,857	2,442	2,154	0
Other Public Works										
Street Resurfacing (Miles)	4.90	8.10	0.00	0.00	7.36	0.00	1.57	1.17	2.82	1.07
Electric										
Number of Active										
Electric Customers	33,147	33,303	33,535	33,966	34,433	34,711	34,738	34,815	34,900	35,171
Average Residential										
Monthly Consumption										
(Kilowatt Hours)	1,368	1,232	1,209	1,239	1,253	1,246	1,178	1,219	1,231	1,233
Water										
Number of Active										
Water Customers	9,642	9,711	9,865	10,029	10,204	10,369	10,398	10,405	10,399	10,520
Average Residential Monthly										
Consumption (Gallons)	4,530	4,029	4,014	4,038	3,083	3,926	4,146	4,255	4,389	4,191
Wastewater										
Number of Active Wastewater										
Customers	9,502	9,569	9,691	9,872	10,036	10,217	10,246	10,261	10,254	10,375
Storm Mains Cleaned (Feet)	36,297	33,010	23,821	23,530	33,153	34,733	33,791	22,543	17,584	8,078

Source: City of Jacksonville Beach Annual Budget & Department Directors

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations (Including Satellite Stations)	2	2	2	2	1	1	1	1	1	1
Patrol Units	73	51	51	51	76	76	79	80	80	83
Fire Stations	2	2	2	2	2	2	2	2	2	0
Other Public Works										
Paved Roads (Miles)	89	77	77	77	89	89	90	90	90	90
Streetlights	5,385	5,659	5,659	5,659	5,493	5,538	5,909	5,582	5,613	5,643
Water										
Water Mains (Miles)	110	105	105	105	109	109	109	109	109	109
Production Wells	6	6	6	6	6	6	6	6	6	6
Fire Hydrants	858	858	870	873	895	895	900	909	909	909
Wastewater										
Sanitary Sewer Mains (Gravity, in Miles)	85	83	83	83	85	85	85	85	85	85
Sanitary Sewer Mains (Force, in Miles)	18	16	16	16	18	18	18	18	18	18
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Lift Stations	38	34	34	34	38	38	38	38	38	38
Treatment Capacity (Millions of Gallons)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Parks and Recreation										
Acreage*	84	84	84	86	86	86	86	210	210	210
Parks	10	11	11	11	11	11	11	16	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, 2020
CITY OF JACKSONVILLE BEACH, FLORIDA**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Award Amount	Federal Expenditures
Federal Awards				
U.S. Department of Homeland Security				
Passed Through Florida Division of Emergency Management (FEMA)				
Disaster Grants - Public Assistance	97.036	N/A	\$ 61,130	\$ 61,130 (1)
U.S. Department of Housing and Urban Development				
Passed Through City of Jacksonville				
Community Development Block Grant	14.218	3177-98	142,366	142,366
U.S. Department of Justice				
Passed Through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAGC-DUVA-2-Y5-138	50,385	
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAGD-DUVA-3-Y6-063	9,108	8,964
Subtotal CFDA #16.738			<u>59,493</u>	<u>8,964</u>
U.S. Department of Justice				
Federal Equitable Sharing Agreement	16.922	N/A	5,535	5,535
Bullet Proof Vest Grant Program	16.607	N/A	10,803	
Subtotal U.S. Department of Justice			<u>16,338</u>	<u>5,535</u>
Total U.S. Department of Justice			<u>75,831</u>	<u>14,499</u>
Total Federal Awards			<u>\$ 279,327</u>	<u>\$ 217,995</u>

(1) - The Office of Management and Budget (OMB) requires that only expenditures that were approved by FEMA during the fiscal year be reported on the Schedule of Federal Awards (SEFA).

**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). For the fiscal year ended September 30, 2020, the City's federal grant expenditures did not exceed the \$750,000 threshold. Therefore, a federal single audit was not required.

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2020. 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, 2020
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 2019 - 2020 Grant No. 3177-98 - \$142,366

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville Beach, Florida, (the City), as of and for the year ended September 30, 2020, 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 23, 2021.

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 may exist that have not been identified.

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***

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 23, 2021
Tallahassee, Florida

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

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

We have examined the City of Jacksonville Beach, Florida's (the City) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2020, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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 23, 2021
Tallahassee, Florida

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 year ended September 30, 2020, and have issued our report thereon dated February 23, 2021.

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 and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on an examination conducted in accordance with the *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 23, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1, *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address finding 2019-01 disclosed in the preceding financial audit report. The following finding was disclosed in the preceding audit report and has not been resolved.

2019-2 Work Order Closings

Condition – During our review of work orders in the Electric Fund, we noted that work orders are not being closed into the plant accounts in a timely manner upon completion. The delay in closing the work orders appears to be due to staffing changes in the City's finance department.

Effect – Not closing work orders can lead to under depreciation of the City's electric utility system and could impact future rate making decisions. The amount of under depreciation of the work orders for the fiscal year ended September 30, 2019 was not considered to be material to the Electric Fund as a whole.

Recommendation – We recommend that work orders be closed to the plant accounts in a timely manner.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

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

MANAGEMENT LETTER

Current Year Status – Management has made progress in closing out older work orders. However, there are a small number of work orders from 2017 that still need to be closed. In addition, there are a larger number of work orders from 2018 and 2019 that still need to be researched closed to the plant accounts. The impact of the under depreciation on the system for the fiscal year ended September 30, 2020 was not considered to be material to the Electric Fund as a whole. Additionally, we noted there are some minor unreconciled differences between the work order subsidiary ledgers and the corresponding working trial balance amounts. We recommend these differences be researched and the appropriate records adjusted accordingly.

Official Title and Legal Authority

Section 10.554(1)(i)4, *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was established in 1907 and incorporated in 1937, under the legal authority of the Laws of Florida 18623. In addition, the annual financial audit report for the City also includes the accounts and transactions of the entities noted below. The Jacksonville Beach Community Redevelopment Agency is considered a blended component unit and was established pursuant to Chapter 163 of the Florida Statutes.

Financial Condition and Management

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

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

Additional Matters

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

Purpose of this Letter

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

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

MANAGEMENT LETTER

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

Purvis Gray

February 23, 2021
Tallahassee, Florida

City of
Jacksonville Beach
City Hall
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Jacksonville Beach
FL 32250
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February 25, 2021

Auditor General's Office
Local Government Section
Claude Denson Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Response to Auditor's Management Letter Comments

The following is the City of Jacksonville Beach's response to the independent auditor's management letter comments.

2019-2 Work Order Closings

Condition – During our review of work orders in the Electric Fund, we noted that work orders are not being closed into the plant accounts in a timely manner upon their completion. The delay in closing the work orders appears to be due to staffing changes in the finance department.

Effect – Not closing work orders can lead to under depreciation of the electric utility system. The amount of under depreciation of the work orders for the fiscal year ended September 30, 2019 was not considered to be material to the Electric Fund as a whole.

Recommendation – We recommend that work orders be closed to the plant accounts in a timely manner.

Current Year Status – Management has made progress in closing out older work orders. However, there are a small number of work orders from 2017 that still need to be closed. In addition, there are a larger number of work orders from 2018 and 2019 that still need to be researched, closed and unitized to the plant accounts. The impact of the under depreciation for the fiscal year ended September 30, 2020 was not considered to be material to the Electric Fund as a whole. Additionally, we noted there are some small unreconciled differences between the work order subsidiary ledgers and the corresponding working trial balance amounts. We recommend these differences be researched and the appropriate records adjusted accordingly.

Management's Response to Comment 2019-2 – Work Order Closings

The City agrees with the auditor's comments and will implement the recommendation.

In 2018, the City converted its general ledger, accounts payable, and purchasing software modules to a new enterprise resource planning (ERP) system, however, the work order (job costing) and fixed asset systems remain in the legacy software system. Any electric infrastructure capital expenditures must be exported back to the legacy

system before a work order may be closed to a plant account for depreciation. As a result, the reconciliation process is more complex and time consuming.

During 2020, training was conducted and staff made significant progress. Administration has directed additional staff resources in the electric department to help complete the prior year closeouts and to proactively monitor work order activities to ensure that transactions are correctly processed between the two software systems, thus reducing the potential for future reconciling items.

The City intends to seek out a new asset management and job costing software that integrates with the chosen ERP system to eliminate the manual import/export processes.

